The political character of the Asian and Pacific region is now being rudely shaken by the consequences of the Vietnam War. It is timely, therefore, to survey the present situation and the likely course of events in the region.

Three broad themes emerge from this book: the fundamental change of mood in the United States and the likely consequences of a reduced American presence in Asia; the extent to which Japan is expected to dominate the region in the seventies; and the probable course of the ANZUS relationship itself.

Three national viewpoints are reflected in the arguments of the contributors. The American view is preoccupied not only with the interests of the United States but with the shaping of events themselves. Australian and New Zealand concerns, however, are generally seen to be focused more specifically on the likely consequences of events on their own interests.

If one concluding thought emerges, it is a pessimistic one. This is a time of revolutionary change throughout the world and especially in Asia. The world is less manageable than was once supposed. The crust of order, whether international or domestic, is dangerously thin. This is a survey of vital concern to all students of Asia, the Pacific, and the United States.
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Abbreviations

ABM  Anti-ballistic missile
AID  Agency for International Development
AIIA  Australian Institute of International Affairs
AMDA  Anglo-Malaysian Defence Agreement
ANZUS  Australia, New Zealand, United States Treaty Council
ASEAN  Association of Southeast Asian Nations
ASPAC  Asia and Pacific Council
BSIP  British Solomon Islands Protectorate
CPR  Chinese People's Republic
DAC  Development and Assistance Committee (of OECD)
DMZ  Demilitarised zone
ECAFE  Economic Commission for Asia and the Far East
EEC  European Economic Community
GATT  General Agreement on Tariffs and Trade
GEIC  Gilbert and Ellice Islands Colony
GNP  Gross National Product
ICBM  Intercontinental ballistic missile
MFN  Most Favoured Nation
MIRV  Multiple, independently-targeted, re-entry vehicles
MRBM  Medium range ballistic missile
NAFTA  New Zealand—Australia Free Trade Agreement
NATO  North Atlantic Treaty Organisation
NZIIA  New Zealand Institute of International Affairs
OECD  Organisation for European Co-operation and Development
PAFTA  Pacific Area Free Trade Agreement
SACEUR  Supreme Allied Commander Europe
SALT  Strategic Arms Limitation Talks
SEATO  Southeast Asia Treaty Organisation
TPNG  Territory of Papua and New Guinea
UNCTAD  United Nations Conference for Trade and Development
Introduction

BRUCE BROWN

This book contains the texts of the papers read and an account of the often robust discussion at a conference held in Canberra at the end of February 1970 to consider Australian-New Zealand-United States relations and the common problems which the three ANZUS countries might expect to face.*

The conference was an unofficial meeting, although a number of officials from the three countries attended, in effect as observers. It was organised by the Director of the Australian Institute of International Affairs, Dr T. B. Millar, and was convened by his Institute, the New Zealand Institute of International Affairs, and the Institute for Defense Analyses of Washington, with the support also of the Australian National University, Canberra. The idea for the meeting evolved during 1969 from discussions among various officers of the three Institutes in which it was jointly concluded that a timely assessment of foreign policy interests might be undertaken by such a conference. It was agreed further that it would be appropriate for the meeting to be held in Canberra. I should like to express the gratitude of all participants to our hosts, the Australian Institute and the Australian National University.

The ten papers prepared for the meeting covered the present situation and the likely course of events in the Asian and Pacific regions, and presented national views of the situation and future problems. The conference concluded with two reviews concerned broadly with political and economic aspects and strategic aspects respectively.

So many issues were raised in these papers—as will be obvious—that effective discussion at the meeting developed by a process almost of natural selection. Each major issue had its season and tended to dominate a session to the exclusion of other important questions which may have been raised by a paper. In most cases these other issues were explored on a later occasion. Inevitably, also, specific questions—for example, the role of Japan, the implications of the Nixon doctrine, and

the Australian and New Zealand military commitment to Malaysia and Singapore—tended to straddle sessions, as participants developed their arguments in the light of further reflection. I have tried to represent the discussion fairly, the more so since it contained a number of blunt exchanges, but to avoid excessive repetition I have tidied it by grouping arguments on particular issues. If the accounts of the discussion are read in direct succession the course of argument can readily be followed. Because the meeting was of a private character, I have not identified participants in the discussion individually, other than where a contributor of a paper or commentator was clearly concerned, but have indicated a national viewpoint where that was relevant.

There are obvious dangers in essays in prediction, even when grounded in well-informed contemporary assessments, for it is all too easy to project present trends into the future. We were reminded during the conference that had a similar exercise been undertaken in 1960, on the basis of experience in the 1950s, we should all, looking back now from the vantage point of 1970, have sustained some shocks. Despite this salutary warning, or perhaps because of it, the focus of concern was generally on the foreground of the 1970s, the years immediately ahead, rather than on the years nearer 1980.

It may be said that three broad themes emerged from both papers and discussion: firstly, the fundamental change of mood in the United States and the likely consequences of a reduced American presence in Asia; secondly, likely developments in the region particularly the predominance expected to be exercised by Japan; and finally, the probable course of the ANZUS relationship, in which there were expectations of continued growth of bilateral political and economic relations, but a difference of opinion about the contention that the strategic aspects of the alliance would be likely to loosen and decline in importance during the decade.

The dominant theme was undoubtedly the change of mood in the United States from that of the fifties and sixties and some time was spent in dissecting the formulations of the new policy, or new attitude, set out by President Nixon at Guam in November 1969 and his special foreign policy statement to Congress of 18 February 1970. There were sharp differences of opinion about the meaning of these statements and, more important, the likely course of American policy in future. At one end of the spectrum, there were those who thought that what was happening in the United States was change of a fundamental character, that the 'Guam doctrine' or the 'Nixon doctrine' was but a staging post along a road which might lead towards a new isolationism; at the other end, there were those who argued that the United States, having become over-extended in Asia, was certainly retrenching but not withdrawing, that there would now be a cautious rather than militant attitude to
INTRODUCTION

possibilities of American military intervention, but that public moods of 'never again' were transient.

Within the region, the clearest, most accepted development was the growing power of Japan. China, by contrast, was relatively neglected and in fact was considered chiefly from the point of view of the likely reactions of other Asian and Pacific states with a potential nuclear capacity—India, Japan, and Australia—to the development and refinement of Peking's nuclear armoury. China was not widely regarded as likely to pose a major political or conventional military threat in the immediate future, in part because of its domestic preoccupations, and in part because it was expected that the Sino-Soviet difficulties would not speedily be resolved. A multi-polar type of great power situation, involving the United States, the Soviet Union, China, and Japan was thus envisaged. India was left out of this league as a prime actor, except in two respects: the repercussions which might follow in the region from an Indian decision to make nuclear weapons; and the extent to which India was likely to prove accommodating to Soviet aspirations to play a greater political and naval role in Southeast Asia and the Indian Ocean.

The containing of nuclear proliferation was one of the themes which ran through the conference. This was broadly accepted as a desirable objective but it was argued that the chances for success had been diminished by contemporary trends in American Asian policy which were likely to make less credible United States guarantees to Asian states of protection from nuclear blackmail.

The economic prospects for the region as a whole and for the ANZUS countries especially were also examined. It was concluded that while the revolution in seed strains and agricultural techniques described as the 'green revolution' might solve the problem of hunger in the Asian region in the 1970s—for a time—it would not necessarily meet problems of malnutrition and it could well, incidentally, create severe dislocation in the existing trading pattern within the region. The growing interest of the three ANZUS countries in their trade relations with one another—for example, American investment in Australia and New Zealand, and Australian and New Zealand campaigns to secure better access for their primary exports to the huge market of the United States—were also explored. The inter-dependence of the economies particularly with Japan, and their common interests vis-à-vis the EEC, were other matters discussed.

There were many differences of viewpoint and of emphasis in the consideration of these and other issues. In part, this resulted from differences in national perspective. The American view was generally a global one, preoccupied not only with the interests of the United States and the likely course of American policy but with the shaping of events themselves—a natural viewpoint for spokesmen coming from a nation whose
policies are commonly the most decisive element in a situation and whose national thinking becomes attuned accordingly. Australian and New Zealand concerns—not exclusively but generally—were narrower, and focused more specifically on the likely consequences of events on their own lives, and what if anything they could do about them. New Zealanders are not accustomed to thinking of their actions as being internationally or even regionally decisive, and Australians are less accustomed to it than, at least in a regional sense, perhaps they should be.

Obviously, too, disagreement arose from differing personal attitudes and political assumptions. Whether a speaker concluded that the ANZUS alliance would be likely to wax or to wane in the 1970s depended to some extent on whether he chose to stress strategic aspects of the alliance, its security content based on the ANZUS Treaty itself, or a broader view in which both Australia and New Zealand envisaged an enhanced bilateral relationship with the United States in the 1970s. Similarly, viewpoint on the likely course of American foreign policy in Asia and the Pacific as a whole and the freedom of action which an Administration was likely to have depended partly on the elements of opinion within the American community to which a speaker chose to listen: the executive or the congressman, the bureaucracy or the universities.

What became clear at the conference was that the change of American policy in Vietnam and the various political pronouncements which have since sought to explain it and lay down guidelines for the future have caused more anxiety among regional allies, notably Australia, than may have been expected. It is suspected abroad that a process of American withdrawal or retrenchment has begun but is not yet completed. The American operation in Cambodia after the deposition of Prince Sihanouk took place after the conference and may have offered comfort to some about the readiness of the Administration to intervene if judged necessary (irrespective of any argument about the wisdom of a particular decision). The vehemence of public reaction, however, could equally be taken as an ominous illustration of the growing political constraints which surround the Presidency.

It is not possible for a conference of this type to produce a series of neat and agreed conclusions about the future. Even if complete agreement had been attained—which was not so—it would not necessarily have rendered the judgments any more valid. If there is one conclusion that emerged it is a pessimistic one. If we look back to the expectations of 1960 or further, to those of 1945, we can only reflect that the world is less governable than was supposed. This has been a time of revolutionary change. The crust of order, whether international or domestic, has proved to be dangerously thin.

Author's footnotes are numbered within each paper; editorial footnotes are marked by an asterisk.
The Region in the 1970s
I : East Asia in the 1970s

'The 70s of the Twentieth Century will be the era in which imperialism will rapidly approach its extinction.'

New China News Agency, 23 November 1969

RALPH N. CLOUGH

Lacking the New China News Agency writer's confidence in historical determinism, we may find it more difficult than he did to define in advance the main characteristic of the coming decade. Prediction is especially uncertain in East Asia, which has been marked since World War II by more conflict, turbulence, and dramatic change than any other major region of the world. It is one of those crossroads where the policies of four big powers intersect and the way in which they interact with each other in the 1970s may have a major impact upon the rest of the world.

A distinctive characteristic of the last twenty years in East Asia has been the extent to which the big powers themselves have been directly involved in warfare. Even in this respect, however, each of the past two decades differed sharply from the other, and the coming decade will probably resemble neither. The main theme of the 1950s was the military confrontation between the United States and China, first in Korea, next in the Taiwan Strait, against a background of Sino-Soviet collaboration. During the 1960s the danger of war between the United States and China loomed briefly over Vietnam, but later faded, leaving as the main trend of the period the deepening hostility between Moscow and Peking, culminating in the military clashes of 1969. Korea and the Taiwan Strait, which had been the focus of conflict in the previous decade, remained relatively quiet.

What will be the dominant theme of the 1970s? Will it be war or near-war over one of the three flashpoints of trouble in the region: the Sino-Soviet border, Korea, or the Taiwan Strait? Will a military confrontation in the region arise out of trouble in Southeast Asia? Or will the decade be marked more by diplomatic manoeuvre than by the clash of arms?

China and Russia: War over the Border?

War between China and Russia in the next decade seems somehow more possible than between the United States and China. Perhaps it is
just that recent events have left a sharper impression on the mind, or
that the propaganda on both sides is so virulent. Even if these things are
discounted, however, there remains an uneasy feeling that we in the
West know too little about the protagonists to predict their behaviour
with any confidence. Wars, after all, are rarely based on coldly rational
calculations and it is hard to judge the depth of emotion on each side,
the suspicions and miscalculations, and the possibility of cumulative
bureaucratic bungling.

Still, on the basis of those things we can judge, Moscow and Peking
seem unlikely to go to war. However intensely the Chinese may believe
in their right to territory taken from China by Tsarist 'unequal treaties',
they prudently declared in the Chinese Government Statement of 9
October 1969 that they had 'never demanded the return' of such terri­
tory. China is too weak militarily to hold any hope of successfully attack­
ing the Soviet Union. Such an attack could only provoke a devastating
counter-blows in which China's vulnerable nuclear facilities would
probably be one of the first targets. Chinese behaviour has reflected this
condition of weakness. The Chinese toned down their war clamour
quickly after the second Ussuri River clash in the spring of 1969. Follow­
ing a Soviet campaign of threats, they also dropped their insistence on
Soviet acknowledgement of the inequality of the Tsarist treaties as a
precondition for the negotiations which began in October of that year.
Chinese military deployments in the border regions are clearly defensive,
as are their preparations for possible war.

The Soviets have the power to cripple China with a sharp blow. Their
military buildup in the border regions during the past several years has
put them in a position to do so with little warning. The Chinese have
reason to be worried in view of the Soviet invasion of Czechoslovakia
and the chorus of Soviet threats against China. Is this just a way of
pressing the Chinese to avoid border provocation, or is it preparation
to deal with a long-term Chinese threat in a more radical fashion?

That the Russians are worried about the long-term threat of China is
beyond question. To outsiders, Russian worries often seem exaggerated,
but their tendency to refer to Genghis Khan in talking about the Chinese
suggests that their concern is not only real, but has deep racial and
historical roots. The Russians must see a crowded nation of 750 million
people with a small but growing nuclear capability and looking hungrily
at large chunks of underpopulated Siberia as a potential threat. Even
though the Chinese are not demanding the return of territories lost
to the Tsar, their persistent harping on the unequal nature of the treaties
by which they were lost must disturb the Russians. Furthermore, the
Chinese claim that the Russians occupy 'still more Chinese territory' in
violation of those treaties. China will not always be as weak as it is
today, and the erratic behaviour of China under Mao has convinced many Russians that the Chinese are dangerously unpredictable.

The Soviet dilemma is that, while they could set back Chinese military development substantially with a sudden military strike, they could not invade, occupy, and attempt to control China, as they have done Czechoslovakia, except at enormous cost and with uncertain results. Soviet leaders probably recognise, also, that even a limited military action runs the risk of uniting the Chinese under the banner of patriotism and solidifying among them an enmity toward Russia which might endure for decades. It might also greatly increase the risk that Peking would turn to Japan and the United States to improve its ability to resist Soviet pressure.

Of course, the clash of national interests between Russia and China is not limited to border problems and territorial claims. The various problems that arose between them during the past twenty years, ranging from disputes over trade, aid, and nuclear policies to rivalry for influence in neighbouring states, have been the subject of many studies and cannot be described in detail here. These conflicts of interests overhang the border dispute, colour the attitudes of the negotiators on both sides, and multiply the difficulties of reaching a lasting settlement.

What makes the Sino-Soviet dispute different from disputes between other nations and makes the conflict of interests between the two states much harder to moderate is its ideological content. The harshest polemics on both sides have been aimed at the allegedly heretical behaviour of the leaders on the other. The intentions of each side toward the other with respect to each conflict of national interest are distorted and magnified by the ideological spectacles each wears. The claims of each to the right of leadership of the Communist parties of the world and the right to act as final arbiter of Communist doctrinal purity are irreconcilable. The Chinese Government statement of October 1969 recognised that 'irreconcilable differences of principle' existed between China and the Soviet Union and declared that 'the struggle of principle between them will continue for a long period of time'.

It should, theoretically, be possible for both sides to put aside other differences and concentrate on establishing conditions along the border which would reduce the risk of military clashes, even if no permanent border agreement could be reached. This, in fact, is what Chou En-lai proposed to Kosygin, according to Peking's October 1969 statement: 'that the armed forces of the Chinese and Soviet sides disengage by withdrawing from, or refraining from entering, all the disputed areas along the Sino-Soviet border'. If such an arrangement should come out of the present talks, and be adhered to by both sides, it would largely eliminate the danger of border clashes.

The Chinese and Russians may succeed in defusing the explosive
border issue for the time being, but it is a safe assumption that it will remain a touchy problem into the 1970s. So long as 'irreconcilable differences of principle' remain, the leaders on both sides will approach each other in a state of mind that makes any negotiation difficult. So long as border disputes exist in various places, there is always the possibility that defusing arrangements will break down, one incident will lead to another, and the border will explode into war without anyone's having wished it to go that far. The disadvantages of large-scale war to both sides are so great, however, that it seems—on any rational calculation—that they will succeed in keeping the situation under control. Of course, marked improvement of Sino-Soviet relations across the board, the possibilities of which will be considered below, would dramatically ease border tension and even bring a border settlement within the range of possibility. Lacking such a marked improvement in general relations, the outlook for the next decade is that the border will remain under a heavy overcast, but produce only occasional showers, not monsoon rains.

Korea: Reunification by Force?

Whether divided Korea again becomes the scene of active conflict would seem, at first glance, to depend mainly on decisions made in Washington or Moscow, on which the two Koreas depend for modern military equipment and ultimately for survival. This should give the two superpowers decisive influence on the military policies of their Korean allies. If both the United States and the Soviet Union want to continue to avoid a confrontation over Korea in the next decade, as seems probable, they ought to be able to prevent any sizable military clash from occurring, or, if it does, quickly bring it to a halt. It is impossible to dispose of the problem quite so neatly, however, because of two other factors in the equation: the influence of Japan and China, and the effect of internal developments in both North and South Korea on the stability of the military balance. The addition of all these factors introduces a complexity which defies treatment in brief compass; only the main aspects can be summarised here.

First, Soviet policy. Assuming no radical shift in overall strategic balance between the United States and the Soviet Union in the next decade, both will continue to have a strong interest in avoiding confrontations over areas of intrinsic interest to either which might escalate. Consequently, the Soviet Union's disinclination in recent years to support provocative or reckless actions by Kim Il-sung, as demonstrated in the Pueblo and EC-121 incidents is likely to persist. In addition to wishing to avoid confrontation with the United States, the Soviets will wish to avoid being distracted by a Korean crisis from the more important foreign policy requirements of coping with China or managing their
relations with Japan. They will probably continue to supply Pyongyang
with modern military equipment, in an effort to maintain more influence
there than Peking has, but it is difficult to conceive of Moscow's taking
any significant risks to back North Korea in attempting reunification
of Korea by force. The Russians can live with a divided Korea for
another decade.

China, under Mao, is more likely than the USSR to support a venture­
some policy by Kim Il-sung, if only to create problems for the Soviets.
One of the principal doctrinal differences between Peking and Moscow
has been the extent to which socialist states should risk war in pursuit
of their objectives. If the Chinese Communists could, by taking a more
militant stance, gain influence in Pyongyang at Soviet expense, they
would be tempted to do so. They have been more prudent in action,
however, than in doctrine. Consequently, they would be unlikely to
want to encourage Kim in any action which seriously risked dragging
Chinese forces again into conflict in the Korean peninsula or posed a
United States military threat to their Manchurian border. This time they
could not expect the same bountiful Soviet military aid; on the contrary,
they would have to expect Soviet efforts to take advantage of their in­
volvement. Mao's death or his removal from power by other means, which
will be considered further below, would probably tend to reinforce
rather than diminish Chinese caution in avoiding risking war over Korea.

If intense rivalry between Moscow and Peking continues, it will affect
the policies of both toward Pyongyang and tend to increase the leverage
of North Koreans in seeking benefits from both parties. Competitive
bidding for the favour of Kim Il-sung might conceivably cause both
the Russians and Chinese to take risks both would have preferred to
avoid. But it seems unlikely either would go far down this road, unless
a condition of weakness in South Korea and an apparent desire by the
United States to disengage from its commitment there combined to
reduce the perceived risk. In that event, the stage might be set for
actions, reactions, and miscalculations that could produce an explosion,
as in 1950.

During the next decade, the United States defence commitment will
probably remain the principal deterrent to actions by the Soviets or
Chinese which would encourage Kim Il-sung to attempt the military
conquest of South Korea. Despite American disenchantment with the
results of the Vietnam war, it seems most improbable that any United
States administration during this period would abandon the commit­
ment. President Nixon's 'Guam Doctrine', calling for greater Asian self­
reliance, suggests that the United States will probably withdraw some
of its ground forces from Korea, perhaps the great bulk of them, during
the next few years, but without any downgrading of the United States
commitment to come to the aid of the South Koreans if they should be
attacked. Defense Secretary Laird has already told the Congress that he hoped United States forces in Korea could be reduced as soon as possible.\* The United States also plans to phase out the bulk of its economic aid to South Korea within the next few years as the Korean economy reaches the stage of self-sustaining growth and is able to satisfy its need for external resources in other ways. There may be some risk that the reduction of the United States military presence and aid program may be taken as a sign of lessening concern about the future of Korea, but it should be possible to do these things in ways that will not significantly injure the credibility of the United States commitment.

The increasing influence and importance of Japan in Korean affairs is likely to be the most significant development of the 1970s in that region. Despite persisting Korean resentment of Japanese treatment of Korea during the colonial period, which delayed the establishment of diplomatic relations until 1965, both political and economic relations have developed rapidly in recent years. The proximity of the two countries, their familiarity with each other's ways of doing business, and the scope of the opportunities likely to be open to enterprising businessmen on both sides would seem to ensure exceptionally rapid growth of economic relations between Japan and South Korea. As Japan's economic stake in South Korea grows, so will Japanese concern for that country's security. Prime Minister Sato has already formally acknowledged, in the Nixon-Sato communiqué of 21 November 1969 that the 'security of the Republic of Korea was essential to Japan's own security'. This may not mean that Japan would be willing in the next decade to send its own forces to the defence of South Korea—or that the South Koreans would welcome Japanese forces—but it clearly marks Korea as the foreign area the Japanese consider most closely linked to their own defence.

So long as the United States commitment remains credible and continues to deter any military attack, the Japanese are freed from the necessity of deciding in advance what they would do in that event. They need only to provide the back-up bases which the United States would need to intervene militarily in Korea and to conduct their own relations with South Korea so as to strengthen its stability and internal security. The Japanese would probably also like to expand their trade and other relations with North Korea, as a means of breaking through that nation's isolation from the outside world and reducing its militance. They will be inhibited, however, from moving very far or fast in this direction by the primacy of their relations with South Korea and the latter's objections to Japanese gestures toward the North.

If, as suggested above, none of the four big powers is willing to

\* Since this paper was written the United States has announced its intention to withdraw some 20,000 American troops from South Korea.
assume serious risks to bring about a change in the Korean status quo, what else might disturb the peace there? Kim Il-sung, who has made dark threats since 1966 to reunite Korea soon and by force if necessary, failed to get a guerilla movement going in the South in 1967 and 1968, despite lavish expenditure of the lives of highly trained infiltrators. He has now throttled back even this limited program and it is improbable that he would launch a large-scale military attack against the combined opposition of United States and South Korean forces, if he did not have a Soviet or Chinese commitment to back him. Pak Chung Hee, who can point to the way South Korea has far outpaced North Korea in economic growth in the 1960s as evidence that time is on his side, has taken a more relaxed view of the need for early reunification. He has said publicly it should be deferred to the late 1970s when South Korean economic strength will far surpass that of the North. Pak is even less likely than Kim to try to unify Korea by force without an advance commitment of support from his big ally.

One circumstance might, however, create serious risk of large-scale hostilities in Korea. Should internal stability in either North or South Korea deteriorate sharply, pressures would quickly mount for the other state to intervene to exploit the situation, with the danger that the big powers might be dragged in. No such serious trouble seems likely in either Korean state, partly because the condition of mutual threat tends to unify people and puts a limit on internal squabbling which might lead to a breakdown of order and discipline, but the possibility cannot be entirely ruled out. Should it happen, both the United States and the Soviet Union would prefer a return to the status quo to finding themselves in a direct and dangerous confrontation, and would probably work hard to restore stability.

**Taiwan: Invasion from the Mainland?**

The Taiwan Strait is a formidable body of water across which to launch an invasion fleet. More than four times the width of the English Channel, often swept by typhoons in summer and early autumn and frequently rough at other seasons, it provides an effective barrier to the invasion and occupation of an island as well defended as Taiwan. The United States defence treaty with the Republic of China serves to cancel out the Chinese Communist preponderance over the Nationalists in air power and in whatever nuclear capability Peking may possess in the 1970s. Consequently, the likelihood of a Chinese Communist attempt to liberate Taiwan by force in the next decade is slight.

This assumes that the United States will maintain its commitment to help defend Taiwan. Given the large investment of United States resources there over the past twenty years, the close relationship that has developed and the fact that defence of Taiwan requires United
States air and sea power only, no American administration is likely to abrogate that commitment during the next decade.

The offshore islands, however, constitute a special problem. The main islands, especially Quemoy, are strongly defended. Yet, as demonstrated in 1958, they are within reach of Chinese Communist artillery. Consequently, it would be easy for Peking to probe again the strength of the defences, Nationalist re-supply capability, and United States intentions, without committing itself irrevocably to an attempt at invasion. Even if the Chinese Communists should want only to heat up the atmosphere in pursuit of some more general diplomatic purpose, the offshore islands provide a valve which they can turn up or down at will.

For the past decade, however, Chinese Communist artillerymen, in their odd-day shelling pattern, have fired only propaganda shells, not high explosives. Peking has neither launched a probe against the islands, nor deliberately raised the tension there for diplomatic leverage elsewhere. Some analysts advance the theory that Peking would prefer not to take the off-shore islands, even if the cost and risk were relatively small, because their capture would sever Taiwan and the Pescadores more decisively from the mainland and thus promote an independent Taiwan. Evidence can be adduced from Chinese Communist behaviour during the 1958 crisis to support this theory and it may well be a factor in Peking's thinking. In any case, since the islands themselves have no intrinsic value, Peking is unlikely to engage its prestige again in a major assault on them unless such an assault would clearly advance its prospects of gaining Taiwan.

A major Chinese Communist attack on the offshore islands in the 1970s is unlikely unless the following factors are all propitious: the state of Sino-Soviet relations, the expected United States reaction, and the estimated effect on Taiwan. In other words, Peking would probably not regard the cost and risk as tolerable unless there was little danger of a Soviet attack on their rear, small risk of United States military involvement, and conditions in Taiwan were such that a successful attack on the offshores would significantly strengthen Chinese Communist political influence in Taiwan.

Southeast Asia: Tinderbox of Conflict?

A discussion of the future of Southeast Asia is beyond the scope of this paper, but the twists and turns of big power policies in East Asia may be powerfully affected by what happens to the south. Here we are concerned with a narrowly defined but vital question: what is the probability that great power rivalry in Southeast Asia might lead to a major war in the western Pacific in the 1970s? A rough, and perhaps somewhat arbitrary answer to this question can be reached by examining briefly the nature
of politics in Southeast Asia, and the policies toward that area of each of the four powers.

The turbulent history of Southeast Asia since World War II provides little support for a view that the region will be free from strife in the 1970s. It would be illusory to suppose that the internal conflicts and international clashes of interest which have produced such turmoil in the past twenty-five years would be brought safely under control within a few years. The only prudent assumption must be that a fair amount of disorder will continue—what Peter Lyon quoting Trotsky has described in a recent book on Southeast Asia as a condition of 'neither war nor peace'. 2 Whether trouble in Southeast Asia sparks great power conflict will depend then, not on whether such trouble exists—it will—but how and to what extent the great powers permit themselves to become involved.

The United States is the only big power with forces now fighting in Southeast Asia. Earlier in the Vietnam war there was some risk that China might become directly involved in the fighting. United States policy makers have carefully controlled military action in the vicinity of China in order to minimise this risk. Now President Nixon is withdrawing forces and 'Vietnamising' the war. This process, though it might be slowed or halted under some circumstances, could hardly be reversed, given the attitudes of the American people. Consequently, there is little chance that the Vietnam war could develop in such a way as to pose again the risk of a clash between the United States and China.

The 'Guam Doctrine', emphasising primary Asian responsibility for coping with insurgents, and the strong view held by most Americans that there should be 'no more Vietnams', greatly reduce the possibility that United States forces might be drawn into fighting insurgents elsewhere in Southeast Asia, even if the insurgents received substantial support from outside. Only overt military aggression against an ally would be likely in the 1970s to trigger a United States military reaction. What are the chances that Communist China would launch an overt military attack, either alone or together with North Vietnam?

It is possible to conceive of a scenario in which China would commit its own forces outside its borders, say in Thailand, but there is little evidence that such action is probable. Chinese Communist political theory holds that Communist parties should come to power in neighbouring states and elsewhere by people's war, relying mainly on their own strength. Chinese Communist military strategy emphasises the defence, and Peking's armed forces are ill-equipped to conduct sustained large-scale warfare at any considerable distance beyond their borders. For the present, and probably for some time to come, the Russian threat

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2 War and Peace in South-East Asia, London 1969, p. 5.
to their northern border would also inhibit risky military moves to the south. Consequently, at least so long as the United States maintains a credible commitment to go to the defence of Thailand in event of overt military attack, Chinese Communist military action there is improbable.

Thus it appears, without going into detailed analysis, that the odds are against turbulence in Southeast Asia in the coming decade leading to war between the big powers. The United States, sobered by its Vietnam experience, will be more cautious about being drawn in. China, beset by domestic problems and worried about the Soviet threat, will not wish to go beyond the low-cost, low-risk policy of aiding Communist rebels. Southeast Asia has never been an important enough interest for the Soviet Union to risk war. Whether Japan might go that far in the next decade toward re-establishing a martial spirit will be discussed below.

The Resurgence of Japan

If there is no large-scale war involving a great power in East Asia in the next decade, the dominant theme of these years for that region will be the resurgence of Japan. Japan's sparkling economic surge will stand out even more brightly against a background of relative decline in the influence of the United States and China in the region, as the United States draws down its military presence in Korea, Okinawa, and Taiwan and China's energies are largely absorbed in its effort to reshape its political structure, renew economic growth, and confront the Soviet Union.

Japan is on the threshold of a new era, signalised by its emergence as the third economic power of the world and by the early return of Okinawa and the fashioning of a new, more independent relationship with the United States. With increasing self-confidence, Japanese leaders step out in search of a world role commensurate with Japan's size and economic weight. As yet there is no consensus on what that role should be, but the stirrings of a revived nationalist spirit, the emergence of a younger generation of leaders in positions of growing power and influence, and the changes already occurring in relative party strengths and dominant political issues all portend a vastly changed Japan by the end of the 1970s.

For the United States and other Pacific powers the advent of Japan's new-found strength raises a fundamental question: will the Japanese be satisfied with modest military power, or will they take the traditional view that great powers must have great military strength, meaning, in the nuclear age, nuclear weapons? This is a question which cannot be answered at this time with certainty, but of which the importance requires that the indicators be examined with care.
Rapid Economic Growth

The engine of change in Japan in the past two decades has been rapid economic growth. It has been so rapid that the world has not yet adjusted to thinking of Japan in its present economic ranking. Only three years ago Japan ranked sixth in the world; in thirty-six months it vaulted to third place. For ten years, from 1959 to 1968, Japan's average annual GNP growth in real terms was 11.1 per cent. In the Japanese fiscal year ending 31 March 1969 the comparable figure was 12.6 per cent. Can this astonishing growth continue for another decade?

Some think it will. Herman Kahn of the Hudson Institute and James Abegglen of the Boston Consulting Group predicted at a recent conference in Racine, Wisconsin that Japan's economy would grow three to five times in the next decade. Abegglen's view that a quadrupling of GNP was the most likely growth rate for the ten years, would give Japan a GNP of $400 billion by 1975, equal to the total present economy of the European Common Market. Per capita GNP would exceed $3,600, slightly above that of the United States in 1965. At this rate Japan would be approaching the United States per capita GNP level by 1980.

Some observers question whether so high a rate of growth can be continued for another ten years. Professor James Morley, of Columbia University, in a paper presented at the Second Japanese-American Assembly at Shimoda, in September 1969 pointed out the probability of growing pressures on the Japanese Government in the seventies to satisfy needs neglected in Japan's single-minded drive for economic growth. To the extent that the Japanese Government must allocate greater resources to improvements in education, health, social security, housing, transportation, and control of environmental pollution, the growth rate will be slowed. Increased expenditure on defence, research and development, and foreign aid would have a similar impact. Morley expects that the Japanese Government must make limited concessions to such demands.

Even though Japanese economic growth in the seventies may not attain the highest levels now predicted, Japan will almost certainly exceed considerably the growth rates of any other major power. The close working relationship between the governing political party and big business, and between the business world and the bureaucracy, has provided Japan with a remarkably flexible instrument for controlling the economy. No other modern nation has shown such skill at the fine tuning required to keep an industrial establishment growing at high speed. Now that the public has become conditioned to rapid growth and to the accompanying rapid increase in expendable income, it will be difficult for any administration to check the rise in personal consumption in order to divert large resources to the public sector. Consequently,
even though Japan's headlong rush to affluence will probably slow somewhat, the end of the decade will see an economic giant with increased influence in the world and at a technological level still farther removed than it is today from Communist China and the other less developed nations of the western Pacific.

New Political Alignments

Although it is too early to assess the full implications of the sweeping electoral victory won in Japan by the Liberal Democratic Party (LDP) in the December 1969 election, the results strongly suggest that Japanese domestic politics have reached a decisive turning point. The loss by the Socialist Party (JSP) of nearly one-third of its seats in the Lower House administered a jolt from which the party will find it hard to recover. The Socialist's traditional position as the chief opposition party is being challenged by the rapidly rising Komeito, which nearly doubled its seats and now holds forty-seven to the Socialists' ninety. A reinvigorated Japanese Communist Party more than tripled its seats, from four to fourteen.

The Socialist Party faces a hard choice. It can hold to its past position, opposing the United States-Japan alliance, advocating unarmed neutralism, taking a fuzzy pro-China, pro-Soviet position, and generally emphasising foreign over domestic issues. The appeal of this line to the Japanese public will probably continue to decline with corresponding damage to the party's success at the polls. The other choice would be to fashion a hard-hitting program based on domestic issues, on which any party in power is bound to be vulnerable, following the example of the Komeito and the Communists. Whether the Socialists can overcome their bitter factional divisions and replace their ageing leadership to the extent necessary to achieve such a transformation is questionable.

The election results indicate two major changes in Japanese politics in the first half of the coming decade. Both will make it easier for the Japanese Prime Minister to forge a more active and responsible Japanese world role. The first is the commanding majority of over 300 of the 486 seats controlled by the LDP in the Lower House of the Diet. The second is the decline in the strength of opposition to the American alliance, a once formidable opposition which made Prime Ministers wary and defensive and reduced their manoeuvrability. Not that a 'high posture' is likely to become a favoured style of leadership in Japan—the traditional emphasis on consensus and the need to balance factions within the LDP will continue—but the next LDP Prime Minister, at least, is likely to be relieved of some of the more extreme inhibitions on bold action which constrained his predecessors.

The politics of the latter half of the decade are far more difficult to forecast. It is significant that, despite the overwhelming electoral victory
by the LDP, the seemingly inexorable decline in its percentage of popular vote continued. Nevertheless, at 47.7 per cent (or over 50 per cent if the votes received by conservative independents are included) it still far exceeds the JSP's 21.4 per cent. The opposition remains badly divided and the prospect for unified action among them against the LDP looks dim. Much will depend upon the unpredictable effect on Japanese politics of the three trends effectively exploited by the Komeito and the Communists in the election: the rising nationalist spirit, the increased emphasis on younger leadership, and the increased concentration on domestic issues. Whatever the nature of party realignments in the next ten years, if economic growth continues to be strong, the political system probably will remain basically stable and Japan will have the leadership required to take on a more energetic foreign role.

A Remilitarised Japan?

Will Japan in the 1970s want a military force commensurate with its size and economic power? In particular, will it insist on nuclear weapons? A remilitarised Japan, especially a Japan which assumed military commitments outside its own territory, would radically change the politics of East Asia and a nuclear Japan would probably lead to nuclear proliferation elsewhere in the world.

On present reading remilitarisation seems unlikely. Defeat in the Pacific war left Japan one of the most anti-militaristic nations in the world. By the Constitution of 1946 the Japanese 'forever renounce war as a sovereign right of the nation', and declare that 'land, sea, and air forces, as well as other war potential, will never be maintained'. This article has been interpreted as permitting self-defence but banning any overseas role for Japanese forces. Japan's military budget came to only 0.84 per cent of GNP in 1969, as compared to 4-6 per cent in most developed nations and 8 per cent in the United States. Since 1960 the Japanese military budget, while growing in absolute terms, has usually declined each year as a percentage of GNP. As far as nuclear weapons are concerned, the Japanese 'nuclear allergy', based on first-hand experience of nuclear attack, is greater than that of any other potential nuclear power.

There are, however, signs that Japanese attitudes are changing. Within the past several years public debate on defence matters appeared for the first time and the government, in preparation for the negotiations with the United States on the reversion of Okinawa, began a discreet program to educate the public on Japan's security. Recently Mr Fukuda, Minister of Finance and a strong contender to succeed Prime Minister Sato, declared in Washington: 'We have to change our policy on national defence completely so that the Japanese themselves have the responsibility to defend their own country'. The linkage of Japan's security in
the Nixon-Sato communiqué of November 1969 to Korea, Taiwan, and
the electorate’s resounding endorsement of Prime Minister Sato
and his policies. Even the ‘nuclear allergy’ seems to be weakening. In a
public opinion poll taken in the spring of 1969 45 per cent of the
Japanese questioned agreed in principle that Japan should have nuclear
weapons ‘at some time’.

One thing seems certain: during the coming decade the Japanese
will take over full responsibility for the defence of Japan, including
Okinawa, against conventional attack—as foreshadowed in Fukuda’s
statement. In the absence of any strong sense of threat from either the
Soviet Union or Communist China, there will be spirited debate as to
what forces are required for that purpose and increases in the defence
budget will be held down by competing demands for resources. It may
not reach the 2 per cent of GNP estimated as needed by defence expert
Kei Wakaizumi in the April issue of Foreign Affairs, but it will probably
increase above the present percentage. Considerations of prestige, the
demands for a more independent foreign policy, the pressures of the
armaments industry, and the revival of the nationalist spirit all will
tend to push defence spending upward. Even if the defence budget
increased only slightly as a percentage of GNP, Japan could be spending
3 to 4 billion dollars by 1975, a substantial increase over the 1.3 billion
in 1969 and moving Japan to seventh position among the nations of
the world in annual defence expenditures.

What are the prospects that Japan might take on regional defence
responsibilities? To do so would be a more difficult political decision
than a large increase in expenditures on home defence, for both constitu­
tutional limitations and popular resistance would have to be overcome.
Moreover, the reappearance of Japan in a regional military role would
create apprehension in other countries of the region, a situation more
likely to hinder than aid Japanese efforts to increase political and
economic influence. Consequently, such a reappearance seems unlikely to
occur, unless there were a greater withdrawal of the United States
presence than now seems likely and a much greater sense of threat than
now exists both in Japan and in the countries which would seek its
military support.

The probability of Japan’s going nuclear is more difficult to assess.
It might occur even if there were no greatly increased sense of threat.
To many Japanese the possession of nuclear weapons might come in­
creasingly to symbolise great power status and greater independence
from the United States. They might seem a necessary hedge against
doubts that the United States would risk its own cities to defend Japan,
once Communist China had deployed inter-continental ballistic missiles.
Nuclear weapons could be justified as defensive, not requiring any change or reinterpretation of the constitution. Moreover, for a nation with an advanced technology and a shortage of labour, nuclear weapons provide an attractive 'capital-intensive' means of increasing military power.

Whether Japan should have nuclear weapons is not yet a political issue in Japan. The 'nuclear allergy' is still too strong for that. Furthermore, not even Japanese specialists in nuclear defence questions have faced up to some of the hard problems. Might not the possession of a small nuclear force, rather than adding to Japan's security, create the risk of a pre-emptive strike? Where would the Japanese test a nuclear weapon? Would they renounce the test-ban treaty and test in the atmosphere? Or would they risk underground tests in earthquake-prone Japan? How much would producing a nuclear force take away from high priority domestic needs?

Despite the obvious difficulties, responsible Japanese are reluctant to foreclose the nuclear option. They hesitated for a long time over signing the non-proliferation treaty. Aside from questions of national defence and national prestige, they are concerned that if Japan does not get into the business of producing nuclear weapons and missiles, it may be gravely handicapped in technologically related fields. Consequently, in a technical sense, the options are being kept open. The rapid increase in the output of nuclear power by the mid-seventies will much improve Japan's ability to produce nuclear bombs. And the space program, although designed strictly for peaceful purposes, is creating a pool of experienced scientists and engineers who could be turned quickly to missile production if the need arose.

On balance, the Japanese seem most likely to continue developing their capability to produce nuclear weapons, but not to opt for creating a nuclear force within the next decade. This prediction could be proved false by a surge of nationalism in Japan, related to growing friction with the United States, most likely over economic problems; by a sharp increase in the threat to Japan perceived by Japanese; or by total failure of the United States and the Soviet Union to show progress in control of the nuclear arms race.

Diplomatic consequences of Japan's resurgence: the Soviet Union

As the Russians watch Japan grow, they will worry about two dangers: Japanese rearmament and Japanese rapprochement with China. Already these twin concerns have begun to affect their policy toward Japan. They continue to thunder rhetorically against the United States-Japan security treaty, but their behaviour suggests that they would rather have the treaty than a nuclear Japan. The thought of a Japan with nuclear
weapons, no longer linked to the United States but closely allied with China, must be a nightmare for Soviet policymakers.

Consequently, Soviet leaders will probably continue to cultivate Japan, as they have been doing recently in what the Japanese refer to as the 'diplomacy of smiles'. They will also want Japanese cooperation in developing Siberian resources, although progress in gaining agreement on large projects may continue to be slow because of hard bargaining over terms. They will probably give less attention to attempts to influence domestic Japanese politics than they have in the past, because of the decline in the Socialist Party's fortunes and the independent stance of the Japanese Communist Party. The latter has improved its nationalist credentials by publicly condemning the Soviet occupation of Czechoslovakia and loudly demanding the return of Japan's northern islands. It is unlikely to become again an obedient tool of Soviet diplomacy.

The Japanese Government will probably continue to see warmer relations with Moscow as contributing to a more stable and pacific world, as expanding the scope of mutually advantageous trade, and as improving the possibility that Japan might get back some, at least, of the northern islands. The Japanese will not, however, be under compulsion to make significant concessions to the Russians. As their economic power grows, they will increasingly feel they have more to offer the Soviets than the latter have to offer them, and will tend to drive hard economic bargains. With respect to Japanese rearmament or Japanese relations with China, Soviet leverage will probably decline as Japanese leaders become more nationalistic and self-confident. Any Soviet pressures on the Japanese, unless applied with more adroitness than the Soviet Union customarily uses, might well be counterproductive.

Diplomatic consequences of Japan's resurgence: the Less Developed Countries.

In their relations with the developing countries of East and Southeast Asia during the next decade, the Japanese will probably find that the yen is mightier than the sword. Not that Japanese economic aid, trade, and investment will produce the kind of closed-door Greater East Asia Co-Prosperity Sphere that the Japanese militarists sought, but the humming activity of the Japanese economic machine will cast its influence increasingly over the non-communist developing countries. Two important forms by which this influence will make itself felt will be looked at here: Japanese economic aid and Japanese investment in manufacturing.

According to OECD figures, Japan in 1968 ranked fourth among DAC members at 1.05 billion dollars in the absolute amount of its foreign aid (transfer of both public and private resources). This was 0.74 per cent of Japan's GNP. Government spokesmen have advocated that Japan
within the next few years should reach the DAC-recommended level for developed states of 1 per cent of GNP. Although foreign aid must compete for resources with pressing domestic needs, the Japanese Government will probably make a strong effort to maintain the flow of resources abroad at least at the present percentage of GNP, and if possible somewhat higher. The outflow of resources will not only serve to stimulate Japanese exports, but may in some measure take the place of military power as a means of achieving world prestige and influence in Asia. Even if the amount reached only 0.9 per cent of GNP by 1975, as Dr Morley considers likely, this could provide as much as 3.6 billion dollars, making Japan easily the world's number two donor nation after the United States, which provided 5.7 billion in 1968. Assuming that the majority of these resources continued to be channelled into less developed Asian countries, as at present, Japan would probably outstrip the United States considerably to become the principal donor to those Asian states east of India. Japanese influence in such institutions as the Ministerial Conference for Southeast Asian Economic Development, the Asian Pacific Council, and the Asian Development Bank should receive a strong boost as a result.

Many factors which cannot be discussed here will determine the speed with which economic interdependence grows between Japan and the developing countries of eastern Asia. Such factors, for example, as the relative risks and costs of developing raw material sources in Southeast Asia or in more distant, but politically more stable areas such as Australia. One trend, now in its infancy, but capable of transforming the economic relations between Japan and certain developing countries by the end of the decade, deserves special attention. This is Japanese private investment in manufacturing semi-processed goods or partially assembled items in the developing countries to be shipped to Japan for finishing or final assembly.

In a recent article in the Columbia Journal of World Business, Yoshi-zane Iwasa, President of the Fuji Bank, forecasts this trend. He points out that by 1966 Japan's rural areas had been largely drained of young labour recruits and that the number of senior high school graduates available to industry began to decline in 1968. At the same time wages were rising rapidly, more than doubling between 1961 and 1968. The result has been an increasing squeeze on the small businesses which have traditionally performed relatively labour-intensive processes for the large corporations. This labour squeeze will intensify in the coming decade and, for sociological reasons, Japan will not be able to ease it to the extent Germany did by importing foreign labour. The logical solution is to farm out to the low-wage countries nearby the more labour-intensive

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3 November-December 1969.
portions of the manufacturing process. According to Mr Iwasa, the Japanese textile industry began to do this in 1967. Eighteen textile firms have already invested abroad to take advantage of cheaper labour. In 1967 85 per cent of Japan's textile imports were semi-processed goods from developing countries of East or Southeast Asia. Investment by the electronics industry, which has already begun in Korea, Taiwan, and Hong Kong, will probably grow rapidly, following the example of a number of American electronics firms which have set up plants in these places to assemble components sent from the United States to be returned to the United States for final assembly.

Taiwan and Korea are particularly suitable for this type of Japanese investment because of their past history of business connections with Japan, their growing labour supply, and the relatively high level of education. Hong Kong is also attractive because of its free port, free exchange, and minimum of red tape. Taiwan is competing with these Hong Kong advantages by setting up export processing zones where goods being processed do not have to pass through the usual cumbersome customs procedure. As wages in these three countries rise and they become more highly industrialised, Japanese investment in plants for the simpler processes will probably tend to shift to those Southeast Asian countries where the investment climate is inviting. By 1980 the network of relationships between manufacturers in Japan and those in a number of the developing countries will have multiplied. The advantages to both parties of this kind of economic co-operation are likely to be so persuasive as to overcome both the concerns of governments in the developing countries over Japanese economic domination and the concern of segments of industry in Japan which would fear the competition of foreign imports.

The Enigma of China

One of the few statements that can be made with confidence about China today has already become a cliché: China is approaching the end of an era. The founder of the Chinese People's Republic, now seventy-five and in questionable health, cannot reasonably be expected to go on guiding its destinies through the next decade. Mao has ostensibly regained unchallenged authority through the astonishing device of the cultural revolution. The chanting of Mao's thought resounds throughout the land. Yet there is an indecisiveness in Peking today, an air of marking time that recalls George Kennan's description of the last years of Stalin: 'the men around him served him, throughout those final years, in a sullen, guarded silence, expecting nothing and waiting only for the hand of Time to take him'.\(^4\) Mao is not Stalin, and the men around him have not as

much reason to fear for their lives as Stalin's men, but they must be thinking, planning, and probably manoeuvring toward the day when Mao will pass from the scene.

Mao's practice of trying to reform his political enemies instead of shooting them leaves hundreds of senior officials and thousands of underlings who were disgraced and demoted in the cultural revolution alive and biding their time until they can seek revenge and reinstatement. When that time comes, will Mao's anointed successor Lin Piao, be able to sit on the lid? Will the succession be orderly or violent?

What kind of men will take over and what will their policies be? No one can answer these questions with any confidence.

One thing, however, seems fairly certain: that the main problem that will concern China's rulers in the next decade, as in the past two, will be to devise an effective way of governing China. No one has ever before tried to rule so many people within a single nation. And because China is so far flung and populous, the problem of reconciling the need for individual and local initiative with the requirements of a monopolistic, highly-disciplined, authoritarian party is peculiarly difficult. Mao recognised that China, under the combined weight of its own bureaucratic tradition and the borrowings from the bureaucratic practices of other Communist states, risked being smothered by the multiplication of bureaucrats. A chief purpose of the cultural revolution was to pare back this excrescence under the slogan 'better troops, simpler administration'. Tens of thousands of bureaucrats (and students, who in China are all potential bureaucrats) were sent down to the countryside.

Mao's method for dealing with bureaucracy—repeated cultural revolutions—seems hardly likely to appeal to his successors. Even under a man as prestigious as Mao it threatened to get out of hand. Lesser men would risk prolonged anarchy or even civil war. So the question will remain for Mao's successors, how to prevent the insidious growth of an oversized, over-centralised, party-dominated bureaucracy, which will stultify local initiative.

Perhaps in the course of the next decade a workable balance between centralised direction and provincial or local responsibility will be reached. The cultural revolution itself, partly unintentionally, partly by design, has weakened central authority. Mao's passage from power would further weaken it. Mao may be succeeded by relatively pragmatic leaders who will institutionalise these changes and resist the natural tendency of most Communist leaders to take too many decisions into their own hands, recognising that in a country of the size and diversity of China many important decisions must be left to provincial and local officials. Whether or not a stable balance is reached, the effort to reach one is likely to be the central preoccupation of China's leaders in the 1970s.

Whether China, the largest developing country in the world, will get
back on the path of relatively brisk though jerky economic growth underway before the Great Leap Forward and briefly resumed in the early sixties will depend mainly on how successfully the Chinese resolve their political problems. Given the paucity of statistics since 1960, which makes even estimates of China's present economic situation shaky, it is not very rewarding to try to forecast the country's economic future. There is one promising sign. The emphasis on agriculture begun in the early 1960s seems to have continued through the cultural revolution. This will help the Chinese keep under control their most intractable economic problem—the food/population ratio—particularly if the Chinese take advantage, as they probably will, of the new seeds and methods effecting the green revolution in Asia. They will probably continue to suffer the handicap of being the only big developing nation lacking any input of outside resources, although before the decade ends some developed states—Japan, in particular—may be granting sizable amounts of long-term credit on their exports to China. Judging from economic performance over the past two decades and taking account of the political uncertainties in China's future, the most that can be anticipated in the seventies is probably moderate economic growth with the gap between the Chinese and the Japanese GNP continuing to expand.

The increased influence of the Chinese military resulting from the cultural revolution will probably persist well into the 1970s. It will take time to rebuild the shattered prestige and authority of the party. This circumstance, together with the sense of outside threat (which the military in China, as elsewhere, will tend to cultivate), will probably ensure that the proportion of Chinese resources turned to military use will not diminish.

Nevertheless, China's military power, while massive in relation to her smaller neighbours, will still be weak by the end of the decade relative to the superpowers. China will lack the industrial base to equip its forces with modern weapons on the scale needed to fight a conventional war against a major power. Consequently, Chinese armed forces will probably continue to be predominantly defensively oriented, although as younger, better educated officers move up in the military hierarchy there will be a shift away from emphasis on Maoist 'people's war' toward greater professionalism.

Peking's nuclear force, may by the mid-seventies consist of 20 to 40 inter-continental ballistic missiles, possibly also a small MRBM force, and some additional bombs deliverable by aircraft. The nuclear preponderance of each superpower over China will still be enormous. Nevertheless, the Chinese will probably calculate—correctly—that their possession of these weapons will make the superpowers more cautious about putting China in a position where it might in desperation launch
a nuclear strike. Chinese possession of such a nuclear force is likely, also, to increase the pressure among Japanese and Indians for their own nuclear weapons.

Neither relative military weakness nor pressing internal problems will necessarily prevent Chinese leaders from conducting an active diplomacy in the next decade. Only an internal crisis as demanding of the leaders’ energies as the cultural revolution would be likely to produce again what the Japanese referred to as a ‘period without foreign affairs’ for China. A central question facing Peking’s diplomacy will be whether to maintain a generally aloof and hostile attitude toward all three major powers with interests in East Asia, moderate its policies toward all three, or cultivate one power in particular, even at the cost of important concessions, in an effort to create a more favourable balance of power.

Some Japanese scholars, well versed in the diplomatic manoeuvring of the ‘Three Kingdoms’ period of Chinese history and aware of its influence on Chinese thinking, believe China cannot long remain isolated, but must seek alignment with one of the other of the superpowers. The Chinese communist leaders do not, however, feel the same compulsion toward alignment, even in the face of serious threat, that rulers of smaller nations do. They are probably more influenced by China’s historical ability to survive as a nation over the centuries without alliances than by the diplomatic manoeuvres of ancient Chinese states. There is little evidence that they think in balance of power terms. Instead they make self-reliance a cardinal virtue and prepare to wait out the workings of historical determinism as seen from the unique vantage point of Peking. From their viewpoint, the revolutionary forces at work in the world are the main element to rely on to bring about changes favourable to China. This does not mean that Communist China may not try through diplomacy to improve its relative power position—as indeed it has in Pakistan, for example. But it does suggest that Peking may not feel any strong compulsion to negotiate far-reaching agreements with any of the major powers and that it would therefore be unlikely to make important concessions to this end.

New leaders in Peking, replacing Mao, might seek rapprochement with Moscow. Military leaders like Peng Te-huai, bitterly attacked in the cultural revolution, apparently were considerably more interested than Mao in working to prevent deterioration of that relationship. If such leaders should come to power, Soviet hopes of improved relations with China would rise. It would be rash to deny the possibility of substantial improvement. Still, the history of the long slide of Sino-Soviet relations into a slough of mutual hostility over a broad range of issues, despite periodic efforts on both sides to check it, strongly suggests that the climb back out would be slow and difficult. Even if the differences over the so-called ‘irreconcilable differences of principle’ could somehow be papered
over—perhaps as the result of a decline in ideological intensity on both sides—there would still be a limit to their reconciliation beyond which neither Soviet nor Chinese leaders would likely be willing to risk their nation's future. This relates to the military capabilities of the two countries. Chinese leaders would not want to shift the bulk of Chinese trade back to the Soviet bloc and place the industrialisation of China again at the mercy of Soviet caprice. Soviet leaders, for their part, would be disinclined to give China significant help in modernising its conventional forces or expanding its nuclear force.

Radical improvement of China's relations with the United States within the next decade would seem to be even less likely than with the Soviet Union. Taiwan will remain a major obstacle. The United States is unlikely to abandon its commitment to defend Taiwan against attack and Peking will not give up its determination to gain possession of the island. Peaceful reunion of the island with the mainland would resolve the problem, but that seems impracticable without great and unlikely changes either in the mainland or Taiwan or both. Furthermore, so long as ideological fervour remains strong in Peking, the United States must appear the chief obstacle to the Chinese communists' revolutionary purposes. Probably the best that can be hoped for is growing tactical flexibility on the part of both Peking and Washington in dealing with each other and for this flexibility to be exercised in such a manner that by the end of the decade tension between the two has declined significantly and avenues of contact are increasing.

Should Peking launch a diplomatic offensive in the next decade, it would more likely be aimed at Japan than at the United States or the Soviet Union. Japan is China's chief trading partner and the Chinese have had a far greater number and variety of contacts with Japan in recent years than with any other power. As Japanese economic growth continues, the Chinese would have much to gain from expanded trade. From a longer-term viewpoint, Peking could take advantage of a Japanese desire to develop a foreign policy less closely tied to the United States and seek out subjects on which Sino-Japanese co-operation might be in the common interest.

For the Chinese to change radically their relationship with Japan, however, would require a new approach. They would have to recognise that their capability to influence internal Japanese politics has dwindled and that to continue such efforts would not only be ineffectual, but would reduce their chances of exerting diplomatic influence. Moreover, the whole complex process of trading through 'friendly firms' and requiring political declarations from negotiators of trade agreements creates bad feeling and places unnecessary obstacles in the way of the free flow of trade. Abandoning such devices and turning like the Russians to a diplomacy of smiles might pay significant dividends.
So radical a shift in Chinese diplomacy toward Japan could perhaps only be undertaken by new leaders. The cultural revolution seems to have left those in charge of relations with Japan less flexibility than before. Assuming however, that Chinese leaders determined on a new approach to Japan, they would find the Japanese Government in a stronger bargaining position than ever before. While improvement of relations with China remains a political issue in Japan its potency has declined. Moreover, as indicated by the Nixon-Sato communique, Japanese increasingly tend to link Taiwan with Japan's security, which will limit their willingness to accommodate Peking. Further limitations on the possibility of broad Sino-Japanese agreement will probably grow out of rivalry with China for influence in Southeast Asia and the relative decline in the importance of China trade, as Japan's economic relations with the non-Communist world continue to expand rapidly. Consequently, although there is a greater possibility for improvement of relations between Peking and Tokyo than between Peking and Moscow or Peking and Washington, no radical change is likely.

Conclusions

Past decades in East Asia have been dominated by the unexpected. Neither the Korean War and the subsequent military confrontation between the United States and China nor the Sino-Soviet conflict were seen in advance by most observers as the most likely main trends of those periods. Some new development, perhaps mentioned here, but called unlikely, may rise to dominate East Asia in the 1970s. A policy-maker must be prepared to adjust his policies to unexpected contingencies, but he must also have in mind a general idea of the way things seem most likely to go. This paper has advanced such a general idea.

The 1970s will probably not bring solutions of the problems creating the three flashpoints of conflict in East Asia—the Sino-Soviet border, Korea, and the Taiwan Strait—but the prospects are reasonably good that large-scale conflict involving major powers can be avoided. There may even be a general decline in tension, so that by the end of the decade military confrontation is emphasised less and political and economic relationships more. Events in East Asia will affect the global relationship between the United States and the Soviet Union; conversely, the ups and downs of the relations between the superpowers elsewhere will affect trends in East Asia.

The resurgence of Japan as a major political and economic influence will probably be the dominant characteristic of the decade. The key unanswered question is whether Japan will again become a potent military power and join the nuclear club. Unless an unexpected amount of turbulence should increase the Japanese sense of threat, Japan seems unlikely to undertake a regional military responsibility. The nuclear
portion of the question is harder to judge. It will depend not only on the Japanese perception of external threat, but also on the evolution of Japanese politics—especially the growth and nature of Japanese nationalism. The Japanese will certainly improve their capability to choose the nuclear option during the decade, but the odds seem against their making that choice.

China will probably be deeply engaged during most of the decade in coping with its internal problems of political organisation and economic growth, including managing the takeover by Mao’s successors. Although the Chinese will probably continue to push their low-cost, low-risk policy of supporting ‘peoples’ wars’ in nearby places, China’s military weakness relative to the superpowers is likely to induce continued caution regarding large-scale military confrontation. Diplomatically, China may seek improved relations with one or more of the three adversaries it accuses of encirclement, but close alignment with any one of the three is unlikely.

The United States can be expected to maintain its defence commitments to Japan, Korea, and Taiwan, although it will probably withdraw most of its forces from Korea and adopt a somewhat lower military posture in the area. Further initiatives toward China are probable, leading to more normal relations. Nevertheless, Taiwan, and persisting though perhaps diminishing ideological barriers between Peking and Washington, will continue to inhibit far-reaching changes in relations.

A central problem of the decade is likely to be the kind of structural changes that should be made in political relationships among the non-Communist countries of East and Southeast Asia. What kinds of association can knit them together for co-operation toward common long-term goals, supplementing, and perhaps ultimately replacing, the untidy set of defence alliances formed by the United States and its allies under the policy of containing Communist China? Given the history and complexity of relationships in this region, this is a process which will not be completed in a decade, but if large-scale war can be avoided in this period, the time gained could be well used to this end.

DISCUSSION

Discussion centred almost entirely on questions concerning Japan. This reflected in part the view of participants from all three countries that it would be Japanese development and policy—rather than Chinese—which would be likely to be the dominant influence in the region of Asia and the Pacific in the next decade. It has been a common American assumption that as the United States began to lean back in Asia and
the Pacific, Japan would lean forward, in a benign and co-operative way. Was this likely to be true? Growing Japanese interest in the region was assumed to be inevitable. Unlike the United States or the Soviet Union (or for that matter, Australia) Japan lacked a resource base of her own and for economic considerations alone could scarcely turn inwards, but the question of whose interest would be likely to be served by a more active Japanese role, especially in a political sense, remained to be considered.

It was obvious enough that Japanese interests would be the sole determinant of the course of Japanese policy, but would American and Australian and New Zealand interests be likely to be served in the process? There was no clear and confident answer to this question. It was hoped that the answer would be yes, but it was realised that this could not be taken for granted. Nevertheless, it was noted that there had been a substantial improvement in the relative intimacy of Australian and New Zealand relationships with Japan over the past ten years or so. Marked changes in public attitudes had been visible in both countries and the nervousness of even the late 1950s was in contrast with the relative relaxation of the later 1960s, reflected in frequent intergovernmental visits, regular official discussions, developing business relationships, and growing personal contacts such as tourism.

The heart of this relationship, in the case of Australia especially, was economic, and this was presently true also for the Japanese role in Southeast Asia. Political contacts and consultations, however, between both Australia and New Zealand, and Japan, were growing in frankness and in the range of interests considered. Bilateral consultations on problems arising in Southeast Asia and multilateral discussions in forums such as the Asian and Pacific Council (AS PAC) were a part of this growing trend, but it was still secondary to the huge expansion of commercial interests.

The inter-connection of the relationship between the three participating countries and Japan was emphasised. Japan's fantastically high rate of economic growth rested in part on a very favourable balance of payments with the United States. That rate of growth in turn created the insatiable demand for raw materials of which Australia was a prime beneficiary (as to a lesser extent were New Zealand and many developing Asian countries). Any serious check to the Japanese economy, possibly arising from conflicts of interest in Japanese-American economic relations —of which there were already some signs—could therefore have serious repercussions on Australia, New Zealand, and others.

The extent of Japanese economic penetration of Southeast Asia raised questions as to the likely course in future of their political and strategic interests there also. Apart from the extension of Japan's security interest in Korea and Taiwan, made clear in Mr Clough's paper, few partici-
pants in the discussion could see any real likelihood of the Japanese seeking, or being willing to accept, a wider regional military role. On the contrary, it was argued strongly that the most likely form of an increased Japanese military effort—in itself probable—would be towards a 'Fortress Japan' type of policy. If indeed the Japanese were to decide to seek a military nuclear option, it would be likely to be in a defensive sense. In fact the world's third ballistic missile defence system might well be built in Japan, which would be in the path of Soviet missiles directed toward the United States. In any case, it was asserted, the Japanese would wish to become militarily independent of the United States, and the Americans would have to decide, rather as in the case of Gaullist France, how they would come to terms with this fact. But, it was a long step from the display of such a Japanese attitude of nationalism, and greater independence in military terms, to a Japanese policy of seeking to play a regional military role.

It was agreed that the Japanese would interpret their national interests in their own way but there was no clear conception of where that might lead them because, in the case of Southeast Asia especially, it was concluded that they were still feeling their way and had not thought through all the implications for their interests. It was suggested that in this situation Australia and New Zealand had a useful part to play because of the close relations they had developed with Japan and many Southeast Asian states. The presence of Australia and New Zealand, in regional organisations like ASPAC was something of a counterweight to Japanese dominance and for this reason, it was suggested, was particularly welcome to Southeast Asian members. At the same time, it was observed, their presence was helpful for Japan since it might help to allay any regional suspicions. This was a useful role but a delicate one and was likely to remain so.
On the first consideration, the Indian sub-continent and Ceylon may appear to be barely relevant to any discussion of relations between Australia, New Zealand, and the United States. At one time, Pakistan was a member of a common treaty organisation (SEATO), but it has not been effectively so for several years and has served notice of formal dissociation. The ANZUS powers have no joint relations with India or Ceylon, and none of the three Asian states is affected by the ANZUS relationship. Geographically, South Asia is outside the strategic region with which Australia, New Zealand, and the United States have had any major concern.

Yet for all these western states, individually, South Asia—and particularly India—is extremely important. The United States is still the major source of economic and technical assistance, and the two other states are active through the Colombo Plan. Australia and New Zealand have Commonwealth associations which have historical and present relevance even if the future is uncertain. The India-China border has already seen one war and has most of the elements of another. The Kashmir dispute could flare up again at any time and involve neighbours, friends, and great powers. The developing Soviet military, political, and economic presence in the Indian Ocean area, which is most relevant to Australia but also to American investment and polaris submarines, depends in good measure on the receptivity to it of India, Pakistan, and Ceylon. The relations of India, Pakistan, China, the Soviet Union, and the United States with one another are inextricably and functionally interlinked. What happens in South Asia in the 1970s will undoubtedly help determine peace or war, stability or disruption, economic and social progress or deterioration for the whole of Asia east of Iran—for more than half of mankind—especially for the eight hundred million people who, on present trends, will be occupying the sub-continent by the end of the decade.

1 The term is used to cover India, Pakistan, and Ceylon. The Himalayan states of Nepal, Sikkim, and Bhutan will also be discussed briefly. For some of the points in this paper I am indebted to Mr Sisir Gupta, of the Australian National University.
Perhaps the greatest question mark is internal stability within India. The Congress Party ruled India for more than twenty years after independence. It was a party more on the American than the British model, a coalition of interests ranging from well to the left to well to the right, held together by the responsibilities and profits of power, by the charisma of Nehru, by the realities and myths of a common revolutionary experience and tradition, by a spirit of tolerance and a history of personal relationships, by inertia, and by the lack of a viable alternative. The Congress has never won a majority of votes at a national election, but has always had, until the recent conflicts within the party, a majority of seats in the central parliament.

At present we appear to be witnessing a change in the Indian party system, a move away from Washington and towards Westminster, as it were. Mrs Indira Gandhi revealed unforeseen political strengths when she successfully defied the party machine and had her own candidate, Mr Giri, elected President of India. This was a symbol as much as an occasion for two demonstrations by the Prime Minister, of her determination to assert her own pre-eminence within party and parliament, and of a slight move in both domestic and external affairs towards policies acceptable to certain radical elements, e.g. nationalisation of the fourteen major banks. It would be wrong to apply simple Western left/right labels in this situation. Indian politics make up a mobile, heterogeneous mass characterised rather more than most democratic political systems by factions, personalities, and opportunism, instead of principles. Dependence upon the Soviet Union is no new phenomenon resulting from the Congress split—in its present form it is some ten years old and predates the India-China war, though not the India-China tensions. Insofar as a realignment in Indian national politics appears to be taking shape, it is by the Indira Gandhi faction of the Congress Party with some Socialists and Moscow-oriented Communists on the one hand, and by the Congress Syndicate supporters with the Jana Sangh and Swatantra parties on the other. Yet these may well be no easier bedfellows with each other than they were in previous liaisons, and almost anything is still possible.

At the State level, the Congress has long ago lost power in several areas, alternative governments for the most part being even more heterogeneous, fissiparous, and unstable coalitions, in some cases prompting 'President's rule' for a period from the centre. This has rarely benefited the Congress Party, whose proportion of votes and seats overall has steadily declined; nor has it promoted viable, cohesive alternatives to Congress rule.

2 One could also characterise Nehru's government as presidential in character.
8 In this respect, the Indian National Congress is close to being a left counterpart of Japan's Liberal Democratic Party.
No political party could possibly have satisfied all the claims that have been made upon the Congress and by it or on its behalf. Mrs Gandhi's move to the left—if we can call it such—is an attempt to declare and implement some of the more politically attractive social and economic programs which were impossible under the multi-factional coalition led by her father. This ignores the question whether those programs are desirable for their own sakes or are going to be administratively viable and economically productive. It also may underestimate the strength of what Gopal Krishna has called 'the new, socially rising and economically powerful interests',\(^4\) as represented by the Jats of Uttar Pradesh and Haryana, and supporters of the Swatantra and Jana Sangh.

If we assume it is desirable that India should remain at its present size and structure,\(^5\) a strong central authority would seem to be essential in order to promote economic change and afford international and domestic security. Historically, this is what India has been unable to maintain for any length of time. The dilemma which Nehru partly solved by his own skill, charisma, compromise, and (at times) inactivity will face any Indian government in the 1970s with much greater force. By including the various legatees of power in the Congress, government is possible but progress difficult; by splitting some of them off, progress may be possible but government is difficult. The centrifugal forces appear to be overwhelming the centripetal as they have done so often before.

Among the centrifugal forces are forms of linguistic 'nationalism', extreme left-wing militant groups such as the Naxalites, and separatist movements in border states. For the most part, linguistic forces are aimed more at gaining recognition at the centre, weakening the centre's control over the provinces on key issues, and obtaining a higher proportion of the national revenue, rather than at creating a wholly independent Tamil or other state. By insisting upon representational power they strengthen the federal structure even if they may weaken the external vigour of the union. The militant revolutionaries are much more inclined to promote anarchy, and thus perhaps eventually to stimulate authoritarian reactions from the state. Minority groups in peripheral areas—Assam, Manipur, Tripura, Nagaland, and of course Kashmir—will continue to affect the security of the periphery, especially where aided by Chinese or Pakistani arms; they are unlikely to cause a breakdown of sub-continental power.

The Himalayan states, because of their size and geography, give much more cause for concern. The Chinese have not built a road to Katmandu, and a number of lateral roads, merely to promote tourism. India has not always been tactful or generous to Nepal, and is regarded there with

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5 Assumptions such as this are rarely questioned in any modern state except by chauvinists or resentful minorities, yet they are often not easily demonstrated.
only a little less suspicion than is Communist China. Nepal, Sikkim, and Bhutan are all vulnerable to Chinese pressures, but have so far been more sympathetic to India's culture, economic organisation, and strategic problems. One cannot be sure that this will continue indefinitely.

May India's political, economic, or bureaucratic problems tempt some Indian Ayub to seize power? It is conceivable but unlikely. Civilian administration has been far more effective than was the case of Pakistan and the problems in India are so vast. Perhaps also the Hindu temperament is less adaptable than the Muslim either to administer or be administered by a dictatorship of its own kind. The fourth largest armed forces in the world have given no public sign as yet that they want to run the country with the most problems in the world.

However much closer India may have become to the Soviet Union, neither Mrs Gandhi's government nor any subsequent Congress government will wish to be subservient to Soviet policies. But to what extent will they be able to maintain their independence? The Soviet Union became the major source of military equipment following the Indo-Pakistan war of 1965. With the United Kingdom gone and the United States plainly disengaging from commitments in Asia, both in terms of military contributions and aid, there is no real alternative to the Soviet Union. Lines may be cast out to Japan and Australia in order to provide some counterbalance, but neither will be willing and Australia will not be able to make more than a marginal contribution to India's defence needs. Unless by some miracle Pakistan became prepared to accept the status quo in Kashmir, the two neighbours will continue for many years in the posture of barely-restrained gladiators, needing weapons to bolster courage. So long as this confrontation exists, Pakistan will maintain cordial relations with Communist China. India does not need the Soviet Union to be able to hold her own against Pakistan; she does need it, for both conventional and nuclear weapons, for assured defence against Communist China, and particularly in the event of collusion between Pakistan and China. Again, a frightened India will be most receptive of Soviet aid and influence. Mrs Gandhi has made some modest and unsuccessful overtures to Peking, but they appeared to be as much a reaction to Soviet arms supplies to Pakistan as a genuine attempt at reconciliation. Conversely, one could say that so long as the Sino-Soviet dispute remains, and India is friendly to Russia, China will stay hostile to India.

India cannot really afford sophisticated nuclear weapons, and by the facts of geography she is much more vulnerable to Chinese weapons than China would be to anything smaller than inter-continental ballistic

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6 When I was in Nepal in 1964, the Foreign Secretary admitted that the greater part of the army was deployed on the Indian border. The Nepalese government is currently trying to change the arrangements for stationing Indian troops in Nepal.
missiles from India. Thus a Sino-Soviet rapprochement which was not matched by a relaxation of Sino-Indian relations would leave her feeling more vulnerable than ever. American and Soviet declarations at the Security Council are no substitute for either India's own nuclear weapons or a clear Soviet guarantee. India is not going to sign the Nuclear Non-Proliferation Treaty. If, because of fear of China and uncertainty about Soviet aid, India decides to manufacture nuclear weapons, the pressures on any Pakistani government to do the same thing would probably be irresistible, and this could lead to tragedy.

It is hard to see a way out of these vicious circles. Anything which allows Pakistan to approach military parity with India will send India elsewhere for help; and anything which allows India to demonstrate clear superiority will send Pakistan elsewhere for help. Ironically, perhaps, India blamed the United States for destabilising the area by offering military aid to Pakistan fifteen years ago, and it is true that this aid was used against India in the 1965 war; yet even with the aid Pakistan proved unable to force a change in the status quo, and when the United States stopped supplying arms to both sides, lasting peace appeared (by that fact) no closer. In the Tashkent Agreement of January 1966, Pakistan (or President Ayub) seemed to acknowledge these facts, and successor military Presidents of Pakistan will probably accept the lesson. Pakistani acceptance of arms from Russia is not of the order to make possible a new fight for Kashmir, and it subjects Pakistan to a measure of Soviet influence which would be moderating rather than exciting. In China, re-equipment of the armed forces has suffered badly as a result of the Cultural Revolution, and presumably this has affected Chinese aid to Pakistan. As no other country is going to supply Pakistan with the needed arms, and her own industries are quite inadequate, a new threat to peace within the sub-continent will come only if Chinese arms production is greatly improved in quality and quantity, and if a Pakistani president or prime minister takes advantage of them to embark on new adventures. Some observers believe that Mr Z. A. Bhutto could be just such a leader.7

Soviet arms aid to India thus offers assurance against China (and acts to contain China) while aid to both India and Pakistan helps, as it were, to stabilise their imbalance. Viewing the region in isolation, we may therefore conclude that Soviet involvement is a substantial contribution to peace.

Unfortunately, we cannot view the region in isolation, and while Mrs Gandhi stoutly maintains that India's non-alignment has not been com-

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7 Indian journals periodically refer to the road or roads being constructed between West Pakistan and China. Under the heading 'Pindi-Peking Axis, New Road, Old Strategy', Link, 6 July 1969, reported a new road being built between Nor Khun (north of Gilgit in Jammu and Kashmir) to Qila Nabi on the 'Aksai Chin Highway' linking Lhasa with Kashgar.
promised, she equally claims a special relationship with the Soviet Union. Even allowing for the Western tendency to see behind every nationalist bush a communist bear, the Indian Cabinet has become much more Soviet-oriented in recent times, as have the armed forces. Known communist sympathisers or ex-communists have been brought into the processes of government more conspicuously than ever before, and this is a very different matter from having non-communist Ministers or officials making allowances for communist attitudes and pressures. The Soviet navy has been given access to Indian shore facilities, which it is helping to enlarge.

If the realignment of parties mentioned earlier continues, which seems likely, then this situation will also continue. Indo-Soviet relations will, however, never be plain sailing. Indians and Russians have run up against the same problems as Indians and Americans; Soviet aid to Pakistan was considered treacherous by some Indians, and Soviet criticism of Indian industrial organisation and constructional capacity has caused resentment as strong as any generated by the United States.

Yet there are differences. The Russians can be blunter, ruder, more prepared to twist the arm, and, in terms of military aid, the Indians now have nowhere else to turn, except to their own efforts, which are not quite sophisticated enough.

Pakistan, no less than India, has problems of national cohesion, but they are of a different order. The country is overwhelmingly Muslim, and it exists because of this fact, in determined demonstration of Muslim difference, self identification, and sovereignty. Yet in many respects the self of Pakistan has never quite become a unity; not surprisingly, geography and even language have undermined religion, and a single religion has shown up its sects seeking power. East Pakistan, a thousand miles from West Pakistan and the seat of national government, has had its own preoccupations, not least being envy of its sister province. It contains more than half of the population, but holds just half the seats in the National Assembly, many fewer than half the positions of legislative and administrative power, and a small proportion of the total national wealth. (Average income is about a half that in West Pakistan). The armed forces are predominantly Punjabi. All these matters are causes of resentment, which come easily to the boil in East Pakistan’s densely populated areas. Internationally, it is a part of Southeast Asia,

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8 An article in *The Times*, 30 December 1969, claimed that the Indian Prime Minister has deliberately promoted Ministers, officials, and advisers well-known for their pro-Soviet and anti-Western feelings. It cited Mr Dinesh Singh (Foreign Minister), Mr T. N. Kaul (Secretary to the Foreign Minister), Mr I. K. Gujral (Minister of State for Information), Mrs Nandini Satpathy (Deputy Minister attached to the Prime Minister), Mr P. N. Haksar (Prime Minister’s private secretary), and Mr Mohan Kumarmangalam (Chairman of Indian Airlines).

while West Pakistan looks more to the Middle East. It is not particularly interested in Kashmir. It is much closer to China (i.e. to the Middle Kingdom), and appears more subject to Maoist revolutionary activity.

The brief period of rioting towards the end of Ayub's régime displayed the fragile or volatile basis of internal stability, yet stability was restored with remarkable ease by the new military President. The test will come when or if elections are held in October, as promised.* The army under Ayub had stayed broadly aloof from politics, but in so doing it acquiesced in what Mr Bhutto called 'the corrupt marriage' between business interests and upper echelons of the Civil Service. Yet if such collusion was one of the bases of unrest, equally relevant was the failure of will by the government during Ayub's illness. Expectation fans revolutionary fires. Earlier, when he should have known better or been stronger, Ayub succumbed to (West) Pakistan's national passions and myths, and took the country into a war it could not win with India, inevitably being forced to accept a humiliating peace.

There are, unfortunately, almost no grounds for believing that a return to parliamentary democracy in Pakistan will bring government as strong, stable, effective, or even representative as that under Ayub and the 'basic democracy' system. East Pakistan's clamour for power commensurate with population, if acceded to, could take it (domestically) another thousand miles eastwards; if not, at least in good measure, it will cause further unrest, perhaps even outright revolution. With customary impartiality, both Russia and China provide arms to the Pakistani government and aid to the anti-government rival communist groups in East Pakistan. There is no substantial single, nationally-based political party, no leader with a national charisma. The coming decade is going to be a good deal bumpier than the last, and will not be helped by the fact that no government is likely to loosen its ties with Communist China.

Interestingly, despite all the problems and poverty, in neither India nor Pakistan is the economy the major source of instability. Pakistan maintained a high rate of economic growth (over 5 per cent) during the sixties. India's was somewhat less, but the 'green revolution' promises a far greater self-sufficiency in food, at least for a time, than was earlier thought possible. In each country, great economic disparities remain, both in terms of economic classes and regional development. While a small middle class is developing, the gap between rich and poor is no narrower. The major disparity in Pakistan—between East and West—could prove nationally disintegrating on a scale unlikely in India.

Ceylon, with its population only a small fraction of its giant neigh-

* The elections were held on 7 December 1970 and resulted in victories for the parties led by Sheik Mujibar Rehman in East Pakistan and Zulfikar Ali Bhutto in West Pakistan. Before the Constituent Assembly, which was to approve a new constitution, had met, insurrection broke out in East Pakistan.
bour's, has few of India's problems. Its only communal problem comes from the 2.3 million Tamils, representing not so much a privileged minority as an irredentist symbol, reminding Sinhalese Buddhists of the nearby presence (and potential attraction) of an alien sub-continent, containing a large Tamil 'nation'. As in most communal societies, appeal to racial passions became a standard road to political power. After repeated negotiations, the Indian and Ceylonese governments agreed in 1964 to repatriate 525,000 stateless Tamils to India, while 300,000 will become Ceylonese citizens. This will not solve many problems, although it will reduce for a time the bargaining position of the Ceylon Tamils in asserting economic and linguistic rights, to which the Senanayake government was more sympathetic than its more radical opponents, but still not sympathetic enough to retain Tamil political support.

After some fifteen years of economic decline, caused partly by lowering world prices of Ceylon's few export commodities, the country has begun to increase domestic production and purchasing power. As the World Bank reported in January 1968, 'the Government has demonstrated its willingness to take unpopular but economically necessary decisions, the most glowing example being the halving of the rice subsidy in December 1966 . . . The agricultural policies and programmes of the government are such that with continuing efforts it should be possible to meet the 6% annual growth target.'

The economy is still heavily dependent on foreign aid, and the government is understandably prepared to seek it from almost any quarter, including the Soviet Union or Communist China.

Ceylon's foreign policy was most effective—for the West, unpleasantly effective—during the governments of Mr and Mrs Bandaranaike, urging radical policies in conjunction with other Afro-Asian powers and communist states. Under Mr Senanayake, it was firmly but modestly non-aligned. A change of government could not reassert radical leadership at the United Nations, because the majority of the radically effectual international causes have disappeared; but it could open Ceylon's port facilities, suitably improved by Soviet aid, to Soviet mercantile and naval interests. Particularly if or when the Suez Canal is reopened, Ceylon's location makes it strategically valuable to the growing Soviet fleet in the Indian Ocean Area.*

Of the major external powers so far mentioned, only Japan could make an economic or political impact in South Asia. Until now, it has shown no desire to do so, despite American pressure to expand economic

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* In an election held on 7 December 1970 the Senanayake Government was defeated and Mrs Bandaranaike resumed office.
aid to less fortunate Asian countries. Japan has little cultural or political affinity with the sub-continent, and little sense that profitable economic links could be established. It does not in any case wish to engage in regional military arrangements, except possibly in order to protect South Korea. Proposals made in various places (Washington, Delhi, Canberra) in recent years that somehow India, Japan, and Australia could constitute a ‘tripod’ for the security of Asia, have had little support in any of the three. India is interested only in the security of the sub-continent; Japan wants a non-military role in Asia, and Australia is small, peripheral, and not really Asian. This is not to say that a range of countries, including Japan, Australia, Canada and West Germany cannot contribute out of their economic and political resources, and Australia probably has opportunities few other countries have, as it is comparatively wealthy, has common regional concerns, and has no axe to grind.

We are now witnessing the second major movement in the area since World War II. The first saw the establishment of national governments and the departure of the European colonial powers, the retention of British strategic interest and economic links, and the competitive involvement of the United States and the Soviet Union. The Vietnam War, and twenty years of unrequited generosity, have made the United States disenchanted with a large role anywhere on the mainland of Asia, and anywhere off-shore west of Singapore. The British have turned their gaze back to Europe, for comfort and profit. Only the Soviet Union, itself an Asian power, keeps pushing its policies, expanding its interests and its capacity to intervene. The Brezhnev proposal for a collective security system in Asia is a logical development within the whole situation.

What then should be the role of the Western powers in the sub-continent? Surely it is not to abdicate its interest and involvement, but to provide the governments of the area, and especially India’s with some leverage and balance against importunate Soviet or Chinese pressures, with an element of choice, with sympathetic and wise if not massive assistance. High cost policies are not always effective; low cost policies, intelligently administered, can often do more. There is also a case for Australia and New Zealand combining on economic aid, and for Australia and the United States having common strategic attitudes and joint policies towards the region.

DISCUSSION

The focus of the discussion rested on India. Could continued Indian political stability be assumed? Was it drifting towards ‘guided democ-
racy? What role would India be likely to play in a wider sense, vis-à-vis Pakistan or China, in the region of Southeast Asia, and in aiding Soviet plans in the Indian Ocean? Was Soviet influence in Indian affairs, especially Indian foreign policy, now dominant? What alternatives could or should Western friends and neighbours propose?

India's domestic problems did not attract sustained attention. It was remarked that India was the largest free society in the world and that it was difficult to think of such a society, despite its difficulties, succumbing to a dictatorship. Economic and social problems in India were perhaps the world's most formidable, and there was no confidence at the meeting that anything dramatic could be done to solve them, in or outside India. The Americans present were generally pessimistic about the prospects of any significant change in the recent trend (in contrast to the early years of the Kennedy Administration) for a decline in United States interest in India, either politically or economically. Others wondered whether the Americans and the Russians might not virtually have come to a sphere-of-influence division in the later sixties, with American interest predominant in Southeast Asia and Russian in South Asia. And it was asked by Australians whether recent Soviet naval activity in the Indian Ocean might serve to revive American attention, more especially if and when the Suez Canal were re-opened.

In general terms, Soviet influence in Indian foreign policy was widely regarded as having been predominant for some years. Soviet-American or Soviet-Western parity of influence (despite the continued strength of the English language and English traditions of politics and law in India) had long ceased to exist. Soviet friendship with India, it was noted, although much strengthened in the 1960s did not date merely from the Sino-Indian crisis of 1962—it went back to the days of independence. In contemporary circumstances, the Indians could see that the Americans were in the process of a retreat from Asia, whatever might be the differences of opinion about how far that was likely to go, while the Russians were not. On the contrary, the Soviet Union regarded itself as an Asian power and was actively seeking to increase its influence in all the sub-regions of the continent.

For India, this was significant. India was by no means simply a pawn in Soviet-American relations but had its own national interests to protect. Indian concern over Pakistan and China was a continuing vital interest and Soviet policies in relation to both were of the utmost importance. Any signs of a detente between Washington and Peking would also heighten Indian receptiveness to Soviet influence. The present sympathetic Indian attitude to Soviet policies and interests seemed therefore likely to continue.

There was a difference of view as to the seriousness of, and the possible antidotes to, the increasing Soviet naval interest in the Indian Ocean.
It was recognised that the extent of Indian co-operation with this Soviet effort would be important both logistically and politically. The Soviet Union was concerned to advance its influence throughout the region and particularly vis-à-vis China. On the pattern of the Mediterranean, even a relatively small naval force might be effective. Similarly, however, it was contended by other speakers that a Western naval counter to this Soviet presence might also be relatively small and not the very large and costly effort which some assumed would be necessary.

It was remarked that Japan also must be interested in Soviet naval activity in the Indian Ocean since about 90 per cent of Japanese oil supplies traversed that ocean. Perhaps a Japanese naval presence there at some future date was not inconceivable. In other respects it was debated whether a stimulated Japanese interest in India might be a useful counter to Russian predominance, but the prospects for any such serious effort on the part of Japan was thought to be slim.

Indo-Pakistani relations were considered only briefly and mainly in terms of a possible Indian decision at some point in the 1970s to make nuclear weapons. It was urged that the United States and Canada, which have aided the Indian nuclear reactor program, should insist on the application of the most stringent safeguards to inhibit this possibility. Others felt that if the Indians were determined to go ahead not much could be done about it—particularly as it was thought that the Soviet Union would be likely to acquiesce in such a development. All the same, there was apprehension about the likely consequences of any such decision, for Pakistan would feel obliged to try to follow suit. ('If there is a sixth nuclear power', a Pakistani delegate to the General Assembly once remarked in debate on the Non-Proliferation Treaty, 'there will be a seventh'.) The result could all too easily become tragic.

While it was generally concluded that the extent of Soviet influence on Indian policy had increased, was increasing, and ought preferably to be diminished, there was no confidence that a reduction was likely to be effected. There was some objection also to concentrating so heavily on great power interests. While it was broadly accepted that Indian influence outside the sub-region of South Asia was unlikely to be great, it was argued that India too was looking to broaden her range of interests and had recently shown signs of more positive interest in Australia and New Zealand in the process. This was important to both Pacific countries. Through the Commonwealth association they both had long if somewhat tenuous political links with India which were worth developing. Moreover, the extent of economic assistance both had been able to give India, while inevitably relatively small in scale, had been useful in kind and well received. Greater political and economic efforts on the part of both Australia and New Zealand to develop their relations with India, would, it was agreed, be well worthwhile.
Southeast Asia is a modern geographical expression used to designate a territorial area which includes Burma, Thailand, Laos, Cambodia, Vietnam, Malaysia, Singapore, the Philippines, and Indonesia. While valuable as a means of distinguishing the area from East Asia, South Asia, and West Asia, the term has its dangers. First, it suggests a separation of the problems of Southeast Asia from those of other Asian areas, a suggestion which corresponds imperfectly with the facts. Secondly, it suggests a degree of political unity within the region, and thus opportunities for regional collaboration, again a suggestion which can seriously mislead if past and present history of individual States are not kept firmly in mind.

With the exception of Thailand, all the countries of Southeast Asia have been colonies of European powers, whose control they have resented and whose overlordship they have succeeded in removing or escaping since the end of the Second World War. All have minority problems of varying degrees of importance, and of which the solutions are not facilitated by the fact that artificial borders were determined by imperialist masters undisturbed that such boundaries often separated groups of people of the same race and language. All have felt the influence of a past and future great power, China, whose rulers have regarded their country as the Middle Kingdom, surrounded by barbarians whose duty it was to recognise the superiority of Chinese civilisation by paying tribute and recognising Chinese suzerainty.

Some of the countries of Southeast Asia have memories of ancient power and glory beyond their present borders to stir their pride and stimulate suspicion and fear of neighbours. Thus it is impossible to understand the policy of Prince Sihanouk of Cambodia without calling to mind the over-running of Angkor in the year 1431 by the Thais, the colonising of the Mekong Delta by the Vietnamese, and the competition between Thailand and Vietnam for suzerainty over Cambodia. Similarly, President Sukarno of Indonesia must have been deeply conscious of the somewhat shadowy and indeterminate Indonesian Empires
of Srivijaya and Majapahit. Over the centuries there has been perpetual fighting between Burmese and Thais, Thais and Khmers, Vietnamese and Thais, Vietnamese and Khmers, Indonesians and Malays.

In these circumstances it is scarcely surprising that Southeast Asia is today a very turbulent area, where the domestic stability of individual countries continues to be dubious and relations with one another and with outside powers are shifting and uncertain.

Throughout recorded history Southeast Asia, with the exception of the Philippines, has been a cross-roads where Chinese and Indian cultural influences have met and competed. Confucianism, Hinduism, Buddhism have all contributed in different degrees and places and at different times to this cultural pot-pourri. It is not irrelevant to remember, however, that whereas Chinese influence in Vietnam flowed from conquest and occupation, Indian influence in Southeast Asia developed from trade and cultural links and was not at any stage imposed from without upon local populations.1 And so deep was the imprint of Chinese cultural influence upon the Vietnamese during the thousand years when northern Vietnam was a Chinese province, that when the Vietnamese enlarged their frontiers southwards they destroyed rather than assimilated Indianised cultures of areas over-run.2

Although all the countries of Southeast Asia except Vietnam (North and South) are now members of the United Nations Organisation, which is ‘based on the principle of the sovereign equality of all its Members’ (Art. 2 (1)), some of them are still struggling for national survival. In Vietnam the struggle is complicated by the military involvement of countries from without the area. Those who criticise French and later American involvement in Vietnam, however, frequently do not know or fail to admit that there was internal dissension in Vietnam after independence was won from China in 1428, and again before both French and American forces arrived this century. It is significant that, during continual wars between competing groups in the north and the south of Vietnam in the 1630s, southerners built two walls across the thin waist-line of Vietnam, just near the 17th parallel which has been the dividing-line between North and South Vietnam since the Geneva Conference of 1954. Peace ensued between the contending parties for about 100 years during which, of course, North and South remained divided. I have suggested elsewhere3 that although the Vietnamese people developed and maintained throughout their history a sense of national identity, this has to be distinguished from a sense of national unity.

2 Ibid., p. 218.
3 Alan Watt, Vietnam, an Australian Analysis, Melbourne 1968, p. 149.
Burma

Burma has adopted a policy of isolation based primarily, it would seem, upon a desire not to offend Communist China. One would have thought, however, that experience in Europe would have shown that the mere desire not to be seen or heard is no sufficient guarantee of national security. Today foreign visitors are not encouraged to visit Burma, Western businessmen have been frozen out by Socialist governments, Indian Chettyar moneylenders have fled back to India and there is much trouble with the Shan, Kachin, Chin, and Karen minorities, who resent Burman overlordship, and with the adherents of two Communist parties, the White Flags and the Red Flags. Government policy under which retail prices of rice are held down, and the prevalence of dacoity, have reduced productivity. ⁴

While a Sino-Burmese boundary agreement was signed in January 1960 in terms very satisfactory to Burma, ‘the tacit price for this settlement was for Burma to continue a policy of non-alignment which did not involve association with countries inimical to China’. ⁵ Yet the silence of the Burmese Government regarding the Indo-Chinese border disputes did not prevent a deterioration of Burma’s relations with China during the Cultural Revolution. When some of the 360,000 Chinese in Burma, mostly concentrated around Rangoon, demonstrated in favour of Mao Tse-Tung, prompting strong reactions by the Burmese population, Peking radio invited the people of Burma to rise up against their government. ⁶ In short, Burma since independence and under its present military government provides strong evidence in support of the claim that ‘nationality’ in Southeast Asia is very ‘incomplete’. ⁷

Thailand

Thailand is perhaps the most stable country in Southeast Asia today, despite its nearness to China and despite a succession of military coups d’état since 1932. Any European visiting Bangkok finds the absence of colonial chips on Thai shoulders refreshing. Those who govern Thailand are very sophisticated people. For long, their ancestors played the French off against the English and vice versa; they bent with the Japanese wind when Japan invaded Southeast Asia, and, when they saw that Japan would lose the war, reversed the process, disgorging recovered provinces. They tried to make SEATO work, and when it failed to protect Laos and that country was neutralised in 1962, obtained a direct American military guarantee. The Thai Government agreed to American bombing

⁵ Peter Lyon, War and Peace in South-East Asia, London 1969, p. 54.
⁷ Ibid., p. 33.
of Vietnam from bases in Thailand, yet—as American determination not to become further involved in ground war in Southeast Asia in the foreseeable future has become clearer and clearer—it has accepted this attitude without rancour, despite possible serious consequences for a Thailand which had committed itself on the American side in the Vietnam war. Thai leaders now seek to bolster regional co-operation in the region, particularly in ASEAN, and have played an important mediatory part in disputes between Malaysia and the Philippines and Indonesia. Foreign Minister Thanat Khoman is not afraid to speak his mind in public, and has taken numerous diplomatic initiatives.

Within the country the Thai language is spoken by 90 per cent of the population over the age of five years.\(^8\) Even before the revolution of 1932, there was a nation-wide primary education system.\(^9\) Although three million Chinese comprise an important and commercially influential minority in Thailand (one tenth of the total population), Thai governments have pursued a policy of assimilation with considerable success. Since 1948 Chinese have had to be educated in schools with a Thai curriculum, and the absence of any formal Chinese secondary education since then (except for those born in mainland China) has minimised the divisive effects of Chinese cultural background.\(^10\) Thais themselves derive from Yunnan in China, and the assimilation in modern times of their Chinese minority has been assisted by intermarriage.

There is no major land-reform problem in Thailand, as the country is based on a peasant rather than a landlord economy.\(^11\) In 1963, 85 per cent of arable land was farmed by owners.\(^12\) During the 1960s the economic growth rate in GNP terms has averaged between 6 and 8 per cent.\(^13\) Agricultural exports have been diversified so that the country is no longer so dependent for foreign exchange on exports of rice.\(^14\) Government support for the development of transport routes (railways and roads) and for irrigation has been far-sighted. The bureaucracy contains many able men, a number of whom, since the days of two enlightened monarchs, Mongkut and Chulalongkorn, have been educated overseas.

These are the elements favouring stability in Thailand. Of course, there are less favourable factors as well. To the north-east is an area of lower and unreliable rainfall inhabited by Thais who are ethnically and culturally related to the Lao people. Until recent years, this area

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\(^8\) Lyon, p. 37.
\(^9\) Shand, p. 119.
\(^10\) Fairbairn, p. 42.
\(^11\) Lyon, p. 33.
\(^12\) Shand, p. 138.
\(^13\) Lyon, p. 37.
\(^14\) Shand, p. 124.
was considerably neglected by governments in Bangkok. The standard of living in the northeast is below that enjoyed by southern Thais, and Thai civil servants have not found postings there attractive. The facts of geography and the existence of this less privileged section of the population have made Thai governments very sensitive to developments in Laos. Thailand was not pleased with the Geneva Agreement of 1962, which was supposed to neutralise and stabilise Laos; it has been more outspoken than any other Southeast Asian country regarding the dangers of communist control of Laos and Vietnam; and its fears and suspicions have not been diminished by the presence upon Thai soil of some tens of thousands of Vietnamese amongst whom are undoubtedly communist cadres promoting subversion. Recently Thai spokesmen have shown uneasiness about the building of roads in Laos by Communist Chinese which, it is alleged, now includes a branch pointing towards the Thai border on the way south from the Chinese border with Laos.

Relations between Burma and Thailand are surprisingly quiescent, in view of the fact that, for disjointed periods extending over some three centuries, the Tenasserim coastal area was part of Thailand, and in view also of the restiveness of the Shan minority, mostly Thai-speaking, in Burma itself. Far worse are relations between Thailand and Cambodia, neither of which can forget disputed provinces lying between them.* On the other hand, there seems little prospect that Malaysia, four of whose northernmost provinces were transferred from Thai to British suzerainty as recently as 1909, is likely to encourage the 750,000 Malay-speaking inhabitants of the Kra Isthmus to look towards Kuala Lumpur rather than towards Bangkok.

A major concern of the Thai government is the extent to which Communist China, which in 1965 allowed a Thailand Patriotic Front to be established in Peking with the object of overthrowing the ‘fascist dictatorial government’ in Bangkok ‘which is subservient to U.S. imperialism’ will support the so-called Thai People’s Liberation Army carrying out guerrilla operations in Northeast Thailand in recent years.

Laos

Laos, in the words of Professor J. F. Cady, was ‘Buddhist and Indian in its cultural orientation and . . . Thai in its language and leadership’. Land-locked, isolated, and weak, with a population of some three million, many of whom are not Lao-speaking, divided in practice between the government under Prime Minister Prince Souvannaphouma (supported by the Americans) and the pro-Communist Pathet Lao under Prince

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* Since the deposition of Prince Sihanouk in April 1970 and the taking over of the government by General Lon Nol, relations between Cambodia and Thailand seem to have improved markedly.
Souphanouvong (supported by the North Vietnamese and Communist Chinese) it can be regarded as an independent State ‘only by cartographic and diplomatic convention’. Historically, present-day Laos is a somewhat unsteady union of the provinces of Luang Prabang (the royal capital) in the north, Vientiane (the political capital) in the centre, and Champassak in the south. In the past Laos acknowledged Thai or Vietnamese suzerainty (or both) before becoming a French protectorate in the latter part of the 19th century.

Since 1955, the economy and defence of Laos has been supported predominantly by the United States, which has sought to make Laos a ‘pro-Western buffer’ state. However, a large proportion of the dollars provided for commodity imports designed to be sold for local currency to meet army needs was diverted by merchants to currency speculation for their own profit, and the United States had to suspend aid in 1958 in order to force revaluation of the Laotian kip. For a time right-wing Laotian leaders tried to eliminate Pathet Lao representatives from politics and to defeat their forces in battle, but by 1961, despite growing American aid, the Pathet Lao, assisted by a Soviet air-lift from bases in North Vietnam, controlled almost half of the country. In these circumstances the United States, more concerned with Vietnam than with Laos, and conscious that the alternative was increased intervention by foreign supporters and opponents of the Laotian government, agreed to a conference at Geneva which in 1962 issued a neutrality declaration for Laos following the installation of a coalition government including both Souvannaphouma and Souphanouvong. Under this agreement Laos undertook to withdraw from the nominal protection of SEATO and to abstain from military alliances, while foreign military bases in the country were prohibited. In return, those present at the Conference, including the United States, the Soviet Union, the United Kingdom, France, Communist China, and North Vietnam, guaranteed the neutrality of Laos, undertook to withdraw all foreign troops, to abstain from introducing new military forces or establishing military bases in Laos, and to refrain from using Laos for the purpose of interference in the internal affairs of other countries.

One would have thought that subsequent developments in Laos would have convinced optimists that agreed neutrality (whether for Laos, Vietnam, or Southeast Asia) provides no automatic and certain guarantee of national independence or regional security. In fact North Vietnamese troops were not withdrawn from Laos, which instead became the regu-

17 Lyon, p. 86.
19 Ibid., pp. 547-8.
20 Ibid., pp. 556-7.
21 Ibid., p. 560. For text of Declaration, see Keesing, p. 18919.
lar pathway for armed forces moving into South Vietnam from Hanoi. A signature on a scrap of paper is of little account unless there is also the will to give effect to what is written on it and effective supervision to ensure that its terms are carried out.

_Cambodia_

The early history of Cambodia has already been referred to briefly in this paper. Developments since the end of World War II revolved around the unusual personality of one man, Prince Sihanouk, who was entitled to invoke the historic phrase _l'état, c'est moi_. His consistent aim was to secure and maintain the independence of Cambodia with its present boundaries, and he had no hesitation in pressing the French, followed by the Americans and other countries (including Australia) to this end. Past history made him regard the Thais and the Vietnamese as at least his closest enemies, and if his voice was somewhat muted in criticising Communist China, Sihanouk was quite clear about the future of his own country at the hands of communists if and when they had the power to transfer from Vietnam and Laos methods used in those countries. In his letter to the New York Times of 4 June 1965 he declared that he had 'never had the slightest illusion' as to the fate that awaited him after the communists had removed from the region the influence and especially the presence of the 'free world', especially the United States.

Sihanouk is an intelligent man of mercurial temperament, who tried with considerable effectiveness for a long time to perform a balancing act between China and the United States, at the same time trying to avoid a fall into the hands either of the Thais or the Vietnamese.

_Vietnam_

The problem of Vietnam has split opinion in Western countries more than any other international problem since the Second World War. It is understandable that European countries see American involvement there as unfortunate, because for Britain, France, or Germany the area is peripheral, involving now no vital interests. A war there, in Sir Anthony Eden's words, must inevitably be 'the wrong war against the wrong man in the wrong place'. For the political leaders of these countries, Vietnam distracts American attention and resources from the problems of Europe, and increases the risk of war between the United States on the one hand and Communist China or the Soviet Union or both on the other.

Countries of the Southeast Asian area and Australia and New Zealand are, however, unable to take such a detached view of the Vietnam problem, the resolution of which can in the long term determine their own future. Much scorn has been poured upon the 'domino' theory which,
of course, has never been true in the literal sense that communist control of Vietnam must inevitably lead to control of other countries as well. But as the United States has adopted a policy of withdrawal, Congress and public opinion insisting now that there shall be 'no more Vietnams', even those most critical of the 'domino' theory must find it difficult to deny that it contains an important element of truth. Already the Philippines has decided to withdraw its engineering units; Australia has announced its intention, in principle, to withdraw unspecified Australian combat units when President Nixon next decides to reduce American forces substantially,* while Thai members of parliament have raised with their government the question of Thai forces being ordered home.

In answer to questions from an Australian journalist after the ASEAN Conference held in Malaysia during December 1969, the Thai Foreign Minister, Dr Thanat Khoman, made the following statement:

There's a possibility that the nations of this region will meet their destiny without the presence or interference of outside powers. We should do our best to enter into that era. The second priority of preference—it's not much of a preference, but we have no other choice—is that if we can't do it by ourselves and there are no friendly powers around, we will have to find a way to accommodate with circumstances. It's a pragmatic confrontation with realities. No nation wants to commit suicide or face extinction or annexation.  

There is no space in this paper to review the complicated questions of fact and law raised by the problem of Vietnam in the post-war years. My own detailed views have been expressed elsewhere. In any event, much of the argument has now lost its relevance, since the basic issue is not whether intervention was justified, but how should one disengage, and at what cost.

**Malaysia**

Most countries in Southeast Asia have important minority problems, but for Malaysia the problem of minorities is crucial and, as yet, unresolved. As of 31 December 1967, the total population of West and East Malaysia was approximately 10 million. Of these, some eight and a half million were in West Malaysia (Malaya), where the respective racial percentages were Malays, 50 per cent, Chinese 36½ per cent, Indians and Pakistanis 11 per cent, others—Europeans and Eurasians—

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22 Canberra Times, 20 December 1969.
23 Vietnam, an Australian Analysis.
*A A decision since taken. On 20 August 1970, the Australian Minister of Defence confirmed the indication made by the Prime Minister in April that a battalion of the Australian force in Vietnam would not be replaced when it completed its tour of duty in November 1970. On the same day the Prime Minister of New Zealand announced that New Zealand would withdraw one infantry company by the end of 1970.
Malays are dominant politically and in the defence field, Chinese, and to an extent Indians, are dominant in commerce. Malays insist on regarding themselves as the indigenous inhabitants, although many of them were born in parts of Indonesia. Chinese and Indian immigration was encouraged by the British to supply a labour force for rubber and tin industries, upon which the country's comparatively high standard of living substantially depended. Although many of those constituting minority groups were also born in Malaysia, Malays enjoy a number of privileges which they are not prepared to surrender—at least, in theory, until they have more effective experience in and control of commerce, and until all minority groups have been substantially Malayanised, especially through education in the national language (Malay).

Although it was never certain that the Federation of Malaysia, including Singapore, Sabah, and Sarawak, could develop into a stable international unit, it seemed at the time of its creation better than any conceivable alternative post-colonial creation. The economic fortunes of Singapore and Malaya are bound up with one another; an isolated Singapore, predominantly a Chinese city sandwiched between Indonesia and Malaya and with acute employment problems, had uncertain prospects as a non-communist state; Sabah and Sarawak had too few resources of their own to sustain independent status. Given good-will on all sides, reasonable racial tolerance, restraint and patience, and gradual movement towards equal rights for all citizens, it did not seem fantastic to hope that Malays and Chinese could work successfully together. With a non-fanatical Malay leader like Tunku Abdul Rahman and his associates of the Malayan Chinese Association content with economic prospects and some Cabinet representation, democracy in Malaysia appeared to be more surely based than in most other Southeast Asian countries, even though those who knew Malaya were well aware that racial troubles were never far below the surface.

Unfortunately, President Sukarno, aided and abetted by the Government of the Philippines, gave Malaysia no time to settle down. Sukarno, elated by his success in 'confronting' The Netherlands and winning back the territory of West Irian, elaborated his doctrine of the 'New Emerging Forces' and decided to confront Malaysia as well. On this occasion he was not successful, primarily because of British military support for Malaysia, aided by Australia and New Zealand. His bluff was called. Instead, an attempt by the PKI (Partai Kommunis Indonesia), aided by some Army elements, to carry out a *coup d'état*, perhaps with Sukarno's connivance, and in the process to murder senior Army officers opposed to such a new régime, resulted in Sukarno's being deprived of power, the massacre of an indefinite number of communists.

and others, and the installation of President Suharto. Meanwhile the
Philippines maintained its newly-discovered interest in certain parts of
northern Borneo, although it was careful to press the claim only against
Malaysia, not Indonesia.

Even before confrontation ended, Singapore was ejected from Mal­
aysia, although its inclusion had been the major reason for the
establishment of the new Federation. Malay nationalist extremists
strongly resented Lee Kuan Yew's attempt to build up his People's
Action Party in elections on the Peninsula, and stirred up racial troubles
(which were exacerbated by Indonesia) on the island of Singapore. The
Prime Minister of Malaysia eventually decided he had no alternative
but to force Singapore out of the new Federation, even though this left
Sabah and Sarawak as somewhat unwilling constituent elements in a
different Federation from that contemplated by them when it was
created.

Yet until the federal elections in Malaysia in May 1969, it seemed
that Malaysia was still relatively stable. Despite a decline in the price
of rubber, there were increases in the production of rice, tea, fruit, and
fish, and rapid development of timber and oil palm industries. During
the years 1965 and 1966, capital formation proceeded at rates of 20 per
cent and 19 per cent respectively of the gross national product. In
December 1966 foreign reserves were $US858 million, covering nine
months' imports at the 1966 level. Compared with other Southeast Asian
countries, West Malaysia enjoys good communications facilities, financial
institutions, and a sound currency. There is no shortage of virgin land
to develop. Complete illiteracy is rare, and most citizens can communi­
cate with one another. Overt unemployment at 6 per cent of the labour
force is bearable, though underemployment in rural areas has also to
be taken into account.25

Unfortunately, however, the elections marked a turning-point for the
worse. While the dominant multi-racial coalition won a majority of the
seats, loss of twenty-three seats in Malaya, including those of three
Ministers, came as a shock to a government which previously had over­
whelming control of parliament. There was a swing away from candi­
dates of UMNO (United Malays National Organisation) and the MCA
(Malaysian Chinese Association) in favour of opposition parties, Chinese
elements of which held a 'victory parade' in Kuala Lumpur which was
followed by serious communal rioting, many deaths, much damage to
property, numerous arrests, and the proclamation of a State of
Emergency. The precise reasons for the riots and the manner in which
they were handled are still obscure.26 In the result, however, the then

26 For an interesting account of events, especially comments on the significance of
the funeral march of 9 May, see the article by Frank Mount entitled 'Malaysia: The
May 13 Post-election Riots', in Pacific Community No. 3 Melbourne, Summer 1969.
Deputy Prime Minister, Tun Abdul Razak, became Director of a National Operations Council, which carried on the real government of the country, and censorship was established.

The British Labour Government's decision to withdraw military forces East of Suez (except Hong Kong) by the end of 1971 increased the uncertainties and sensitiveness of the Government of Malaysia.* Relations with Australia have deteriorated somewhat, following the Australian Government's decision to withdraw ground forces from Terendak in Malaysia to Singapore and intimations that they are unlikely to be available to defend Sabah in the event of any military action there. On the other hand, Malaysia has opened diplomatic relations with the Soviet Union, and seems to take some cautious comfort from the burgeoning interest of that super-power in Southeast Asia. In short, Malaysia's domestic and foreign policies have become more fluid and uncertain.

Singapore

Unlike Malaysia, where the economy is based on primary industry, Singapore developed as a trading and processing centre for maritime Southeast Asia. 75 per cent of its population of 2 million are Chinese; the remaining 25 per cent are made up primarily of Malays (14 per cent) and Indians and Pakistanis (approximately 8 per cent). Half the population is under twenty-one and one third under ten. Finding employment for two million people, crowded together on an island comprising 225 square miles, is an extremely difficult problem, especially as sizable British forces withdraw, military uses for British bases contract, and Malaysia competes by building up its own industrial and business establishments.

Singapore achieved internal self-government as recently as 1959, and its unwanted independence was thrust upon it in 1965. The Prime Minister, leader of the People's Action Party (PAP), is one of the ablest leaders in Asia, highly intelligent, but with a brusqueness of style and action which can give offence in other countries.

Originally the People's Action Party embraced not only English-educated socialists under the leadership of Lee Kuan Yew, but also radical trade unionists, educated largely in Chinese schools. In 1961 the trade unionists veered towards the Communists, reducing the range of support for the Prime Minister. It was then that Tunku Abdul Rahman proposed the formation of Malaysia, including Singapore. He clearly judged that it would be easier to contain Singapore within the federation than outside it.

27 Shand, pp. 97-8.

* The subsequent (July 1970) decision of a Conservative Government to retain a military presence in Malaysia and Singapore, although at a substantially reduced level, is reassuring. Nevertheless, it does not alter the fact that British political and military involvement in the region has been greatly diminished and the policy-makers must take this into account.
In May 1961 the PAP split, thirteen of its parliamentary members forming a new party, the Barisan Socialis, which opposed the creation of Malaysia. This left the PAP with a majority of one. However, a reformed PAP won thirty-seven out of fifty-one seats at the next elections, with 47 per cent of the votes, as against thirteen seats for the Barisan Socialis with 33 per cent of the votes. The latter decided eventually to boycott Parliament; some of their leaders were arrested and Singapore became a single-party State.28

Since the communal riots in Singapore which took place while it was still part of Malaysia, the PAP has had considerable success in handling potential racial problems. Lee Kuan Yew has included Malay and Indian representatives in his Cabinet; the national language is Malay, with Malay, Chinese, English, and Tamil as official languages; efforts are being made to alter the old situation under which text-books for Chinese schools were printed in China, and teachers were often educated in China; at the Nanyang University about one third of the students take some English-language courses.

But differences between the ruling elite, educated in English-language schools, and those educated in Chinese-language schools are still significant. Moreover, even without the reduction of British forces and the virtual elimination of the British military base complex which directly employed 50,000 people and affected the livelihood of some 150,000, the government of Singapore would have been fully stretched to find jobs for the 8-10,000 school-leavers seeking work each year. Yet the Lee government has acted with courage and firmness in providing housing for the rapidly growing population, and in encouraging foreign countries—especially Japan—to expand the industrial and commercial resources of the island State. Defence expenditure is likely to be of the order of 10 per cent of GNP for the next few years. Israeli instructors have been brought in to train the army.29

It is difficult to exaggerate the importance of Singapore for the future of Southeast Asia. When one takes into account its strategic situation, commercial importance, and vigorous Chinese majority, it seems vital to ensure that there is scope for its energies and welfare in co-operation with its Malay neighbours—through its membership of ASEAN or other regional organisations. Otherwise Singapore is likely to become an embittered communist island in a surrounding sea of Malaydom, with a siege outlook resembling that of Israel.

Indonesia

Reference has already been made to Indonesian pride in its historic empires of the past. President Sukarno described himself as a 'romantic

28 Lyon, p. 99.
29 Ibid., pp. 101-2.
revolutionary'. He belonged, in Herbert Feith's classification, not to the 'administrators' but to the 'solidarity makers'.\textsuperscript{30} As an integrative force in a disintegrated country he had his successes, but at an economic cost which will haunt the Indonesian people for years to come. Under his régime the parliamentary system failed and was replaced by 'guided democracy'. National pride was stirred, but a combination of inflation, corruption, bureaucratic inefficiency, and governmental control of the price of rice, which keeps the return to the farmer below world prices, led to a reduction of real wages and maintenance of an all-too-low standard of living.

After the unsuccessful coup d'état of 1965 and the subsequent blood-bath, the new Government of President Suharto with Adam Malik as Foreign Minister and the Sultan of Jogjakarta in charge of economic and financial affairs has striven slowly but persistently to bring order into economic chaos. For the time being, at least, Sukarno's militant nationalism is in the discard; confrontation with Malaysia has been dropped; there is co-operation with neighbours in ASEAN. The rate of inflation has been greatly reduced; the rice situation is improved; difficult negotiations with some foreign creditors have so far resulted in deferment of past debts and limited grants of new credits. Indonesia has returned to the United Nations.

But the long-term future is still obscure. The blood-bath has left bitter memories; oppression of the Chinese minority has not only antagonised Communist China but also contributed to economic dislocation; the low standard of living can well lead to new domestic insurgencies or attempted coups d'état. The 'shared poverty'\textsuperscript{31} of Indonesia is not a sound basis for a proud people for whom hard-won independence has brought no improvement in their economic situation. Indonesia needs the help and advice and assistance of all its friends, not least from Australia whose long-term future may well be determined by that of its nearest neighbour.

\textit{Philippines}

The Philippines is a disturbing country which does not fit easily into any category. Geographically it is part of Southeast Asia, and basically its racial and cultural heritage is Malay; but Spanish control for some 350 years and American control for a further fifty years produced the anomaly of an Asian people 80 per cent of whom are Roman Catholics and whose leaders speak and think in the English language. It is perhaps not surprising that the Philippines, since independence was obtained in 1946, has often seemed a nation in search of an identity.

\textsuperscript{30} Herbert Feith, \textit{The Decline of Constitutional Democracy in Indonesia}, Cornell 1962, pp. 24-5.
\textsuperscript{31} Shand, quoted at p. 264.
Spain left the Philippines a heritage of large estates requiring land reform to diminish rural poverty—a reform that governments recognise as necessary but do little to carry out. The United States left a tradition of a free economy in which, during 1966-7, 42 per cent of the gross national income was earned by 10 per cent of the population.32 There is also wide-spread corruption and tolerance of lawlessness, particularly during elections. The population of some 32 million increases at the rate of 3.5 per cent per annum; although the economy is predominantly agricultural, food imports are necessary.

The history of the Philippines has clearly demonstrated the courage and tenacity of its people in adversity. Since independence, however, the foreigner notices what seems to him to be insufficient restraint, balance, and judgment. Statements by political leaders tend to follow a flamboyant Latin-American style—on the world stage they seem to over-act. The Manila Press is certainly free, but the result often resembles a free-for-all. There is a proud assertiveness and exaggeration of style which, in foreign policy at least, does not win friends. To the outsider it is almost inconceivable that the Philippines could have encouraged Indonesia in its confrontation of Malaysia, and maintained its dubious claim to Sabah at the cost of Malaysian friendship. The constant striking of poses may bring domestic political gains, but it does not win international respect or contribute to stability.

In recent years, certain basic contradictions in Philippines' policy are apparent. Fear of Communist China has fostered an anti-communist policy, which led naturally to membership of SEATO and maintenance of the American alliance, upon which the country is basically dependent for its defence. But past frustrations with 'colonial' powers, and the desire to prove that the Philippines is as anti-colonial as other Afro-Asian countries, have led to frequent criticism of the United States, and pressure to reduce the American presence in the country. As an under-developed country, the Philippines needs social reform to reduce the gap between rich and poor; but the rich provide funds for political parties whose enthusiasm for reform is thereby diminished.

One can only hope that with the re-election of President Marcos and his decision to place the Sabah dispute in cold storage and to resume diplomatic relations with Malaysia, the Philippines will co-operate with its Southeast Asian neighbours in ASEAN, in ECAFE and in the Asian Development Bank with a view to strengthening political and economic stability in the area. But the effectiveness of its contribution to this end will depend upon readiness to carry out domestic land-reform, to reduce the gap between rich and poor, to control corruption and to lower the temperature of internal political controversy.

32 Lyon, p. 40.
Summing up

Developments in Southeast Asian countries described above afford no ground for facile optimism as to their future in the coming decade; on the other hand, neither do they afford ground for cynical pessimism. What is now required is a re-appraisal of policies against the background of a significant withdrawal of British military forces East of Suez after 1971, and the change in United States policy towards military involvement on the mainland of Asia under President Richard M. Nixon.

So far as Britain is concerned, it is difficult to believe that she will ever again, in the foreseeable future, accept substantial military commitments in Southeast Asia. British public opinion is tired of the responsibilities of Empire, not interested in the Commonwealth of Nations—except for trading and emigration opportunities—and apparently ready to accept the limited status of a major European Power.

In his Guam statement of 25 July 1969, President Nixon affirmed the intention of the United States to keep its treaty commitments, but added that, except for a threat by a major Power involving nuclear weapons, the United States had a right to expect that the responsibilities of international security and military defence would be increasingly accepted by the Asian nations themselves.33

Official statements of American policy, however, need to be interpreted in the light of Congressional and public opinion, both of which make it unlikely that American combat troops will again become involved on mainland Southeast Asia during the coming decade. According to Arthur M. Schlesinger Jr, Americans are reacting strongly against the 'universalism' of the last two decades. In his most recent book he writes:

... we cannot do everything in the world. The universalism of the older generation was spacious in design and noble in intent. Its flaw was that it overcommitted our country—it overcommitted our policy, our resources and our rhetoric. It was tinged with messianic pretension. It estranged our friends without intimidating our enemies. The time has surely come to stop going abroad in search of monsters to destroy. Vietnam should teach us that in the last half of the twentieth century armed white men cannot determine the destiny of a nation on the mainland of Asia.34

He argues that 'The time has come for a policy of "selective disengagement"'.35

Another experienced observer of the Asian scene, Edwin O. Reischauer, while underlining the importance of Japan for the United States, declares that 'political stability in the less-developed countries of Asia need be of no great concern to us'.36 In his opinion, 'if an Asian regime is not able to control internal instability even with our economic

33 Keesing's Contemporary Archives, p. 23409.
and technological aid, it probably could not be saved by us through military intervention and, beyond that, is not likely to be worth trying to save'.37 'Our military role', he argues, 'can only be marginal—to preserve the freedom of the seas, to maintain insofar as possible an external environment of stability, and to serve as a reserve force to discourage blatant aggression.'38

Japan has the capacity, if it so wishes, to play a significant part in Southeast Asia, where its interests include not only trade, but also unrestricted sea communications with the Middle East through the Straits of Malacca. Yet its future role in the area is somewhat uncertain—for understandable reasons. Memories of a ruthless Japanese presence during World War II are still alive; Article 9 of the Japanese constitution still proscribes the maintenance of 'land, sea, and air forces', although this has been interpreted to permit the creation of limited 'self-defence' forces; Japan still seems content to rely upon the United States for its defence, while concentrating mainly upon its own economic growth. Yet the days of Japan's post-war 'low-posture' foreign policy are surely passing and the next decade may see significant changes. On 7 January 1970, the Foreign Minister of Indonesia, Mr Malik, was bold enough to suggest that Japan might set up a kind of Southeast Asian Marshall Plan to help that area catch up with the rest of the world, as the United States helped a devastated and impoverished Western Europe after World War II.39 To be successful, however, any such plan would need to operate in a climate of far greater domestic stability and regional cooperation than exists in Southeast Asia today. It is probable that Japan will be more ready to help particular countries as and when circumstances seem favourable, than to commit itself to some grandiose economic plan for the area as a whole.

The shadow of Communist China is certain to lie heavily over Southeast Asia during the next decade, but the degree of its influence will depend, inter alia, upon the extent of its own internal cohesion; the objectives of the post-Mao régime; preoccupation or otherwise with the possibility of war with the Soviet Union; the outcome of the Vietnam war and its effects upon the stability of other Southeast Asian countries. Physical invasion by Communist Chinese forces seems unlikely; on the other hand, one must assume that the Peking régime will encourage wars of national liberation and all insurgencies which will weaken non-Communist governments in the area.

An important new factor in Southeast Asia is growing evidence of interest by the Soviet Union. Against a background of naval activity in the Mediterranean, a naval presence in the Indian Ocean and 'oceano-

37 Ibid., p. 427.
38 Ibid., p. 443.
39 Canberra Times, 8 January 1970.
graphic research in waters as distant as those surrounding Australia, Soviet political and economic initiatives take on added significance. The Soviet Union now has diplomatic representation in both Malaysia and Singapore, where once her presence would scarcely have been welcome. She is the largest purchaser of Malayan rubber, has established a shipping company in Singapore, and is negotiating civil aviation agreements. Mr Brezhnev has declared that 'the course of events is . . . putting on the agenda the task of creating a system of collective security in Asia' and the Foreign Minister, Mr Gromyko has followed up this hint in a formal report to the Supreme Soviet. So far these vague statements have not been illuminated in detail. Does the Soviet Union wish not merely to contain Communist Chinese influence in Southeast Asia, but also to help countries in the area to maintain their independence? Ruthless Soviet policy towards Czechoslovakia underlines the need for watchful scepticism regarding publicly-expressed Soviet motivation. This is not to suggest that all Soviet initiatives should be rejected out of hand; rather, that they should be scrutinised carefully, and the full cost counted, before acceptance.40

In these circumstances, leaders of Southeast Asian countries would seem well advised to act upon the following assumptions, unless and until they are proved unjustified:

1 Each country must take predominant responsibility for domestic stability, which will involve readiness to foster or permit internal reforms designed progressively to remove discriminations against minority groups, widen opportunities for all, and narrow gaps between extreme wealth and abject poverty.

2 International security within the region, except in the case of nuclear threats, or blatant, overt aggression likely to attract United Nations condemnation and perhaps a call for action by Member States, should be based upon national forces, and the international co-operation of neighbour countries.

3 Regional associations such as ASEAN should be developed to foster cultural ties and mutual economic interests. Time alone will tell whether these can be expanded to include security arrangements.

4 The Soviet Union, the United States, Communist China, and Japan are unlikely to make available to their friends combat troops to help deal with local insurgencies. All will try to foster trade, and some may be ready to provide selective economic aid. Whether any or all of these countries will help with military equipment, training, or advice is uncertain. Such assistance from Japan is improbable; Communist China

would make it available only to Chin Peng and his followers or supporters; the Soviet Union would be cautious in any of these directions, and, if forthcoming, might in view of the Indonesian experience want payment on delivery; such aid from the United States need not, perhaps, be ruled out, especially if there is firm evidence of regional co-operation in the field of security.

Countries like Australia and New Zealand, which are not geographically part of Southeast Asia but whose future is inevitably linked with the area, will foster trade links, maintain and probably increase economic aid, make available military equipment to Malaysia and Singapore at least and help there with military training and advice. If the Australian Labor Party should come to power, conscription for overseas service will be abolished and military forces will be returned to Australia. In theory, a Labor Government would still maintain a mobile capacity to send such forces back to Southeast Asia should an emergency occur, but the credibility of such a government's determination so to act is likely to be low. Assuming, however, that the Liberal-Country Party coalition remains in power, the Australian Government will continue to maintain limited military forces in Singapore and Malaysia after 1971 provided their presence remains welcome; but the utmost care will be taken to ensure that Australian forces are not used to deal with communal disturbances or other violence arising from local causes.

DISCUSSION

The discussion centred on the Vietnam War. It became clear that two broad schools of thought existed about political prospects in South Vietnam and to a lesser extent, about the military situation there too. The more pessimistic contended firstly that, by about the end of 1971, a very large proportion of American troops—perhaps as much as 75 per cent—and most other allied forces would have been withdrawn from South Vietnam. Secondly, it was noted that national elections were due to be held late in 1971 and that even without formal communist participation, the Saigon Government would then face a stern test. There would be heavy pressure on Saigon, from public opinion in the United States especially, to stage elections which would meet at least minimum standards of honesty and universality—and some form of international supervision or observation might well be involved in the process. If, as seemed all too probable, there was by then no political settlement of the war, the voters would be likely to reject candidates (including the present government) who did not appear to offer a political solution.

In these circumstances, the policy of Vietnamisation of the War would
be very difficult to effect and a substantial amount of political accommoda-
tion with the communists would probably follow, even if non-commu-
nists succeeded in being elected or re-elected. A period of political
competition among the various factions, communist, non-communist, and
neutralist, might follow, a period in which the odds could be ex-
pected to favour the more highly-motivated and better-organised
communist factions. Under these circumstances, Hanoi would be likely
to wield considerable influence in South Vietnam and towards the end
of the decade seemed likely to become the dominant if not the control-
ling influence there. The prospects for Cambodia and Laos looked
similarly bleak. The only element of consolation might be that a de-
monstrably fair election would at least cater to the expressed American
goal of ensuring that the South Vietnamese should have (at some point)
a free choice.

Against this view, a harder but in some ways more optimistic tack was
taken. It was remarked first that only a government with genuinely
popular support would be able to negotiate a political settlement, but
if the Saigon Government was to be expected to assume the real burden
of the war (which the policy of Vietnamisation involved) then an
authoritarian government might be inescapable. In this situation the
present government, which looked the only alternative in sight, might
well become tougher on political dissidence in the cities and indeed
might be well advised to ignore it and concentrate on forging an alliance
with the countryside.

This, it was conceded, would give it a public image which would be
difficult to reconcile with war aims. The situation could, of course,
improve over a longer-term, say 10 years, but that would be too long
for American public opinion to wait. There were many, however, who
doubted whether the American public would care much about the
nature of the government left in Saigon, contending that most Americans
just wanted their troops home. It was also questioned whether the
standards of political democracy in Vietnam should be judged in Wes-
tern terms—things did not work that way in Vietnam, North or South.
There would be no great democratic leader emerging from a great
democratic election. Once this was accepted, the prospects of the South
were not necessarily bad. An improvement in both the economic and
military situation could already be seen. Besides, North Vietnam had its
problems too. It was in severe economic difficulty and hunger was rife.

Considerations of the military situation broke open the argument into
new directions. Why, it was asked, should the communists be expected
to weaken to a point where South Vietnamese forces could contain them
when the Americans leave? They had withstood immense pressure for
a long time. Surely their strategy must now be to wait for the United
States to go home, to wait until withdrawal had reached an irreversible
point, and then move in force, perhaps mainly with North Vietnamese regular troops? What effect then would a South Vietnamese military disaster have on the whole American strategy of withdrawal?

The Guam Doctrine came in for some sharp scrutiny. The key issue it was argued, in an Australian view, was the state of American public opinion. In reality the United States was quitting the struggle in Asia and letting down their allies in the process. It might well be that in all the circumstances this was a correct course but one should not be deceived by the verbiage which accompanies and attempts to conceal a fundamental change of policy.

The exchange which followed was concerned with the basic implications of present trends in United States policy for future policy options available to the Administration and also its capacity to meet existing commitments. What, for example, of the guarantee to Thailand? What of the contingency plans of SEATO? Were they now worth anything?

The Guam doctrine,* it was said, laid down circumstances in which American forces, especially ground forces, would be used. The specific contingency described was the invasion of an American ally by the forces of a nuclear power. But in circumstances of a lesser degree, involving an insurgency situation, the Guam doctrine, understandably, was not specific. Precise American responses could not be predicted.

There was a clear cleavage of opinion at this point, one of degree, between those who took the view that the United States was in full retreat to what was virtually a new form of isolationism, in which all existing political commitments must be called into question because of doubts whether an American Administration would be able to honour them effectively, and those who were less stark in their interpretation, who saw the United States leaning backwards rather than forwards as in the 1950s and 1960s in Asian situations, but not by any means wholly retreating. Even the durability of public moods was questioned and one speaker likened the present situation to the 'never again' psychology after Korea in 1952-3, at the time of Eisenhower's first election. The present national psychology, it was implied, might be of an equally brief duration.

This argument in the nature of things could not be settled. But extensions of it ran through other sessions of the conference, notably in the discussion on the Australian and New Zealand troop commitment to Malaysia and Singapore which arose on Mr Brown's paper.

There were two matters other than Vietnam which deserve comment in this discussion, even though justice could scarcely be done to them: Indonesia and the Philippines.

Some surprise was expressed from American sources at the extent of

* See extracts from United States President Nixon's statement to Congress of 18 February 1970 in Appendix.
apparent Australian and New Zealand anxiety over the course of Indo-
nesian policy in 1963 and continued wariness about possible develop-
ments in the future. It was contended that Indonesia was never a serious
belligerent in the early 1960s. As to the future, the internal problems
and tensions of the republic, especially in Java, would be likely to
engage all its energies and absorb the future attentions of the very able
group of younger officers now being produced by the armed forces. The
importance of Indonesia to Australia and New Zealand was accepted
but the untroubled optimism of this view was challenged at later sessions.
It was remarked also that Australia and New Zealand might well take
a more active interest in the Philippines. There was an ambience in
American-Filipino relations which was now coming to a head and there
were many circumstances in which Australian and New Zealand partici-
pation could be helpful to the common interest.
This paper aims to make some general observations about the main problems and trends discernible at the beginning of the 1970s and their broader implications for the three ANZUS powers. Insofar as human behaviour is regular and consistent, these trends can be assumed to remain steady.

I have defined the Southwest Pacific very broadly to include the islands of Western Polynesia, and Melanesia and Micronesia, stretching from Samoa and the Cook Islands to West Irian and from Nauru and the Gilberts to the Marianas. Politically, this region consists mainly of non-self-governing territories and peoples, the majority of them administered by Great Britain or one or other of the ANZUS powers. For the purposes of economic and social development, these territories come within the South Pacific Commission's area of activities. Strategically, the area might be described as three great shields that guard the sea and air approaches from East and Southeast Asia to Australia, New Zealand, Hawaii, and the United States. It is indeed the arc of islands north and northeast of Australia and New Zealand which comprised the regional zone of defence envisaged in Article 13 of the Australia-New Zealand agreement of 1944, together with the 'strategic area' north of the equator which was placed under the international trusteeship system to be administered by the United States from 18 July 1947. Vital though it may be to the security of the ANZUS powers in wartime, the whole area is strategically unimportant in peacetime. Indeed, ANZUS interests might be well-summed up in the words of a nineteenth century New Zealand premier: 'All that we want to prevent is the islands being taken by any foreign power which in time of war might involve danger to these colonies.'

Neither Australia nor New Zealand wants to maintain sea or air bases in the region, though the United States has an anti-ballistic missile base at Kwajalein in the Marshall Islands.

In the absence of any external threat, the most important consideration for the ANZUS powers in the 1970s is that when power is trans-
ferred from colonial rulers to local political leaders, sufficient internal unity will be maintained for them to mobilise their resources in a united effort to improve living standards and education, so that the invigorating influences of the modern world can preserve and enrich their own customs and traditions. The prospects for internal unity will be largely determined by the working out of the process of decolonisation and economic development programs.

Decolonisation elsewhere has demonstrated that even the unifying force of a nationalist movement is not always able to transcend personal, ideological, or ethnic rivalries. Constitution-making by metropolitan enactment, and the export of 'the Westminster model' (or any other western model) has invariably resulted in bitter political struggle culminating in a one-party system or a military takeover. Home-grown constitutions, rooted in the native soil and flexible enough to adjust to social changes are more likely to survive the years immediately after independence and encourage a common loyalty and provide sufficient political stability to release new energy for economic development. Western Samoa is an instructive example. Its independence constitution was drafted by a working committee of Samoan political leaders and adopted by a widely representative constitutional convention. Moreover the two constitutional advisers (New Zealanders by birth) combined sympathy and understanding of Samoan history, with legal expertise. Western Samoa is indeed 'an Independent State based on Christian principles and Samoan custom and tradition' with New Zealand parliamentary forms of government adapted to local circumstances.

The prospects for internal unity and political stability in the new states of the Southwest Pacific will certainly be enhanced by similar constitution-making procedures; but, more importantly, they will be influenced by the extent to which administering authorities and their heirs succeed in conquering underdevelopment. 'False' decolonisation, which transfers power to a small local political elite without making any fundamental changes in the structure and institutions of a largely traditional or plural society, may well produce class or communal strife and 'Balkanisation' which further hampers economic development. 'True' decolonisation, which mobilises resources in a united effort to achieve rapid economic growth, improved educational and living standards, and structural and institutional changes, could arrest these dangers.

In the Territory of Papua and New Guinea, Australia has been building an indigenous national army (the Pacific Islands Regiment) with a supporting air element and a small naval unit for defence and security. Similarly New Zealand has been helping build the Fiji Military Forces with officers, training, and advice. However, it is inconceivable that either Canberra or Wellington would want their officers to remain
in indigenous security forces after independence with the risk of their becoming involved in a seizure of power. ANZUS contributions to internal security therefore are likely to consist of trade and aid policies designed to promote 'true' decolonisation rather than direct military assistance. This would not, however, preclude newly independent states from seeking defence arrangements under the Commonwealth or ANZUS 'umbrella'.

**Pressures for Decolonisation**

First and foremost of the political forces at work in the Southwest Pacific islands is nationalism, defined in a broad sense to describe any organisation or group that explicitly asserts the rights, claims, and aspirations of a given Pacific Island society (from the level of the language group to that of the Pan-Pacific area) in opposition to European authority, whatever its institutional form and objectives.2

Since the Second World War, as a result of the inter-related pressures exerted by local nationalist forces and the actions and policies of the administering authorities, the island territories have begun to advance politically to self-government and/or independence. Like Ethiopia for Africans, the British-protected Kingdom of Tonga provided for Pacific Islanders a symbol of hope and freedom. The Pacific pace-makers were the New Zealand island territories of Western Samoa and the Cook Islands. On 1 January 1962 Western Samoa became the first independent state of Polynesia. Some three and a half years later, the Cook Islands became fully self-governing internally with the right of continuous self-determination. A Treaty of Friendship assured Western Samoa that New Zealand would 'consider sympathetically requests . . . for technical, administrative and other assistance' including the conduct of its international relations for as long as its government wished. The 'free association' of the Cook Islands with New Zealand meant, in practical terms, the continuation of substantial annual grants-in-aid for three year periods and the right of admission to New Zealand as New Zealand citizens.

Except in Nauru, which followed the Samoan precedent in 1968, decolonisation in the rest of the Southwest Pacific has proceeded slowly and belatedly and much of the initiative has come from the administer-

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2 This is Thomas Hodgkin's definition. See his *Nationalism in Colonial Africa*, London 1956, p. 23.

* In August 1970, in Wellington, Fiji's chief minister, Ratu Sir Kamisese Mara, said he would like Fiji included in any Commonwealth defence arrangement in the South Pacific in the context of Britain's new East-of-Suez policy. Subsequently, on 10 October 1970, the New Zealand Prime Minister, Sir Keith Holyoake, announced that to mark Fiji's independence New Zealand was to make a grant of $NZ50,000 a year for three years, of which $NZ20,000 would be in defence assistance. Later, on 27 November, it was announced that a New Zealand officer, Brigadier D. J. Aitken, had been appointed commander of the Fiji Military Forces and Military Adviser, responsible solely to the Fiji Government.
ing authorities. Small size, geographical remoteness, political and social fragmentation, primitive affluence, economic non-viability, lack of higher education and a new educated élite, the absence of well-developed militant nationalist movements, the weakness and benevolence of colonial authority, and the relative slightness of the European impact, all help to explain why Melanesia and Micronesia have dragged their feet in the postwar movement to self-government and independence.

These political, economic, and social realities have had little effect on the Afro-Asian bloc in the United Nations which has been prodding the non-self-governing island territories into walking the plank into a sea of independence whatever the consequences. Witness the efforts of the Special Committee of Twenty-Four to examine the application to them of the 1960 Declaration on the Granting of Independence to Colonial Countries and Peoples by the United Nations General Assembly. It states that 'Inadequacy of political, economic, social or educational preparedness should never serve as a pretext for delaying independence'. Again, in December 1969 the General Assembly deplored the attitude of New Zealand, the United States, Australia, and Britain in refusing to allow United Nations Missions to visit the small territories they administer. By eighty-eight votes to one (with twenty-six abstentions) it then decided that the United Nations should render all help to the peoples of these territories 'in their efforts freely to decide their future status'. The territories referred to included the Gilbert and Ellice Islands, the New Hebrides, American Samoa, Guam, Niue, and the Tokelau Islands. In the case of the latter two, New Zealand's Prime Minister was quick to point out that the Government had undertaken to receive missions whenever the islands reached the stage of a decisive act of self-determination. Furthermore, it had agreed in principle to receive a mission even before this stage was reached, provided the mission also visited other territories in the Pacific so that the problems of the area could be seen in perspective. Respecting Papua and New Guinea, the General Assembly called upon Australia to take all necessary steps to transfer full executive and legislative power to the elected representatives of the people, and requested the Trusteeship Council to include non-members of the Council in its periodic visiting missions and to report on the situation next year.

While the Declaration on Colonialism is no longer as potent a force as it was in the early sixties, it cannot be entirely ignored. The logic of experience is that the decolonisation of the Southwest Pacific will proceed with increasing momentum in the 1970s closely scrutinised by the Special Committee of Twenty-Four. Of all the administering powers with responsibilities in the Pacific, only France appears to contemplate no future for its overseas territories other than continued membership of its own community. Yet, it is conceivable that even French Polynesia and
the Anglo-French Condominium of the New Hebrides will eventually emerge as self-governing mini-states.

**Fiji**

In the British territories gradual, orderly advance from crown colony government to self-government and/or independence within the Commonwealth by working out the 'Durham formula' has been the political objective ever since Ghana set the precedent in the 'black' as distinct from the 'brown' and 'white' Commonwealth in 1948.

In Fiji, the problems of a plural society have been obstacles to political development. The indigenous people (now 41.58 per cent of the total population) are out-numbered by the Indians (50.12 per cent). Moreover, the Indians are predominantly the land-users, the majority being cane-growers and tenants of the South Pacific Sugar Mills (a Colonial Sugar Refining subsidiary, Australian owned and controlled), whereas the Fijians are the land-owners, retaining about 84 per cent of the land under customary tenure and engaging in village agriculture. Threatened by the upward mobility of the Indians and their aspirations for equal participation in the government and the economy, the Fijians made common cause with the Europeans in supporting the continuance of crown colony government.

The Report of the Burns Commission on the need for economic development, and the Suva riots and sugar strike in 1959-60, produced a British initiative in 1961 to accelerate political development. Unfortunately, this foundered on the rocks of Fijian and European conservatism, and simply produced, in 1963, an enlarged Legislative Council with some members elected by a system of communal representation, exacerbating racial issues. Informal constitutional talks culminating in the London Conference of July 1965, prepared the way for an unofficial elected majority in the Legislative Council and a complicated system of communal roll voting and general roll voting, the thin end of the wedge to open the door ultimately for a common roll and political integration.

The Fijian based 'Alliance' led by Ratu Kamisese Mara took office with Indians as well as Fijians in the Executive Council, which became a Council of Ministers from 1 September 1967. The predominantly Indian Federation party led by A. D. Patel became the official opposition. Having consistently opposed the new constitution, it now boycotted the Legislative Council and took its stand for a common roll, one man one vote, immediate independence as a democratic republic in the Commonwealth and intervention by the U.N. Special Committee on Colonialism against the Alliance's policy of steady progress to internal self-government and the retention of links with the British Crown. Racial tension, provoked by the by-election in which the Federation party in-
creased its strength, and communal strife in Malaysia were salutary warnings of the dangerous consequences of ethnic political activity. Moreover there was a growing awareness of Britain's anxiety to withdraw East of Suez and of the need to encourage much-needed capital investment. Local leaders gained increasing confidence as they exercised political responsibility and after Patel died in October the Federation party elected a more flexible leader, S. M. Koya. Agreement was reached, between all but one of the thirty-five elected members and Lord Shepherd, British Minister of State for Foreign and Commonwealth Affairs, to seek self-government and Dominion status at a conference to be held in London in April 1970.* Sir Kamisese said he would like to see 10 October 1970, the anniversary of the British cession of Fiji, chosen as the day for Fiji to become independent, and Koya agreed that Sir Kamisese should be the country's first Prime Minister.†

The question now is how far the new spirit of harmony and willingness to compromise can produce constitutional, administrative, and peacekeeping arrangements that will continue to adjust racial differences and not encourage fissiparous tendencies. A strong, stable, effective government is essential if Fiji is to go seriously about the business of development with maximum indigenous participation. Unless higher and tertiary education for Fijians is accelerated, the speeding up of localisation in the Civil Service could mean its Indianisation. A multi-racial rather than a Fijian military force would be a better insurance for internal security. The dangers of the British parliamentary system of government being superseded by a one-party system or a military coup are inherent in the contemporary Fijian situation, though the new spirit of accord demonstrates how such dangers can be minimised by far-sighted statesmanship.

The Gilbert and Ellice Islands Colony and the British Solomon Islands Protectorate.

The trends and problems I have examined in Fiji are not unique. They exist in a somewhat different and attenuated form in two other British territories in the Western Pacific where decolonisation is beginning to gain momentum, namely the Gilbert and Ellice Islands Colony (GEIC) and the British Solomon Islands Protectorate (BSIP). Since the representative stage of crown colony government was reached in 1966 in GEIC, * At this conference agreement was reached on an interim formula for equal representation of Fijians and Indians in a lower house elected by communal and cross voting; also for a decreased number of seats on a general roll for Europeans and Chinese. Existing members of the Legislative Council, except those nominated by the Governor, will remain in office after 10 October 1970 and until the first elections before October 1971. A royal commission, probably in two or three years' time, will make recommendations for the most appropriate method of election and representation. Amendments to the existing provisions will require not less than a two-thirds majority.
† Fiji subsequently attained independence on this date.
elected members have learnt that their House of Representatives is simply 'a meeting of half-talks' in which they have no real power nor access to the information necessary for constructive debate.Significantly, in the 1969 debate on the Appropriation Bill, they queried the necessity for almost every single expatriate job in the colony, except that of the Resident Commissioner. But, as there are 44,000 Gilbertese (Micronesian in origin) and 6,000 Ellice Islanders (Polynesian in origin), and the two groups are separate geographically, linguistically, and religiously, the Ellice Islanders view the prospect of future self-government and Gilbertese political power, possibly within five years, with some apprehension. On the other hand, the Gilbertese rather resent the better education of Ellice Islanders, partly due to the impact of the Second World War, and the disproportionately large number of them in administrative positions in Tarawa, the administrative centre in the Gilberts, to which some 600 have migrated. Constitutional development, nevertheless, is 'constantly in mind' and a select committee has been set up to examine the possibility of a new constitution, and semi-responsible government. Whether or not racial tensions will produce the political separation which the Gilbertese campaigned for before the last election will be at least partly determined by the time and manner in which self-government is achieved, and by the extent to which the existing gap in education and career opportunities in the Public Service can be narrowed.

Doubts about the suitability of the Westminster way of government in a scattered, poor, and backward island territory with limited resources of manpower and money were recently raised in the BSIP Legislative Council when the substitution of an elected for an official majority was being considered. Frustrated elected members felt that they were being trained only to be an opposition, not to govern, and that the system was too inflexible to adapt itself to local customs. A structure was needed that would enable elected members to participate in policy-making in the early stages of political development. A Select Committee on Constitutional Development recommended proposals for an advisory council with an elected majority which would be divided into a series of executive committees to deal with particular subjects and to call in departmental heads and private individuals for discussion.* Both the Council and the Committees would have the right to advise the High Commissioner, though he would not be required to accept their advice and would have reserve powers in defence, external affairs, internal security, and certain matters in the civil service. More active participation by indigenous people in a more simplified form of modern-style government at an earlier stage should serve to develop common interests in the

* Under the 1970 Constitution, five committees have been established, with chairmen residing mostly in Honiara and other members periodically attending meetings at which major decisions are made. Committees, not individual members, are responsible for one or more departments.
isolated and divided village communities outside Honiara. It should also accelerate political development in a form that is better understood and more meaningful to people whose sense of frustration at their failure to achieve material progress has encouraged cargo thinking, i.e. thinking rooted in 'the unswerving conviction that material wealth originated from and was maintained by deities who, with the ancestors, could be manipulated by ritual to man's advantage'.

Territory of Papua and New Guinea

Talking of cargo thinking brings me to the problems of political change and development that dwarf all others by comparison—those in the Territory of Papua and New Guinea (TPNG), with its 2 million people, 700 distinct languages, and legacy of past neglect. Before the appointment of three indigenes to the Legislative Council in 1951, the political experience of Papuans and New Guineans had been limited to the village clans. In the fifties, the main instruments of political education were native local government councils, essentially administering bodies for the central government, not political arenas. To quote an ex-administrator, Colonel J. K. Murray, there was an 'overriding unease' with regard to how any political development could meet the pressures arising from the not improbable development of large scale industrial enterprise. The Australian assumption was that it would require perhaps several generations to work out a policy of uniform development. Moreover, the Minister for Territories, then Paul Hasluck, believed there could be 'seeds of serious future conflict . . . in an uneven rate of advancement of different regional and tribal groups as would enable some of them to secure an early monopoly of positions of power and influence'. Such assumptions had in fact been challenged throughout the rest of the colonial world, but Australia seems to have felt that it had little to learn from the experience of others. Its assumptions were not seriously challenged internally for the seeds of nationalism existed only in the cargo cults and in the discontent of a small handful of literate, articulate men in the army and police, and on the lower rungs of the Administration.

Australia's realisation that it was preparing TPNG for a self-government and independence that the Territory regarded as premature came about 1961, largely as a result of external pressures. Urgent needs in TPNG were crystallised by Sir Hugh Foot's Visiting Mission. It stressed, among other things, the vital need for a political elite in a territory preparing for self-government and the acceleration of higher education to achieve it.

Recommendations of a Select Committee on Political Development 1961 and a Select Committee on Constitutional Development 1965 led

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3 Peter Lawrence, Road Belong Cargo, Melbourne 1967, p. 93.
to political advances in accordance with the normal pattern of British constitutional development, modified in certain respects to meet local circumstances. The first House of Assembly was elected by universal suffrage in 1964. A budget committee of five elected members and a ministerial member system in the Executive Council were introduced after the 1968 elections. The way in which these reforms operated was essentially different from the British model. As about two-thirds of the annual budget was contributed by the Commonwealth of Australia, there was a natural reluctance to give any financial responsibility to the Assembly. The Administrator's Council remained a purely advisory body and the whole system of government and administration suffered from excessive centralisation in Canberra. The 1968 Visiting Mission was cautiously critical of these matters and suggested some preliminary steps to overcome them.4

Significantly, its Chairman was J. M. McEwen, Secretary of Island Territories in New Zealand during the final stages of decolonisation in Western Samoa and the Cook Islands. No doubt he was mindful of the beneficial effects of the decolonising philosophy that people can learn the art of responsible government only by practising it. It appeared to the 1968 Visiting Mission that the people of the Territory did not feel ready for self-government or independence, yet some of the fears expressed to the Mission about the consequences of self-government were clearly ill-founded, and could obviously be dispelled by political education. The need for reaching out into every village as well as educating elected members was emphasised by John Guise, elected Speaker of the House of Assembly in 1968. 'Now it is my own personal belief,' he said 'that political education precedes political progress and forms a framework in the minds of the people for the progress that is to be made.'

Logic of experience suggests that local pressure for self-government will grow with lightning rapidity in the 1970s. Of the embryonic political parties, Pangu Pati with 12 of 94 seats in the House of Assembly and 3,700 members, most of whom reside in Port Moresby, Lae, and Wewak, aims at 'immediate Home Rule', internal self-government by 1972, and ultimately independence.* According to one Canberra correspondent not even the most 'radical' native politicians seek full independence in fewer than 15 years.5

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4 United Nations Document T/1690, pp. 35, 36, 38, 75, and 76.
5 Sydney Morning Herald, 28 April 1969.
* Late in 1970, three new political parties were formed. The Combined Political Association (Compass) with a number of Assembly Members in its ranks advocated a policy of caution on political development but accelerated economic and social development. The People's Progress Party claimed the support of twelve Assembly Members. It had no initial policy platform but proposed to decide this after extensive consultations. The third, the Papua and New Guinea National Party, was begun primarily by University students but has national aspirations. It looks to self-government and, ultimately, to independence among its policy objectives.
As the movement for self-government and independence in New Guinea gains momentum the problems for Australia become more urgent and challenging. What, for example, will be the future boundaries and political status of PNG? A seventh state of Australia can probably be ruled out because of Australian immigration policy, the colonial heritage, and the growth of a local political elite. Whether or not the present administrative union of Papua and New Guinea will develop into a new state choosing 'unity in diversity' or a federal system, or whether it will fall apart, remains an open question. A network of roads and communications for the whole territory is long overdue. A national flag, a national anthem, and a single name as well as a vigorous constructive program of public education to instil in the people a sense of nationhood were urged by the 1968 United Nations Visiting Mission. The debate over the respective merits of Pidgin or English as the official language goes on.

The list of centrifugal tendencies is long—strong tribal, clan, and family loyalties, the comparatively recent suppression of clan warfare and extension of law and order into the remote-highlands, with about a quarter of a million people, the regional differences between highlands, lowlands, and islands, the different historical legacies of Papua and New Guinea, the widening gap in educational and living standards between indigenous urban workers and villagers, and between Europeans and indigenes. Nation-building calls for strong, stable, effective central government and the kind of political leadership that has been notably lacking. In Bougainville a secessionist movement has already arisen out of gross past neglect and the recent alienation of timber and land to expatriates. The alternatives are joining the BSIP with which it has geographical, racial, family, and religious affiliations, or independence.

Perhaps the strongest commitments to one PNG, except for that of the House of Assembly, are those of the University of Papua and New Guinea established in 1966 and the Pacific Islands Regiment which was originally raised and trained for and saw action in the war against Japan. The delay in the establishment of the University, its dependence on the Territory budget rather than earmarked grants from the Commonwealth Government, and its need to resort to borrowing for the last two years are discouraging. Moreover original estimates of student numbers and graduates were optimistic. Nevertheless the University is already contributing effectively to political education and nation-building. The Pacific Islands Regiment, on the other hand, has already been fashioned into an efficient, well-disciplined, well-educated indigenous force for the defence of the Territory and legally-constituted authority. The aim

6 United Nations Document T/1690, pp. 35 and 75.
7 For more details see Leo Hannet, 'Down Kieta Way', New Guinea 1, 1969.
* A select committee has since been given the task of studying the adoption of a common name, flag, and national anthem for the territory.
is that it should become a national army. In the event of civil politics becoming ineffective, unstable, or corrupt, the possibility of a military takeover clearly exists.

The suitability of the Westminster system of government for TPNG's kind of situation has already been questioned by Michael Somare, leader of Pangu Pati, and discussed at a conference of about 180 people held under the auspices of the New Guinea Branch of the International Commission of Jurists in 1965. As Michael Somare said, it is surely up to the people to dictate the type of government needed.

There has been much truth in the complaint that 'Nation-building . . . is dictated entirely from Canberra', and that it 'proceeds in a style and at a speed set by Australian bureaucrats and is governed by all-Australian pre-conceptions about what the finished product should be'. Since 1969 the Administering Authority has devoted greater resources to political education. A Select Committee on Constitutional Development is studying various alternatives for constitutional government and their suitability for the Territory. Little time remains, however, to train New Guineans for self-government; and there is an urgent need to give members of the House of Assembly and local government councils more control over the decision-making process. Australia seems to be determined to preserve TPNG as a single political unit, though how and when self-government will be established, it is not prepared to say. Certainly the dangers of 'Balkanisation' are well-recognised.

Micronesia and American Samoa

A new, more imaginative approach to self-government has been adopted by the Congress of Micronesia. In 1967 it created a Political Status Commission of six members representing the six districts 'to consult the people of Micronesia to ascertain their wishes and views, and to study and critically assess the political alternatives open to them'. To quote Frank Corner in his capacity as President of the United Nations Trusteeship Council, the Status Commission will enable Micronesians 'to get to grips with the essential question of what sort of people they wish to be and what sort of Micronesia they wish to create'.

Behind this important development lay long-standing grievances and frustrations accumulated in the post-war decades of 'stasis', the lack of

* On 6 July 1970 in Port Moresby, the Prime Minister of Australia, Mr Gorton, outlined plans to transfer more power from Canberra to elected representatives of the people.
any clearly defined United States policy for the eventual status of its Pacific territories, the abatement of American military and strategic interests, and United Nations pressure. The Commission recommended that the trust territory be constituted as a self-governing state with Micronesian control of all its branches including the executive; that this state should negotiate free entry into free association with the United States; and that if these negotiations should fail there was only one remaining course or alternative—namely independence. While the Commission acknowledged that Micronesia would need 'massive assistance for many years to come', it pointed out that federal appropriations, though an easy substitute for an active policy of economic development, were 'socially damaging and potentially disastrous'. Economic development, it assumed, could be founded on the recognition that the basic ownership of the islands rests with Micronesians as does the basic responsibility for governing them.

The Micronesian approach to self-government is obviously based on precedents set by New Zealand in Western Samoa and the Cook Islands. The future structure of government is to be determined by a broadly representative Constitutional Convention and the Status Commission has chosen Professor J. W. Davidson, who advised Western Samoans and Cook Islanders, as their constitutional adviser. Thus the future constitution of the Micronesian state will probably be home-grown, not exported from the United States. One may hope for workmanlike solutions to such problems as the wish of many Mariana residents to unite with Guam, and the current legal authority of the United States to acquire land for military bases—a cause of growing anxiety in view of the forthcoming American withdrawal from Okinawa and the increasing value placed on the Kwajalein anti-ballistic missile base.

Micronesian precedents have been followed by American Samoa. In a report to the local legislature, in March 1970, its future political status commission expressed the belief that the territory, for the time being, should remain unincorporated and unorganised, provided the people were allowed to elect their governor and both Houses. However, it admitted that circumstances might arise which would make independence or union with Western Samoa the wisest course of political development. The most immediate need was for American Samoa to maintain its traditional culture embodied in its communal land and matai systems. These views clearly reflect the extent to which the territory has been and is dependent on pumped-in American subsidies and a burgeoning tourist trade.

14 Ibid., p. 15.
Some Conclusions

To sum up political trends and problems—it seems reasonable to predict that in the 1970s the Southwest Pacific (except for the French territories) will be transformed from the remnants of empires into a number of Lilliputian states, many of them with Brobdingnagian governments. However they will still be closely associated with and economically dependent on their ex-administering authorities to whom they will continue to look for aid and protection. Though family, village, clan, and tribal loyalties will remain strong and manifest themselves in the politics of development, a growing sense of nationhood will be fostered by political power and responsibility, economic development programs, higher education, and in TPNG and Fiji, army service. The decline of chiefly power and the growth of new, educated leaderships will continue at a pace related to the corrosiveness of economics and education on traditional society. An emergent indigenous labour force will become increasingly insistent that self-government leads on to economic and social betterment. Constitutional development will encourage a variety of political parties—mass or élite, territorial, regional, or ethnic—but the tendency will be for the emergence of a single-party system of government with one dominant party and/or leader, not the two-party system. Decision-making will be more by general consensus than by majority rule.

The prospects of political stability and internal security will be better where the indigenous people have participated in making their 'independence' constitution, not simply had it thrust upon them. Stability and internal security will also reflect the willingness and ability of the heirs of the colonial rulers to satisfy the growing desire of the people for improved living standards and education. Above all, in plural societies, stability and security will depend on the extent to which genuinely multi-racial institutions and policies are adopted. Administering authorities can do much, even in the final stages of transferring power, to make up for past failures and neglect; but any kind of interference, after self-government and independence, however well-meaning, is likely to be resented. If there is one thing that is certain, it is that new states are jealous of their newly-acquired powers and responsibility.

Economic and Social Problems and Plans

Current problems of economic and social development in the Southwest Pacific can be summed up in three words: smallness, underdevelopment, and overpopulation. Island societies are invariably small in scale with the village as the basic unit. Subsistence economies are based on tropical agriculture, livestock, forests, and fisheries in the 'high' islands and coconuts and fish in the atolls. Small monetary sectors have de-
developed with cash cropping, and, since the Second World War, expanding government services. Cash crops or wage-earning provide trade goods, church collections, taxes, and fees for education. Villagers generally enjoy a condition of 'affluent subsistence' though there are islands or districts where minor population explosions are occurring and where Malthusian pressures exist. These have encouraged urbanisation with its chronic ills: poor housing, low wages, unemployment, crime, and inadequate town planning, notably in administrative centres and ports such as Moresby, Nukualofa, Honiara, and Apia.

Undoubtedly the wish of islanders to participate in the modern world, to have roads, schools, piped water supplies, and health services, is almost universal. Furthermore there is a marked willingness to modify customs and traditions, slowly, it is true, among the older generation. Indeed it seems to me that the European expert is far too ready to assume that because the islanders do not adopt European ways and values, they are conservative, contented and custom-ridden, unwilling as it were to pay the high price of development. If I may quote the words of a Solomon Island teacher: 'Any development and change to come must be based on what is good in our culture. Only then will developments be understood and have meaning.'

Certainly the need for development is everywhere urgent and pressing. Present trading patterns reveal a heavy dependence on a few exports (often perishables), vulnerability to fluctuating world prices, and for some products unpromising market prospects due to over supply. Production for export is generally failing to keep pace with population growth, though demand for imported capital and consumer goods is rapidly increasing. Commodity trade deficits and balance of payments difficulties are endemic. To some extent they are being met by diversification of agriculture, or small domestic industries, mainly processing local products, or handicrafts, or the exploitation of forests and fisheries, or tourism, or remittances home from migrant workers. Only New Caledonia with its nickel has few problems. Gold mining in New Guinea and Fiji and phosphates in Ocean Island and Nauru are diminishing assets. In the GEIC, where the opportunities for jobs are not keeping pace with the increase of population, revenue will be halved and 600 or 700 men unemployed when Ocean Island's phosphates run out in five or ten years. Independent Nauru on the other hand, having purchased the assets of the British Phosphates Commission and taken over the industry, is investing current revenue for use when its supplies run out in twenty years.

Public finances of island territories reveal an almost universal dependence on grants-in-aid and loans from administering or ex-administering

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powers for capital and in many cases current expenditure.\textsuperscript{16} Traditional patterns of expenditure which have emphasised firstly, health and education, and, secondly, public works, and have comparatively neglected agriculture or other productive enterprises, aggravate this dependence. Indeed the recurrent costs of western-type government and administration and social services, let alone capital works, in the smaller territories are well beyond their domestic resources and far removed from economic realities. In 1967-8 the Commonwealth Government of Australia provided 55 per cent of the total budget for TPNG as well as huge sums from its own budget, while New Zealand provided about 43 per cent for the Cook Islands and half for Niue. The Federal subsidy for the United States Trust Territory in 1965 was estimated to be \$US17.50 million: the budget \$US18.5 million. The grant-in-aid plus capital aid in BSIP in 1969 totalled \$5.25 million, almost equivalent to the total value of exports in 1968.

Five-year development plans exist in many territories but prospects of their being implemented are not always very promising. Fiji’s current plan is ‘bold and forward-looking’ with a firm administrative base and sophisticated forward projections of man-power requirements and reliance on wood and wood products, with tourism a good second and sugar—at present the major export earner—a bad third.\textsuperscript{17} Western Samoa’s is based in a ‘sober appraisal’ of needs and has produced some beneficial results despite two hurricanes, the ravages of bunchy top in banana plantations, and the hopelessly inadequate credit facilities to finance new or expanding enterprises and to increase agricultural output. Two major projects are a \$US8 million timber industry in Savai’i to be developed by Potlatch Forests Inc. of Lewiston, Idaho, and a visitor industry with loans from the Asian Development Bank to upgrade the airport and road to Apia. The major project in the Cook Islands is the construction of a jet airport at Rarotonga and development of a tourism industry with New Zealand aid. Tonga desperately needs capital to finance her ‘solidly modest’ plan. With widespread unemployment and 39,837 males who were or soon will be entitled to tax allotments and only 13,017 allotments, her hopes are centred in the commercial exploitation of off-shore oil and, more realistically, in tourism. Although the BSIP is completing its fifth development plan with 64 per cent of the funds coming from the British Colonial Development and Welfare Act, economic development has barely begun. A swing towards Japan is evident with the expanding log trade and a prospecting licence for bauxite to the Mitsui Mining Company. The same could be said of the

\textsuperscript{16} For detailed figures of grants and loans in the mid-sixties see \textit{Pacific Islands Compendium} compiled by T. R. Cowell, South Pacific Office, Suva, Fiji 1966.

\textsuperscript{17} G. N. Zanetti and B. D. Shaw, ‘Economic Problems of the Pacific’, NZIIA paper, Wellington, August 1967 (mimeographed).
United States Trust Territory where an Economic Development Loan Fund to encourage small industrial rural enterprises was established in 1963. Dependent as the territory is upon heavy Federal subsidies, much of its trade is with Japan. Moreover people recall that in the days of Japanese colonisation many small enterprises flourished, being destroyed later in the war. A comparison of recent developments in Western Samoa and Nauru with other small-scale non-self-governing territories tends to confirm that 'before any real economic development can take place political questions must be answered'.

Of all these territories, Fiji with a population of just over 500,000, is the only one [according to Professor Castle] that can be said to have a viable economy and . . . much prospect of moving towards a more modern industrial structure and pattern of activity. All the other territories really have no such prospect at all simply because their populations are not large enough. The process of economic development is usually one of improvement in agricultural productivity—the reduction of the population of the labour force working on the land, through urbanisation and industrialisation. The latter development, the *sine quo non* of increasing per capita incomes is not, apart from a few light industries such as textiles, really open to countries such as Western Samoa, the Cooks or Tokelas or French Polynesia. Modern industry requires a highly developed technology and availability of skills which need a minimum market base of support which simply can never be achieved in most Pacific countries. . . . Some of the territories, e.g. the Gilbert and Ellice Islands or the Tokelas [and one might add in here Tonga and Micronesia], in that they have not the capacity to produce even the agricultural produce needed to support their populations, let alone produce even an export surplus to pay for imports, are even worse placed.

New Guinea, with an annual growth rate of 12 per cent for 1965-68 in the gross national product excluding the subsistence sector, may well achieve economic viability in several decades. Meanwhile continued and increased financial support from the Commonwealth Government is necessary. To this end the Australian Government has announced a $1,000 million development plan for 1968/9-1972/3 which proposes more than a 50 per cent increase in planting of tree crops, five-fold increase of beef cattle, three-fold increase of timber production, and a doubling of the manufacturing output. On Bougainville, Conzinc Riotinto of Australia has begun extensive copper mining enterprises which, it is estimated, will have the effect of doubling the present total export trade when in full production.

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18 John F. Embree quoted in Meller, p. 983.
John Kaputin, a Tolai, has argued that the TPNG plan reflects the prevailing economic philosophy of Australia, offering investments and profits to foreign companies and salaries for expatriates and depriving his people, who have $1.5 million in the bank and $1 million in the ground, of investment possibilities.\textsuperscript{21} Australia’s development policy is also being hotly debated by the experts. Critics of the plan maintain that it provides for maximum indigenous participation without necessary provisions to put this into practice,\textsuperscript{22} and that it will increase the gap between European and indigenes. It has been estimated that at the end of five years New Guineans will supply 48 per cent of the production and Europeans 52 per cent.\textsuperscript{23}

Economic development by whom and for whom? These are questions which will be increasingly asked as decolonisation proceeds in the 1970s, especially in TPNG where the outflow of capital in recent years has been of the order of £A5.5 million a year (compared with private investments estimated at £A5.6 million annually 1962-64)\textsuperscript{24} and in Fiji where the sugar industry is controlled by the South Pacific Sugar Mills Ltd (a subsidiary of the Colonial Sugar Refining Company).\textsuperscript{*} Policies of territorial participation in major enterprises financed and operated by overseas companies are being adopted, but few governments can spare much revenue for capital development. Arrangements between the Administration and overseas companies to safeguard the rights of landowners have not prevented protests, notably from the villages of Asau and Rorovana over the compulsory acquisition of their customary lands for the Potlatch timber industry and the CRA copper mining respectively. These are warnings of the sort of trouble that projects favouring expatriate interests are likely to produce in the future. Policies of development that concentrate on the advancement and participation of the people as a whole are obviously the best insurance against this kind of conflict.

Population and Migration

No development plan can provide adequately for the minor population explosions that have been occurring since the Second World War. In some islands, for example, the Samoas, Tokelaus, Gilberts, and Tonga, and in pockets of the United States Trust Territory, and among the Tolai in the Gazelle Peninsula and Chimbu in the highlands of TPNG, the average density of population is extremely high and the annual rate

\textsuperscript{22}New Guinea 4, 1968; 2 & 3, 1969; cf. UN Document T/1690, p. 43.
\textsuperscript{23}The Australian, 1 October 1969.
\textsuperscript{24}International Bank for Reconstruction and Development, p. 29.
* In March 1970, the South Pacific Sugar Mills announced its decision to withdraw from the Fiji sugar industry in three years because Lord Denning’s arbitration award for sugar millers and growers made its operation unprofitable.
of increase among the highest in the world. Where there has been less emphasis on health services and sanitation, in other parts of New Guinea, for example, the rate is at present closer to the world average, though it is likely to rise in the 1970s. One of the main characteristics of this emergent population is its youthfulness—half of the Micronesians, for example, are under twenty years of age. Thus, except on the coral atolls, phosphate islands, and smallest islands, the problems of population increase will not at first be a shortage of land space but rather a shortage of government services, notably education, health, and housing.

At present migration and resettlement are possible only for relatively few islanders—notably those in New Zealand's island territories or ex-island territories and in American Samoa. Cook Islanders, Niueans, and Tokelauans have the right of free entry to New Zealand provided they are neither insane nor suffering from contagious diseases. Indeed half the population of the Cook Islands have migrated, mainly to Auckland, the largest Polynesian city in the world. A resettlement scheme exists for Tokelauans who choose to use it and financial assistance for those with relatives already residing in New Zealand. Western Samoans may get initial three-month visitor permits; then, if they wish to settle permanently, return home and apply to the New Zealand immigration authorities to enter initially for six months with twice yearly extensions for five years, when they may apply for permanent residents' status. Today there are some 30,000 Pacific Islanders in New Zealand and upwards of 2,000 are admitted annually although there is a high turnaround. Migration to Hawaii and the west coast of the mainland United States is estimated at a quarter or a third of the total population of American Samoa. About 7,000 Gilbertese have been transferred to the BSIP, but the door is now shut. A good deal of land is available in the United States Trust Territory for re-settling people from crowded islands, and the Administration has carried out homesteading programs which could be extended.

For the rest there is virtually nowhere to go except possibly Canada. The five metropolitan countries of the South Pacific Commission do not on the whole admit emigrants from the Southwest Pacific. Neither Britain nor France encourages emigrants from its territories. Micronesians are not free to migrate permanently to the United States. Australia's 'closed door' policy runs counter to the wishes of many Papuans and New Guineans as well as other neighbouring Melanesians. Fijians and Tongans would welcome an attempt by New Zealand to liberalise her immigration laws.

Some Fijian and Indian workers had temporary work permits in New

25 Statistics for the mid-sixties will be found in the *Pacific Compendium.*
26 Peter Pirie in *BSIP News Sheet* No. 15, 15 August 1969.
Zealand from 1964-67 and took home $2 million in wages. In 1969 an intergovernmental work scheme began for 21-30 year olds for four month periods, tussock-grubbing and scrub-cutting. Fiji’s Minister of Labour, Ratu Edward Cakabau hoped the variety of work would be extended, particularly when employment is scarce, so that eventually 500 men could be temporarily employed in New Zealand.27*

The plight of the Tongans and Gilbertese was high-lighted at the Catholic Pacific Bishops’ Conference in June 1969.

The problem is to move the public opinion of the world, to present the situation as a tragic and urgent need—it is in the same category as a great world disaster—so that pressure by public opinion, and by influence of Catholic hierarchies, will force governments to face up to the problem and find a solution.28

It seems clear that the pressures on Australia’s immigration policy will grow, not just from the TPNG and Fiji, but also from Western Samoa, Tonga, Nauru, and the Gilberts. A quota for those who want to enter permanently and opportunities for work permits would be small return for profits on investments in the Southwest Pacific and would do much to promote friendlier relationships. Similarly, a small New Zealand quota for Tongans and Fijians and possibly others would be welcomed, as would the elimination of the initial three month’s entry permit for Samoans.

External Aid

All I have said about the problems of underdevelopment and overpopulation point to the crying need of the Southwest Pacific for continued, indeed expanded, external aid. For help in the first instance, the new states will look to their ex-administering authorities and, if New Zealand experience is any indication, the trend will be to seek loans rather than subsidies. In New Zealand recently there has been a growing recognition of a special responsibility for neighbouring Pacific Islands with the corollary that it should concentrate its aid in this area—if only because it is the one where we could make an effective contribution.29 Some kind of miniature Marshall Aid or Colombo Plan scheme has been suggested, as has also a free-trade arrangement with Fiji. To quote Sir Guy Powles, former High Commissioner of Western Samoa: ‘We are responsible for the creation of independent, economically non-viable

28 Zealandia, 3 July 1969.
29 See Castle, pp. 76-9.
* In June 1970 the Fijian work scheme was extended to dairy farms, sheep stations, tobacco and forestry work. In August 1970 a pilot scheme to recruit one hundred Tongans for manufacturing industries was announced.
states, so we have a long-run responsibility to support their economically non-viable independence.\textsuperscript{30} Though the government has recently accepted a long-range target of 1 per cent GNP in principle and offered thirty bursaries for the University of the South Pacific, its aid to the Pacific Islands for 1969/70 is 32 per cent of total government aid—a fall from 42 per cent in 1965/66 and the lowest percentage yet recorded.\textsuperscript{31}

Australia has supported the decision of the UN Conference on Trade and Development (UNCTAD) to recommend that economically advanced countries provide a minimum of 1 per cent aid annually. Although Australia has 'a direct and special interest' in the Western Pacific, it has established only a modest South Pacific Technical Assistance Programme. Under the authority of the Overseas Aid Act 1966, Britain will continue to aid her dependent territories including associated states, 'the reasonable needs of the remaining dependencies' being still regarded 'as the first charge on aid funds'.\textsuperscript{32} As Fiji is predominantly part of Australia's informal economic empire, one might hope for some stepping up of Australian aid, especially to the University of the South Pacific, which aspires to be a regional university. One might venture to predict increasing willingness on the part of Britain to let Australia and New Zealand take over its economic and social responsibilities after its political withdrawal. Japan, with trade gains in the Southwest Pacific, mainly at the expense of Australia, may well provide another source of aid in the seventies. The United States, with rapidly expanding frontiers of investment, seems unlikely to extend its aid programs from its own island bastions to territories in which it has little strategic interest.

There is a need to emphasise how much existing educational services are dependent on aid programs—particularly at the higher levels and overwhelmingly in the case of the two universities.\textsuperscript{33} Moreover education is still a major responsibility of the missions which depend on voluntary aid. Taking Arthur Lewis's target for sub-Saharan Africa (50 per cent of each appropriate age cohort in primary schools, 5 per cent in secondary schools and 0.5 per cent in university) no territory would, I think, meet the target for university education, and few for secondary schooling. Nor would New Guinea, with about 42 per cent of its school age children at school, reach it for primary education. With the world shortage of development funds, the prospects of rapid economic and educational development in the Southwest Pacific and its 'true' decolonisation look bleak.

\textsuperscript{30} Auckland Star, 1 September 1969.  
\textsuperscript{31} Statistics compiled by NZTIA. See Castle, p. 78.  
\textsuperscript{32} BISIP News Sheet No. 11, 15 June 1968.  
\textsuperscript{33} For statistical details see Directory of Education Authorities and Summaries of Education in South Pacific Territories, South Pacific Commission Information Document No. 17, 1969 (mimeographed).
The Pacific Islanders Producers’ Association and the South Pacific Commission

The growing aspirations of islanders to determine their own course in economic and social development are evident not only in the concern of Ratu Sir Kamisese Mara of Fiji, Mata’afa of Western Samoa, and Albert Henry of the Cook Islands about the influence of tourism on the customary and traditional way of life, but also in their attempts at regional collaboration. The Pacific Islanders Producers’ Association (PIPA) was established through the initiative of Fiji, Western Samoa, the Cook Islands, and Niue to develop inter-territorial trade co-operation. Initially concerned with banana marketing, it is widening its trade interests. It has set up a permanent secretariat and got Tonga to join, and discussed the idea of a regional shipping service.

The South Pacific Commission is a non-political regional organisation founded for, not by, island people in 1947 to provide technical assistance, advice, and training for participating member countries. Originally it was financed and controlled by Australia, the United States, New Zealand, Britain, France, and until 1962 the Netherlands. Now the participating members providing the finance are Australia (31 per cent), the United States (20 per cent), Britain (17 per cent), New Zealand (16 per cent), France (14 per cent), Western Samoa (1 per cent), Nauru (1 per cent). The territories too may contribute to the budget. The Commission, since it was reorganised in 1967-69, has worked in partnership with the 18 territorial delegates to the South Pacific Conference. At its annual meetings the Conference determines the budget and work program (previously prepared by the Secretariat). It is indeed becoming the Pacific Islanders ‘forum for discussion’ and ‘clearing house for international aid . . .’. In keeping with these changes is the appointment of a veteran Samoan political leader, Mr Harry Moors, as Secretary-General.

The importance of the Commission in providing or channelling external aid is that it is regional. Though international aid in the South-west Pacific is considerable, the agencies which provide it have to weigh up the needs and requests from Pacific territories with those from other developing areas. Up to now the South Pacific Commission has ‘pottered’ along with very limited resources and little support except from a few dedicated men in its secretariat or in the field. But it has potentialities that are at last being realised—at least by some island leaders and some New Zealanders. One might hope that in the seventies New Zealand and Australia at least and possibly the other metropolitan countries will be represented by top-ranking political leaders, not civil servants.

34 E.g., the establishment of the Fisheries Development Agency to spend $800,000 over the next three years to help Islanders fully exploit fish life.
There is much to be said for building on machinery already in existence instead of creating the kind of inter-parliamentary 'Pacific Council' proposed by New Zealand's Opposition Leader, Mr Norman Kirk. One might hope that the metropolitan countries will step up their financial contributions. Whether or not the South Pacific Commission develops into an effective organisation for aid purposes in the 1970s seems to depend on American and French willingness to increase their contributions. If the Island members insist on extending the scope of the Commission's activities to include politics, France, for one, might withdraw.

It is hard to believe that a revitalised South Pacific Commission can remain non-political even in its formal meetings. French conservatism and developing nationalist and Pan-Pacific feelings may very well force this issue when more new Pacific states become participating members. Though Pan-Pacific feeling is a very watered-down kind of Pan-Africanism, it could be strengthened by the kind of racist and paternalistic attitudes that still exist, and it will certainly be fostered by the Producers' Association and the Universities of the South Pacific and Papua and New Guinea. On the other hand, it could split into Polynesian, Melanesian, Micronesian groupings or alternatively into the members* and associated members35 of the Commonwealth, the French territories, and the American territories.

For small, emergent, economically non-viable territories who cannot afford to become United Nations members and have many problems and interests in common, regional associations are particularly valuable. For the three ANZUS powers with their strategic and economic interests and moral and historical responsibilities in the Southwest Pacific greater participation in such associations would foster friendly partnership and that respect for human dignity for which all those who have lived under alien rule crave. As no external threat is perceivable in the Southwest Pacific, and as Australia seems determined to avoid any dispute with Indonesia over West Irian, let us hope that henceforth the Southwest Pacific, like Antarctica, will be used for peaceful purposes only.

**DISCUSSION**

The discussion was concerned with the Southwest Pacific as defined in the paper, although it was noted that the normal American definition of the area (stemming from Second World War days) differed from

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35 Associate membership was worked out for and adopted by Nauru in November 1968. See J. W. Davidson, 'Nauru's new status means a lot to the Pacific', *Pacific Islands Monthly*, January 1969.

* Tonga, Western Samoa, and Fiji have been accepted as members of the Commonwealth.
that now usually accepted in Australia and New Zealand and included the Philippines and Indonesia.

American interest in the more restricted region, it was observed, was not great and tended to dwell primarily on strategic aspects. As far as American territories were concerned, there were also conflicts of attitude between the different departments of government involved, Interior, State, and Defense, let alone Congress in the form of the House of Representatives Committee for Insular Affairs, all of which brought different perspectives to bear.

It seemed quite possible, it was remarked, that the region as a whole might produce serious difficulties in future. The Westminster/Washington model of democratic government had broken down all too often in newly-independent countries, in Asia, Africa, and Latin America. On the face of it, the emerging new states in the South Pacific were in many respects less viable prospects. Was it realistic to expect them to do better? Was it not possible that some sort of military coup could produce a Cuban situation in miniature, or a situation like that of Zanzibar? If so, the Soviet Union or China would be able and might be eager to exploit it, and at modest cost. Might the Russians indeed be interested in the acquisition of naval communications facilities, something equivalent to Northwest Cape, somewhere in the Pacific? If so, what special problems would this raise for the ANZUS countries?

American concern in the region it was clear, was largely one of communications and logistics. The population of the region was minuscule but the area's strategic value could be important. Therefore, it was urged, we should consider how the Islands should be helped and it was suggested that either they should be heavily subsidised or their people should be enabled to move out to the metropolitan powers' own territories, and so attain higher living standards, if they wished.

There was some objection to a consideration of South Pacific affairs exclusively on the basis of strategic interests. This difference arose, it may be suspected, in large part because of the differing national perspectives involved—for it is not surprising that the South Pacific is likely to be regarded with greater intrinsic interest in New Zealand than in the United States—but in part also it stemmed from the differing professional viewpoints of those present. In any case, the essential point, it was commented, was that emphasis on strategic aspects might be necessary to influence United States political opinion towards a more active role in the area for the United States.

Concerning development problems in the region, it was remarked that a more positive interest was desirable in all three ANZUS countries and that Australia and New Zealand in particular could well do more. Papua-New Guinea would be the largest indigenous participant in any
regional institutions which might be developed in the area and its inclusion would therefore be important.

There was a difference of emphasis among Australians on the pace of political progress which should be sought for TPNG. One view was that it behoved Australia to press ahead on the path towards independence for the territory as quickly as possible. A contrary view was that Australia should not be hustled into premature moves and should be prepared to sit it out against United Nations criticism if necessary. It was agreed that a massive aid program would be necessary. It had to be recognised, however, one speaker warned, that circumstances could be foreseen in which it could become difficult to secure the necessary political support for this in Australia. For example, it was conceivable that new Pacific states might expropriate economic ventures owned in metropolitan powers, and if this course were followed, there would be a souring of relations which would make generous aid programs difficult to sustain.

Consideration of overall economic prospects for the region was brief but the potentialities for tourism were noted. The area was already of growing importance for civil air routes and the prospects for tourist development elsewhere than in Tahiti—in Fiji and Rarotonga—were mentioned. There were some mixed feelings about the likely results of this line of development and doubts were expressed about the extent to which the island communities as a whole would be likely to benefit from it. Nonetheless, the process was well underway.

The interests of other powers in the region, in broader terms than strategy, were also considered. It was remarked that it was first of all surprising that Japan had not been more active. The Japanese were well-received in many parts of the region—rather better than Europeans in fact, especially in Micronesia—and they had an obvious economic interest in the Pacific in their need for fish. We might well expect the extent of Japanese interest and involvement to grow. We should be wise also to take greater account of the extent and permanence of French interests in the region. France had a sizeable and growing economic stake in New Caledonia and would be unlikely to concede complete independence to the territory. Similarly, the French obviously would be reluctant to lose political control of Tahiti, which had proved so useful a base for nuclear testing. French interests in the South Pacific were therefore considerable and likely to be long-lasting and the evolution of the region towards greater independence would need to be considered in that light.

There was some discussion of possible alternatives to the development of mini-states or micro-states in the Pacific (although it was noted that the admission of the Maldives Islands, with a population of some 80,000, to the United Nations General Assembly had brought the scale of general international acceptability down to a pretty small size). The
possibility of the emulation in other territories of the pattern of New Zealand's relationship with the Cook Islands, whereby the Islands enjoy self-government while remaining formally part of New Zealand and have the right at any time to decide to move to full independence, was considered. It was noted that the adoption of this sort of arrangement would involve a readiness on the part of the metropolitan government, as in the New Zealand case, to pay a substantial annual sum as a subsidy for local island revenue without having control over the way in which this money was spent. It seemed, however, that the United States Trust Territory of the Pacific was moving towards a similar type of arrangement. While it might seem a simpler solution for this territory to join with Hawaii, as part of the 50th state of the United States, the Micronesians were anxious to protect their land from the danger of alienation and had proved reluctant to move in this direction.

Migration questions were also considered. American Samoans it was noted, entered the United States freely as did Cook Islanders and Tokelauans to New Zealand. Other island groups, where in fact population pressures were greater, did not fare so well. In the case of Papua-New Guinea, it was remarked that Australians did not envisage that there would be any large-scale demand for entry into Australia. In any case, economic development and birth control programs were suggested by one speaker as a better solution—birth control had been surprisingly successful, for example, in Fiji. Against this, it was remarked that a policy of restriction on Islands immigration combined with the fostering of birth control programs would be likely to cause considerable resentment in the South Pacific.

The discussion concluded with a return to elements of strategic pre-occupation. It was argued that in the South Pacific we were now entering a period of political change which might be compared to the situation about the mid and later nineteenth century. In that era, the various Pacific micro-states—Hawaii, Tahiti, Fiji, Samoa—proved unable to withstand the pressures on them which arose from European penetration and great power rivalry. In the present day, could we realistically draw a distinction between peacetime and wartime conditions and conclude that we would be interested in the South Pacific strategically only in wartime? Already, the United States, Australian, and New Zealand navies traversed the area and the Soviet navy probably did or would. Political developments in the area would need to be tailored to the needs of each case but we could not forget that the region was strategically important for communications both civil and military, too important for the area to be 'de-militarised' even if this were possible. Against this view it was argued that there was no foreseeable security threat to the Pacific Islands and that our best guarantee of their future was to earn their friendship when they succeeded, as they wished, in ruling themselves.
Economic Prospects
To appreciate the setting for this discussion a rather descriptive account of the present state of the economies of the area and of the American presence there is necessary. The extent of the American presence must be noted because a reduction is in the offing and is fraught with important economic implications for Asia. The problems associated with a reduced United States presence, coupled with problems that are Asia's own, form the background for possible United States policy toward the area.

Asia, considered as a whole, has achieved the 5 per cent growth in GNP that was the United Nations target ten years ago. There have been some outstanding specific achievements and some obvious anomalies in the picture. This overall growth does not mean that poverty or hunger have been eliminated. Significantly reduced, yes, eliminated, no. The disparity between the peasant on the Korat plateau and the urban dweller in Tokyo is likely to continue to grow for some time to come.

The future of Asia, however, is not necessarily as dark as Gunnar Myrdal1 has chosen to paint it. An improved level of economic well-being is only one of Man's desires and although national income statistics would indicate that the average American is forty to fifty times more comfortable than a Cambodian villager, this is obviously not true. Therefore, an important item to recognise in developing United States policy toward less developed Asian countries is that such inter-country comparisons are not only meaningless but dangerous.

Certainly Asia as a whole has moved forward during the 1960s. It is not homogeneous, of course, and is perhaps even richer in diversity than Europe. I should first like to examine the relative economic position of each of the Asian countries with which we are concerned.

Of all Asian nations, Japan is the miracle of the sixties. The economic growth of Japan continues apace and its GNP has now reached $160 billion and could climb to $400 billion or more in this decade. However, Japan's per capita national product is still about twentieth in the world. Its trade position is superb. The United States ran close to a

$1.5 billion adverse balance with Japan in 1969. Japan enjoyed an almost $4 billion trade surplus in that year and its net favourable balance of payments was $2.28 billion. This resulted in part from the large exports (almost $16 billion) and lesser imports (less than $12 billion) plus greatly increased portfolio investments and restriction of the outward flow of Japan's own investments. Japan has now liberalised its restrictions on this outward flow and this will permit Japanese concerns to invest more in overseas development of raw material sources, make investments in less developed countries that have more favourable labour-capital ratios, and step up its role in the economic advance of less developed countries in Asia and South America. Directly controlled overseas enterprise investments by Japan in Asia have not been large to date. Thus far Japan has a 'presence' in Asia as does the United States, though Japan's presence is largely economic while that of the United States is largely military.

South Korea is moving into its third Five Year Plan for economic development. Korea is still very dependent on foreign loans, textile exports, and United States dollar earnings. Its balance of payments deficit is made up by United States troop expenditures, AID programs, and particularly the dollar earnings associated with Korean troops in Vietnam. The Korean government has adopted policies to slow down short-term borrowing from foreigners and reduce home investment, and has instituted increases in luxury goods excise taxes. These measures are designed to prevent the economy from overheating. The growth rate of the Korean economy in the sixties exceeded 8 per cent annually, and GNP per capita rose from less than $100 to almost $200. Nevertheless, amidst this relative prosperity, the terms of trade appear to be worsening between urban dweller and rural producer. The foreign trade and payments sector of the economy has some problems too. Korea had more than $2 billion of foreign loans, credits, and equity investments by the end of October 1969. These foreign claims on the economy plus a growing trade deficit which has reached a rate of $1 billion a year could pose serious problems for Korea in its international trade and financial balances. Repayment of principal and interest on foreign loans even now takes 10 per cent of Korea's foreign exchange earnings.

Taiwan has a viable economy and is no longer dependent on a foreign presence. An enormously successful agriculture program in Taiwan (thanks in part to a heritage of Japanese farmers' associations) and an industrial development program which seems equally successful have provided a rather well balanced economy with potential for further expansion. The country now plans two additional 'industrial parks' like the Kaohsiung Export Processing Zone, where 120 firms are already in production. Taiwan's local problem this decade may be one of how to offset the increasingly unfavourable trade balance with Japan without
permitting Japanese investments on a scale too great to be politically acceptable to the Chinese on Taiwan.

Hong Kong and Singapore are modern day city states and will not be likely to be of much concern to United States policy makers in the seventies. The role of these great trading centres in Asia is that of a neutral trader in a sea of conflicting and slippery ideologically-oriented trading partners. Hong Kong can presently absorb about 60,000 new workers per year and is currently facing a tight labour market. Perhaps danger lies in the fact that Hong Kong replaced Japan as the main supplier of clothing to the United States in 1968. This may raise the issue of voluntary quotas at some future date.

On the mainland, Thailand, an economy rich with rice surplus and a solid currency, is prosperous but on a slippery economic footing. Thailand's major exports—rice, rubber, and maize—face increasing competition in the world markets of the seventies. Thailand's earnings of dollars from 'invisible' exports to American forces will be likely to decline at the same time. Thus, there are indications of the onset of an adverse balance of trade or payments problem.

Malaysia has enjoyed a temporary increase in foreign exchange earnings in 1969 from a better market for rubber and tin. Planned production of rubber was at an estimated world market price of 18 cents per pound and much was sold at 28 cents during the year. Tin prices also appear to have stabilised at a healthy level. This is mostly attributable to the fact the United States has ceased to dump rubber and tin from its government stockpiles.

India, a nation still beset by some deep-seated social problems, has shown marked improvement in the past year. India, in 1969, produced 100 million tons of grain. Industrial production increased by 7 per cent while prices remained stable. Exports reached almost $2 billion for the year and India's trade deficit, at $400 million, is $175 million below 1968. India can bring its food-population ratio into a reasonable balance in the short run only by increased production of food grains. It has a good start in this direction. The program for the introduction of new varieties of rice recognises the need for teaching new production techniques as a condition for the successful spread of the new varieties.

In India to date, the new rice is grown on only 20 million of the almost 400 million acres of cultivable land. As India does not produce sufficient fertiliser for the new rice varieties an additional import requirement is generated by the increasing rice acreage. Coupled with the new productivity in the food grains sector of agriculture has been a worsening of the disparity in income between large and small farmers. Large farmers have been reaping larger relative gains and although small farmers are not worse off absolutely, they are relatively worse off than prior to the onset of the local green revolution. These relation-
ships are difficult and are particularly strained in Kerala and West Bengal, which have communist governments. Land reform is not enforced by the seventeen state governments in India either.

Next door to India, Pakistan is working to remove imbalances in her development which seemingly result from the emphases of past planning. Pakistan is also engaged in a program to reduce illiteracy. Literacy, though not often given sufficient credit in economic development models, is one of the key requisites for improving productivity in agriculture, trade, and industry. Agricultural output was up in 1969 by a small amount despite serious flooding of jute and rice crops in East Pakistan. Industrial production was up some 7 per cent over 1968 and exports were higher by 10 per cent.

Of the island economies, Indonesia shows signs of economic recovery. Inflation was held to 10 per cent in 1969 while imports went up by 12 per cent. Exports are up by over 9 per cent on non-oil products and 19 per cent on oil products, and the Indonesian budget for the 1969 fiscal year was in balance. Private savings, as well as nickel and tin production, were higher too than in 1968. Difficulties include the fact there is little economic infrastructure in roads and communications and hence little contact between urban and rural economies. Close and complementary relations between urban and rural population are important in both economic and political terms because market economies and economic growth are promoted under conditions of maximum contact and information.

The Philippine economy is currently dominated by short-run problems. The money supply was increased 24 per cent between January and October 1969 and the national government's deficit for the same period reached $167 million, an increase of 165 per cent over the $63 million deficit of the same period in 1968. The Philippines owed $738 million in external debt as of mid-1969, an amount which had doubled since 1965. Exports reached almost $900 million in 1969 but the trade deficit was about $240 million for the year. This figure is almost exactly what United States bases in the Philippines cost it in hard currency. Some reduction of the American presence coupled with the expiration in 1974 of the existing favourable trade agreement with the United States could produce serious economic problems for the Philippines by 1974. This is one country in which United States policy may have to support some kind of continued American presence or a rather significant financial aid program.

The economies of Vietnam and Laos are special cases and although the availability of goods is higher per capita than heretofore, both countries are almost completely dependent on American grants and purchases of invisibles by the United States for their present standards of living. Vietnam is a country in which the availability of goods per capita
has risen even during the war period of 1964-67. The situation for 1967-69 has not been documented but this availability of goods situation seems to have persisted. Vietnam will, barring floods and renewed fighting, be very nearly self-sufficient in rice production at the harvest beginning in November-December 1970. Increased production should help in the fight against inflation, still running at an annual rate of 30-5 per cent. Austerity taxes have been imposed recently but there is some uncertainty as yet concerning the net effect of these taxes, which are designed to raise revenue for the central government. They are applied to imported goods, where, it is felt, the taxes will have little effect on demand.

Finally, there is mainland China. China is supposed to loom large in any Asian economic survey. It represents the great untapped market place of the world in the thinking of some writers, but it is not and never has been much of a market except for specialised trading in opium, tea, and such, and China typically has been and is still short of the 'trading' currencies of the world. It may be an important customer to wheat exporters, but even in this trading sphere, China may soon solve its food problems and will be likely to cease to be a wheat importer and become a more important rice exporter. China's economy appears to be recovering from the disruptions of the Great Proletarian Cultural Revolution of 1967-68. There are some signs of increasing agricultural production. For instance, more fertiliser is being used and new land is being brought under cultivation. Additionally, irrigation schemes and other economic infrastructure for agriculture are under construction. Indications are that the Chinese are beginning to use hybrid rice and wheat seeds of the high-yield varieties. Nevertheless, in the foreseeable future, say the next five to seven years, China cannot be considered a serious participant in the trans-Pacific trading complex. At best, it will have only rice to export by 1975. China continues to support a limited but sophisticated defence sector within the economy.

I do not wish to imply that China has no importance in Pacific trade. It does appear to have produced exports of about $4 billion in 1969 with resulting imports running slightly higher. Japan was China's leading trade partner in 1969 with an estimated $650 million in two way trade. Hong Kong bought something over $400 million (mostly food) from China last year, and West Germany and Great Britain were its other major trading partners in 1969. It needs imports too—particularly items such as fertilisers, special steels, trucks, jet fuel, computers, and telecommunications equipment. Still, it seems that China offers a minimal market to Asian countries. Japan can satisfy China's ability to import with about one thirtieth of Japan's total exports. As for China's exports of soya beans, textiles, and foodstuffs for Hong Kong, there is nothing especially interesting in terms of more extensive trans-Pacific
trade opportunities in these commodities. Perhaps for the 1980s China will offer more as a trading partner.

I will say only a few words about the economies of Australia and New Zealand. In Australia the boom is on—bauxite from the slopes of Mount Saunders and iron ore, nickel, copper, and coal from all over. Much capital investment is being ploughed into the hinterlands outback for rail and associated lines of communication and port facilities. Supplying necessities, such as water, to places as remote as the Kambalda nickel mines and the Kalgoorlie gold fields is a remarkable achievement. When people are induced to live and work in a place (Nhulunbuy) which is 400 miles from the closest town (Darwin), forces are indeed being mustered for conquering the frontier. Soon Australia will be less dependent on the products of the sheep which have been, over the years, a major contributor to export earnings. Selling spaghetti to Italy, tractors to America, tulip bulbs to the Dutch, and camels to Arabs in the sixties, indicates that Australia can do almost anything in the seventies.

The problem areas in the 1970s will include most of the following:

1. Labour shortages—overall as well as in specialised technical areas.
2. Labour discipline—regularisation of work habits and responsible unionism.
3. Shortages of capital inflow. The foreign investment level of more than $1 billion (in American or Australian dollars) is currently backsliding somewhat.
4. Necessity to keep up a lively pace of exports of minerals.
5. An adverse balance of payments, at times at least, for there is an extensive import requirement for intermediate and capital goods.

Australia should face the seventies with a kind of aggressive economic equanimity.

The New Zealand economy is currently generating a balance of payments surplus of around $100 million, and not all of it due to agricultural exports. Pulp, paper, and timber industry products are not to be neglected, for these industries are expanding apace. Steel production there is expanding too. Whether it goes beyond certain local needs may be doubtful, but this is not so in aluminium. The American, Japanese, British, Australian consortium to set up the largest smelter in the Southern Hemisphere will be something to cope with. Gas wells and offshore oil deposits show promise of support for further industrialisation.

Problems New Zealand may face include British entry into the European Economic Community (EEC) which could hurt New Zealand's exports in dairy products, and also in lamb, and labour shortages. The projected growth in GNP of 4.5 per cent a year may well be limited by a shortage of manpower.

This is the setting in which I will now attempt to sort out some of the
problems of these economies as they are affected by the United States presence and United States economic policies. My systematic exploration into the United States economic policy toward Asia revealed that it does not have much of an overall policy, or even an orderly but piecemeal framework of a policy, on which to hang our analytical hats. It has had not so much a policy toward Asia as a presence there. The presence does not seem to stem very much from Asian policies either, but it appears more as though policies have been generated on a pragmatic basis out of the United States presence.

I would like now to give you my impressions of the magnitude of the United States presence in Asia, the policies which have resulted from that presence, and the economic meaning for Asian countries if the United States continues to pursue the reduced presence implications of the Guam doctrine.

With regard to a military presence, United States policy is likely to be so structured that its physical presence is markedly reduced. This reduction could continue steadily until 1975 and then slow as it holds on to outlying Western Pacific bases. (This, of course, could shift 180 degrees if the Americans or the Chinese respond irrationally to provocation in the 1970s.) Some problems of the economies of the area are exacerbated by reduced foreign exchange earnings resulting from a reduction in United States military forces in Asia.

For Korea, for example, it means fewer dollars with which to close its balance of payments gap at existing trading and financial activity levels. It means Korea must face up to the return of 50,000 Korean troops from Vietnam and perhaps most of the civilian workers there as well. The United States may reduce its two division presence in Korea to one division. This means fewer Korean employees and fewer dollar earnings.

These actions, coupled with any very serious reduction in exports below target level growth rates would be reflected in serious adverse trade and financial balances for the Korean economy. United States practices could take account of this problem in part through provision of food and feed grain under Public Law 480 provisions that permit such American exports. One of the difficult economic problems of the seventies is the necessity for providing the Koreans with hard currencies. United States policies will be very likely to support moves by Japan to play a larger and larger role in Korea's future—particularly via private businesses. Although this is a sensitive issue with the Koreans, Japan must take over a major role in Korea's development in the 1970s. Japan has the resources and the knowledge and interest to regain a pre-eminent position in Korea. Practices which reflect this new policy will need a greater degree of sophistication than ordinarily required. United States policy must be to motivate the Japanese toward a larger role in aiding
Asian countries that are in transition in the next decade. Korea is still one of those countries.

Apparenty a rather massive United States presence in Okinawa will be significantly reduced by 1972 and probably gone by 1975. Okinawa will pose few problems to the United States. Japan is ready to integrate Okinawa into its economic hegemony and the only role Americans have to play seems to be a co-ordinating and co-operating one. The islands will complement the Japanese economy and will extend the Kyushu 'tropics' further south. The United States does not appear to need a policy special to Okinawa. It will move Japan even closer to a responsibility for Taiwan, perhaps to include military protection.

The Philippines, caught up in political fantasy, living too extravagantlly, and too corruptly, are another story. The United States and Japan and perhaps Australia and New Zealand must jointly face some of the problems connected with this important group of islands. United States support expenditures will have to continue there and United States bases there may become more important with the reduction of the American presence in Okinawa.

The economy of the Philippines cannot make the transition to balance and growth without a continued availability of hard currencies. Japan has a role in this exercise but it must be carried out skilfully. It is difficult to maintain a growing economic presence without many more Japanese nationals present. United States policy must be kept very flexible toward the Philippines. The Philippine economy will need about $200 million a year for several years before it can be considered in a state of good repair.

Taiwan is considered the example of an economy nurtured on United States aid which is now blossoming into a great economic success. There are few changes in United States policy toward Taiwan likely in the near term. Dollar earnings by Taiwan should increase almost year by year until 1975. This may involve some subtle shifts in trade from Japan-Taiwan to the United States-Taiwan. American policy concerning Taiwan will necessarily have to be co-ordinated more with Japan because of the very large Japanese investments in Taiwan.

Hong Kong, as noted, will need nothing more than a small dose of pragmatism on occasion. The United States may well drum up 'voluntary' quotas on some Hong Kong exports to the United States—clothing, for example.

United States relations with Vietnam are likely to be extensive, with a substantial military presence continuing through at least to 1975. United States programs may be carried out under some special reconstruction in Asia organisation. The shift to a reconstruction theme may not occur before 1975 or so. Meanwhile, the United States is likely to continue to shore up the Vietnam economy as best it can under conditions of
insecurity. For each reduction in force of 100,000 troops in Vietnam, the United States can reduce its defence budget by $3-5 billion if units are de-activated on their return to the United States.

Since 1965, the extended United States presence has contributed significantly to the economic prosperity of most Asian countries. The United States must be concerned now with the effect on Asian economies as reduced numbers of troops, fewer bases, and declining off-shore purchases make their impacts felt throughout Asia. How do we transform this reduction in the United States presence into a new more policy-oriented spectrum of lessened activities in Asian countries?

The only way to establish and maintain a policy of Asianisation is to develop a policy which encompasses the American position both in military and economic aid. The United States cannot reduce its presence without continuing heavy programs of military and economic aid. It can swing its aid, one would hope, in the direction of the economic side of the aisle. Still, there are difficulties in increasing United States aid to Asia in the foreseeable future.

All policy roads lead to some sort of co-operative and co-ordinated effort between the developed Pacific powers—the United States, Canada, Australia, New Zealand, and Japan—and the less developed countries. They should be partners in a policy of providing technical assistance broadly defined. There must be a sharing by Australia and New Zealand, the Canadians, and especially Japan, in taking up the 'slack' left by a reduced United States presence.

American policy will still include aid programs but very likely these assistance programs will shift to a more technical support type of activity. American aid policy is likely to be focused on the 'personal multiplier'. One teacher well trained will train a large number of other teachers in a particular country, for example. The less industrialised countries in Asia are not going to need us to furnish them with basic foodstuffs. They need representatives of the developed economies to aid them in acquiring the managerial, planning, and technical skills required in economies which are becoming less rural and less peasant-dominated. The United States can still support training in increasing agricultural productivity too, but for diversified rather than one-crop agriculture. Most of these less developed Asian economies have no room for extended agricultural growth in food grain production. Support of diversification in agriculture in order to improve nutrition is still possible and desirable.

This illustrates a policy concern we must focus on for the 1970s. Large aid programs, with massive spending requirements, are simply no longer acceptable to the American public as it is represented in the United States Congress. The United States can be much more effective in smaller but more carefully drawn efforts. United States policy is likely to be able to apply limited resources in a manner that stimulates the
private sector of an economy to perceive an opportunity to carry on beyond demonstration efforts, and must be more concerned with creating conditions conducive to solution of problems rather than making a brute force attack on the problems.

America's aid programs, in conjunction with Japan, should promote the further development of economic infrastructures—both physical and institutional—which ease marketing difficulties between producing sectors within and among the Pacific trading nations. These economic overhead structures are necessary prerequisites to permanent economic growth. Even here, policy is likely to be one of technical assistance. The countries need engineering and financial expertise rather than grants of cement for the most part.

Even now, the infrastructure to support the increased agricultural output is not yet adequate. Traditional marketing, financing, and storage facilities are overtaxed in many places, notably India. The problem is that most of the increase in production resulting from the new varieties enters the market. There may be only a doubling of production per hectare, but in the case of family farms, consumption increases very little while the marketed surplus may climb by 100 per cent or more—several hundred per cent is not atypical. This is not possible without much more extensive infrastructures, both physical and institutional.

A United States policy which supports technical assistance rather than extensive grants in aid then is most likely to be compatible with both the Guam doctrine and United States budget pressure at home.

We might say at this point then that American economic policy in the Pacific in the seventies must be evolved within the constraints and impingements of the following trends:

1. A cereal grain surplus—with possible agricultural protection measures within and between Asian trading nations.
2. A shortage of foreign exchange—with possible exchange controls which contribute to reducing the level of trade.
3. Increased demands for manufactured products—with further import controls likely unless the Americans and the Japanese manage to take up the slack in hard currency earnings.
4. A search for export markets by Asian countries, especially in agricultural and textile product areas.

The whole area will—unless a great deal of contrary advice is heeded—have huge agricultural surpluses which will not be marketable except under conditions of export subsidy. The great need for foreign exchange could drive all the nations of Asia into peasant agriculture economies as subsidised and ill-conceived as the rural sectors in present member countries of the EEC.

What is needed, and quickly, is technical assistance in producing different agricultural products. Support of marketing and financial in-
infrastructures is needed as well. These requirements are all compatible with technical assistance programs which can serve to complement the Guam doctrine.

As a result very largely of privately supported technical aid, the sixties produced the green revolution. This revolution, carefully controlled, will solve Asia's food grains problem (and feed grains problem too perhaps) by the end of the seventies. I do not say it will solve Asia's nutritional problem, but it will very likely solve the more elementary desire for enough to eat. Appropriate United States policy is likely to be orientated toward technical assistance and support of a diversified and increasingly productive agriculture. The green revolution means a plentiful supply of food grains to most Asian countries. Vietnam is likely to be self sufficient in rice by the 1970-71 harvest. Japan, Taiwan, and the Philippines have all become rice exporters in recent years. The Burmese export rice and Thailand is, of course, a major exporter of rice to the world. Both Japan and the United States will need to reduce their rice production in the future. The Japanese will probably solve their growing rice surplus in part by shifting price supports into other commodities. Of all the Asian countries, only Indonesia and India are likely to be importing rice in 1975. Laos is currently also a net importer but is a mere fragment of the Thai market, and American AID policy in Laos should result in Laotian self-sufficiency in rice production in the near future.

The green revolution, while still to be fully exploited in Indonesia and India, already needs a careful assessment in several Asian countries. Undoubtedly of great benefit to Asian nations, it can result in widespread overproduction of agricultural commodities. These surpluses could lead to trade rivalries and additional attempts to protect the peasant agriculture sector in each country. This tendency toward protection will be opposed to United States policy because United States policy will be likely to try to maintain free trade in Asia. Natural economic tendencies within the Asian trading arena may well run in a contrary direction toward an intra-Asian trade bloc. One of the first co-operative ventures within this bloc could be protection against agricultural imports from the United States. Preferential treatment for Japanese manufacturers with a concurrent preferential import policy by Japan for other Asian country farm products could be just around the corner. It may be a matter not of whether but of when the All Asian Co-Prosperity Sphere will become an identifiable fact. United States policy in support of free trade between Asian nations and the rest of the world will need to be pursued with some vigour and understanding if we are to avoid an EEC of the Pacific.

There is nothing necessarily economically inefficient in the regional trade bloc concept. Nevertheless, it almost always leads to a desire in
participating countries to freeze internal production and external trade patterns. Asian countries can move toward free trade or in the direction of the aforementioned bloc patterns. Despite some practices such as 'voluntary' quotas on Australian and New Zealand beef, the United States policy will support free trade in the trans-Pacific arena in the seventies.

The shift of almost all Asian countries from net importers to net exporters of food and feed grains is an important part of the context in which United States economic policy must be resolved. The technological revolution currently going on may enhance productivity as much or more than the new seed varieties. The variable size tractor, the water pump, and possibly most revolutionary of all, the rice transplanting machine will free millions of man years of labour from Asian agriculture. Increased efficiency and production will not necessarily lead to lower prices and better distribution of food grains. Unless the United States supports policies to the contrary, the Asian economies can face a decade of agricultural surpluses, be led to establish production and export subsidies, and develop an intricate maze of import and monetary restrictions.

The United States should use its powers of persuasion in a technical assistance program to see that consumers are 'represented' at the economic roundtable in Asia during the coming decade. Over the world, in developed as well as less developed countries, producer interests prevail. The regional trading blocs of the world are producer, not consumer, oriented.

In addition to promotion of technical assistance and relatively free multilateral trade, there are two major areas of development in Asia which merit special attention by the United States and Japan or, for that matter, many of the developed countries of the free world and possibly the Soviet Union as well. These are the reconstruction of the former Indochina states and development of the Mekong River basin. The Agency for International Development is unlikely to be in a position to handle either of these major programs. Much technical research has been done on Mekong development, but little thought has been given to political and economic requirements associated with the project. No overview has been presented and the relative need for power and irrigation by the participating countries has not been investigated.

United States policy might well promote the Mekong development as a project separate from AID which would enhance its possibilities with Congress. The Mekong Development Project is an important and substantive way to achieve regional co-operation in Southeast Asia. It can contribute power to increase productivity in industrial products as well as contributing to a diversified and stable agriculture by way of irrigation and flood control. The development of the Mekong is much
more than an 'aid' program. It is a method of promoting economic development on a co-operative basis between Asian countries and greatly strengthens the economies of those countries living on the Chinese perimeter.

The United States should also approach the reconstruction of the former Indochinese states with a new and separate plan. Congress is more likely to be receptive to a 'Marshall Plan' for the area than it is to any makeshift scheme, and should support interest in this program by other countries. However, the United States has been operating in Vietnam, Laos, and Thailand in a sufficiently unilateral manner that the reconstruction program will probably have to be borne primarily by the United States.

United States policy will very likely support a major development of the Mekong River basin in the 1970s, possibly spilling over into the eighties. We cannot fail to support the development of the last of the great rivers of the world. Mekong development will support the further growth of this area in industrial and intermediate goods production. More industry will be needed because not even a specialised agriculture can sustain the pace of imports required as individual preferences increasingly reflect the desire for the amenities which, if they do not make life better, make it less mundane. Literacy, for example, depends on communication, which depends on individuals being in contact directly or by telephone, telegraph, radio, television, and by roads and waterways. Without exports countries cannot buy these accoutrements of lines of communication and exports cannot be generated without sources of productive power. To harness the Mekong is to create and develop a controlled flow of power to Laos, Thailand, Cambodia, and North and South Vietnam. The Mekong development lessens nationalistic rivalries because to harness the Mekong requires an authority supranational in outlook and behaviour. Inter-country co-operation in the economic sphere may lay the basis for reducing intercountry political rivalry.

Perhaps the United States is once again establishing or attempting to establish an overall policy toward Asia which reflects a return to Asia for the Asians. It may well be making an attempt to substitute conscious policy for ad hoc presence. Some years will be required to make over its Asian presence into an Asian policy. It has often in the sixties confused its presence with a policy but it must realise that to be present in an area may not be reflective of or in consonance with a policy. It has often been charged with lacking clear cut objectives in the Vietnam conflict. This is at least partially correct and may stem from its sort of ad hoc presence there.

There is a particular and peculiar anomaly in the American approach to post-war Europe and present-day Asia. It maintained a presence in Europe but also hammered together a policy which was reflected
in the NATO partnership. Interestingly enough, the United States never resorted to explicit armed support of anti-Soviet forces in Eastern Europe. Without war, it began to see diversity in the Communist hegemony, and it had little choice except to foster diversity in Europe. For one reason or another, Americans never promoted this sort of tolerance for diversity in Asia, and they have not been willing to take the same sort of chances in the Pacific they took in Europe.

It may be that the Guam doctrine reflects the beginning of a change in American tolerance for diversity in the political, social, and economic patterns which manifest themselves within Asian countries.

**DISCUSSION**

Discussion on the economic prospects for the Asian region brought out two developments, one positive and one negative, likely to be of great importance in the next few years: firstly, the effects of the green revolution in agricultural production; and secondly the impact of reduced American military spending in Asia, on the assumption that the Vietnam War is tapered off and the United States military presence in Asia elsewhere (for example, in Okinawa, Korea, and Thailand) is substantially reduced.

The green revolution, Dr Williams had predicted, was likely to exercise a profound effect on existing intra-regional trading relationships. By and large, these depended on trade between rice surplus and rice deficit countries, but this already was rapidly changing and surpluses could soon mount. This expectation was not fully shared. It was remarked that while the green revolution was a fact of life—it had started—it had so far been more successful in wheat than in rice. It might be questioned, too, how far the new strains and techniques could be spread beyond irrigated areas and beyond the larger and relatively more sophisticated farmers. There was, therefore, perhaps less to be feared from surpluses. In the case of India, for example, population growth was little behind increased production.

It was agreed all the same that there could be serious trading problems ahead for traditional rice exporters. This would lead to pressures on such high cost producers as Japan, now self-sufficient in rice, to scrap its policies of agricultural protection. There would be external pressures from cheaper producers (including New Zealand in the case of dairy products) and also possibly from domestic consumers in Japan.

As to nutritional problems, which were not the same as the simple alleviation of hunger, there was the question of protein deficiencies. These might be dealt with in a number of ways: by the breeding of grain
strains with a higher protein content; by the greater consumption of livestock products; and by the use of additives to grain foodstuffs.

The second problem examined was one with a shorter perspective but possibly substantial impact over the next few years: the sharp reduction expected in American military spending in Asia. The decline in spending and its various derivatives, it was commented, could, coupled with the foreseeable loss of rice export markets already mentioned, cost Asian countries something like $2 billion a year, or some 20 per cent of their present export earnings. If this took place within the next four to five years, its effects could be disastrous.

It was then asked what might be done by way of assistance from the developed world to help meet such a situation. It was made clear that in terms of political reality it was not likely that general United States aid programs would be substantially increased. Dr Williams's conclusion that the United States was moving away from heavy capital programs towards technical assistance was not challenged, nor were the two provisions that he made—a special reconstruction program for Vietnam and the development of the Mekong River Basin. It was agreed that it seemed much more likely that the United States Congress would accept the devotion of large sums to two such specific programs, preferably with the support of other developed countries, than any increase in aid in any more general sense.

Other possible sources of capital were looked to, although without any great confidence. It was expected that to some extent a private capital flow might counterbalance a decline in (American) governmental spending in the region. Specifically, some increase in the capital outflow from Japan could be expected. Assuming that Japan's economic growth continued at a satisfactory if not at the recent remarkable rate, then Japan might suffer a labour shortage and would become increasingly interested in investing in enterprises in the region.

Concerning future trading arrangements, it was suggested that while the Japanese were extremely interested in some form of common market or free trade arrangements—such as the Pacific Area Free Trade Agreement proposal (PAFTA)—this was a long way off. The arguments in favour were strong over a longer term but less so in the short term. But the Japanese were likely to persevere and in the interim some Pacific equivalent of the OECD (Organisation for Economic Co-operation and Development) in Europe might well result.
In the past twenty years economic relations among Australia, New Zealand, and the United States have deepened and strengthened in many ways. The most obvious aspect is the growth in the importance of the United States as a market for Australian and New Zealand exports and as a source of imports. The United States share of Australian exports has been running recently at about 12 per cent compared with around 8 per cent in the early 1950s. The change in the United States share of Australian imports has been even more striking, rising from about 10 per cent to around 26 per cent over the same period. For New Zealand also a general expansion of trade with the United States has occurred, though more especially in relation to New Zealand exports of which the United States took 16 per cent in 1968 by comparison with 5 per cent in 1948 and barely 2.5 per cent in 1938. Imports by New Zealand of United States origin have continued to rise relatively since the early post-war years and the ending of the dollar shortage in the 1950s but at 11 per cent of the total have not yet recovered to the pre-war level.

Thus, for New Zealand the increased importance of trade with the United States has been in exports whereas for Australia growth in United States imports has been relatively more significant. This latter fact is to an important extent a reflection of the striking increase in United States capital investment in Australia, especially in the last few years. As Drysdale remarks1 'American private investors, through their firms, subsidiaries and associates, tended to bring equipment and producer materials from their home country (if not their home firm) thus boosting the proportion of imports originating in the United States over two thirds of which consist of machinery, equipment and producer materials'. The same comment applies in general to New Zealand although for that country private foreign investment flows have usually been of relatively minor importance in the total balance of payments picture with Britain continuing to be the main source of such investment. This investment flow has meant more than just the acquisition

of American money capital. 'It has been responsible for the introduction of new products, new processes, new marketing techniques, new markets, new ideas on organisation and training, new attitudes towards planning, new concepts of performance and so on. It can fairly be said that innovations largely attributable to America have gone a long way towards revolutionising Australian industrial development and business practices.'

This comment is perhaps less true of New Zealand to date but it seems clear that only a few years from now it will be applicable with similar force to New Zealand manufacturing and associated services, especially as regards modern management and marketing techniques.

Aside from trade and investment two other aspects of economic relations deserve brief mention. The one is the emergence of the United States as a source of public borrowing by the Australian and New Zealand Governments (in contrast to their former almost exclusive reliance—especially in the case of New Zealand—on the British capital market); the other is the rapidly growing flow of tourists from the United States to both countries.

One important concomitant of these closer connections in economic affairs has been the marked increase at least in the frequency, if not in the fruitfulness, of contacts about economic affairs among officials and leading members of the respective administrations. There can hardly have been an occasion in the past decade when a New Zealand or Australian Minister visiting the United States or a President or Secretary of State visiting the two southern countries, has not discussed economic questions directly or indirectly of concern to all three. Again, in international bodies concerned with economic matters, especially the GATT, consultations among the respective delegations are a more or less customary even though informal procedure. Perhaps, in truth, this is no more than the courtesy which others might equally expect and experience from a large nation with global economic interests but Australians and New Zealanders like to think there is more than that and probably have good grounds for that belief.

At the same time, it would be a distortion of the true picture to conclude that, because economic relations between Australia and New Zealand on the one hand and the United States on the other have strengthened greatly over roughly the same period that co-operation in political and security matters evolved (especially through the ANZUS and SEATO treaties), there was any necessary connection between the two sets of events. Each, indeed, is the outcome of a series of responses to external circumstances for all practical purposes fundamentally different in character: the one being a reaction to perceived political and military threat from the communist world and the other a response (by

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contrast primarily on the part of Australia and New Zealand in relation to their objectives of economic growth) to changing circumstances in world markets for their exports. Only at a most general level, largely meaningless for practical policy decisions, can the political and economic aspects of United States relationships with Australia and New Zealand as they have developed since 1950 be linked together.

In practice too, they have been seen by each of the three countries as separate. There can have been very few trade policy decisions by any of the three countries—I know of none—either in general (such as the removal of discrimination against American imports) or particular (such as the removal of American restrictions on lead and zinc imports) which had as an even remote objective the strengthening of economic relations because of the political commitments of ANZUS and SEATO. This is not to say, however, that in the future, with the growth of the Australian and New Zealand economies and of American investment there, and a possible American desire to retain close defence arrangements with two politically stable Pacific countries, the position will not change.

There is, too, as Sir John Crawford has noted, a difference of substance in the way in which political and military ties and economic relations develop: 'The former normally come about by inter-governmental agreement. . . . Trade, however, while much influenced by the climate created by the governments occurs . . . because of decisions made by private entrepreneurs exercising economic judgements in relation to profitability.' The notion of importing and exporting not for profit but to underpin military or political arrangements entered into by governments may have some validity for countries of Eastern Europe but it has little relevance to the predominantly private enterprise systems of the three countries.

This general comment is made not simply to refute the view that the observed closer economic relations among the three represent the outcome of deliberate action on the part of each of the three governments but also because there seems to be some danger of reading rather more into these developments than there is.

New Zealand especially, but to an extent Australia also, seems at times to assume that the existing political and security relationship with the United States provides a stronger base for the resolution of economic policy issues than is in fact the case. A mistaken view of the quality and content of United States relations with Australia and New Zealand could give rise to unnecessary and unwarranted tension and impede the emergence of satisfactory approaches to a number of important issues which will almost certainly be paramount in the immediate future. In spite of all that has happened since 1939 and the wide scope of con-

tacts among the three countries neither Australia nor New Zealand is justified yet in regarding its position *vis-à-vis* the United States as a total relationship in anything like the sense in which prior to the war such a description could be applied to their relationships with Britain.

What continues to worry Australia and New Zealand most is the continuing uncertainty which surrounds the conditions of access for their exports to the United States. While remaining firm adherents of the GATT they have no confidence that this organisation can do anything to protect them from American actions contrary to its avowed aims. Still less have they grounds for comfort in frequent United States affirmations of adherence to the principles of multilateral, non-discriminatory world trade, affirmations which they have long since learned do not exclude actions which rest on entirely opposite principles. This is the 'credibility gap' in their economic relations with the United States which will take a long time to dispel. Australia and New Zealand can never be sure that, though much time and effort may be expended by their exporters in building up trade in particular items, these efforts will not be frustrated by the imposition of import restrictions of one kind or another to protect domestic interests. The United States, of course, is not the only guilty party, but while the knowledge that there are many sinners may be a salve to the American conscience it is no comfort to Australia and New Zealand. (New Zealand would argue that Australia is not much less of a sinner.) Restrictive United States policies towards imports of agricultural products were a major irritant in economic relations throughout the 1950s and 1960s. There are, as yet, few signs that the 1970s will see any fundamental changes in those policies, though continued pressure by Australia and New Zealand for changes can be taken as certain.

Policies towards dairy products have been a particularly sore point for New Zealand, both because of the direct effects of restrictions and because of their indirect effects (in the New Zealand view) in encouraging other countries to be no more liberal. Though United States restrictions on dairy products long antedate the GATT, New Zealand and Australia cherished hopes that GATT membership would lead to changed policies. New Zealand was particularly bitter in 1954 (when bulk purchase contacts with the United Kingdom were about to be phased out) when the United States sought and secured a waiver from GATT obligations which enabled the continuation of very severe restrictions. In the New Zealand view this waiver has been a principal reason why so little progress has been achieved in the GATT with problems of trade in agricultural products generally. On that occasion New Zealand was virtually alone in voting against the waiver. Its displeasure with the United States was hardly greater than with Australia, whose support of the United
States on the issue (for reasons which are quite persuasive) long rankled. In the ensuing years New Zealand did not take the restrictions lying down, but developed and adapted various dairy products so that the restrictions could, legally, be circumvented. Something like a running battle developed, with the United States administration trying to keep pace with the ingenuity of the New Zealand dairy industry in finding new products. In consequence, the actual volume of dairy produce disposed of in the United States since 1954 has been rather greater than seemed possible at that time. Nevertheless, this kind of trading relationship could not do other than exacerbate ill-feeling on both sides.

Adjustments in dairy product restrictions have been made from time to time, mainly to extend their scope to deal with new types of products as suggested above, but a welcome relaxation of restrictions on cheese imports was introduced in 1969. New Zealand was a principal beneficiary of this action; and, indeed, it must be said that New Zealand has received a fair share of such trade as has been permitted. New Zealand takes the view of course, that this is only right and proper as it is the only country that does not subsidise exports.

The basic problem, as is invariably the case with import restriction of this kind, is political. One can point to declining milk output, to rising consumer prices, or to any other economic factors which argue in favour of cheaper imported supplies, but none of these will have any effect on policy decisions so long as United States dairy farmers are able to maintain their influence in Washington against imports and against basic changes in the methods of agricultural support. Looking after New Zealand or Australian export interests does not bring votes in Congress.

Exports of Australian and New Zealand meat to the United States (mainly beef, veal, and lamb) have been less subject to restrictions but the story is a far from happy one. The trade began to be developed in the early 1950s with experimental shipments of lamb and beef. The latter product caused most of the trouble since it seemed to compete directly with the domestic product. Although the quantity involved was extremely small New Zealand inexperience in marketing in the United States (the price was too low and sales were concentrated in a few areas) helped to stimulate objections. By 1957-8 these problems had been largely overcome and the United States had displaced Britain as the main export market for beef and veal, taking over 70 per cent of total output and 20 per cent of all New Zealand meat exports. Nevertheless, and despite the fact that imported beef constituted less than 10 per cent of total consumption and was for the most part used in hamburger and sausage production, pressure from American cattle interests led in 1964 (after an initial period of voluntary restrictions) to restrictive legislation. This provided that import restrictions on beef, veal, and mutton must be applied when imports were estimated as likely to reach a certain base
figure (1959-63 levels) adjusted by a growth figure to take account of increases in United States production and consumption. Since 1964 the Administration has been anxious to avoid situations in which restrictions would have to be imposed; New Zealand and Australia have perforce co-operated by restraining their exports 'voluntarily' to a level below the trigger point. Although this level is a rising one neither country can be expected to be satisfied with a system which puts a very low ceiling on market expansion.

While the restrictions are, because of the rising world demand for beef, of less harm than those on dairy products they illustrate the kind of problem which exporters to the United States constantly encounter whenever success attends marketing efforts. Even more serious from New Zealand's point of view has been the strong pressure applied for imports of lamb to be included within the scope of the 1964 legislation.

There was little difficulty in finding buyers for New Zealand and Australian beef but for lamb the process of market development has been a long and expensive one. Pressure to restrict imports into the United States has existed for quite some time but it was not until 1969 that the threat of legislation appeared serious. The New Zealand reaction was immediate, Prime Minister Holyoake's letter to President Nixon of 11 June 1969 being one of the strongest protests ever delivered to the United States on a matter of trade policy. (Whether or not the view is sustainable Mr (later Sir Keith) Holyoake linked the issue with New Zealand's capacity and willingness to participate in security arrangements.)

New Zealand was incensed not only because restrictions in anything like the form of the beef and veal arrangements would have effectively prevented her from reaping the benefits of ten years of hard promotional work, but even more because they would have seriously impaired the efforts New Zealand has been making to reduce dependence on the British market. This market is jeopardised by that country's possible membership of the EEC or by a possible British refusal to renew the market access guarantees for lamb when they expire in 1972. What has become apparent in the past two years is that the United States, especially, but also Japan, offers the best hopes of being able to provide markets for New Zealand lamb in quantities sufficient to reduce the degree of dependence on the British market in spite of continually increasing New Zealand output. All lamb sent to the United States is now properly aged and conditioned and in the form of cuts likely to have most consumer appeal. Demand has, indeed, grown so much that the New Zealand industry is having problems in finding adequate supplies of the correct type of meat. To expand supplies will require considerable further capital investment in processing and transport facilities. An ever-present threat of quota restriction makes it difficult to persuade
private companies to undertake these long-term capital investments which are essential if the market diversification program is to be successful and if overall export targets are to be achieved.

These restrictions on meat and dairy produce have been singled out because they seem likely to be continuing sources of irritation throughout the 1970s and because of their importance to Australia and New Zealand. Other trade problems at the bilateral level anyway have declined in importance by comparison although they are by no means out of the way—in particular, tariffs on wool and the general level of protection given to the United States woollen textile industry. These have in the past been of more concern to Australia rather than to New Zealand, whose interests are principally in carpet wools where United States tariff protection is less severe than in the case of the finer wools produced by Australia.

From the Australian/New Zealand standpoint, the tariff problem is clearly overshadowed by the problems of quotas already discussed. The United States, of course, sees it differently and remains concerned about the high levels of tariff protection as well as (in New Zealand's case) the continued operation of quantitative restrictions on finished manufactured goods. But the preference issue, a major bone of contention in the immediate post-war years, no longer has the same power. Both Australia and New Zealand have indicated a readiness to negotiate with other parties (Japan, the EEC, and the United States) about preferential tariffs but except in the case of further unilateral reductions such as those made by Australia in 1958 the reduction of preferential margins will probably need to await a new general move toward trade liberalisation which includes significant provisions about non-tariff import barriers.

The previous section has dwelt on those issues which seem likely to be of great importance in future bilateral relations between Australia/New Zealand and the United States, ones which arise out of the domestic policies of the three countries. But there are other issues of a more general character which require to be considered if a balanced picture of their economic relationships is to be constructed.

In this connection the extent to which patterns of trade of Australia and New Zealand have changed since the 1939-45 war must be noted. For both countries the increased importance of the United States as a trade partner is only one facet, although an important one, of a major shift that has been taking place since the war in the pattern of their global trade relationships. In New Zealand's case, Britain is now much less significant as an export market, taking only 44 per cent of total exports in 1968* by comparison with 73 per cent in 1948 and over 84

* In 1970 the proportion fell further, to just over 36 per cent.
per cent in 1938. Nevertheless, for three key products, butter, cheese, and lamb the United Kingdom still provides a market for over 90 per cent of these exports—a fact which is the basis of New Zealand's anxiety about the effect of British membership of the EEC. The decline in Britain's share of New Zealand exports has been offset not only by the rise in the United States share but also in the shares taken by Japan (virtually nil in 1948 but nearly 9 per cent in 1968), by Australia (from 2.7 per cent to 6.6 per cent) and by a miscellaneous group of other countries principally in the Pacific and Asia (6 per cent to 13 per cent).

In the case of New Zealand imports, changes have been less marked, the principal ones being a decline in Britain's share from 52 per cent in 1948 to 32 per cent in 1968; and a marked rise in Australia's share from 13 per cent to over 21 per cent. Generalising, except for certain products—butter, cheese, and lamb—exports are now much more strongly oriented towards the four developed countries of the Pacific Basin and to Southeast Asia, these countries now taking about 37 per cent of the total compared with less than 10 per cent in 1938. In the case of imports about 50 per cent now come from the countries mentioned.

Trends in the pattern of Australian trade have been similar, with a decline in the British share of imports and exports and a rise in the shares of Japan and the United States being even more marked. Britain's share of Australian exports fell from 39 per cent in 1950 to only 14 per cent in 1968, and her share in the Australian import market from 52 per cent to 22 per cent, a trend hardly likely to help Australian demands for protection from the effects of British membership of the EEC. Overall, about 60 per cent of Australia's export trade and about 50 per cent of import trade is with the Asian-Pacific region (including the United States, Canada, Japan, and New Zealand in this term).

These changes have come about through three main influences. Firstly, there have been the natural responses of private businessmen and producer organisations to changing demands and price relationships—the switch of beef exports from Britain to the United States where prices have been consistently higher is a case in point. Secondly, the very high rate of economic growth which Japan has been able to maintain for the past 10 years has, in consequence, led to the very marked increase in her demands for Australian and New Zealand ores and minerals, wool, meat, and various foodstuffs. Thirdly, both governments have made deliberate efforts, through more widely spread trade representation, the conclusion of commercial agreements on tariffs and trade restrictions, tax incentives, and other domestic measures, to diversify both the range of markets and the range of products available for export.

These latter policies have been followed more vigorously and for a longer time by Australia, which saw more quickly than did New
Zealand in the post-war years the need for such diversification. With more widespread trading interests and more varied and 'manufactured' packages of goods to sell than was the case 20 years ago, both countries now have a more direct stake in upholding and strengthening the multilateral system of world trade and payments which the GATT represents. At an earlier time this was more indirect. In the early post-war years, for example, both Australia and New Zealand accepted without much question the view (advanced with great authority by the British on many occasions) that the health of Britain's economy—dependent though it might have been on United States prosperity—was of paramount importance to them. This had all sorts of implications in trade policy, tariffs, preferences, import and export controls. Both countries—Australia less so than New Zealand—tended to see world trade arrangements in that context. For New Zealand, in particular, so long as there was unrestricted duty free entry to the United Kingdom market (including up to 1954/55 agreements for Britain to buy under bulk purchase arrangements nearly all output of meat and dairy produce at 'reasonable' prices) questions of improving the multilateral system and of finding new markets and new export products were hardly more than academic issues.

The outlook today is markedly different. Genuflections are, of course, still made to the links with Britain on appropriate occasions, but New Zealand as well as Australia, now has a cooler, more hard-headed approach to external trade policy. Markets are where you find them or create them. As Sir Keith Holyoake is now fond of saying, 'we are world traders'. The logic of this position is not carried to the point of readiness to remove tariffs and other restrictions on imports into Australia and New Zealand, but consistency in policy is too much to expect from anyone.

The deep interest of both countries in the general removal of barriers to trade in agricultural products, especially non-tariff barriers, arises primarily from the imperatives of their own economic development, development which depends far more than it does for most countries on continued expansion of export receipts. They would prefer to see the GATT engaged in exercises of this kind rather than in consideration of proposals for free trade areas or customs unions, regionally-oriented and likely to result in increased discrimination against them. The proposal, much discussed at the academic level in recent years, for a North Atlantic Free Trade Area\(^4\) has little appeal. Whatever advantages it may have as a means of offsetting the effects of a widened EEC on the United States and Canada, it would almost certainly exclude Japan and for practical purposes Australia and New Zealand because agricultural products have not seriously been envisaged as likely to come within its scope.

\(^4\) See the series of publications by the Atlantic Trade Study, London.
Still, there remains a strong possibility that the 1970s will see a renewal of effort towards the further reduction of trade barriers, either in the wake of or preferably concurrent with British EEC negotiations. The United States, Australia, and New Zealand (as well as Canada and Japan) all have a common general interest in ensuring that the result of the European negotiations is not one of damaging discrimination against them. In spite of their different particular interests, the construction of a united front to present to the Europeans is one of the most important issues in their economic relations that they must now face.

One problem is that we have yet to see very clearly what attitude the Nixon administration is likely to take towards new trade policy initiatives. Some glimmerings may be seen from the Trade Bill sent to Congress late last year which, if enacted, would, among other things, give the President the power to reduce tariff rates by 20 per cent. His message indicated American determination to attack trade barriers maintained by others as part of a policy to eliminate the balance of payments deficit which in 1969 amounted to over $7,000 million. Moreover, the United States still seems to prefer the multilateral approach to freeing trade, if the Roth Report released early in 1969 is any guide. It recommended that ‘the United States should not jeopardise the chance of a further reduction of trade barriers on an MFN basis by proposing or encouraging plans for participation in a new free trade area. It should be prepared to re-examine this position, however, if circumstances should change so as to make it unlikely that a liberal trade policy based on MFN can succeed.’ It is in New Zealand and Australia’s best interests that it does. The attitudes of Congress, however, may well be a different matter.

The difficulties of arriving at a common view among the three countries plus Japan and Canada are obviously quite formidable but it is only in such a general context in which there is a mutual accommodation of interests that Australia and New Zealand can hope to get very far with their own particular objectives of maintaining relatively free access to world markets for their agricultural and also for their fast growing manufactured exports. New Zealand cannot, for example, reasonably expect United States understanding and support in its battle to preserve a place in the British market unless New Zealand also co-operates by being prepared to participate in tariff reductions more fully than it did in the Kennedy round. Then, too, there are the interests of Japan which must somehow be accommodated. Neither Australia nor New Zealand, for whom Japan is one of the most important markets, can be indifferent to any moves which seriously impair Japan’s ability to export on which (like those of Australia and New Zealand) its economic growth depends so much. (Even aside from the question of further European
integration it would be perfectly appropriate for Australia and New Zealand to make strong representations in Washington against any United States policy actions which aimed to reduce Japanese exports to that market, which account for about 30 per cent of Japan’s export trade.)

Looking at the likely set of bilateral and general issues affecting the three countries in the future it seems desirable to develop a more formal institutional framework for their discussion and resolution. In this respect the agreement between President Nixon and Sir Keith Holyoake during the latter’s visit to Washington in September 1969, that high-level consultations on economic matters should be instituted between New Zealand and the United States, is a welcome advance. These discussions (the first of which will take place early in 1970) are expected to deal with a wide variety of issues only some of which have been touched on in this paper. The principal concerns of the two governments in these consultations will be to review international issues (including developments in the EEC or in GATT) which affect them both; to consider the scope for increasing bilateral trade between them; and, for New Zealand, to explore the possibilities of encouraging, or removing impediments to, American investment.

From what I have said earlier it is to be hoped that the highest priority will be accorded the first of these concerns. The opportunity should be taken to commence a dialogue on the approach to the forthcoming British negotiations with the EEC and to the wider questions of multilateral trade policy which those negotiations imply. For this latter purpose one would want to see these United States-New Zealand economic consultations on this issue lead quickly to the establishment of a more broadly based group including Australia, Japan, and Canada as well.

DISCUSSION

Several issues arose from the introduction of the paper and the commentary on it. The initial stress was less on considerations of bilateral relations as on the inter-dependence of all three economies, plus those of Japan and to a lesser extent Canada, in the wider context of world trade liberalisation or otherwise—specifically, vis-à-vis the agricultural protectionism of the EEC.

Nevertheless, the subsequent discussion got away to a basically bilateral start, on the question of American and other foreign investment in Australia and New Zealand. It became clear that while it was agreed that both countries needed a sustained inflow of capital, this had not taken
place in either case without some public disquiet, especially over land purchases. Some 20 per cent of Australia north of the Tropic of Capricorn, it was remarked, was now foreign-owned. Several New Zealand speakers commented that while the process was less marked in New Zealand it had aroused earlier apprehension, and had led to the enactment of restrictive legislation.

It was remarked that the origin of overseas capital was not always what it seemed. Some apparently British investment in Australia was in fact American, and some apparently American capital was actually Japanese. In the case of Canada, it was added, it had been established that Japanese capital had been entering through New York banks. There was no sense of alarm about the capital inflow as a whole, and indeed it was said that for Australia and New Zealand in the 1970s the real problem might be to attract an adequate amount. But there was some wariness evident whether a situation might not develop between Australia and the United States particularly which would parallel that between Canada and the United States, where the extent of American dominance of capital and industry had produced a very serious national resentment.

It was asserted also that the servicing costs of American investment, in the form of managerial fees and royalties, were relatively higher in Australia than the equivalent costs of investment from other sources. This was challenged and there was insufficient data to hand to settle the point. What was accepted, however, was that the invisible costs for Australia on investment in the export of minerals, where much of the new capital inflow was going, was higher than with primary industries such as wool. In the case of wool, there were freight costs but no dividend outflow; with minerals, there was freight plus repatriation of dividends, so that the net return to Australia was proportionately less advantageous.

The inter-dependence of the economies under consideration was again noted, particularly the importance to Japan of her highly favourable trading position with the United States, and the importance to Australia and New Zealand of the continued economic growth of Japan. One illustration of this concerned steel. Japan's substantial steel exports to the United States, it was remarked, helped to create the heavy Japanese demand for Australian iron ore. Any serious check to Japan's prospects in this respect would hurt Australia too.

There was no systematic examination of specific bilateral trading problems. It was agreed, however, that these were better dealt with by frequent governmental consultations than by any attempt to negotiate formal trade agreements. There was a difference of opinion on the inter-relationship which could be expected or was desirable between political and security considerations on the one hand and economic and commercial matters on the other. Some took the view that the two ought to be
kept separate, others that perhaps they had been too compartmentalised in the past. It was noted that there was a trend, on New Zealand's part anyway, to seek to use a close political relationship in economic bargaining.

It was suggested that Australia and New Zealand could combine forces from time to time in an attempt to lever the United States into a position more favourable for their economic interests, or out of an unfavourable position. To some extent they did co-operate in this way, it was remarked, but there were limits to the extent of a possible combined approach since, in the American market, Australia and New Zealand were competitors. The discussion was aptly rounded off by the observation that, whereas in political and security questions one might have friends and allies, in commerce there were only customers and competitors. From time to time, competitors might combine 'to do over' the customer—but there were no long-term allies in trade.
Political and Strategic Relations
My main concern in this paper will be with future problems not simply as they may appear from New Zealand but as they may affect New Zealand. The great events of the next decade in the Asian and Pacific region which will concern the United States and Australia will clearly concern New Zealand too but it is probable that New Zealand will be involved in any immediate sense less than its two ANZUS partners and certainly much less in any determinate sense. We in New Zealand are well aware of the modesty of our national power, perhaps at times excessively so. That modesty, however, poses special problems for New Zealand policymakers, which later in this paper I propose to explore. I have approached the paper much more from a political than a strategic standpoint. In part, this reflects New Zealand's particular interests and preoccupations, and in part my own limitations. The views expressed in this paper are my own.

It is a truism to say that in any attempt to judge the future one looks to a continuation and perhaps an accentuation of past or present trends. The trouble with the unexpected is that it is unexpected. The crux of the matter for all nations of the region is the likely course of American policy. Will the United States change its policy radically in the 1970s or will the Americans simply lean back in their attitudes to successive issues and crises rather than lean forward, as they have done more often than not since the Korean War in 1950? From the terms of the Nixon Doctrine it is a shift of emphasis of this kind which the Administration seems to have decided upon. Assuming that its withdrawal from Vietnam can continue steadily, without a South Vietnamese collapse, then the United States will maintain its formal commitments to Asian and Pacific allies but in practice will look at each situation and alleged threat with a wary eye. Allies needing help will be expected to be ready to help themselves more conspicuously, particularly with ground forces. Yet guarantees of security contained in SEATO and the Rusk-Thanat communiqué of 1962, and so on, have been publicly reiterated. To the extent that SEATO remains a credible entity it is because of the commitments which
the Manila Treaty involves for the United States and not because of its organisation, now visibly sagging.

There is a problem here. Few, I think, would question the probity of the United States Administration's intentions. What is perhaps open to question is its political capacity to give effect to them. An over-extension of political resources (which the Vietnam War commitment clearly has demanded from the United States) is all too commonly followed by an over-reaction. United States policymakers may recognise this. Does the Congress? Does the American voter? The change of mood in the United States, the elements of domestic turmoil there, the sheer size of purely American problems, inevitably raise doubts in many other minds. It is this, along with the changing pattern of events in the region—the turn-around in Vietnam, the decline of British interest, the Soviet overtures, the Chinese missiles—which suggest we may be entering an era of significant change.

It may be hoped that in the next decade the region will avoid a fresh outbreak of major war, provided that the Vietnam War continues to be rundown, that Korea does not flare up, and that the Sino-Soviet antagonism does not reach a point of serious conflict: all reasonable but by no means certain assumptions. It seems all too probable, however, that we shall still be faced in Southeast Asia especially with a continued crumbling process of guerilla war and counter-insurgency campaigns. Whether the governments of the region will be able so to conduct themselves as to resist subversion effectively remains to be seen. It remains to be seen also what in future any of us will really be able to do to help if it looks as though they are failing.

New Zealand's political, strategic, and economic interests are very wide indeed for a small state and in some senses, almost conflicting. Like Australia, it remains a Pacific vestige of a tide of European imperialism now in retreat—this despite the fact that a large proportion of its population is Polynesian, that it has exercised colonial responsibilities in the South Pacific, has established some close bonds there, and now receives a growing flow of Islands immigrants. For years, Britain remained the object of New Zealand's loyalty and affection and to a declining extent still does. Trade is an important element in this. Some 36 per cent of New Zealand's exports still go to Britain, although the proportion is steadily diminishing as trade with the United States, Japan, and Australia increases more rapidly. But if New Zealand retains substantial commercial and emotional links with Britain and with Europe, New Zealanders have recognised that they live in the Pacific and that any threat to their security is likely to arise in the region of the Pacific Basin. To this might be added New Zealand's territorial claims in Antarc-
tica, and obvious interest that these are protected and that no facilities potentially dangerous to it are established in that continent.

The contradictions inherent in this set of national factors are well shown by the bewildering array of different groupings in which New Zealand works in contemporary world institutions. It is a long-established member of the Commonwealth, belongs to Asian and Pacific security groupings, ANZUS and SEATO, and is associated with AMDA. It is a full regional member of ECAFE, but in the United Nations Trade Conference (UNCTAD) it is a member of Group B, that is, Western 'fat cats' plus Japan. In United Nations political organs it is a member of the hybrid electoral group known as 'Western European and Other States', but is in Asian groupings in some specialised agencies. In this sense, New Zealand and Australia are both oddities: they don't quite fit anywhere and are not yet powerful enough in most settings to constitute a sub-grouping of their own.

I shall comment only briefly on the New Zealand economy in the seventies, not because this is unimportant but because it is largely outside the bounds of this paper. In a nutshell, the seventies are likely to determine whether New Zealand will be economically viable as an independent sovereign state, at a standard of living which New Zealanders have come to expect, and to regard as the norm—and that is a high standard in international terms, even if these days it is not quite so high comparatively as New Zealanders still think it is.

Only two years ago there was a good deal of pessimism about New Zealand's economic future, a fact which penetrated even into Australian consciousness. Bad news seems to cross the Tasman with ease. This pessimism was caused in part by a particularly severe balance of payments crisis. A sharp drop in wool prices had occurred at a time when New Zealand's long-sustained propensity to spend more abroad than it earns had already placed its reserves and borrowing capacity under strain. More fundamentally, there was concern throughout the sixties at the threat posed to New Zealand's export trade by Britain's attempt to enter the EEC. This seemed certain to cause severe problems for the dairy industry and to a lesser extent for the meat industry, in particular lamb. That threat is still with us, especially now that the French veto of Britain has been removed and substantive negotiations have begun. But to some extent the threat has diminished in size. This is not so much because of enhanced New Zealand confidence in its ability to protect its interests in these negotiations (for it may be doubted whether New Zealand can hope to secure much more than a transitional period, in which to be phased out of the British butter market) as because, for the first time, other developments show promise of lifting New Zealand's economy out of the grass and sunshine era. Manufacturing is prospering and expanding, and it has been found, since devaluation, that New
Zealand can sell readily in Australia. It is minerals, however, which hold out the greatest promise. There are high hopes of oil and natural gas in commercial quantities and early tests off the Taranaki coast have proved promising. Negotiations are presently in train for the sale to Japan of a portion of the huge reserves of iron-bearing sands. Mineralogical investigation of all sorts is proceeding apace. The large aluminium smelter project at Bluff is now going ahead (not without conservationist controversy, incidentally). The scale of international investment necessary for the aluminium project is of the order of $150 million, while for the commercial exploitation of the Taranaki oilfield, a figure of $150-$200 million has been cited by the international consortium concerned. All this points towards new dimensions for New Zealand’s economy.

Despite real trading problems—the foreseeable loss of the British butter and cheese market and battles for adequate access elsewhere, notably in the United States—the New Zealand state of mind is different from that of two or three years ago.* Then, some people were wondering aloud on either side of the Tasman whether the Australians might be interested in having New Zealand. That is simply not an issue in New Zealand today.

If a measure of economic confidence has returned, however, there are still problems which face any country of under 3 million people in the modern world, whether it is rich or not. It has to carry a heavy administrative superstructure in relation to its resources. Above all, in military terms, technology is working against it. Every individual item of military hardware, for example, is becoming more sophisticated and much more expensive, at a rate which is many times faster than the growth of GNP. This, of course, is a process which hurts all countries and despite the best efforts of the politicians sends military budgets spiralling.¹ But for small countries which have to pay for their own equipment and can make little of it themselves, life is hard indeed. At what point does a country virtually cease to have a navy or an air force when the political choice before it is either to let equipment become hopelessly obsolete, or to buy so few new ships or aircraft that its force risks falling below the size at which it can be independently operated?

This leads me to the question of the extent of any threat to New Zealand security, for it is this which governs what is politically possible. New Zealand, potentially, is by no means negligible militarily if it were

¹ See for example the lament over the United States military budget by Congressman Jonathan Bingham in Foreign Affairs, October 1969.

* More recently, an element of pessimism has returned. This has been caused not so much by a changed view of the basic potentialities of the economy (although oil and gas exploration has been less successful than originally was hoped) as by a serious outbreak of wage-price inflation, heightened anxiety about the terms which Britain might accept for admission to the EEC, and a continued and serious deterioration in New Zealand’s terms of trade.
to exact from its people an effort on the same scale as those it mounted in the First and Second World Wars. In 1914-18, with a total population of about 1,100,000, New Zealand sent more than 100,000 men overseas; in 1939-45 with a population of roughly 1,500,000, it sent abroad 140,000 men. In fact Australia and New Zealand between them in World War II had about the same number of servicemen abroad as the United States has put into Vietnam. Although contemporary military technology makes fewer demands on combat manpower (and more on supporting services) the comparison does serve to show the scale of effort small countries can make when they believe themselves to be fighting for their lives. Such an effort can perhaps be exacted only once in a generation (although the example of Israel might belie this).

New Zealand is 3,000 miles further away from Southeast Asia than Australia and that much more remote from anxieties about its problems. It is, after all, almost as far from Saigon as from San Francisco or Santiago. New Zealand, therefore, is much less concerned than Australia with strategic developments in the Indian Ocean, even from a commercial viewpoint—most of its trade to Europe goes through Panama. It is hardly aware, either, of the potential problem of, say, the West Irian-New Guinea border. To the extent that informed New Zealand opinion is concerned with these matters, it is in large part because they are issues of concern to Australia.

In New Zealand today, there is no sense of any immediate threat to security. In a defence statement on 6 March 1969, the Prime Minister indicated that he did not see any direct threat of attack in the short-term, but went on to stress the importance over the longer term of reasonably sound conditions prevailing in East Asia and the relevance, for its own interests, of New Zealand's seeking to contribute to the stability and development of the area.

This is a statement of national self-interest in favour of a policy of involvement in the affairs and security of a region but it hardly amounts to a clarion call for a major national defence effort, nor was it intended to be. The political problem for New Zealand is that the extent of its involvement in the search for military security in Southeast Asia, as

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2 New Zealand Official Yearbook, 1969, pp. 61, 279.
3 This effort, of course, was referred to by Clark Clifford in his article 'A Vietnam Re-appraisal', Foreign Affairs, July 1969.
4 True, such threats are hard to foresee. History offers us some examples. In 1928, Robert Semple, President of the New Zealand Labour Party, spent part of his presidential address to its annual conference attacking New Zealand's contribution to the construction of the Singapore Base: '... we can spend £1 million on the swamps of Singapore to assist in creating a military machine that can serve no other purpose than to create racial antagonism and assist in promoting future wars'. By 1942, the Labour Government of which he was Minister of Works was frantically improvising coastal defences in New Zealand after the fall of Singapore and even tried to make a tank out of a bulldozer—'Bob Semple's tank'.
elsewhere, must be measured against the economic costs of doing so, and the risks involved, where the connection of the involvement with national security is not easy to explain to public opinion in other than crude terms. In these circumstances, it is very hard to ask a democracy to make substantial sacrifices of men or money. The constraints which govern what is politically possible are, in fact, similar to those which American governments have experienced from time to time.

The United States itself, one is tempted to observe, has learned this painfully over Vietnam. In my observation, the Johnson Administration had great difficulty in making clear to public opinion a rationale for such a huge American involvement, and all too often fell back on simple anti-communism or appeals for the maintenance of the credibility of American commitments around the world, approaches both subject to diminishing political returns. George Kennan, in his concluding essay in *Democracy and the Student Left*, has some pertinent things to say about the ability of democracies to fight wars which do not appear to threaten national security and yet which get too big for even large professional forces to handle. What foreign policy commentators or indeed, Foreign Offices, may propose is one thing; what governments are likely to find they can actually do may well be another.

In New Zealand, political differences over foreign policy, particularly over the extent of involvement in Southeast Asia, are less defined and articulate than those which have emerged in Australia. In the 1969 general election campaign, the Labour Party eventually committed itself to a speedy withdrawal of New Zealand troops from Vietnam but it continued to support the commitment of New Zealand forces in Malaysia and Singapore. Differences between the major parties, it may be said, have tended to be reflected more in attitudes than in specific policies. Labour has a long anti-military tradition, partly buried by the Second World War, but it retains a general scepticism about the efficacy of military action, scepticism perhaps combined with an exaggerated expectation of the benefits of economic aid. National, the governing party for all but three of the last twenty years, has accepted military commitments in Southeast Asia as part of an allied involvement, though with a sharp eye as to their costs. Although National Governments have gradually expanded New Zealand’s aid program they have seemed less favourably disposed to aid than Labour. Both parties accept the ANZUS alliance as a major foundation of New Zealand’s foreign policy (though in recent years Labour has expressed increasing criticism of SEATO) along with the policies of alignment which go with it.

There are other critics, however, as there are in Australia, who argue that since there is no visible threat to New Zealand, a policy of align-

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ment with the United States is likely to bring more risk than security. What else is more likely to furnish someone with a motive to attack New Zealand than the fact that it is an American ally? Most commonly, this sort of questioning arises from those of a left-wing outlook (although it is worth remarking that a lingering resentment at the displacement of Britain from the centre of world affairs by the United States produces surges of anti-American sentiment at times in some very conservative New Zealand breasts).

I shall discuss separately later the question of nuclear weapons, which most worries the critics of New Zealand’s alignment, in the context of the ANZUS Treaty and especially of New Zealand-Australian relations. With the more general question of the virtues of alignment versus non-alignment I shall deal very briefly. Policymakers do not start with a blank page in front of them, unless they are the heirs of a revolutionary situation. What the critics, many of them historians, seem to overlook is the weight of history and the costs, in the broadest sense, of any attempt to throw over a relationship which has evolved from common interests over many years. H. G. Gelber has argued this very effectively, in the case of Australia: ‘To be non-allied because one has never been allied is one thing; to be non-allied after breaking off an existing alliance is quite another’.

In my judgement, New Zealand relationships with the United States and Australia remain immensely important to it in both political and economic terms, and are more likely to appreciate than to decline in importance. I turn now to an examination of this ANZUS relationship as it affects New Zealand and to New Zealand’s bilateral relations with the ANZUS partners.

From Washington, an American security commitment to New Zealand may look rather like a one-way street, all guarantee and little allied assistance; from Wellington it may sometimes look the other way round—all potential allied involvement in unpleasant situations, with no visible threat for New Zealand to seek protection from. But ANZUS is not simply a limited security treaty.

ANZUS arose from a concern, shared by Australia and New Zealand, at the possibility of a renewal of Japanese militarism, but the treaty was expressed in general terms because it reflected a general and abiding fact: a belief on the part of the United States, Australia and New Zealand that they shared a general interest in security in the Pacific. For this reason, ANZUS has needed no elaborate machinery, no impressive secretariat, no projects and programmes. It is more a shared conviction than a legal contract. This, incidentally, is why, to my mind, those who scrutinize the text, compare it with the NATO Treaty and other treaties, analyse what it would mean in

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hypothesized situations, look for loopholes and pitfalls, and so on, miss the fundamental point. ANZUS did not create a relationship: it acknowledged that a relationship already existed.  

The alliance encompasses three sets of bilateral relationships: Australian-American, New Zealand-American, and New Zealand-Australian. In some ways, the tripartite relationship receives less governmental attention than the bilateral relationships within it. That need not be deplored. This is a situation, by and large, in which devotion to the constituent parts enhances rather than diminishes the whole. I shall confine myself to an examination of two of these three bilateral connections, New Zealand’s relationship first with the United States and secondly with Australia. In the process I hope some judgements which apply to the wider relationship, more especially between the two smaller partners and the larger, will emerge.

The United States is indeed immensely important to New Zealand in material terms. It alone seems likely to be able to protect New Zealand from a major threat to its security, should such a threat arise. Then, too, America is its second largest market and one where New Zealanders see much greater export prospects yet. Thirdly, the relationship which New Zealand enjoys with the United States is, from time to time, useful as a balancing factor in its relations with other powers, notably Japan.

The converse of all this does not, of course, necessarily apply. New Zealand can scarcely be of the first importance to the United States. New Zealanders are used to situations, particularly in commercial negotiations with large countries, where their market is vital to it while its is merely of marginal value to them. Nonetheless, in political terms, New Zealand is not without assets and most of the arguments I have used below in terms of New Zealand’s relations with Australia may be applied to some extent to its relations with the United States.

Since it is the problems rather than the benefits of an alliance which need most attention, perhaps some of these can be aired without distortion. Have the Americans, I wonder, any idea how hard at times they are to deal with? The American system of government has its virtues in the domestic diffusion of political influence but, even in these modern times of Presidential power, governments outside the system have great difficulty registering their interests in the right places and, above all, keeping them registered. Even within the structure of the Administration there are problems enough, let alone with Congress and the business world. The habit of consultation is a hard one for great powers to

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8 O. P. Gabites, ‘Political Developments Affecting New Zealand in the Pacific’, in B. M. Brown (Ed.), *New Zealand in the Pacific*, N.Z. Institute of Public Administration, Wellington 1970. The fact that the relationship was expressed in treaty form rather than in some other way, such as a declaration, was the result of an Australian initiative. See Sir Percy Spender’s account in *Exercises in Diplomacy, The ANZUS Treaty and the Colombo Plan*, Sydney 1969.
acquire and retain. It is only fair to say, however, that the expanded regular official contacts arising from the Vietnam war have helped. This does bring home a general point, which critics of a policy of alignment tend to overlook. It is the breadth of its international political interests and involvements which have substantially helped to win for New Zealand the hearing so far achieved in the United States for its important trading interests. New Zealand and Australia alike retain certain expectations in such an alliance because of their long experience with Britain.

The British developed both the art of managing an alliance, and, beyond this, the art of evoking from allies a response beyond the call of duty or the precise calculation of interest... The essence of the partnership was will and spirit—a sense of common values and common cause. The mechanism of the partnership was the system for the constant exchange of information and constant consultation... It was a subtle system. All were equal, but the disparity of the relative power of the partners was tacitly recognised by each.9

The parallel is by no means exact but there are amongst the ANZUS partners elements of common history which date from the early nineteenth century and which, in view of their similar colonial experience and the common life-style they now share, add new dimensions to their relationship to supplement calculations of national interest, and to balance to some extent the immense disparity between the strength of the United States and the comparative weakness of Australia and New Zealand.

It must be said that a realisation of these similarities of outlook and interest is much greater in Australia and New Zealand than it is in the United States, where it may be confined to small if influential groups which have had political or commercial connections with them. These connections seem bound to grow and to be reinforced in a more popular sense by a burgeoning tourist trade each way. But it is an uphill struggle for the smaller partners and on their side contributes an element of anxiety to the relationship.

The similarities between Australians and New Zealanders, and the extent of common interest between them, have been the subject of many articles and countless speeches. By and large I accept these assumptions, although it is fair to say that the identity of interest between Australia and New Zealand often strikes people from outside their region more forcibly than it does people on either side of the Tasman. In this section I intend to dwell, perhaps at the cost of balance to this paper, on some aspects less often publicly explored.

To begin with it should be reiterated that the basic political relationship between Australia and New Zealand is unlikely to change in the

seventies. In neither economic nor political terms is New Zealand on its hands and knees. Two sovereign states will remain. New Zealand cannot match (and tends to envy) the dazzling prospects of development which are opening before Australia, where even the casual traveller, so it would seem, has only to wander into that awful outback and dig in his heels in order to discover the world's second largest deposit of something or other. Although the booming Australian economy represents an attractive market for New Zealand, it presents it with problems too. The movement of people across the Tasman has a long history, sometimes one way, sometimes the other. Lately it has been rather too much one way for New Zealand's liking. After World War II, the New Zealand and Australian economies tended to go up and down together, as both reacted to rises or falls in world price levels of the same commodities. In the last few years the mineral boom has apparently enabled Australia to ignore what once would have been the drastic effects of the 1967 wool slump, and the siphoning of people from a harder-hit New Zealand picked up speed in consequence. New Zealand's own development, now looking brighter, may do something to check this. It is a rich country. With good management and reasonable luck it should become yet richer.

Clearly, there will be growing scope for closer political links between New Zealand and Australia as well as the closer economic links which NAFTA is already producing. These are likely to take the form of consultative procedures rather than any more formal structure although a number of writers, notably Dr Alan Robinson in New Zealand, have explored the possibilities for a consultative framework, following the precedents of the Canberra Pact of 1944. In any case, it is the habit of consultation which is important, especially at the political level. There are already many exchanges of views among officials but these are necessarily limited in their effects. Politicians on either side of the Tasman need to get to know each other so well that they take account of each other's problems in the process of making their own decisions and not afterwards, if at all.

Naturally this is more important for the smaller partner. Robinson has remarked that in a relationship between two unequal states such as Australia and New Zealand there are two potential difficulties: either the smaller will expect to be treated as an equal in every respect, or the larger will take little notice of the smaller. It is the latter, I suspect, which is presently more often the case. It may perhaps be an Australian assumption that New Zealand does not really need to be consulted and

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its views taken into the reckoning in the formulation of foreign policy because it has no choice, nowhere else to go. It must first be established, therefore, that there are distinct political differences between Australian and New Zealand attitudes to the world outside their borders. Perhaps national psychology, if such a thing exists, is involved here. Australians collectively give the impression of having at times a ‘windfall’ psychology. Winners of a continent in some form of world lottery, they wake each morning scarcely believing their good luck. Pride, ambition, confidence, a determination to assert wealth and strength follow. So too do fear and a sense of vulnerability. Supposing the numbers were wrong anyway, supposing they aren’t going to be allowed to get away with it, twelve million people in an immensely rich continent? Everyone envies them; many may have designs upon them.

New Zealanders, by contrast, still display the somewhat pedestrian expectations of a modest salary-earner. They live a comfortable enough life and expect to do rather better but, until the beginnings of oil exploration anyway, they have seen the limits of their expectations. They may be smug in their attitudes to the outside world and be convinced that New Zealand is indeed the location of ‘God’s Own Country’ (a point on which I have found many Americans to be misinformed) but, aided by the small size of their country and its remoteness, I do not think they really fear any designs upon them. In this sense it may not be too much to say that New Zealand is a more mature society politically than Australia. (Australians, of course, may say that it is simply more isolated and more provincial.) In any case, there are differences of this nature which, however hard to define or even caricature, need to be taken into political account. New Zealanders, for their part, may not yet be articulate in defining their identity but conscious assertion of certain values is leading inexorably to the emergence of a distinct national type.

What real alternatives has New Zealand to following the broad lines of Australian foreign policy decisions? Few, I think, and none that would not be painful. But it would be an illusion to suppose that there are no conceivable circumstances in which New Zealand might take, publicly, a divergent path and exercise some influence beyond her own borders in doing so. The possibilities for disagreement between the governments of the two certainly exist, and would be exacerbated if the political paths of the administrations in Canberra and Wellington were to get out of alignment through changing electoral fortunes. Party differences within New Zealand in attitudes to foreign affairs (if not in precise policies), let alone differences within Australia, make that apparent.

What might cause some such difference? In present circumstances one possibility is the question of nuclear weapons. Unless circumstances change sharply, perhaps as a consequence of Soviet or Chinese actions in the latter part of the seventies, I doubt whether any New Zealand
Government would be able to convince New Zealand public opinion that New Zealand would be safer with nuclear weapon installations on its territory than without them. The head-on rebuttal of critics of Australia's nuclear involvement with the United States which Mr Gorton took in his Parliamentary speech of 15 May 1969 would not make political sense in New Zealand. The major New Zealand pronouncement on these matters was made by Mr (later Sir Keith) Holyoake as long ago as 31 May 1963 and still stands: 'New Zealand has no nuclear weapons, we have no intention of acquiring any, and there are no nuclear bases on New Zealand territory. The Government has no plans which would change this situation.'

New Zealand welcomed the Non-Proliferation Treaty and has signed and ratified it; Australia has signed but not ratified it and is wary of it. New Zealand opinion is extraordinarily sensitive to the dangers of nuclear testing, especially atmospheric testing, a sensitivity to fall-out dangers which makes some sense for an agricultural country and is shared through a wide cross-section of the community. Respective attitudes to French testing in the Pacific differed markedly. Despite its great reluctance in 1963 and immediately following years to do anything to offend the French, whose role in the protection of its trading interests if Britain joins the EEC was and is vital, the New Zealand Government still felt obliged to lodge a formal protest in Paris against the test program. Australia followed this in a more muted key. Similarly, New Zealand statements in the General Assembly on the subject, while drafted with circumspection, were nonetheless the bluntest the French there encountered. Here then is one potential area of disagreement.

What might a serious political disagreement between New Zealand and Australia amount to? Obviously, it is Australian actions which will be regarded as most important by our friends and neighbours. After all, New Zealand can threaten almost no one but Australia could. It is possible to envisage circumstances in which the Indonesians, for one, could become nervous about Australian actions. Moreover, Australia is much more important to the United States in strategic and economic terms than New Zealand is. What about political terms? This could be another matter. There are two aspects to be considered here. Firstly, within the ANZUS alliance, there are obvious disadvantages in Australia and New Zealand working at cross-purposes. Shifting the United States on any policy issue, it is not unfair to say, is a major operation. It is rather like pushing an elephant—you heave and strain, and think you are making progress, but then the beast leans back and you find that it hasn't moved its feet. If New Zealand fails to support Australian efforts, or worse, opposes them, this would make it easier for the United States to fail to move in the desired direction. Secondly, New Zealand diplomacy, whether exercised bilaterally in a region of common interest or even in
various multilateral forums, is not without influence. In circumstances of serious disagreement, it could at least diminish the impact of Australian diplomacy directed towards a divergent end.

Here of course I am presenting a theoretical obverse of the advantages of working closely in concert. I do not want to suggest that any New Zealand Government would capriciously pursue such a divergence of effort. The importance of Australia to New Zealand would make such conduct silly. Nevertheless it may be salutary for us to reflect that there are potential differences of view which may arise for sound political reasons, and which could reasonably be taken into account in policy-making to a rather greater extent than I suspect is the case today.

New Zealand can bring certain assets to the pursuit of common policy interests. I believe its political and diplomatic resources may well be greater than most New Zealand Governments have supposed them to be. In Southeast Asia especially New Zealand's diplomacy may complement Australia's to their joint advantage. There can develop, as in fact has happened from time to time, a certain division of labour in this process. For example there were times during the growing difficulties with Sukarno's Indonesia when Australia was especially concerned to preserve its relatively closer links with Djakarta while New Zealand leant more obviously towards Kuala Lumpur. Clearly there is scope for orchestrated diplomacy of this type.

In the South Pacific there are significant opportunities for a more active and useful New Zealand role. New Zealand is in many ways a natural centre for Polynesia, and many political and personal links which have great potential for development have long been established. Moreover, New Zealand's smaller size tends to inspire greater trust in the Islands than the powerful extent of Australian economic influence sometimes allows. It is true that New Zealand has done much less in the region than it should have done, largely because successive governments have tended to regard the Islands as a backwater from which few immediate returns could be seen for effort expended. But gradually it is becoming more active in areas of economic and financial assistance and also of political involvement (especially in stimulating recent changes of emphasis in the South Pacific Commission). There are many signs that the Islanders expect and would welcome still greater New Zealand interest.

In the contemporary world, there is another important element, that of racialism. New Zealand is not an all-white society. (Neither is Australia, although this is a point often overlooked). I would not pretend that in New Zealand we have got to grips effectively with all the problems here involved. In terms of international sport, particularly, we have lagged behind the political realities of the times and have attracted
some criticism because of it. Overall, however, the record of race relations in New Zealand and the Polynesian admixture of New Zealand society, growing by both intermarriage and immigration, may be potential assets to its diplomacy in Southeast Asia, the Pacific and perhaps elsewhere.

This racial nexus is also an area in which New Zealand has differed from Australia and ought to differ to a greater extent than it does in international forums such as the General Assembly. In recent years, I think it is fair to say, New Zealand's judgement on colonial and trusteeship questions has on the whole been better than Australia's. Independence for Western Samoa in 1962 and self-government for the Cook Islands in 1965 have proved successful ventures. The formula used in the case of the Cooks particularly was something of a political tour de force in the General Assembly and the British have since been trying to emulate it, to deal with the vestiges of Empire still left in the Caribbean. The path of Nauru towards independence would also make interesting reading for any historian and New Zealand, as one of the three powers formally responsible for the administration of the trusteeship, might contemplate such an inquiry with greater equanimity than would Australia—especially if the historian were to be a Nauruan.

All of this points to a range of international experience, involvement, and judgement on a variety of issues which amounts to a useful diplomatic asset. New Zealand could well employ this more actively in Southeast Asia and especially the Pacific to the benefit of the common aims and values of the alliance.

I have dwelt on present and future problems from a New Zealand viewpoint primarily within the perspective of the ANZUS alliance. Each partner has vital interests outside this framework, in New Zealand's case chiefly with Britain, with Western Europe, and with Japan. Its interests with the Western Europeans are economic rather than political or military and are for the most part outside the confines of this paper. The case of Japan is of a different order.

It seems inescapable that Japan will become economically dominant in the region in a way which only the United States will match and this must have political and perhaps strategic consequences which are now incalculable. New Zealand (like, I think, Australia) has lost most if not all of its old military fears of Japan. Their trading relations are becoming vital; their political relations increasingly cordial. But New Zealand can scarcely afford to become as economically and therefore politically dependent on Japan as it has been on Britain. The historical and cultural bases to support such ties simply do not exist. Nor can New Zealand fail to notice Japan's potential military strength. This capacity is in sharp contrast to New Zealand's own: it is a factor of which, in the
light of past attitudes, we are likely to take constant if quiet account.\textsuperscript{11} Hence powerful counter-balancing relationships remain most important for us.

New Zealand’s relationship with Britain is many-sided. It has been thoroughly explored in many studies. In this context, it is the extent of British political and military involvement in Southeast Asia and the Pacific which remains relevant. New Zealand and Australia virtually inherited from Britain an involvement in Southeast Asia and a role of trying to influence the course of events in the region. I think it is broadly accepted (though not unquestioned) in New Zealand that such an effort is still worth making. It is recognised that any abrupt departure from a policy of involvement could itself be damaging. But it would still be easier for New Zealand and Australia if that effort could be made in conjunction with Britain. On the theory that prophets should not hope for too much I have assumed in this paper that Britain’s decision to withdraw the substance of her forces from Malaysia and Singapore by 1971 will stand. The possibility raised by Mr Heath’s recent visit to Singapore that the decision could shortly be reversed to some extent, if the Conservatives win the approaching General Election, is for New Zealand one of the more favourable omens of the immediate future. If realised it would give greater substance and greater stamina to the Australian and New Zealand commitment to the area.*

Be that as it may, there are reasonable limits to the risks and the costs which New Zealand is likely to be able to incur politically for the purpose of influencing any situation in the region which, while it may bear on New Zealand’s future, does not directly threaten that future. Similar limitations, so it seems, may apply to Australian and to American policy. The difference, in ascending order, is that they have much greater capacity to bring economic and military strength into the equation at acceptable political cost. The governing factor for all in military terms is likely to be the use of equipment rather than men—that is air and sea power wherever possible rather than ground troops—and preferably professional forces. This would place obvious boundaries on the sort of military commitments likely to be sustained and on their usefulness, since one lesson the Vietnam war has taught is the great difficulty of bringing technological superiority effectively to bear against a determined and well-organised guerrilla force.

What is clear is that the United States can scarcely pull back itself to such a supporting posture and at the same time seriously expect that Australia and New Zealand will be able to do more on the ground in Southeast Asia. The Americans after all are powerful enough to be


*Subsequently, in July 1970, the Heath Government announced that British forces would stay, but at a substantially reduced level.
the most decisive factor in almost any situation there. Australia and New Zealand are not—despite Australia's growing military strength. Since, in New Zealand's case anyway, similar domestic political circumstances apply as in the United States—an absence of a general sense of any direct relevance of Southeast Asian events to national security—much the same political constraints also apply to a New Zealand Government as have brought the United States to a point of reappraisal. In other words it is difficult to turn what may be a desirable international goal, in terms of regional stability, into an accepted political goal in domestic terms.

The whole policy of the regional commitment of forces in Southeast Asia is likely to be subjected within the alliance to a careful weighing of its costs versus its benefits in the seventies and could be subjected to drastic change. Here the longer-term future is beyond prediction. In New Zealand's case, interest in the South Pacific, though of a lower political temperature and smaller scale is, or should be, of a more easily foreseeable order. This is a region or sub-region of potentially increasing problems to which, in both political and strategic terms, it seems certain New Zealand will need to have increasing regard.

**DISCUSSION**

A bilateral exchange between New Zealanders and Australians opened this discussion and left the Americans sitting bemusedly on the sidelines. Their surprise at the discovery that there were edges to Australian-New Zealand relations which few outsiders suspected was not unalloyed with a sneaking sense of pleasure at hearing some other country, for a change, being charged with neglect, indifference, and various other sins so often attached by so many to the United States.

It was remarked that there were real if intangible barriers to communication between Australia and New Zealand and that each country knew much less about affairs in the other than either did about events in Britain or the United States. For years each had tended to react to events in terms of a common centre, London, with remarkably little exchange of opinion between the two nations on the periphery. Even in more recent years, when there was no longer any single, common centre as London had been in the days of Empire, there was less interchange of ideas between the two Pacific countries and less visible interest in each other than might be expected.

The main theme of the discussion settled on common interests, specifically on the Australian and New Zealand decision announced in February 1969 to retain forces in Malaysia and Singapore after the
British withdrawal, at that time projected to be completed by the end of 1971. The merits of this decision were argued, in the first place, but the nub of the discussion settled on how the decision and the commitment should now be viewed in light of American policy as enunciated in the Guam doctrine.

The arguments over the terms of the decision itself were familiar in the sense that they have been rehearsed frequently in domestic debate in both countries. To summarise, it was argued in favour of the retention of Australian and New Zealand forces, that both countries had long sought friends and influence in Southeast Asia and that Malaysia and Singapore were their closest friends there. The troops had been requested to stay after the British departure. What would have been the repercussions if they too had been withdrawn? The forces, while not large, represented political and psychological reassurance; they gave Australia and New Zealand an influence with the host governments and in the region as a whole which the two would not otherwise possess to the same extent; they were politically acceptable in a sense which forces from elsewhere would not be; they provided the military and planning context in which Malaysia-Singapore defence co-operation could be encouraged—it would scarcely be possible on a bilateral basis alone; and the contribution to regional security which the Australian and New Zealand defence commitments represented was in line with the purposes and interests of the ANZUS relationship.

Against this line of argument, a number of doubts were raised. It was questioned whether the size of Anzac forces in the area made them of any value to deter external aggression. In any case, the greatest danger in Malaysia and Singapore was not one of external aggression nor of externally promoted subversion, but of communal strife. If there was to be renewed racial conflict in Malaysia, there was little Australian and New Zealand forces could or should do about it. In fact, there were dangers that in this unstable situation it might be difficult to distinguish between communal conflict and what was alleged to be externally-aided subversion or insurgency. In these circumstances the forces might be drawn in to what was virtually a civil war.

But the most serious issue concerned the relationship of the ANZUS Treaty to the Australian and New Zealand commitment in light of prevailing American political attitudes. Australia and New Zealand, it was said, had undertaken a commitment which would involve them in combatting an insurgency situation at almost the same time as President Nixon was proclaiming that the United States was no longer likely to intervene in Asia with its forces in such situations.* Did this not mean that, with their much smaller resources in every respect, Australia and

* See Appendix.
New Zealand were undertaking the type of commitment which the Americans were no longer prepared to undertake? In these circumstances how did the commitment sit with the obligations of the ANZUS Treaty? Could Australia and New Zealand count on American support in a serious situation? The Guam doctrine seemed to rule out in advance the sort of support they would expect.

It was recognised that it was impossible to predict national reactions in future circumstances from a scrutiny of such imponderables as the Guam doctrine or even the texts of treaties. There were those who argued that the United States was in full retreat, that the Nixon statements represented only staging posts on a road which returned towards isolationism. What American political executives and officials might be prepared to do would be governed by what Congress and public opinion would be willing to let them do, a very different proposition.

Others thought that this was an exaggerated interpretation of the American situation and noted, as was observed in an earlier discussion, that public moods could be extremely volatile. It was remarked also that what Australia and New Zealand had agreed to in Malaysia and Singapore was a modest and limited commitment, still being negotiated in detail, but not so very different from the present American position. As Mr Brown’s paper had originally argued, the political inhibitions against costly military involvements in Asia were much the same, in kind if not degree, in all three countries. In New Zealand’s case, it was said, the emphasis in the Guam doctrine was close to the position New Zealand had long favoured.

It was remarked further that the Australian and New Zealand commitment was in fact helpful to the United States in the sense that it was evidence of countries in the region, or connected with it, being prepared to act themselves, in advance of the United States if necessary. This could be a useful context for American support, if it were needed, in a positive sense; and, in a negative sense, it could be helpful in that the Australian and New Zealand example might help the Administration resist domestic pressures for the American presence to be withdrawn too far.

Inevitably, there was no tidy conclusion to this discussion but it is fair to say that a great deal of unease remained at its conclusion.
The title calls for clarification. In keeping with Australian tradition, in which foreign policy has been dominated by the search for security, I shall treat strategic issues very broadly, referring under this heading to the emerging Asian-Pacific balance, and political issues as something of a residual category. Also in keeping with tradition, I shall treat the relationship with the United States as central, but will try to bring relations with New Zealand into focus at the end.

A Sydneysider must disclaim any special capacity for presenting the view from Canberra, but the subtitle calls for something more than a purely personal viewpoint. I have tried, therefore, to place my own views in the context of the contemporary foreign policy debate. This debate has attained a new relevance with the 1969 election, which showed that the Australian Labor Party (ALP) is now a credible alternative government, and also demonstrated the influence of the Democratic Labor Party (DLP) over the Liberal-Country Party Government. Whether there is in any sense a Canberra view, beyond such truisms as Australia's special concern for what happens in the Southeast Asian region, must await this analysis.

THE AUSTRALIAN FOREIGN POLICY DEBATE

Four viewpoints seem worth distinguishing:

1. the governmental viewpoint under the Liberals, which has rested on an exceptionally close identification with the United States;

2. the official ALP viewpoint, which is also committed to the United States alliance but with certain changes of emphasis, in particular greater Australian independence within the alliance along more nationalist and less military lines;

3. those to the left of the ALP, overlapping with its Left wing, who are sceptical of the value of the alliance and fundamentally critical of Western policies in Asia (as distinct from opposing certain specific policies);

4. the DLP whose raison d'être is resistance to Communism, which has moved a large part of the way from advocating a greater Australian contribution to the alliance to advocating greater independent defence preparedness.

This breakdown does not include a potential fifth group, viz. those commentators who in the wake of Vietnam have been agreed in urging
a more independent diplomacy—in terms of both Australia's special interests and its views on alliance policies. Though they have contributed to the present climate of opinion, they do not represent a fifth school of thought, since they do not stand for any specific line of policy.

The Government Viewpoint

The first priority of the foreign policy of the Liberal governments has been to strengthen the alliance with the United States and to strengthen American interest in the Southeast Asian region (subject always to limits in Australia's defence outlay). In pursuit of the former objective, the government has minimised the public expression of differences with the United States, while making the claim, which is not open to verification or falsification, that its influence is more effective through private discussion. More substantially, it has in recent years accepted a number of space communications stations which enhance Australia's strategic significance to the United States.1

While ANZUS has been regarded as the basic American guarantee of Australia's security, Australia's original interest in SEATO was in committing the United States to the containment of Communism in the potentially turbulent region of Southeast Asia. One of the factors in Australia's response to Vietnam was relief that the Americans were taking a stand against the spread of Communism in the region. However, Australian policy has not been inflexible: in the Laotian crisis of 1960-61, Australia worked for neutralisation as against SEATO intervention, just as it had been against Western intervention in Indo-China in 1954.

The course of events in Vietnam has called in question the wisdom of this style of small-power alliance diplomacy, and indeed in the new circumstances of the 1970s, the Americans themselves are looking for greater initiative on the part of their allies, rather than mere loyal support. The likely 'governmental' adaptation to the new United States policy in Asia, a policy which would avoid American combat involvement in counterinsurgency operations, while offering economic aid and arms to friendly governments, and calling for regional defence cooperation, is to accept the new policy at face value and begin to take the appropriate initiatives with regard to regional defence arrangements. However, the governmental response is complicated by the very evident doubts of the Prime Minister as to the validity of the new American formula.

1 The secrecy surrounding these prevents any informed estimate of their value to the United States and commentators have greatly differed. The greater their value, the more likely they are to be targeted, but the more likely, also, is an American nuclear 'umbrella' for Australia. The less their value, the less likely a nuclear umbrella if they are threatened. And in this contingency, although they would not be high priority strategic targets, they are more likely targets for purposes of political blackmail. Short of all-out war, then, marginal facilities carry greater risks, from Australia's standpoint, than important ones.
The ALP Viewpoint

Contrary to successful Liberal-Country Party electioneering, the ALP, the alternative government, is also committed to the American alliance. This is clear in the policy statements of the Party and its leader, Gough Whitlam. It is also entirely consistent with the ALP's record: it was the Curtin Government which melodramatically appealed to the United States for support in December 1941, and a Pacific Pact was one of the aims of Dr Evatt's post-war foreign policy, an aim which was not achieved during the period of the Labor Government (replaced by the Liberals in 1949), because of American reluctance at that stage to assume such commitments.

However, two factors lend some colour to the charges that the ALP would destroy the alliance, even though they should be seen primarily in the context of electoral politics. Firstly, as in the case of most left-of-centre parties, the ALP's left wing is relatively hostile to the alliance and tends to sympathise with those further to the left who are opponents of the alliance. As in the case of Britain's Labour Party, the Left is a minority within the Party, but can make some claim to be the Party's conscience, the voice of principle as against expediency, and this can embarrass the leadership in both domestic and foreign policy. But, as in Britain's case, the Left remains a perpetual minority, contained by the beliefs, calculations, and sense of self-preservation of the leadership and the party majority.

Secondly, as in its earlier relations with Britain, the ALP has always stood for the assertion of Australian interests as against identification with the protecting power. ALP uneasiness over the agreements on the space communications facilities, its demands for a share in their control, are a recent example. Further, the ALP as a whole, not merely its left wing, has questioned the military emphasis in Western policy in Asia, and this has been reflected in the Party's criticism of SEATO and its opposition to the stationing of Australian troops in the colony of Malaya, as it then was, in 1955, and in Malaysia-Singapore at the present time, as well as its opposition to the war in Vietnam. On the other hand, this is not a doctrinaire opposition to all overseas operations, as is shown by the ALP's support for Australian participation in Korea and in Malaysia against the Indonesian confrontation.

The ALP favours a greater emphasis on economic aid instead of Western military involvement. In some short-term contexts this may be a false dichotomy, but it may well appear a sound general criticism of post-war policy towards the region. There is surely some incongruity in Australia's annual assistance to a friendly, development-minded govern-

2 The ALP Federal Platform states that ANZUS 'is essential and must continue', but that SEATO is ineffective.
ment in Indonesia amounting to scarcely more than the cost of one F-111 aircraft.

The Viewpoint of the Left

Here one is inevitably considering a range of viewpoints, but it is possible to point to a few common theses of most of those to the left of the ALP. Even those who do not go as far as the neutralists are sceptical of the value of the American alliance, either from a standpoint hostile to all great powers or basing themselves on a crude Marxist analysis which sees the United States supporting counter-revolutionaries. For the most part there is a thoroughgoing anti-interventionism, a rejection of the use of force in international relations, at least by the West, but in some cases by any great power. There is little sympathy for communism, as such, but much support for social revolution, and a preference for the authoritarian Left over the authoritarian Right (the reverse of the preference of the Liberals, in a choice which is embarrassing for the ALP). Especially since Vietnam, there has been strong moral condemnation of the United States.

A collection such as The Asian Revolution and Australia exemplifies both the strength and weakness of the Left analysis (over and above its largely value-determined conclusions). On the one hand, the unceasing enthusiasm for flogging not merely dead horses, but horses the news of whose death had reached most of the globe by the early 1960s, such as the Dulles view of the world or the threat of a Chinese invasion of Australia, or the domino theory in its crudest form. On the other hand, there are some sound perceptions running counter to governmental orthodoxy, for example, that the Vietnam war could not be won, or that China's capability and 'irrationality' were for long exaggerated. It is clear, however, that the doctrinal and polemical context in which these perceptions were embedded militated against their persuasiveness.

One of the Left arguments constitutes a challenge to supporters of the American alliance at a more basic level than the normal policy polemic. This is the stark Realpolitik analysis of the United States as a great power for which all alignments are transient, which is not swayed by sentiments of gratitude or solidarity if these run counter to a cold analysis of its interests. Such a critique of the alliance extends beyond the familiar question: would the United States sacrifice San Francisco to save Sydney? Dr Cairns has written:

3 For two recent selections of left-wing views, see Association for International Co-operation and Disarmament, The Asian Revolution and Australia, Sydney 1969, and Max Teichmann (Ed.), New Directions in Australian Foreign Policy; satellite or neutral? Harmondsworth, England, 1969, the latter containing a wider spectrum of viewpoints.

4 Dr J. F. Cairns, the leading parliamentary representative of the ALP's Left Wing, typifies the overlap between the position of the ALP and those to its left. He goes much of the way with the Left publicists, but stops short of drawing their conclusions. The passage is from his contribution to The Asian Revolution and Australia, p. 181.
We can be certain that American counter-insurgency and containment power will always be used against anything that is communist... but we cannot be sure that American power will be used against other forces or threats. Indonesia, under its generals, or Japan, would be a different proposition, and probably would be preferred by American governments to Australia.

The coldly calculating great power will not sacrifice its greater interest, good relations with a major state, out of loyalty to a minor ally.

The DLP Viewpoint

Before 1968 the elements of the DLP's foreign and defence policy were mutually reinforcing: there were no dilemmas, no awkward choices. The basic aim was to resist the expansion of communism in Asia, and to this end to strengthen Australia's contribution to the alliance, both to enhance Australia's own security and to strengthen the hand of likeminded leaders in Washington. For the DLP, much more than for most Liberals, support for the Vietnam policy rested on moral grounds as much as national interest.

The projected American disengagement from Vietnam, the pressures to do so at any price, have profoundly shaken the DLP, and the thinking aloud of Prime Minister Gorton on 'Fortress Australia' and defence ceilings has estranged it, such that its electoral preferences were no longer conferred automatically on the Liberals in 1969, but only with a reluctance which brought about some modification of Liberal policy, even though, given the ALP foreign and defence policy, it was difficult to see that the DLP had any real option.

Officially the DLP remains silent on the new direction in American policy, but the emphases in its own policy have shifted markedly. It remains committed to a 'just and honourable' settlement in Vietnam, but the theme of strengthening the United States alliance has given way to that of Australian defence preparedness: Senator Gair's policy speech in the 1969 election advocated a ten-year defence outlay of 6-7 per cent of GNP, the expansion of the navy, the build-up of an independent aircraft industry and a nuclear option, that is the civil nuclear facilities which would make possible the rapid development of a nuclear deterrent.

DLP publicists, notably Frank Knopfelmacher and the Chairman of the National Civic Council, B. A. Santamaria, have freely expressed the disillusionment provoked by the new American course in Vietnam. They emphasise the domestic pressures which have brought about the new United States policy and which they expect to lead to a premature abandonment of South Vietnam, and raise the question whether, if


6 See, for example, B. A. Santamaria, 'A Ten-Year Plan', *Quadrant*, January-February 1969, pp. 41-6.
solemn and repeated pledges to South Vietnam do not prove binding, any government can rely on an American guarantee. This analysis leads to support for the kind of build-up of the defence forces and industries which is advocated by Senator Gair. At the same time, the DLP has by no means moved towards Fortress Australia, but calls for an Australian capacity to intervene on a substantial scale within the region.

The Nature of the Australian-American Alliance

Space precludes a discussion of all the issues raised by this policy debate, but the central challenge by the two unorthodox schools (Left and DLP) to the prevailing confidence in the long-term validity of the the American alliance requires some comment. The government does not offer its justifications—and it may not be reasonable to expect it to—but certain reasons are suggested by writers on Australian foreign policy.

One line of thought is that the advantages of the alliance outweigh its costs to the United States. Related to this is the suggestion that Australia should increase the American stake in the alliance through such measures as increasing Australia's value for American strategic communications. The logic of this argument would be that at each stage in the developing technological and strategic situation Australia should offer whatever is relevant, in order to maintain an important role in the United States strategic system. On this analysis, confidence in a lasting alliance is not unconditional, but depends on Australian actions. (Other kinds of support for the United States, for example in Vietnam, fit into this pattern, but their effects might be more transient.)

A second line of thought emphasises common attitudes, common values, reinforced by comradeship in arms in an increasing number of wars—termed by H. G. Gelber the 'Lafayette syndrome'. This clearly has some validity, especially insofar as it reinforces other alliance ties, but it seems likely that Australians tend to exaggerate it. Frank Hopkins has recently suggested that the Australian concept of mateship and Australia's long Imperial and Commonwealth link with Britain tend to set up false expectations of a 'priority position in American affections', whereas 'Washington policies are conducted with a certain cosmic impartiality', eschewing special relationships. This suggests that one of the hopes with which the Liberal Government embarked on the American alliance in 1950-51, voiced eloquently by P. C. (later Sir Percy) Spender, was a forlorn one: 'Indeed, as far as possible, it is our objective


to build up with the United States somewhat the same relationship as exists within the British Commonwealth."

A more substantial reason for confidence in the alliance, it seems to me, emerges from a consideration of the American interest in international order, which is entirely overlooked in the crude Realpolitik analysis referred to above. On this sort of analysis, Britain in 1939 would have aligned itself with Germany, the great power, rather than Poland, its small-power victim: its doing the opposite was partly a question of morality (Hitler by now stood revealed as an aggressor) but mainly due to a conception of the balance of power as the basis of international order, which Hitler seemed bent on challenging.

Thanks to geography, both of these factors (a clear case of aggression and an attack on the balance of power) would necessarily be present in any attack on Australia—which could come only in the later stages of an assault on the Asian-Pacific balance. It is therefore reasonable to expect the United States to assist Australia against any attempted attack—not entirely independently of Australia's own policies, since a hostile or isolationist Australia might entirely alienate American support, but certainly if the United States interest in international order is reinforced by a tradition of co-operation in a mutually advantageous alliance.

This is not, of course, a cast-iron argument for alliance: in particular, it does not meet the most pessimistic of Mr Santamaria's projections, the possibility that the United States may be paralysed by civil strife (though for how long?). It does, however, meet his other point, his generalising from Vietnam to the unreliability of all American commitments. Vietnam is at the opposite extreme from Australia in most respects: a case where insurgency, 'internal war', predominated over external aggression; a case of protection being unilaterally extended during a conflict, where the pre-existing formal obligations were deliberately indeterminate, as against a long standing alliance involving mutual benefits and commitments; a case where the conflict is political even more than military, as against a hypothetical clear-cut military attack. Few Europeans have supposed that an American abandonment of Vietnam would call in question the continued United States commitment to NATO. To defend the alliance in this way, however, is not to assert the untenable view that the United States will support all Australian political interests—a point which is taken up below.

**STRATEGIC ISSUES**

*The Emerging Asian Balance*

The following remarks will not be systematically related to the schools of thought discussed above, because expectations cut across these

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groupings; moreover, the Left, in particular, is little concerned with strategic issues and power balances, though some of its judgements of particular countries enter into wider Australian viewpoints. Broadly speaking, there is one major dividing line, between those who perceive the outlines of a new multilateral balance which may offer the basis for a new system of security in Asia, and those who expect something more like a Hobbesian condition of war, each against all, following from America's evident unwillingness to become militarily involved on the mainland.

The image of the multilateral balance, which is on the way to becoming the new orthodoxy, is by no means peculiarly Australian: indeed, the reaction to the 'Indian Ocean' speech of former Minister of External Affairs, Gordon Freeth, of 14 August 1969, showed a wave of opposition to it. The image is of a four-power balance: China, the potential dominant Asian power, will be prevented from acquiring an exclusive sphere of influence in East and Southeast Asia by the complementary efforts of the three peripheral powers, the United States, Japan, and the Soviet Union, mainly through diplomatic and economic influence. China can be accepted as a member of the international community and a leading Asian power, as soon as it renounces any ambition to be dominant.

Sceptics point not only to doubts about the objectives of each of the powers, but also to doubts whether the system of multilateral balance of power, which at times worked well in Europe, can be transplanted into a context so different as that of contemporary Asia. None of the four powers is practised in operating a multilateral balance of power. While the United States and the Soviet Union have developed sophistication in controlling a bipolar conflict, their reactions to Gaullist France and Maoist China respectively suggest a psychological unpreparedness for a multilateral system. China has never worked within a balance of power, and Japan not since the earlier part of the century (I exclude the 1930s, when it was seeking to transform the balance). To the extent that a balance of power system requires sensitive diplomatic management—and is not merely an automatic adjustment mechanism in a polycentric world—these doubts about the projected balance are serious.

There are differences of opinion in Australia over China's capacity and will to dominate Southeast Asia, but there has been a tendency to


11 Coral Bell, *The Asian Balance of Power: A Comparison with European Precedents*, Institute for Strategic Studies, London 1968, Adelphi Paper 44, raises doubts along these lines. It may well be that in one sense the balance of power is something of an automatic reflex, i.e. in the formation of coalitions (usually belated, and involving war) against the potential dominant power; but what is desired in Asia is something more sophisticated, the balancing which restrains any state from making a bid for dominant power.
scale down the earlier image of the giant power looming over the region, and to single out as the key variable the internal cohesion of the states from Thailand and beyond, and their ability, supported economically and logistically by the peripheral powers, to cope with insurgency and low-level pressures. Around its periphery, China does not attract; it can only seek to undermine, intimidate or, in the last analysis, invade, but the latter is seen as too risky so long as China must count on the possibility of a Soviet and/or American response.

There has not been very much discussion of the consequences of China's acquiring an intercontinental striking force. Australians would, I think, be very doubtful that the United States would be confident that ABM defences could protect American cities against a Chinese strike, hence they would expect a more cautious American policy towards China. But whether and how China could exploit its nuclear capacity to extend its influence in Asia would be a matter of controversy: Russia gained little in Europe through achieving a nuclear balance. In my view the outcome will depend mainly on will, not on the military balance as such, and on the tactical and diplomatic skill, or lack of it, which China may show.

Differences of attitude have developed in response to Mr Freeth's cautious welcome for a Soviet presence in the Indian Ocean: a surprisingly frequent line of criticism, by no means confined to the Left, is that Australia should reject the Dullesian overtones in current Soviet policy, and should support any efforts to bring China into the international community. There have been few specific suggestions toward achieving this. Gregory Clark, a prominent critic of the official China policy, sees a settlement of the Taiwan problem as the key to a normalisation of relations, and to this end proposes an abandonment of the 'two Chinas' philosophy, the recognition of Peking's sovereignty over Taiwan, and provisions for Taiwan's autonomy under Peking. The Australian government is committed to 'the right of the people of Taiwan to determine their own future'. Others have envisaged a Sino-American détente as a gradual accommodation, an extended modus vivendi, achieved without conflict. A further suggestion is that, since China's foreign policy appears to have an important symbolic function for internal purposes (symbolising China's recovery of a central role in world affairs), thought should be given to ways of making normalised relations symbolically attractive to Peking, which cannot be expected to abandon its role of leader of the world revolution for a low-posture foreign policy in the manner of contemporary Indonesia.

Japan is becoming prominent in Australian politico-strategic thinking,

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as it has long been in the economic realm. Japan's naval expansion will be watched closely, not as a threat but certainly as a consideration in Australian defence thinking. The present situation is seen as an uncertain balance between domestic pressures against external involvement, and an international context which may draw Japan in, despite itself: what would be the reaction to a threat to Japanese economic interests in Southeast Asia, for example?

There is, it seems to me, universal scepticism towards the suggestion, heard from time to time in the United States, that Japan should now assume a more equitable share of the overall 'Western' responsibility for Asian security, a suggestion reminiscent of similar appeals to the Europeans. A 'Gaullist' Japan seems more credible than Japan in the role of junior partner: the timing and extent of the Japanese military build-up and future deployment will (obviously) depend on Japan's view of its own interests, but more important, it seems likely that there will be both domestic and external advantage to a Japanese government in an image of independence. This would not, of course, rule out tacit co-ordination with the United States, but is rather different from the sort of relationship that often seems to be envisaged in American comment.

It seems likely that Australian policy will follow the course mapped out in Mr Freeth's ill-fated Indian Ocean statement, but will avoid the hints of an official welcome for the Soviet presence which provoked the political storm of August-September 1969.

Australia has to be watchful, but need not panic whenever a Russian appears. It has to avoid both facile gullibility and automatic rejection of opportunities for co-operation.14

What other guidelines could a reasonable government follow? However, a major naval buildup would certainly arouse suspicion, as has been true of all potentially hostile naval powers in the past. It is unlikely that Australia would welcome a formal Soviet-sponsored security pact in the region—of which there seems slight prospect, since it runs counter to too many of the attitudes of the relevant states.

There is good reason to look sceptically on any Soviet military involvement in the region. The main precedent, aid to Sukarno's Indonesia, is not encouraging; nor is the main 'third-world' involvement of the present Soviet government, in the Middle East. Soviet leaders seem prone to the illusion that they can give massive assistance to those with territorial or other grievances, yet retain control over the course of events. Moreover they have little experience of the delicate balance of forces in Southeast Asia. Consider, for example, the consequences of

14 Ibid., p. 414.
Soviet military assistance to Malaysia, accompanied by virulent anti-Chinese propaganda, on the internal balance in Malaysia.

Inevitably Australians will watch American developments with concern, except for the few for whom balance-of-power thinking is misguided. We have noted the disillusionment of those most strongly committed to the original American policy in Vietnam. For most Australians the American rejection of future military involvement in counterinsurgency is reasonable in itself, even desirable, though it conflicts awkwardly with Australia's policy of stationing a small force in Singapore for use against any externally promoted insurgency 'which is beyond the capacity of the forces of Malaysia and Singapore to handle', and the further assumption that Australia would receive allied support if such hostilities exceeded Australia's own capacity.15

In the short term, Australian confidence in the United States will depend on such factors as consistency in American policy, reasonable consultation and reasonable openness in explaining American policy choices to the Australian government and to the wider public audience. The real problem is not, however, the intentions of the present leadership, which stands firmly in the tradition of postwar American foreign policy, but the question of the changing national mood and the seriousness of the domestic crisis, over which the present Administration can have only a limited influence.

The dangers, it seems to me, are more in the middle term than in the long term (American society will surely achieve a new domestic balance in time). In the middle term, domestic constraints could make for dangers such as Korea-type miscalculations of American intentions (assuming that there are in fact circumstances, such as outright invasion of an independent state, in which the United States would intervene). There is the danger that the inevitable crises will bring about an escalation of disengagement—as the crises in the early Cold War tended to escalate the conflict. There is the danger of diplomatic ineffectiveness. Will China, for example, accept any reasonable accommodations with the United States if it believes that public pressure will steadily force the United States to give further ground? Such problems should be seen as part of the price for the policy mistakes over Vietnam, in which Australia is fully implicated.

More constructively, is it conceivable that in the next several years—not in the immediate future—the United States can narrow the areas of uncertainty by establishing (and winning domestic support for) certain contingencies in which American force would be brought to bear, (which would not exclude its use in other contingencies)? The major contingencies would be invasions and nuclear threats, which are con-

fidently believed to be deterred in Asia at the present time. The point would be to maintain this level of deterrence.

Regionalism

One aspect of current American policy which causes uneasiness in Australia is its call for regionalism in defence. Regionalism is essentially a myth, which is not to deny that it may have important political, diplomatic, and perhaps economic consequences. What one cannot do, however, is to build security arrangements on a myth, and any tendency to suggest that one can is disquieting.

Perhaps the most sustained attempt to spell out a proposal for regional defence arrangements in Southeast Asia is that of Bernard K. Gordon, which has the unintended effect of exposing its implausibility. Thus Gordon asserts that regional defence co-operation is for the long term, not for present needs, but is later found advocating a joint ASEAN counterinsurgency force for the needs of the 1970s. His references to statements by regional leaders favouring such a force run counter to what is surely the mainstream of Indonesian policy, that regionalism should build up the political and economic strength of the member states, but should not lead to military alliances. In view of attitudes of this kind it is difficult to give any credence to Gordon's suggestion of an ASEAN 'elite combined force' of 50,000 or more men.

On the other hand, now that non-alignment has lost much of its magic, regionalism may prove a useful political myth for a variety of purposes. It may promote solidarity and morale within the region, it may provide a framework for controlling intra-regional conflicts, and it may provide a basis for resisting encroachments by great powers. Economically, it may provide a basis for complementary industrialisation (that is, agreed specialisation in the interests of larger markets and thus larger, more efficient, and ultimately more diversified industry).

Regionalism has a distinctive meaning for Australia. In the debate over Australian policy towards Malaysia-Singapore after the British withdrawal, 'regionalism' came to be opposed not only to 'Fortress Australia' or 'isolationism' as alternative orientations for Australian policy, but also to be identified with the specific proposal to station troops in Malaysia-Singapore. Thus the troop commitment came to be perceived increasingly as the symbol of Australia's interest in the Southeast Asian region, and its desire to be accepted as part of the region, not an outsider. This may perhaps be seen as proof of how far in fact Australia is from being accepted as a normal member of the region. This identification of regionalism with the troop commitment was unsuccessfully re-

16 Gordon, Towards Disengagement in Asia, pp. 84, 150 ff.
17 Soedjaatmoko, p. 305: 'It is important, therefore, to see ASEAN . . . not as a prelude to a military alliance.'
sisted by the ALP, whose leader, Gough Whitlam, is a strong protagonist of Australia's playing a greater part in the region, especially with regard to economic assistance.18

This is not the place to discuss the merits of the Australian decision, perhaps the best response to the short-term diplomatic and political pressures, but defining a very limited and rather implausible role for the troops, and posing the potential dilemma of Australia's response to a situation in which an externally assisted insurgency is inextricably bound up with internal communal conflict. The decision looks rather less sound today than when it was taken, thanks to the Malaysian communal riots and ensuing tension. Further, the Malaysian case serves to underline how weak are regional influences in relation to the dominant role of internal social and political factors, and there is no reason to suppose that Malaysia is exceptional in this respect.

On the other hand, perhaps certain unstated diplomatic considerations should have greater emphasis. The alternative to the Australian troop commitment, assuming Malaysia was bent on having external support, would be that of a great power: presumably the most likely candidate would be the Soviet Union. But the states of the region, especially Indonesia, would prefer not to see such a great-power involvement and, as suggested above, Soviet assistance could prove especially destabilising. It may be that considerations of this kind were behind the reported Indonesian acceptance of Australia's decision, and certainly this line of thought provides a regional justification for Australia's present policy—but in terms of regional tensions, not regional solidarity.

Australia and Nuclear Weapons

Considerable surprise has been expressed at Australia's longstanding reluctance to sign the Nuclear Non-Proliferation Treaty, despite its firm alliance with the United States and its late entry into the civil nuclear field (tenders are only now being called for Australia's first power reactor). Australia eventually signed on 27 February 1970, one of the last states to do so before the Treaty's entry into force. Perhaps in the light of history this is not so surprising: Australia was always the most defence-conscious of the dominions in the days of Imperial Defence, always the most concerned that the Royal Navy would not be present in the hour of need—on the whole with good reason. The international context could not have been less propitious for Australia's signing the Treaty than in the period following President Johnson's decision to de-escalate the Vietnam war. These background factors might not have been decisive, given Australia's recent tradition of compliance with American wishes, but all indications are that Prime Minister Gorton,

who has been active in reinvigorating the civil nuclear program, was opposed to Australia's signing, as was the Chairman of the Atomic Energy Commission, Sir Philip Baxter.

In its statements on the Treaty, the government emphasised three themes: its doubtful effectiveness, its inspection provisions and Australian security. It appeared to regard non-proliferation as having the remoteness of general and complete disarmament. Greatest emphasis was devoted to inspection: communist espionage and impediments to industrial activity, mining and research were singled out as special dangers. The government has never spelled out the aims of its nuclear policy. In the case of the introduction of power reactors, the main feature of the policy which has been made clear is that they should be independent of overseas fuel. This points to a policy of keeping the nuclear weapons option open and reducing the lead time.

The greater part of the public comment on the issue was in favour of Australia's signing the Treaty. Public opinion, as measured by the Gallup Poll, favoured signing, by a substantial but not overwhelming majority. The ALP was strongly in favour of signing, the DLP strongly against (as was the pro-China minority of the Left). It is likely that the decision to sign was due to the desire to avoid conspicuous isolation, and the risk that Australia might be denied the necessary assistance for the reactor program.

It is unlikely that the government's reluctance was a bargaining tactic: there was no hint of any objective for which it might have offered its signature. The strategic situation would have lent itself to such an endeavour. China is on the way to acquiring a long-range striking force and the communications and space facilities make Australia a prima facie target (for Russia as well as China). Australia has a good case for seeking some form of nuclear consultation associated with ANZUS (a modest version of the 'McNamara Committee', the special committee in NATO which has made relevant information available to European governments and has strengthened their confidence in United States deterrence policy). There was, of course, no necessary link with the Treaty, but the two could have been brought into a common negotiating framework, as in 1951 in the case of ANZUS and the Japanese Peace Treaty.

To the question whether we should sign the Treaty or make our own nuclear weapons, replies were as follows:

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<td>Sign Treaty</td>
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<td>Make Weapons</td>
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<td>Undecided</td>
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Australia's Policy and the policy debate are reviewed in 'On the Nuclear Threshold', *Current Affairs Bulletin*, 15 December 1969.
This has been written from a standpoint of support for the Treaty. Nonetheless, Australia has an unusually agonising nuclear dilemma. Unlike the countries of Western Europe, it is isolated, thus can hope for no substitute, however inferior, if the American nuclear umbrella is for any reason withdrawn.

**POLITICAL ISSUES**

There has been a remarkable lack of political conflict between Australia and the United States in the postwar period, partly owing to Australian willingness to adjust to United States policy, as in the case of the Japanese Peace Treaty, and American acceptance of certain divergences as in the case of Australia’s trade with China or Prime Minister Menzies’s statement dissociating Australia from American policy in the offshore islands crisis of 1955. The example which looms largest in Australian memories is the American failure to support Australia’s resistance to Indonesia’s takeover of the former Netherlands New Guinea. It is obvious, with hindsight, that Australia misjudged the movement of events with regard to West Irian, and also that it was an exaggeration to claim that Australia had a vital interest in the future of West New Guinea.

However, the example points to two rather more general points which throw light on the problem of alliance. First, alliance does not imply automatic support for the political objectives of member-states, as a glance at the history of NATO would confirm. On the other hand, alliance creates expectations of support and, it may be suggested, allies have a reasonable claim for some degree of support or special consideration, the greater the importance of the political objective to them. This point is taken up below.

**Alliance Perspectives**

Second, the conflict with Indonesia over West Irian illustrates the differing perspectives on the alliance in Washington and Canberra. To Australia the salient development was the contraction of the political expectations from alliance. American statements in 1963, that ANZUS covered any attack on Australian New Guinea, were regarded as a welcome reassurance, but as adding nothing to the ANZUS Treaty, Article V of which spells out that ‘armed attack’ is understood to include attacks on the island territories as well as the metropolitan territories of the Parties. A recent American account, however, runs as follows:

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What at the outset was viewed as a limited guarantee of the territorial integrity of Australia and New Zealand against further aggression on the part of Japan has apparently involved the United States in contingent liability for the defence of Australian territory, wherever situated, from any external menace. . . . Nor, in fact [in 1951] was any future enemy other than Japan—or more remotely Red China—envisaged. A decade later, Indonesia's eruption into the power politics of the area . . . provoked a statement that the United States would support Australian defence of New Guinea and Papua against attacks from any quarter.22

Though this interpretation may be at fault legally it is (much more important) highly relevant politically.23 Given the general lack of awareness of Australia in the United States, Americans will react to any crisis in this part of the world, not in terms of the detailed local background, but in terms of their immediate perception of the situation, out of the blue. That is to say, those few officials who do have an intimate knowledge of the circumstances will have to contend with a climate of opinion in which these are far away places which should not call for new American commitments.

These points are relevant to the question to what extent, if at all, the ANZUS Treaty applies to Australia's new defence commitments in Malaysia-Singapore. American policy under the Guam doctrine was recently interpreted by Vice-President Agnew to be that 'America will honor present treaties, but will not enter into new defence obligations in Asia'.24 Mr Gorton's parliamentary statement of 15 May 1969 argues against attempting to codify further ANZUS obligations, but suggests that it is reasonable to expect American assistance, in view of American support for Australia's Malaysian commitment and common Australian-New Zealand-American objectives in the region:

The question will be asked whether or not provisions of the ANZUS Treaty, so clear in relation to Australia, New Zealand and New Guinea, apply so clearly to Australia's forces stationed in Malaysia and Singapore. It would be misleading of me to say that this was so in all the variety of hypothetical situations which might arise. . . . Yet I think it would be equally wrong to assume that in certain circumstances United States assistance would not be forthcoming either under the ANZUS Treaty or in some other way. Indeed any attempt now to codify in advance those situations in which ANZUS might apply and those in which it would not apply could well be restrictive and, being restrictive, do harm.

Answers to questions about our forces in these areas are to be sought, not in the ANZUS Treaty alone but in the whole complex of actions and undertakings by Australia, New Zealand, the United States, the United Kingdom and the countries of the region. . . . Australia has decided that it will maintain forces in Malaysia and Singapore after the British withdrawal in 1971. . . .

The President of the United States, publicly and privately, has backed, supported and applauded that decision.25 Nonetheless, it is difficult to avoid the impression that the movement of American opinion is increasingly hostile to any such involvement.

Some Problems of the Future

Thomas Adam places his finger on the two most sensitive political issues in Australia's external relations, and proceeds in a manner unflattering to Australia and unfair to New Zealand, but perhaps all the more representative for that:

Australia and New Zealand may be accounted imperfect champions of the West in terms of their cultural organisation. . . . In simple terms, is the West united behind a guarantee of the territorial integrity of the Commonwealth of Australia . . . does such a guarantee commit Western powers, particularly the United States to the prevailing domestic policy of a 'White Australia', sustained by immigration bars directed against a possible admixture of peoples? . . . Should Australian policy toward the trust territory of New Guinea clash with majority views in the United Nations—a by-no-means improbable contingency—would the United States and Britain consider themselves duty bound to support Australia even at the cost of reversing the longstanding conciliation of Asian and African nationalism? It is obvious that guarantees accorded Australia by her protectors should be matched by rights to participate in Australian decision making in the field of international affairs.26

The 'White Australia' image dies hard, perhaps deservedly. The revision of Australia's immigration policy in 1966, following earlier modifications, has had slight impact overseas. Under the new policy, 'well qualified' non-Europeans—largely professionals, specialist technicians, and businessmen—are considered for admission on temporary permits; after five years (the same period as for all immigrants) they may apply for citizenship. Students admitted for a special purpose are not eligible for residence and citizenship in this manner. In addition, immediate relatives of non-European Australian citizens are eligible for permanent residence. Since March 1966, 3,080 non-European applicants have been approved, of whom 1,084 have arrived; in addition, 3,396 relatives of non-European residents have arrived.27

There is agreement in Australia on the principle of a moderately homogeneous society, from which it follows that criteria such as education and specialist skills will continue to be applied, especially to those of different culture and race. Immigration reformers would argue for a substantial liberalising of the criteria for Asians, and perhaps tougher

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26 Adam, pp. 141-2, 144.
27 Watt, pp. 201-4, describes the new regulations. The data for non-European migrants are official statistics reported in The Sun Herald, 7 September 1969.
criteria for Europeans. There have recently been suggestions that Aus­
tralia should admit special categories of Asians, such as South Vietnamese
endangered by their support for the Western cause in recent years and
the Kenya Asians threatened with expulsion. Such humanitarian initia­
tives might well turn out to be the best means of burying the image of
White Australia.

Australia's immigration policy has not become the explosive inter­
national issue that has often been dreaded, and in a world of increasing
immigration barriers and communal intolerance it seems unlikely to,
though it remains an irritant in Australia's Asian relationships. It might
well exacerbate any conflict between Australia and an Asian state, and
is clearly an issue which would tend to reduce support for Australia in
any such conflict, not least in the United States.

It is therefore in Australia's interest to apply the present policy more
liberally and also more imaginatively with greater attention to its public
relations in the world at large. Should the issue nonetheless arise in a
direct form, Australia can reasonably expect support from its friends
against claims to intervene in a field generally accepted as falling within
a state's domestic jurisdiction.

For some years the Minister for External Territories has been one of
the few Australians who have not assumed that New Guinea is to be­
come independent, though there has been little pressure to comply
with proposals of the United Nations Fourth Committee and the Com­
mittee of Twenty Four, that Australia should set a target date for in­
dependence. Many Australians have been critical of the uneven develop­
ment of the Territory, especially in matters of education and training
and have rejected the gradualist assumption that independence lies in
the distant future. At the same time it should be noted that ideal pre­
paration for independence has become unfeasible, even if it is theoreti­
cally possible. That is to say, long before indigenous élites have acquired
the skills and experience to assume the full responsibility for the opera­
tions of a modern state, radical demands for immediate independence
will have emerged, and the administration will be in a weak position to
resist them, even if it should want to.

On the other hand, it seems that there is greater reluctance in New
Guinea than in most former colonies to assume the risks of indepen­
dence: an ALP government, if it follows the policy recently fore­
shadowed by Mr Whitlam, may arouse opposition for forcing the pace.
The fragmented nature of New Guinea—geographically, economically,
and linguistically—is well known, and may further delay independence.
Moreover it suggests the likelihood of secessionist movements, but may
also tend to limit the extent of violence, should secessionism or other
difficulties lead to revolts against the central government.

External interference in Australian New Guinea seems a rather un-
likely contingency unless it is a case of fishing in troubled waters after a breakdown of authority. On present indications New Guineans are more likely to be taking the initiative against West Irian than the reverse. Indeed, this is one of the perils of a close Australian association with an independent New Guinea.28

The worst possible contingency from Australia's standpoint would be large scale violence during the transition to independence. It goes without saying that every effort will be made to avoid it; if it comes about, local and international tension may be exacerbated, as Peter Hastings points out, by the use of white Australian troops against Melanesians. In such a situation some kinds of United Nations peacekeeping intervention might be welcome, others disadvantageous to New Guinea as well as resented by Australia. If it should come to this sort of crisis, the most important service from allies would not be mere diplomatic support, but the kind of skill and initiative which has sometimes been displayed by Canada, for example, in United Nations affairs.

Other political problems further afield seem unlikely to weigh so heavily for Australia. It may be that as policy moves away from the anti-communist orthodoxy of two decades, Australia will express more independent views on overall Asian-Pacific policy, but it will be under no illusion that it can substantially influence Washington. One issue which could perhaps lead to greater tension with the United States is Taiwan. Australians are likely to be reluctant to become involved in a confrontation with China over Taiwan if it should arise in such a way that China was perceived as having a reasonable case, or if it should suggest that the United States had turned its back on a policy of seeking to bring China into the international community.

Relations with New Zealand

It is natural that Britain's withdrawal and the new course in American policy should have led to demands for closer relations between Australia and New Zealand. Hitherto they have acted in unison, but at the prompting of one of the protecting powers. It is obviously in their interests to continue to act in unison, in relation to the United States, Southeast Asia, and the islands of the Southwest Pacific.

This is likely to be of greater importance to Australia, since it is Australia which is the more likely to become embroiled in Southeast Asia or New Guinea. While New Zealand's diplomatic support does not greatly increase Australia's weight, the loss of its support would be damaging; moreover, New Zealand could be a valuable ally in United Nations diplomacy, and it is likely that Australian diplomacy would always benefit from working closely with New Zealand.

28 For a timely discussion of the emerging problems, see Peter Hastings, New Guinea Problems and Prospects, Melbourne 1969.
Various suggestions have been made recently for increased consultation and communication, in order to prevent the two countries from drifting apart and to make the most of the potential for collaboration. In the political and diplomatic field, it would seem advisable to start with those which avoid elaborate and costly machinery. Suitable measures include ministerial meetings, visits by backbench parliamentarians, non-official meetings, and a much greater news coverage, especially in Australia with respect to New Zealand.

Close collaboration in overseas military operations presents few problems. Defence procurement offers scope for increased co-operation, but also difficulties: Australian visions of longer production runs and greater arms exports run up against New Zealand's own balance of payments problem and its interest in building up its own industries. A modest beginning has been made in the agreement announced in August 1969 under which each country will supply the other with specified arms, components and supplies initially valued at $2 million, but hoped to increase to $10 million annually.

The frequently noted contrast in strategic orientation— Australia towards Southeast Asia, New Zealand towards the Pacific Islands—has not so far been reflected in actual policy. Indeed, paradoxically, New Zealand has undertaken a relatively larger commitment in Malaysia-Singapore, with much less emphasis than Australia on conditions and limitations. The reasons appear to include: an even greater tendency than Australia's to pose the issue in terms of involvement versus withdrawal; less preoccupation with the costs and risks of the commitment; a greater willingness to act in terms of old patterns and to accept the suggestions of the departing British. Perhaps most important, it is Australia which might have greatly to increase its commitment and which has therefore had to give thought to the circumstances under which it might do so, and the extent to which it might be willing to. New Zealand can still play the familiar role of junior partner: Australia has to consider the possibility of acting without great power support.

The Southwest Pacific Islands

New Zealand, then, has perceived an interest in Australia's area of primary concern, Southeast Asia. There have been a number of recent suggestions that Australia should recognise that it shares New Zealand's interest in the security and welfare of the islands extending eastwards from New Guinea as far as the Cook Islands, including the British and French colonial dependencies as well as the islands for which Australia

and New Zealand were, or still are, responsible. The basis of the recent proposals is that Australia and New Zealand should formulate a common policy to promote the orderly development of the islands, with the strategic objective of preventing the islands from becoming centres of turmoil likely to draw in unfriendly powers—Cubas or Zanzibars within range of Chinese and Soviet power. Proposals extend from including the islands in the New Zealand-Australia Free Trade Agreement to a full-scale defence community.

The question is whether the proposals are likely to achieve their objective. Much of the diagnosis is sound: this is the one region of the world where Australian and New Zealand resources are large enough to have a major impact, whereas in Asia, with few exceptions, their economic assistance is scarcely perceptible. And of course it is desirable that the islands should not become a focus of international conflict.

The dangers in too massive an Australian-New Zealand involvement are nevertheless fairly evident. Economically, it may induce precisely the extremist reaction which it is intended to prevent. Military facilities or liaisons may equally provoke a reaction, which is one reason for Australian uncertainty whether a military alliance with an independent New Guinea will prove desirable. But to say this is not to say that the status quo is acceptable: population pressure, education, and neglect sound like an explosive mixture. Some of the islands, for better or worse, will be transformed by Hiltons and Jumbo Jets, but surely not all.

If Australia engaged in foreign policy planning, the problem of the islands should be high on the agenda. To what extent can aid reduce the dangers in commercial investment? Or how can they be made complementary? How great an aid outlay might be involved in a large-scale development program? Certainly there is scope for a review of aid priorities, when it is noted that Australia's total aid in the South Pacific in 1968-69 (just over $1 million) was less than that to Ceylon, Laos, or Korea, for example, and this represented more than the total aid in all previous years to the islands (New Guinea, of course, excepted, having in 1968-69 received a grant almost one hundred times that to all other islands together).

An alternative policy to that which seeks to build up something of an Australian-New Zealand sphere of influence could be to try to involve

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as many of the advanced countries and multilateral agencies as possible in the affairs of the islands. This may be hopeless in the case of New Guinea, but in the case of the smaller territories it might be possible to associate special international economic programs with the political concern which has been shown from time to time in the United Nations over 'mini-states'. Australian-New Zealand strategic interests can be safeguarded if other powers are kept out: it is not essential that Australia should be militarily in the islands.

Conclusion

This paper has criticised some of the prevailing assumptions in American and Australian views of the emerging Asian balance. The demand for simplifications, 'roles', or 'grand designs' would seem a fault common to their foreign policy styles: perhaps what the present requires is a more sceptical appraisal of the images with which they seek to simplify the Asian scene. The multilateral balance may become a reality in the limited sense that the four powers check one another from intervening in Southeast Asia. Regionalism may be a convenient myth symbolising this non-intervention, but not the basis for a system of regional defence. Australia's reasons for regional military involvement would derive not from support for close friends, but from sensitivity to the psychological and political balance within the region. No doubt some of these projections will prove mistaken, but it may be suggested with some confidence that Asian developments are more likely to follow tortuous paths than straightforward ones.

DISCUSSION

Discussion on this paper further developed two points which had been considered in earlier sessions—the importance, or otherwise, of the ANZUS alliance to the United States, and the extent to which Indonesia might conceivably represent a threat to Australia. Australians (and New Zealanders) tended to take a more sentimental view—almost of kinship—in their expectations of the ANZUS alliance, an outlook which often surprised Americans. Not unexpectedly, there were conflicting views about this in the conference. Some stressed the common elements of friendship in the relationship which might be expected to add, and did add, something to the precise calculation of national interests in the relationship. Others argued that only a cool and rational assessment of these interests could realistically be allowed for in estimating possible future national responses.

There is no way of weighing this sort of difference. It was said, for
example, that the American connection with Australia and New Zealand had deep historical and social roots and therefore a degree of solidity which, by contrast, the American association with other allies, say Thailand, did not have. The United States' guarantee to Thailand arose out of political circumstances and a particular perception of American interests in the 1950s—but there was no permanent American interest there nor any basis for it.

But irrespective of differing viewpoints about the real extent of sympathetic American interest in Australia and New Zealand, or the political scope which a future United States administration might have to give effect to it, it was argued that ANZUS was likely to become more rather than less important to Washington. In the first place, Australia, because of its geographical position was likely to become increasingly important to the Americans for space and satellite communications. Further, Australia was now a huge mineral resource base and clearly therefore among the world's major economic prizes. Australia also would become more powerful militarily in relation to other regional states in Southeast Asia and the Pacific. With all these factors involved—strategic, economic, and military—it was contended, it did not make sense to conclude that the United States could allow itself, in its own interests, to be indifferent to Australia's security. It was remarked in fact that for the United States, even in process of what might be termed a retreat, Japan in the North Pacific and Australia in the South would remain of vital concern.

The argument on Indonesia continued without any agreed conclusion. Australians and New Zealanders declined to be particularly comforted by reflection upon the immense economic and social problems which would be likely to confront any Indonesian government. The disparity between twelve million people and 120 million people, it was said, meant that a potential threat existed. The economic prospects for the present Indonesian government were held by some to be by no means assured. A collapse of government and consequent political fragmentation in Indonesia, which was conceivable, might be as unpleasant for Australia and the region as a dominant Indonesia. Many feared future trouble involving West Irian.

Against this pessimism, it was asserted that it might be too easy to underestimate the potentialities for good government in Indonesia. A huge group of young technocrats in that country would be coming to the fore by the later 1970s. They might well display an ability to administer Indonesia more quickly and more effectively than seemed to be expected.

Much of the discussion was stimulated by a number of propositions put forward in the opening commentary. Had the Canberra Conference taken place in 1960, it was asked, how prescient would participants have been, basing their expectations on the experience of the 1950s, about the actual course of events in the 1960s? In 1960 the green revolution was
foreseen by few. The Vietnam war was with us but its future scale and consequences remained unsuspected. The mini-state had scarcely become a political phenomenon. Who would have predicted the extent of political violence in Western societies, especially in the United States? It was clear that governments had miscalculated the pace of change in the 1960s. Perhaps, then, it might be salutary to attempt to look at prospects for the later 1970s, rather than the earlier years which had so far engaged most attention.

The following 'preposterous' propositions were then put forward as possibilities by the end of the decade:
that there would be a further revolution in population trends and that birthrates would be sharply checked;
that military budgets would have declined radically—whole services as we now know them might have disappeared, but the cutback in military spending would be more likely to be siphoned off by inflation rather than become available for increased domestic expenditure programs;
that the cult of violence in Western politics would markedly increase (with the by-product that Western societies might lose some of their present smugness about other cultures);
that as a concomitant of this violence, there could well be a curtailment of individual civil liberties by Western governments (already a great deal of information about individuals in Western societies was stored in computers; under the pressure of increasing violence, governments would be tempted to use it and a form of 'technocratic McCarthyism' might result);
that measurement of great power status could well change. It might be measured less in elements such as nuclear power as in a capacity to respond flexibly to differing situations. Japan, for example, was likely to become a great state, with variety and richness in its national life, and the capacity to exercise a broad range of policy choices. India, by comparison, was unlikely to have much scope to make policy choices.

There were mixed reactions to these postulates. It was remarked that a check in the birthrate in the 1970s was quite probable, particularly through the development of methods applying to men rather than women. But it was questioned whether this would leave the food-population ratio much better off because the green revolution was not likely to be continuous. How long could we go on obtaining bigger annual crops? Others also doubted whether, whatever the technical developments in birth control methods, the social organisation necessary to effect marked drops in birthrates could be achieved as quickly as the postulates implied.

On the question of military budgets, it was observed that while reductions could well take place in particular countries or areas, there
was no necessary prospect that this would be general. For example, the prospects for Asia were gloomy—the logic of the Guam doctrine could well mean a reduction in the proportion of GNP spent by the United States but equally it implied an increase in military spending for many Asian allies of the United States. Of major states in Asia, both China and Japan seemed likely to increase their military spending.

There was more general agreement on the likelihood of an increase in violence in politics, although one qualification was made. What was the base line against which the level of political violence in Western societies was to be measured? Was it to be the tranquil 1950s or the turbulent 1930s? There was no specific comment on computerised government—perhaps just a general feeling of uneasiness.

The measurement of great power status was a difficult matter to debate. It was questioned whether it was certain that Japan would be such a success in the 1970s—there were many political and social tensions to be reckoned with despite phenomenal economic achievements. It was remarked also that to a great extent, the flexibility of response available to a state had long been a measure of national status, in both politico-military or economic circumstances.
A disclaimer is in order immediately. This paper cannot present the American view from Washington. Rather it offers an American view from one who, living a continent away from Washington, gets there occasionally. Consequently, these opinions may differ from those held by American officials whose knowledge of ANZUS affairs is much deeper. Against their greater area expertise, one can put only freedom from orthodoxy and a point of view that has not been forced, by duty, to centre unduly on this part of the world.\footnote{Any views in this paper are those of the author. They should not be interpreted as reflecting the views of The RAND Corporation or the official opinion or policy of any of its governmental or private research sponsors.}

About the general perspective toward political and strategic relations with Australia and New Zealand, let us be blunt: the ordinary American has little or no conscious opinion about these relations. He does not think about them. That he does not is deplorable and even insulting, but, however unpalatable, this circumstance is important. We may or may not want to awaken the ordinary American from his comfortable torpor, in order to try to modify these relations.

Having put this rude truth, this American wants immediately to apologise for it, however much the topic may demand its recognition. Sentiment is not out of order. It rarely is when discussing the state of international relations. Nation-states secure loyalty and symbolic unity among their citizens not least by providing an outlet for tangled love-hate-fear personal emotions. In peace as well as war, particular foreigners are oversimply cast in the role of hero or villain. Americans have never witnessed a time when their politicians found it expedient to castigate Australia and New Zealand. Middle-aged and older Americans remember World War II, when, with emotions fully mobilised no less than economies, Australians and New Zealanders were heroes. Memories thus forged are permanent. Younger Americans, of course will never understand the nostalgia of their parents for this simpler day when good and evil as among allies and foes was unquestioned. Yet they also have no
reason to think of Australians and New Zealanders as other than dependable friends at all times. Consequently, an apology for American general indifference toward ANZUS relations need not be abject. Never to fret about a friendship because, as in this case, it is taken to be unquestionably firm, is much better than fretting about it a good deal because it is perpetually in question.

Emotional affinity provides a solid bedrock for ANZUS relations for many reasons that need not be elaborated here, save one. Pique has been noticeably absent, in the sense that it has bedevilled some American relationships with NATO Europe. Why? Well, as only Enoch Powell could overstate it, after his initial eighteen day exposure to the United States, we are all colonial nations.

Yet a very early impression, and one constantly repeated from first to last, was that I had somehow been there before ... I soon realized why. Thirty years earlier, as a young man, I had gone to Australia, worked there for nearly two years and visited all its states. It was Australia that kept coming back to me after the lapse of nearly a generation, forgotten scenes reviving, forgotten conversations recalled, forgotten sensations felt again. Once more, after nearly thirty years, I was in a colonial country.2

Australia and New Zealand, unlike some European powers, need not look on America's post-World War II international operations as a regrettable necessary assumption of imperial responsibilities that they themselves would have handled, if only they had possessed the material means, with greater wisdom and finesse. Nor need Australia and New Zealand yearn to demonstrate, somehow, that they still belong to the club of superpowers. The resultant absence of pique can be mercifully welcomed by Americans, who will not minimise its contribution to good relations.

For the United States, Enoch Powell's reminder has merit. ANZUS relations tend to be easy because all three sides of the relationship derive much of their cultural and institutional heritage from the same sources. They almost share a language. Even when they disagree, they can argue forthrightly no less than they contest the Davis Cup fiercely, secure in the knowledge in either case that they will have a continuing cordial relationship afterward. May it long continue.

But all sentiment aside, those Americans who do think about ANZUS relations find them to be unusually good. In the past twenty years the United States has acquired much painful experience in the standard problems of alliances: disagreements over political purpose, the military missions to be performed, the division of military labour, and the distribution of resultant economic burdens. Acrimonious rather than har-

monious relations, as well as ineffective results\(^3\) might be expected by one who theorises about alliances. Yet, in a first approximation, we find ANZUS partners, in SEATO contexts where other allies have parted company almost totally with the United States, fighting side-by-side with us thousands of miles from their shores in an unpopular war. Even as to burden-sharing—the only part of alliance relationships where the simplicities of zero-sum game theory apply, because the measure of one nation's gain is precisely the measure of another's loss, and conflict is therefore inevitable—matters have improved. One notes, in particular, the rise in Australia's defence expenditure from 3.7 per cent of its GNP to 4.8 per cent over the 1965-68 period, which compares favourably with the comparable shares for European members of NATO.\(^4\) Cold analysis buttresses sentiment about good relations.

\(\text{Which relations?}\)

Reflection shows that there are plenty of interesting topics already on the diplomatic agenda which will have considerable impact upon our relations. Yet these topics can be discussed currently only in terms of interesting alternative futures. Thus, notably, what general policy about the balance of power in post-Vietnam mainland Asia should now be adopted? Particularly, considering the Non-Proliferation Treaty, what nuclear policies should prevail in and with respect to Asia? Consequently, the questions of whether and which alternative future options are to be discussed are settled, for this paper, if the current agenda compels their consideration.

Reflection also suggests that the topic of future options is so open-ended as to offer too many alternatives to consider. An author must choose which ones to discuss and which to neglect, with no sure guidance. Even without an imposed constraint to view future possibilities only as they affect current relations, an awareness of methodological peril would also lead to emphasis upon the set of feasible future national options that most nearly extrapolates today's pattern of friendly interdependence among these three nations. But the methodological musings we can relegate to a note at the end.

In this situation, one age-old method for further reducing the number of alternative futures is also appropriate, in part, for the purpose of the paper. The standard military intelligence method that focuses on future


capabilities, as distinguished from intent, can be used. One cannot discuss ‘Strategic Relations’ without a conceivable foe, or an Asian balance of power if there is no power against whom counterpower need be brought to bear. If there be such a power, prudently to be considered as a possible foe, it is the Chinese People’s Republic or, still more distantly if more powerfully, the Soviet Union. Any consideration of the balance of power in Asia, or of nuclear issues, must pay particular attention to CPR nuclear capabilities because, for the first time, they pose an Asian threat to inflict severe damage directly upon any of the ANZUS powers.

The intent of Chinese rulers with respect to this capability must, of course, also be considered. But we shall adhere to the capabilities-only estimating philosophy in assuming that a unified Republic continues; which, for the purposes of this paper, rules out such possibilities as a mainland China that becomes so fragmented that its nuclear threat disappears, or a mainland government so benign that it clearly converts might-have-been missiles into plough-shares.

THE CHINESE NUCLEAR THREAT IN STRATEGIC PERSPECTIVE

The Summary Perspective

The Chinese nuclear threat will have special implications for alliance relations in Asia because the CPR will probably lack ‘good’ nuclear options, and may therefore be driven to adopt ‘bad’ ones that are more dangerous. As this thesis obviously depends upon the criteria that distinguish good nuclear options from bad ones, let one point be clear from the outset. This thesis does not imply scorn for the impressive scientific and technological accomplishments of the Chinese People’s Republic in its nuclear program, considering the great obstacles already overcome. Specifically, it assumes that both intercontinental-range and medium-range missile delivery capabilities for the Republic will be developed on a modest scale, in but a few years. Thus it assumes that Chinese delivery vehicles and associated programs for a nuclear capability have not been seriously crippled by internal instability, but merely delayed. As to delay, again, the standard assessment is accepted:

Chinese stocks of fissile material might be sufficient for about 100 atomic bombs of nominal (i.e., 20 KT) yield or a smaller amalgam of both hydrogen and atomic varieties. Some of the fusion weapons could be of several megatons. The lengthening gap that has been noted between nuclear tests may mean, however, that fissile material is not being produced in the quantities originally forecast in the West. Likewise, the Chinese missile programme has apparently not progressed as fast as expected. It was thought that some deployment of medium-range ballistic missiles would have been possible by 1967, but still no reports have
been received of site preparation. Nor has anything been heard of Chinese preparations for the oceanic testing necessary to any ICBM development.\(^5\)

**Chinese Redesign Reflections?**

Delay normally gives designers of weapon systems and others more time to reflect on the operational characteristics that these systems ought to emphasise. In the Republic of course, disruptive delay can hardly be conducive to tranquil working conditions for reflective redesign. Nonetheless, the desirability of redesign can be expected to arise more or less continuously, if Western technical experience provides any guide. Political leaders, military strategists, and engineering designers will all be thinking, belatedly, about what characteristics they really want; while, concurrently, the scientists will be discovering new phenomena that the weapon systems, somehow, must now adapt to—whether to exploit the new phenomena or to guard against it. The Western pattern has been continuous pressure from all these sources for complicated redesign, all brought to bear upon the poor design engineer who wants nothing more in life than to be left in peace to build something whose complexities in the original design already tax him to the limit. Premature obsolescence is avoided in this conspicuous way, which today's newspapers have rediscovered to be the fundamental cause of cost growth in weapon system procurement estimates.

As the paramount consideration in any redesign, the Chinese leaders have made it abundantly clear that they now perceive the Soviet Union to be no less a potential foe than the United States. It can hardly have escaped their attention that the problem of providing an adequate nuclear capability against two superpowers is very much harder than providing it against only one. The French invented the phrase, but it is the Chinese People's Republic that genuinely needs an 'all-azimuths' retaliatory capability if its nuclear policy is to make sense. If they believe in only a tenth of what they say, they suspect that the two superpowers are already in collusion against them. Chinese planners must conclude that the pattern of suspected collusion is, for them, almost the worst conceivable one. What malicious enemies the two superpowers must appear to be, if they are thought to conspire for encirclement and even attack, while they are so inconsiderate as to design such utterly different strategic nuclear offence and defence systems as to levy qualitatively different requirements upon the Chinese strategic system designer!

It is this complicating aspect, in its full dimension, that as yet appears to be insufficiently appreciated both inside and outside China. Nobody will come to appreciate it more, one can safely conjecture, than the Chinese Communist strategic planner. He, like armchair strategists abroad, will have to ponder the general implications deeply, and one

\(^5\) *The Military Balance*, p. 38.
presumes that he will bring no lesser intellect to bear. Unlike the arm-chair strategists, he will concurrently have to resolve thousands of interrelated questions about design details, with technical specialists at each turn to overwhelm him with realistic reminders about the possible disastrous consequences of inattention. He will be forced to consider the Chinese nuclear program in its full dimensions, and will therefore be unable to resolve hard design questions by the standard armchair method of inadvertent ignorance about their existence. In the process, to be sure, he may lose his broad strategic perspective, or complicated bureaucratic interactions may confound the designs of good strategic system designers who do not retain their perspective.

My point is not that sensible system designs will emerge, for they may not. Rather, it is that Chinese leaders will be subject to constant reminders about vulnerabilities, risks technological as well as strategic, and costs. These reminders will be most vivid when one faction—be it an individual member of the ruling elite, a clique, one branch of its armed forces, or whatever—is making the case for its preferred strategic alternative design. Its best case will be made by demonstrating faults in strategic designs, preferred by others, on the point of adoption. The utility of a nuclear capability is apparent to a nation's leaders before they start a nuclear program. Possibly, therefore, it is overappreciated. The drawbacks of the capability become apparent, and possibly in turn become overappreciated, as the leaders are continuously harassed by redesign problems that their bureaucracy presses upon them.

What Criteria for Doctrine and Design?

Given firstly changing pressures and constraints imposed by the world beyond their control, most dramatically by the strategic programs of the superpowers, and secondly pressures from their own bureaucracy about variables that they can control, within limits, the leaders of the Republic will be forced to re-evaluate their nuclear program. But why, as we contend, may they be driven to adopt dangerously 'bad' strategic options as a result? Their technological capability to produce missiles of sufficient range and reliability, as well as nuclear warheads for them, is not here disputed. Why may they then not produce 'good' options from these capabilities? The general answer is that the leaders of all nuclear powers are vulnerable to the seductive appeal of simplicity. Bad nuclear options, unlike good ones, tend to be simple. Harassed national leaders and their planners are understandably over-prone to adopting them—analytically, to escape bewildering complexity and, psychologically, to avoid thinking about contingencies that are so repellent as to be (wrongly) deemed unthinkable.

The particular 'bad' nuclear policy that Chinese leaders might adopt, despite its great disadvantages for them in some respects, is
massive retaliation, based upon a declaratory policy of retaliating upon receipt of tactical warning of attack upon their territory. Here is a policy that seems to offer a simple escape from most of the standard difficult problems of a nuclear capability. All that seems to be physically needed, beyond the weaponry and delivery capability, is a warning system that looks as if it might work fast enough for Chinese missiles and aircraft to be launched before they can be hit. There remains, to be sure, a formidable non-physical requirement. How can so reckless a policy be made credible to possible foes? For the time being, we need note only that we are discussing the country that, by virtue of its desperate position more than its fierce polemics, would have the least problem about credibility.

Before dismissing this possible Chinese policy, note how it seems to avoid otherwise taxing complexities. Need delivery systems be made survivable, so that they can ride out an attack and thus permit responsible post-attack launch decisions to be made? No, by assumption. In particular, missiles at fixed positions need not be hardened, if they can be fired before their sites are attacked. Need delivery systems employ such aids for penetrating enemy defences (for example, decoys) that even a small proportion of the retaliatory force could penetrate? No, again by assumption. Almost all of the retaliatory force is assumed to be launched in time, so that penetration of defences would be aided by larger numbers of attackers as well as by any aids or trickery. Need delivery vehicles be accurate? No, because cities would be the targets, owing to the obvious futility of counterforce attacks, at least against superpowers. Need delivery vehicles be 'reprogrammable', that is, capable of being redirected almost instantaneously against alternative targets? Not necessarily, because only one target system would be fitted to one retaliatory option.

In sum, the weapon systems allegedly need not be survivable, accurate, reprogrammable, or equipped with penetration aids.

Other critical simplicities are promised by this radical policy. Need there be a damage assessment system and an elaborate command, control, and communications system, to preclude firing upon false warning or against the wrong enemy? No, because the policy would necessarily sacrifice positive control in advance by predelegating firing authorisation to military commanders, subject only to receipt of tactical warning. If the Chinese were to adopt a fire-upon-warning doctrine, retaliation by the 'wrong' as well as the 'right' superpower would presumably be rationalised in terms of twice-dead being no worse than once-dead. Finally, this simplistic doctrine implies zero expenditure upon damage-limiting air and missile defence systems, beyond the minimum required for tactical warning.

It also follows, of course, that all the complexities of alternative retaliatory options that permit inclusion or exclusion of countries from
target lists, and designation of alternative target systems within countries, are avoided. It is appropriate to remember that only one of the existing nuclear powers stands prominently committed to the retention of ‘strategy options for general nuclear war’, with all their burdens. Soviet secrecy permits only speculation about their professed doctrine, while British and French silence is understandable for their lack of alternatives.

Chinese Strategic Dilemmas

The description above does not imply that the Republic will adopt this extreme doctrine. It implies only that we cannot rely, with confidence, upon Chinese adoption of a more responsible doctrine. Their leaders, in keeping with a history of actions abroad that are far more cautious than their words, may well desire the safer and more responsible capability that fits a more sober doctrine. They might achieve such a capability. But at the same time as they contemplate its greater complexity, technical difficulty, and higher costs, their desire for it will be mixed. They may not want anything like a complete set of good nuclear options. They almost certainly will want survivability for their nuclear forces, so that obviously vulnerable vehicles need not be launched on the basis of undependable tactical warning signals, and a capability for penetrating enemy aerospace defences. The desirability of these attributes will be clear, leaving utility to be balanced against problems of technical feasibility and cost.

The utility of the rest of the attributes that good nuclear options require—accuracy, reprogramming capabilities, damage-assessment and positive-control command systems, alternative graduated retaliatory options, and damage-limiting defence systems—may be viewed as negative rather than positive, or at least as not clearly positive. If so, why face the great technical and cost problems of acquiring them? At the other extreme from the reckless fire-upon-warning doctrine is the positive-control doctrine, which announces that a nuclear power will wait to assess damage from any attack, because it can afford to, before deciding at the highest political levels upon an appropriate retaliatory response. For Chinese leaders to publicise a positive-control doctrine, however, would be to leave them obviously vulnerable to superior deterrent pressures from either superpower in almost any conceivable situation. If they were to respond only in kind to a threat or a deed, they could be countered by superpower responses that were identical as to weapon yields and type of targets, but were militarily more effective. Or if the Chinese Communists were to escalate any hostilities, either by higher weapon yields, wider geographic coverage, or more valuable targets, they would

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invite counter-retaliation in the same or larger terms by greater capabilities. In choosing a doctrine to guide the design of their nuclear forces, and in choosing a declaratory policy that may accurately reflect the doctrine or that may try to conceal it, the Chinese face strategic dilemmas.

**Chinese Feasibility Problems**

As for capabilities that are desirable whatever the doctrine, the Republic faces other problems. Providing survivability for its forces is obviously first. Mobility for their missiles will have great appeal to Chinese planners, but it poses the greatest physical problems. They start, one presumes, with liquid-fuel missiles, as the other nuclear powers did, notably the Soviets, from whom early Chinese missile designs may be derived. But liquid-fuel missiles present great logistic obstacles to mobility, whether on land or sea. Early American studies led United States officials to two firm conclusions: mobile systems should employ solid-fuel missiles (for example, Polaris), and mobile systems are decidedly more expensive per launcher (defence costs excluded). Chinese planners, if intent on protection via mobility, would face formidable obstacles for their missiles alone: the development of solid-fuel technology; the loss of some desirable propellant characteristics in moving from liquid-fuel to solid-fuel vehicles; and, at the end, higher costs per mobile launcher.

Furthermore, their opportunities for geographic deployment of missiles are, in some respects, relatively circumscribed. Like the superpowers, they command vast land masses that could conceivably be used for mobile deployment, but, unlike the superpowers, their transport network is poorly developed. At sea, the Republic lacks useful bases. Even with the endurance advantages of nuclear propulsion, the American Polaris fleet finds a great gain in operational efficiency by being able to exchange submarine crews at Guam in the Pacific and Holy Loch in the Atlantic. Polaris on-station times are thus enhanced. Without such bases, the Chinese People's Republic could maintain submersible-based or surface-ship-based missiles off the American west coast only by procuring, very expensively, enough missile-carriers to meet the concurrent demands for off-station time, including two-way transits of the entire Pacific. These extravagances are obviously much greater if, lacking nuclear propulsion systems, they must employ, for example, diesel-electric submarines. Finally, they would face formidable superpower anti-ship and anti-submarine capabilities—especially with only relatively 'noisy' submarines at their disposal.

Mobility as an ideal solution to survivability problems, in short, is much easier to talk about than to achieve. The same laws of physics, logistic complexities, and relative costs that have led other nuclear powers, initially, to fixed-site missile systems, will bear heavily in the
calculations of a Chinese planner. Will he then settle for fixed sites, and soft ones at that, for a considerable period, for pressing economic-technological reasons? We do not know. We do know, from experience, that these reasons are pressing. Meanwhile, the Chinese planner has a new reason to question the usefulness of a hardening program that he knows will be difficult and costly. Why harden a missile silo enough to protect it against missile attack from one superpower, if it remains vulnerable to the missiles of the other? And Soviet MIRVed warheads do prospectively pose a threat against truly hard silos (for example, Minuteman silos in the United States), as American MIRVed warheads do not:

... the United States' decision to deploy this [MIRV] technology was based primarily upon our requirement to penetrate Soviet defences, not upon its multiple target capability. ... The explosive yields in our MIRVs are small. ... [They] will not add significantly to the American ability to destroy hardened Soviet weapons even if all of the MIRVed warheads carried by one booster are fired at the same Soviet missile site.7

Survivability against both of the superpowers, in sum, will be difficult to attain, because the qualitative characteristics of the two superpower missile programs are so different.

We can deal just as summarily with the problem of the CPR planner in designing missiles that can, somehow, penetrate qualitatively different Soviet and American ABM defences. Of course, whether from agreement in the SALT negotiations or for other reasons, the superpowers may not deploy country-wide 'thin' ABM systems. But the Chinese Communist planner cannot rely on this outcome. For him, the means to counter either possible set of defences with high confidence (for example, MIRV) will probably be prohibitively expensive. The means to counter defences with low confidence need not be so expensive (for example, chaff against radar), but they tend to be specialised toward one set of defences at the cost of being useless against the other. Moreover, such low confidence penetration aids are not easy to make effective against even one set of defences:

As part of the large U.S. Pen Aids R&D effort mentioned above, an enormous variety of decoys, chaff and of other pen aids has been built and flown for years against an extremely well-instrumented R&D facility in the Kwajalein Atoll. The overwhelming majority of these pen aids tested have been ineffective. The few that have survived this screening and that can be usefully introduced into the inventory have taken many years (and the expensive Kwajalein facility) to develop. It was neither cheap nor simple nor fast.8

7 Statement of Dr John S. Foster, Jr, Director of Research and Engineering, Department of Defense, before the Subcommittee on National Security Policy and Scientific Development of the House Committee on Foreign Affairs, United States Congress, 5 August 1969, pp. 4-5.
The Strategic Perspective Restated

How, then, in appropriate strategic perspective, does the prospective Chinese nuclear capability appear? It still appears formidably dangerous, although probably bedevilled by redesign problems. The Chinese People's Republic will not become a nuclear superpower in the foreseeable future. Yet it will be a dangerous nuclear power, especially because its leaders may be driven to adopt 'bad' nuclear options whose inherent danger is accepted as the price of power.

Which options? Nobody knows. Inherent uncertainty about the future is here compounded. Chinese leaders, even if they knew their future strategic design exactly, might want to conceal aspects of it. They will conceal aspects all the more because, in all probability, they are themselves uncertain. Their declaratory policy about nuclear strategy may be deliberately ambiguous so as to preserve diplomatic flexibility. Or, even when their declaratory policy might appear to be clear, it may, as a bluff, differ from intended policy. One cannot exclude even the extreme doctrine of one-option massive retaliation, allegedly based upon tactical warning. A nuclear Chinese Republic is a danger to be taken seriously, not because its leaders will be reckless, but because they will have become aware of their peril as well as their opportunities.

CRITERIA FOR (WHOSE?) NUCLEAR COUNTERBALANCE IN ASIA

Relevance for Allied Relations

Given this perspective about the Chinese nuclear threat, with emphasis upon its problems and resultant uncertainties, a premium is obviously placed upon a counterbalance that can flexibly adapt to a changing threat in such a way as to out-deter the Chinese Republic in all contingencies. We simply assume the need for a counterbalance. Who, however confident about Chinese Communist caution and peaceable intentions, would gamble by removing existing United States nuclear guarantees to its allies in Asia, replacing them with nothing? Many may propose supplementing United States nuclear guarantees, and possibly Soviet guarantees as well, by creating one or more indigenous nuclear forces in Asia. Bolder voices may even propose such a force(s) as a substitute for superpower guarantees.

If this happens, the relations among our countries may be strained, as they were in Europe. To minimise or avert this strain, it is surely desirable that we understand each other as well as possible in advance. Misunderstanding prevailed in Europe, for reasons that are inadequately stated even by Professor Hedley Bull:
First, an active policy of dissuading India and Japan from going nuclear is bound to create resentment that will bring difficulties for the United States and the United Kingdom in other areas of their relations with these countries and may even result in a strengthening rather than a weakening of the pro-nuclear elements in Indian and Japanese politics. Certainly the active campaign which the United States waged in Europe against national nuclear forces during the Kennedy administration was counter-productive in this way. At this time Western Europeans were exposed to a battery of sophisticated argument and scientific analysis which sought to show that states other than America and Russia (and only doubtfully Russia) had no need of nuclear weapons of their own and in any case could not afford them. . . . It is enough to note that the Western powers may themselves come to favor a purely Asian equilibrium; and that since China has nuclear weapons, an Asian equilibrium requires that at least one of her neighbors in the area has them also. . . .

China's acquisition of an invulnerable strategic nuclear capacity in relation to the United States is likely to transform the strategic situation in Asia, just as the acquisition by the Soviet Union of an intercontinental bomber force in 1955 transformed the situation in Europe. America's Far Eastern allies and associates will be bound to ask themselves the question that has dominated the strategic debate in NATO over the last decade, viz. can they believe, and will China believe, that America will risk its cities to save theirs?9

To save time, let us concede Professor Bull's point that it may be counter-productive to lecture others about their underestimates of nuclear capability costs, even if your numbers are better. Further, the American 'campaign' in Europe did create strong resentments, and, in retrospect, was certainly not as subdued and well co-ordinated as it should have been, but one cannot concede that American argument against the need for national nuclear forces was therefore counter-productive. Rather it was and remains essential.

The basic American argument against this 'need', it is important to note, did not involve any 'battery' of sophisticated argument and scientific analysis whatsoever. Either the United States yielded by default to an overly simple argument whose logic would lead NATO to a need for fifteen nuclear forces, not three or less, or it countered that argument in order to preserve a rationale for collective defence. For the non-nuclear nations in NATO, an explicit counter-assurance was imperative:

NATO members must have confidence that their allies will honor their pledges to defend any one of them that may be attacked. The greater the threat, the greater the need for confidence. Yet France openly expresses doubt that the United States can be relied upon to invoke its retaliatory power in response to a Soviet attack that is confined to Europe—no matter how aggressive and destructive it may be. The dread logic is familiar: because a big nuclear strike involves the risk of suicide, it is not credible that a nation will launch it unless its own homeland has been attacked. Hence, a bold enemy will not be deterred from attacks upon our allies. Clearly

9 Hedley Bull, 'Western Policy and Nuclear Proliferation in Asia', World Review, October 1967, pp. 8-10.
there is something in the argument, but as formulated it is misleadingly simple and cannot be allowed to stand. For if 'defense of one's homeland' is the only circumstance in which nuclear retaliation is credible, then a French nuclear force does not, for example, provide a credible defense for attacks on Germany, or Turkey, and so on. Thus, NATO members are driven back to self-defense where it matters most, while enjoined somehow to preserve collective defense in the conventional field where it matters a great deal—but less.10

Where the 'battery of sophisticated argument and scientific analysis' entered was in the elucidation of an American strategy for controlled nuclear response, whose operational requirements conflicted head-on with those for non-integrated national nuclear forces in NATO. Why mention the 'sophisticated argument' as Professor Bull does, if it is not even going to be summarised? It was central for relations among powerful allies, as is best evidenced by the harmony resulting from continuous operational co-ordination of British strategic forces with American forces (both directly and through NATO via SACEUR's continuous link to strategic planning at Omaha), and the acute disharmony resulting from French non-co-ordination. So part of this argument bears repeating, as it was expressed at the time:

But we can preserve the option to try, by adopting a policy of city-sparing, to maintain the power to deter, rather than deem deterrence wholly to have failed if nuclear war occurs. . . .

In describing this novel possibility in our nuclear policy, we had best avoid the term 'counterforce'. Traditionally this term has implied the all-out strike, with city destruction regarded as a bonus rather than a disadvantage. The opponents of traditional counterforce forecast dimmer and dimmer hopes that it would be effective, and because it cannot confidently be expected to be nearly 100 per cent effective, they dismiss it as an acceptable strategy. But as the enemy's retaliatory capability becomes less vulnerable to the classic counterforce strategy, city-sparing becomes more important, not less so. If a nation is sure that hitting the enemy all-out will lead to intolerable retaliation, then it must aim to induce restraint in the enemy rather than to reduce his capability. It may well choose to do so by restrained counter-military attack—even when many enemy forces are thought to be invulnerable—as the best of bad gambles in a situation that is almost by definition desperate.

The novel aspect of possible American nuclear strategies rests on the concept of what not to hit. The estimate of what, specifically, it is feasible to hit may change, although common sense suggests that no collection of military targets is likely to be composed entirely of targets that are either very difficult or very easy to destroy. At any moment of time there will be a mix. . . .

Given our ability to affect both the enemy's capability and his intent, it is Khrushchev, not President Kennedy, who then faces the decision whether to exercise restraint or 'to commit suicide'. The possibility that the Soviets might face such a paralyzing choice is itself a great deterrent to an attack upon Europe in the first place. Barring always the possibility that the Soviet

leaders are blind or mad, this makes a massive attack on Europe alone exceedingly unlikely. Yet even if it happened, an American response that spared Soviet cities would offer the best remaining chance of preserving some measure of deterrence after hostilities had started. Thereby we could bring tremendous restraining influence to bear upon the Soviet government to keep the Red Army and their missiles in check in order to preserve their society. If America supplies the best ultimate deterrent (a secure threat of unlimited retaliation), plus the last best hope, should nuclear war come, of stopping short of a holocaust (the capacity to coerce the enemy by exercising restraint in selecting targets), the Europeans more than anyone should wish to make sure that this deterrent is able to perform. But could our strategic forces fulfill their promise if concurrently a force de frappe were doing what it will presumably be designed to do—namely to destroy Soviet cities—while American forces are taking pains to spare them?\(^\text{11}\)

These old polemics from Europe are directly applicable to current and future interallied issues in the Pacific, both as to substance and tone. We shall avoid neither controversy, nor, regrettably, resentment, but we can certainly strive to eliminate disruptive misunderstandings. Let us, therefore, first, apply the old lessons where applicable; and, second, see how they might be modified to fit a very different Asian threat in a different geographic and political context.

**Objective Criteria for an Idealised Counterbalance**

In the guiding doctrine for an Asian nuclear counterbalance (whether provided by a single force or by several properly co-ordinated forces) controlled nuclear response is a theme even more applicable than in Europe. How should one answer when asked whether allies 'believe, and will China believe, that America [or Australia, or 'X'] will risk its cities to save theirs'? One answers by transferring the onus for initiating any city-destroying attack to the enemy, via a capability of one's own for effective, but city-sparing, retaliation. Retaliation against what? Either against those Chinese military targets that remain vulnerable and whose number, considering the Republic's strategic dilemmas discussed above (pp. 165-72), may be great; or against economic targets whose location and other characteristics permit collateral damage to civilians to be minimised. An American capability for 'assured destruction' against Chinese urban populations, held in reserve, can be taken for granted. The Chinese cities will not fly away overnight, while, because the Republic will obviously lack Soviet-league counterforce capabilities, an American capability to attack Chinese cities, if ever needed, can easily be assembled by redeployment and mobilisation of strategic forces.

A capability to provide a set of appropriate 'controlled nuclear responses' against the Chinese Republic, in contrast to reserve capabilities for 'assured destruction', should be poised and ready at all times. Further,

\(^\text{11}\) Ibid., pp. 8-9.
it should include a sizable ballistic missile component, given the possibility that the Chinese might adopt a risky declaratory policy of retaliation-upon-tactical-warning. Then double insurance, imperfect to be sure, would be provided against this eventuality. Not only might the Chinese Republic be dissuaded from such risky doctrine, because her leaders would perceive that Western retaliation would probably not initiate city destruction, but ballistic missiles could be used to minimise tactical warning time. Ballistic missile attack would give them, at best, a few minutes of warning, and, at worst, zero warning—compared to the 'X' minutes or hours that they require.

Emphasis is deliberately put upon retaliatory city-sparing capabilities—to whose preferred characteristics for Asia we shall immediately return—because the credibility-enhancing provided by American ABM protection against China has been overpublicised. The protection against the Chinese threat that would be provided by a fully deployed Safeguard ABM system would be thorough, but too great a stress by the United States upon this protection in its declaratory policy could create, in foreign eyes, a misleading impression. Americans must not seem to fear the Chinese Republic threat too much because they seem to value ABM defence against 'third countries' so highly. Such defence enhances the credibility of American nuclear guarantees in Asia, without being essential for credibility. Credibility is provided primarily by appropriate retaliatory capabilities, not defences, although the one enhances the other. Specifically, Safeguard could be expected to perform even better against a 'ragged' Chinese Communist attack, with fewer, unco-ordinated ICBMs that had survived military attack, than against an unlikely attack from an undamaged Chinese force. Chinese planners will appreciate the complementarity.

The idealised anti-Chinese People's Republic retaliatory capability should also, if possible, be 'decoupled' from anti-Soviet capabilities. Why? If one is taking precautions against unnecessarily unleashing a Chinese city-destroying holocaust, how much more important it will be to avoid provoking a Soviet reaction! How? Several cautions are apparent. If ever anti-CPR operations are necessary, the 'hot-line' should inform Moscow clearly that no damage to the Soviet Union is intended. Over-flight of the Soviet Union by missiles or aircraft should be avoided. Earlier we spoke of a Chinese Communist need for an 'all-azimuths' retaliatory capability. In reverse, it appears desirable to yield to the Soviets any coverage of the Chinese nuclear threat from the north and the west, to avoid flight over Siberia.

Our criteria for an idealised nuclear counterbalance against the People's Republic thus clearly imply a capability based in the Pacific theatre, so that Chinese territory can be penetrated at any time from the south or the east. Political implications become more evident. A criterion
can be added out of consideration both for allies directly and for the Soviet Union. If we are concerned with a capability for military precision that can spare Chinese civilians, we are surely even more concerned that collateral damage to civilians outside China be minimised. Prevailing winds blow, sometimes strongly, from west to east. Clearly, one wants to minimise radioactive fallout levels, which puts a premium upon accurate, small-yield, air-burst detonations.

As to numbers of missiles and bombers, we obviously cannot be specific. As a loose generalisation, strategic ‘sufficiency’ should somehow be apparent. This expression need not here be meaningless. The United States, under a future Chinese medium-range missile threat to its vulnerable remaining bases in the Pacific, with no active (ABM) defences against this threat, will share with its allies in the area an obvious desire to cover this threat as well as the intercontinental threat. This joint desire, bred of joint vulnerability, will be as conducive to harmony about target coverage as it has been in NATO.

As we put our list of criteria together, a picture emerges of a desirable ‘Asia-specialised’ deterrent capability in, or quickly deployable to, the Pacific theatre. Politically, one trusts, Asian allies would readily identify protection against the Chinese nuclear threat with such an Asia-specialised force. For its part, the United States can create the force with words, since a mixed missile/aircraft capability already exists in the theatre (with approximately seven Polaris-carrying submarines). For the future, our idealised criteria imply refinement and modernisation of existing capabilities. Matters become politically more sensitive as alternative basing is considered. For its part, the United States can welcome a flexibility to base its forces wherever cost-effectiveness criteria can best be met in the theatre.

CONTINUING COMPLEMENTARITY OR A PURELY ASIAN EQUILIBRIUM?

Asian Self-Identity?

Having put the case for an idealised Asian-specialised nuclear counterbalance to the Chinese People’s Republic that, even in technical terms, should be based in the Pacific theatre, we must move beyond technicalities. A host of related issues, above all those involving the non-nuclear balance of power in Asia, turn sensitively upon political affinities. Thus, for example, would there be added credibility for an Asia-specialised nuclear force if it were prominently based in Pacific nations (for example, Australia) rather than relying primarily upon American territory (for example, Guam)? Would there be an enhanced sense of Asian

protection? Such questions derive from the broad speculation whether there is, or can be, an Asian counterbalancing power.

Alternative answers, whether from those who seek to create some Asian collectivity or those who do not, turn on issues of feasibility even more than desirability. About the existing situation there is no dispute: 'In any positive sense Asia is merely a geographical expression.' About the main obstacle to creating an Asian collectivity that would serve security purposes, even beyond obviously limited resources, there is also agreement: 'There is between them [Asian nations] no diplomatic cohesion, or joint political will, or tradition of alliance or military co-operation, or power to make joint decisions, that can foreseeably be expected to match China's ability to make her own decisions'. Finally, beyond feasibility issues, Americans as well as Asians might desire some Asian unity that permitted a responsible lessening of American burdens, as well as 'decoupling the various centres of tension in the world to prevent a conflagration in one area engulfing others.'

Here consensus stops short. For, having had the temerity to dispute Professor Bull on the same ground, this paper must even quarrel with no lesser authority in Alastair Buchan. While speaking of 'decoupling', he likewise might temper antiproliferation policy in the interest 'of a primarily Asian balance of power':

I think a case could be made for an Indian and a Japanese second-strike capability and even, if need be, an Australian nuclear weapon system—if all efforts to contain nuclear weapons fail—rather than trying to maintain an American umbrella over so vast an area in which no direct American interest is involved. . . .

If and when the status of Taiwan is ever settled, American naval power could be withdrawn to the longitude of Hawaii, thus helping to assure China that the United States does not have aggressive or imperialist designs on her, without impairing the ability of the United States to intervene swiftly in the event of serious conventional aggression in Southern Asia, still less to offer overwhelming counter threats to any Chinese nuclear threat to an Asian power.

Would not such Asian nuclear forces, if militarily relevant to collective defence, be coupling rather than decoupling devices? Those who propose such forces typically find them economically feasible, in the French pattern, by designing them blunderbuss-fashion solely for counter-city retaliation. Unless their use is utterly incredible in any situation except the one in which their cities have been hit, their use would defeat, rather than assist, any city-sparing deterrent objective of concurrent American nuclear operations, as earlier noted. Their use might unleash

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16 Ibid., pp. 68, 70.
the holocaust, not prevent it, especially if Chinese planners had been
driven to one-option massive retaliation, as we cannot be sure they will
not be. Operational incompatibility with 'controlled nuclear response'
makes such forces contribute negatively, at worst, and zero, at best, to
collective defence. One also notes incidental operational difficulties;
for example, American submarines must be west of Guam, not 'with­
drawn to Hawaii', if their missiles are to avoid flight over Siberia.

But why fret about utterly improbable nightmares? We need merely
remove pretence and wishful thinking from the arguments. An Indian
nuclear force will not be created to fire at Chinese cities if Australia is
attacked, nor an Australian force to fire at Chinese cities if India is
attacked. If there comes to be an Australian nuclear force, this outsider
conjectures that it would follow what has come to be the British pattern
rather than the French pattern. Its strategic rationale would thus be
twofold: first, to complement American nuclear guarantees, as proved
by detailed operational co-ordination that would preclude the possibility
of its being to a conflicting purpose; while, second, providing insurance
for Australia against the eventuality, however unlikely, that the Ameri­
can guarantee would cease to apply. This rationale would be much less
abrasive for future Australian-United States relations than if Australia
followed the French pattern. How a nuclear option is kept open, or pur­
sued, may be as important for international relations as the fact that it
is a conscious object of national policy.

Nonetheless, however pursued, an Australian nuclear capability would
probably be more troubling to our hitherto tranquil relations than any
other single development. Given the Non-Proliferation Treaty, plus the
severe constraint that the United States by assisting one ally in a 'special
relationship' would draw outraged demands for like treatment from
others, a co-operative program would be impossible. At each step along
the technical road, Australian pride in independent development would
be accompanied by resentment that American non-co-operation had
made its path more difficult and expensive. The problem would not be
that Australia could not afford nuclear weapons. The problem would
be that it could—at, however, a cost to allies that would probably be
measured in a heavy diversion of Australian military expenditure from
conventional capabilities.

Modernised Complementarity?

Before concentrating upon non-nuclear issues, where an American
critic abroad is in the happier position of being able to scold his own
country for current developments as well as other countries, let us
briefly note that our idealised Asia-specialised nuclear deterrent might
or might not provide new roles for Asian allies, depending upon their
assessments. The United States need not press for new bases, nor rush
to get out of old ones, so that it need not disrupt relations on this account. It can try to accommodate to allied desires. Does a particular ally (for example, Australia) want to be a host country for a strategic force, because it values the added credibility of a nuclear response to deter any attack upon its soil, and deems this value to outweigh the 'lightning-rod' risk that the base installations may incur attack? This evaluation is one for each possible host to make, while the function of the United States is to listen. Naturally, other grounds (cost, vulnerability) may lead the United States to a different opinion. Similarly, each ally must ponder its attitude toward neighbours. If others in Asia serve as hosts, will there be a symbolic strengthening of credibility? Will it outweigh any loss in credibility resulting from the appreciation that other hosts may impose a second veto upon force employment?

More generally, nothing debars allied participation in many modern delivery and other weapon systems in the Pacific, in the pattern that prevails in NATO Europe, provided that secure custodial requirements for American nuclear weapons are maintained. A concern with conventional capabilities need not preclude dual-capable weapon systems. Nor need it imply that allies be confined to rudimentary tasks, whether as infantrymen in battle or as non-producers of modern material. Allied demands for 'modernity', in short, could, within reasonable limits be met. Each case will present difficulties for America relations, but not unsuperable ones.

Having concentrated on nuclear issues, we are left with too little attention to the non-nuclear balance of power in the Pacific, with its implications for roles and relations. The nuclear/non-nuclear issues, of course, are intimately related. About the perennial question of nuclear credibility, the best answer, as Professor Bull eloquently reminded us in the same article, is provided by a capability to meet military challenges without having to use nuclear weapons. Nonetheless, our comparative neglect of non-nuclear issues is deplorable even for this conference, while it would be inexcusable for a conference to be held, for example, in Seoul rather than Canberra.

The problem, obviously, is that our nations are all groping for a post-Vietnam policy, at a time when the outcome of the war is unclear. Worse, our pained reflections make it clear that our old policy was not as clear as this author, among others, thought it was. In a rereading of valued articles for the purpose of preparing this paper, nothing was more impressive than Coral Bell's strictures against the export of misleading analogies from Europe to Asia. In consequence, let us replace the popular slogan about mainland China, 'Containment without Isolation', with 'Balance without Isolation'. There never was a convenient

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17 Bull, p. 6.
'Iron Curtain' in Asia to give some meaning to 'containment' as there is in Europe. For a parallel, one finds only the demarcation line in Korea, where, fortunately, the Republic of Korea disposes some 20 toughened divisions to defend a fortified front of but 153 miles.\footnote{The Military Balance, p. 45.} In Southeast Asia one finds neither a clear-cut 'line' nor a comparable strength relative to geography and possible foes, but only a comparable United States commitment (specifically for Thailand). One fully expects commitments to be honoured. Yet this critic, for one, much prefers that they be met without undue reliance upon nuclear initiatives.

As this paper shares Mrs Bell's view that nuclear proliferation in Asia is a greater evil than 'the cost and risks of the Western powers remaining in the Asian balance', it must acknowledge the resultant obligation for the United States, despite American war-weariness. But we must separate academic advocacy from prediction. It was easy to foresee, as a new Administration came to power in Washington in 1969, that 'the most vulnerable target for would-be economisers' in defence spending was the old policy guidance that U.S. General Purpose Forces be ready to meet 'two-plus' major contingencies concurrently; easy to fear that this vulnerability would be exploited, despite counter-argument; and easy to deplore the probable impact in Asia, not least in providing a bad rather than a good example for Australia and New Zealand in their attitude toward the protection of Malaysia and Singapore.\footnote{M. W. Hoag, 'What New Look in Defense?', World Politics, October 1969, pp. 7, 26-7.} These fears have been realised, for understandable reasons. More austere budgetary guidance for American planners will lead to lessened capabilities for meeting concurrent contingencies with General Purpose Forces.\footnote{Statement of Secretary of Defense Melvin Laird, The New York Times, 17 October 1969, pp. 1, 9. See also the issues of 19 October, pp. 1, 44; and of 24 October, p. 12.}

Lessened non-nuclear capabilities do not mean zero capabilities, nor defaulted commitments. While their views are an important sign of the times in America, it is outside critics, not officials, who directly link a reduction in 'the preparedness requirement from a capability for simultaneously fighting two major wars and one minor war, to a capability for one major and one minor war at the same time' to a proposal of their own for a reduced American commitment to Thailand, as a specific example.\footnote{G. Allison, E. May, and A. Yarmolinsky, 'U.S. Military Policy: Limits to Intervention', Foreign Affairs, January 1970, pp. 254-60.}

Nonetheless, the revised budgetary guidance for U.S. military planners has direct and unpleasant relevance for the thesis of this paper. Taking moral and other shared reasons for opposition to nuclear proliferation for granted, we have noted that this opposition would be buttressed on military grounds if, firstly, non-nuclear defences were made adequate
against feared non-nuclear challenges, and secondly, additional nuclear forces threatened to conflict operationally with the controlled nuclear options that offered the best chance to avert any nuclear holocaust. One wishes that the first of these two grounds were as strong as needed, and it behoves each of us to try to persuade his government toward its full share of the resultant obligation. One measure of our failure of persuasion will be worsened relations between our governments. Opposition to nuclear proliferation in Asia will exacerbate relations even more, as its military rationale rests more on the second ground than the first. In any event, an American critic has a double obligation: He should, additionally, try to persuade his government to refine its capabilities for controlled nuclear responses.

Our existing relations are so cordial that one wishes that they could simply continue, with no new disruptive issues. This does not appear likely, but surely our relations are more than cordial. Above all they are staunch enough to withstand the most candid of discussions in advance, on the most unpleasant issues (as in this paper); and, with possible misunderstandings removed, to preserve the tradition of cooperative interdependence in whatever new pattern appears to be best.

A NOTE ON METHODOLOGY: WHICH FUTURES?

Where prediction is as difficult and hazardous as it is in foreign affairs, any forecast that one particular set of national options will prevail is likely to be wrong in more than one crucial respect. Moreover sophisticated methods may not yield more accurate forecasts than simple methods. Thus, econometricians, who are developing ever-better predictive models for national economies, have become accustomed to testing their intricate results against those that would follow from the simplest, or 'naïve', hypothesis—namely, that tomorrow will be just like today, whether predicting levels of employment, prices or whatever.

The naïve hypothesis will yield imperfect predictions, of course, because tomorrow is never exactly like today, but it does not necessarily yield greater error than alternative methods. The famed example was supplied by immediate post-World War II American economic experience, when the complicated econometric models of the day mostly predicted recession instead of the inflationary boom that continued.23 Contemporary econometricians have vastly more refined techniques at their disposal and a better record of prediction. Nonetheless, experience has taught them caution. Few are optimistic even today about their ability to provide a basis for the 'fine tuning' of national economies, so that neither inflationary nor deflationary deviations of noticeable dimen-

sions need be experienced. Rather they are optimistic only about their ability to provide a solid analytic foundation for ‘gross tuning’, so that there need never again be the cyclical excesses of the 1920s and 1930s, which is accomplishment enough.

Specialists in international relations, of course, need dwell on this analogy from econometrics only if tempted to become exuberant about their forecasting skills, which is unlikely. These specialists are typically modest about their predictive powers. While long aware that the variables in their analytic models were not conveniently measured in money or any other common denominator, they now find that one methodological trend in their profession complicates matters further at the same time that developments in their skills and in computational aids offer some promise for handling complexity better. This trend is toward penetrating beneath abstract concepts of ‘nations’ towards a knowledge of complex bureaucracies within national executives, and of complex factions within national political parties and movements. But this laudable trend toward greater depth and realism in analysing national political forces generates more alternative ‘futures’ to be considered for a nation that will create appreciable differences in its foreign policies—for example, alternative governing régimes (China?) and alternative distributions of power within departments or bureaus. When considering alternative future states of international relations, this resultant enlarged number of alternative national possibilities can be arrayed, in turn, against similarly enlarged numbers for each of many other nations or groups of nations—at least for each major ally and each major possible foe—which yields possible combinations whose number can soar in an exponential rather than merely additive manner.

The specialist in international affairs need not, one hastens to add, despair about any useful forecasting. Putting ‘alternative futures’ for international relations in a combinatorial way, as in the paragraph above, supplies a sobering corrective for rash newcomers who might otherwise never think about the multiplicity of possible alternatives. The astute specialist will not need this corrective. Instead, he can use the combinatorial perspective merely as a checklist if he so chooses; for it is precisely his knowledge that can eliminate entire subsets of what might appear to be mathematically conceivable combinations, because they can be shown to incorporate political contradictions. They can be dismissed as utterly improbable, which begins to bring the problem of alternative futures back toward manageable size. But further reduction is needed, which presents a greater challenge to his skills. Depending upon the particular policy purpose that motivates an analysis, he can try to apply joint criteria of probability of occurrence for a particular future, and of its importance or interest if it occurs, in order to focus
upon a manageable number of 'salient futures.'

For present purposes, we need note only that such criteria of judgement are difficult to apply and obviously subject to challenge; that systematic efforts to project such 'salient' futures are in their early stages, rather than having been tested for years (compared, for example, with econometrics); and, accordingly, that cautious projection is still more likely to leave one with embarrassingly large numbers of alternative 'salient futures' than with few of them.

DISCUSSION

It was argued by an Australian speaker in the discussion that, while one could subscribe to the 'classical monopolist view of nuclear capability' which the paper was held to represent, the case for non-proliferation was being weakened or downgraded in the United States, and elsewhere, as American guarantees to allies became less and less persuasive. There was therefore a conflict in United States policy objectives, between the discouragement of nuclear proliferation and the desire to effect a speedy military disengagement from Asia. It was now questionable whether in fact Washington could offer effective guarantees to Asian states against the threat of Chinese attack. In all the argument over nuclear strategy, there was a danger in confining the debate to basically technical questions, within a restricted parameter, taking little or no account of such a central question as how countries of the region would be likely to respond to fear of Chinese nuclear attack.

There was argument also whether, in the early 1970s at least, American assurances against China ought to be credible, and how such credibility was really measured. It was remarked that the reactions of Asian powers to Chinese nuclear capability would probably be more psychological than mathematical—although it was countered that in Western Europe, France was the only country which had based its foreign policy on doubt about the credibility of United States nuclear guarantees.

Consideration of the extent of co-operation in nuclear matters which existed in NATO through the 'McNamara Committee' led to a further discussion of Dr Hoag's observations about the possibility of a closer co-operation developing within the ANZUS alliance, essentially between the United States and Australia. The paper had also raised the possibility that nuclear bases on the model of Guam or Holy Loch might be useful in allied (presumably Australian) territory. It was made clear on this

24 For the phrase and this discussion, I owe much to the pioneering efforts of colleagues Charles Wolf, Jr, and Wayne Wilcox. See Wilcox's forthcoming study, tentatively titled 'Forecasting Strategic Environments for National Security Decision-making: A Proposal and a Method,' The RAND Corporation, Santa Monica, California.
and subsequent occasions that this was merely an intellectual inquiry, not a proposal: the United States was not a supplicant looking for bases. An Australian response was unequivocal: it would take a remarkable change in Australian politics to allow even one American nuclear silo to be built on any portion of Australian territory. Several New Zealand speakers reinforced this point of view in their own national case.

The remaining discussion centred on China. It was remarked that the Chinese might well be proceeding with their nuclear development less on the basis of any clear strategic plan than simply from the perception of a nuclear threat to themselves from the United States or the Soviet Union. It was questioned also whether the Chinese position was in fact ‘desperate’ from the Chinese point of view. But there was some concern about the decision making process in China, consequent upon the cultural revolution. Who would take a decision in China to use nuclear weapons and how?

The discussion concluded with the observation, in summing up, that the best way for allies to influence United States policy and have some part in the consideration of questions of nuclear strategy would be a committee or consultative arrangement similar to the NATO model.
Asia in the 1970s

Before proceeding to the consideration of United States policy problems and future options, I believe that I should set down briefly at least my major assumptions concerning the Asia to which the U.S. must adjust and seek marginally to influence in the decade which has just begun. To conserve space, these assumptions will be stated somewhat starkly and without many of the qualifications that would be appropriate in a full and balanced exploration of Asia's prospects.

1 Japan will continue to grow rapidly in wealth, prestige, national self-confidence, diplomatic influence and—at least potentially—military power. Prospects for domestic stability are good.

2 China, at best, will keep pace economically with its population growth and—with one important exception—will not significantly increase its ability to project power or exert influence beyond its own borders. The exception concerns the long-heralded Chinese nuclear weapons capability, which will become an actuality in the mid-1970s. Renewed internal disorders are possible, particularly in connection with the coming leadership succession, but neither civil war nor fragmentation of the nation is likely.

3 The Sino-Soviet dispute will continue to bar effective and sustained co-operation between Moscow and Peking. Hostilities between the two communist powers cannot be excluded.

4 Indonesia will continue to be preoccupied with its domestic, political and economic problems, and as a consequence will fail to realise its aspirations for regional leadership. Political and economic stability will remain fragile.

I have chosen to interpret my assigned topic as referring to the options of the United States alone and to leave to other better qualified participants the definition and analysis of the options of Australia and New Zealand. Geographically, I propose to deal only with the area east of India, north of Australia, and south of the USSR. For convenience and brevity, this area will be referred to as 'Asia'. Within the area, greatest emphasis will be placed on East and Southeast Asia. The views expressed are entirely my own.
The smaller non-communist powers of the area will in most cases prosper economically and pursue increasingly nationalistic foreign policies.

General war involving the United States and the Soviet Union will not occur.

All of the above assumptions could, I believe, be defended on the basis of existing trends. If accepted, they provide some useful guidelines for an examination of strategic and political options. Unavoidably, however, they leave large areas of uncertainty. In part, this uncertainty can be resolved only when the future course of United States policy becomes clear. Even where American policy appears to be of most critical importance, as in mainland Southeast Asia, local imponderables render prediction extremely difficult. Thus, precise foreknowledge of United States actions would not reveal fully the political future of South Vietnam, the outcome of the prolonged struggle in Laos, or the impact of events in Vietnam and Laos on the domestic stability and international orientation of Thailand.

Other major uncertainties exist for which the relevance or weight of American policy is itself unclear. These include most notably: the prospects for regional co-operation in Asia; the possibility of a major shift in Chinese foreign policy toward either greater belligerence and risk taking or greater emphasis on diplomatic manoeuvre and 'peaceful co-existence'; and the skill and vigour with which the Soviet Union will seek to advance its interests in various parts of Asia.

Still other uncertainties are best viewed as contingencies—events which are possible rather than probable, but whose occurrence would significantly affect United States interests. In this category fall a variety of possible wars, including a new outbreak in Korea, a Chinese Communist attack on the Nationalist-held offshore islands, a new round of hostilities between India and Pakistan, various other conceivable clashes between non-communist powers (Thailand versus Cambodia, Philippines versus Malaysia and so on), and—most cataclysmic of all—major hostilities between China and the Soviet Union. Other contingencies deserving mention include the acquisition of independent nuclear weapons capabilities by one or more non-communist Asian powers (India? Japan?), the outbreak of serious civil strife in China and new successes for the communist strategy of 'people's war' (Burma? Thailand? Philippines? Malaysia?). Individually, these contingencies are unlikely, but one or more almost certainly will happen, and to that extent our calculations will be thrown off.

If so much is uncertain, one may fairly ask, is there any solid ground on which a policy can rest? The answer, I believe, is clearly affirmative. First, the likelihood of Japanese strength and Chinese weakness provides fairly solid underpinnings for a rational Asian policy. Second, many
elements of uncertainty are really the subject matter of policy, rather than obstacles to policy formulation. Resolving uncertainty in a favourable way is in fact the name of the game.  

UNITED STATES INTERESTS AND COMMITMENTS

Interests

Along with other nations, the fundamental concern of the United States on the world scene is to bring about conditions favourable to the survival and healthy growth of its own society. Such conditions, in Asia and elsewhere, have come to be defined somewhat loosely as an open, peaceful, and co-operative international system covering as large an area as possible. Through such a system, the United States could hope to avoid war and benefit from trade and the free movement of ideas and people. Because of a deep, if imperfectly articulated, belief in the need for a system which provides a congenial international environment, the American people for many years have tended to react unfavourably to gross violations of the system’s ‘rules’ even though no direct threat to the United States was involved, and to be concerned when even relatively insignificant areas were detached from the system. This attitude may now be changing.

The frustrations of the Vietnam war have not caused Americans to give up as a bad job their effort to shape the international environment. The effect has instead been to stimulate a more critical and discriminating approach to the question of national interests, especially in Asia. The desired international system is coming to be seen more realistically as a complex of relationships among units of greatly varying importance. Stability of the system is given priority over observance of ‘rules’, and sharp lines are no longer drawn between areas in and out of the system.

In short, I believe that the fundamental United States interest in Asia will increasingly be defined in the once unpopular terms of creating and maintaining an advantageous and stable regional balance of power. Such a balance will necessarily be highly complex internally, in its interactions with other regional systems, and in its relation to the global balance between the two superpowers and their major allies.

At present, the United States-Japanese connection—military, diplomatic and economic—is the critical element in the balance of power in Asia and the Pacific, but this need not be the case forever. As Japan grows in economic power and military potential and seeks a greater role

2 In the case of discrete, adverse contingencies, this takes the form of seeking by timely action both to reduce the prospects of their occurrence and to contain their impact if they do occur. In the case of a broader spectrum of possibilities (for example, the range of possible Chinese foreign policies) the effort is to influence events toward the more attractive end of the spectrum.
in international decision-making, relations between Washington and Tokyo will take place increasingly in a global context. In Asia, the United States may shift from viewing Japan as primarily a counterweight to China and begin to see a concurrent need to forestall in some way an excessive degree of Japanese domination over much of the region.

The American interest does not lie in any single set of balancing relationships, but in a balance of power which:

1. Can be maintained under most circumstances without direct application of American military power.
2. Involves a low risk of major conflict.
3. Permits American citizens to trade, invest, and travel in much of the region.
4. Avoids domination of the region, or a major part of it, by any single power or combination of powers.

These four criteria for an advantageous regional balance of power can in fact be taken as standards for assessing the degree to which any particular strategy accords with United States national interests.

Commitments

Commitments are made in support of interests as they are perceived at a given point in time. Since both the real world and perceptions of it change, discrepancies can arise between commitments and the underlying interests which they are supposed to promote. In part, this is what critics of United States foreign policy mean when they say that the United States is over-committed in Asia.3

To the extent that these critics are right, the present set of American commitments should of course be pared down. Rapid and drastic reduction in commitments, however, cannot in most cases be effected without unacceptable political cost. The most that can usually be done in the near term is to modify commitments through interpretation, possibly reinforced by a change in the United States posture toward the areas in question. Even so, valid commitments must, in some sense convincing to others, be honoured. Commitments therefore constitute real constraints on the future options available to the United States.

A full inventory of the United States commitments in Asia is not necessary to the present discussion and is in any case easily available elsewhere. The most important commitments for present purposes are of course ANZUS, SEATO, and the bilateral mutual security treaties

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3 Without conceding that the United States is over-committed, President Nixon made much the same point in his report to Congress when he said: 'We are not involved in the world because we have commitments; we have commitments because we are involved. Our interests must shape our commitments, rather than the other way around.' United States Foreign Policy for the 1970s. A New Strategy for Peace. Report to the Congress by President Nixon, 18 February 1970, p. 7.
with Japan, the Philippines, the Republic of Korea, and the Republic of China. However these treaties might be reinterpreted, they would still require the United States under some circumstances to come to the defence of specified areas scattered over the huge expanse stretching from West Pakistan to New Zealand and from Australia to South Korea and Japan.

MAJOR PROBLEMS

A thorough exploration of all the major problems facing the United States in Asia would fill several books. Even a brief and necessarily superficial examination of some of the more difficult problems, however, will throw light on the nature of American options and on the advantages and disadvantages of each.

The Problem of Deterrence

Ever since the Korean war, deterrence of Asian communist aggression has been a major, often a dominating, component of American policy. The American involvement in Vietnam has been justified almost as much in terms of deterring possible future aggression as in terms of honouring a commitment to help turn back actual aggression. The way in which Americans have viewed the problem of deterrence has, however, changed greatly over the years. Few people today believe in the reality of a monolithic communist conspiracy to rule the world. Perhaps equally important in Asia, the vision of a wildly aggressive Chinese Communist régime commanding hordes of fanatical troops has been replaced by a more realistic appreciation of the vast gulf between Chinese words and Chinese capabilities.

The danger in fact exists that the threat of conventional communist aggression may have been downgraded too far. A good case can be made for the proposition that Peking has always acted prudently and probably does not now contemplate launching its armies against any neighbouring area. We must remember, however, that in this case, prudence may be more induced than innate. We cannot be sure that Chinese behaviour would not change if the risks of conventional aggression were sharply reduced by a change in the United States posture and policy in Asia. Moreover, even if the Chinese armies never moved beyond their present borders, a real or apparent weakening of the present United States deterrent could increase the psychological and political weight of Chinese conventional military power to the disadvantage of the United States and its allies.

There will then continue to be a problem of deterring conventional Chinese aggression in the 1970s. Much the same conclusion appears warranted for the lesser Asian communist powers, North Korea and North Vietnam. The critical question is of course, what will be required
for effective deterrence. Must the United States maintain, or even strengthen, its present military posture in Asia and the Western Pacific? Can the United States, relying on improved mobility, maintain an effective deterrent from a distance? Can Asians assume more of the burden of their own defence? If so, what changes in American military assistance may be in order? Might regional security arrangements significantly increase Asian defensive capabilities, or at any rate reduce the political and psychological weight of the Asian communist conventional threat?

Finding answers to these and other relevant questions is complicated by the fact that the conventional threat forms only part, and possibly the simplest part, of the deterrence problem. The nuclear threat and various forms of unconventional aggression (subversion, terrorism, and external support of insurgency) must also be considered, both for the special problems posed by each and for their bearing on the problem of deterring conventional aggression.

Somewhat paradoxically, the bitter and frustrating experience in Vietnam provides some grounds for optimism concerning the ability of non-communist governments to cope with the unconventional communist threat. We now realise that Vietnam is probably a unique case, not likely to be duplicated elsewhere. It is most unlikely that the organisers of other 'peoples' wars' will possess the combination of favourable circumstances enjoyed by the communist side in South Vietnam: a recent history of communist-led anti-colonial struggle; superior, dedicated leadership; a political infrastructure developed over a generation; a target area with undeveloped political institutions; a secure base outside the target area; a large, well-trained army; and terrain favourable both for guerrilla operations and infiltration of men and supplies.

In Vietnam, we have also learned through trial and error a great deal about what works and what fails in different insurgency situations. We have also learned the critical importance of countering unconventional aggression while it is small and of keeping it from growing almost imperceptibly into conventional aggression. By forcing a discontinuity between unconventional and conventional aggression, we may hope to bring to bear effectively the measures designed specifically to deter the latter. And perhaps most important of all, we have learned that the injection of military power from outside can supplement, but not substitute for effective action by local authorities. The critical uncertainty generated by the Vietnam experience is whether the United States with or without allied support, will do what is necessary short of military intervention to help cope with other instances of unconventional aggression.

Past experience is of little help in assessing and dealing with the emerging Chinese nuclear threat. For the first time, the United States faces two nuclear-armed enemies. Even Soviet experience in facing three
nuclear powers offers no instructive insights, since use of British and French nuclear capabilities without virtually simultaneous involvement of United States nuclear forces is most unlikely. Given the continued hostility between Moscow and Peking, however, Soviet and Chinese nuclear weapons must be taken in most foreseeable circumstances as independent variables in the equation of international power.

Stable, mutual deterrence between the United States and the Soviet Union does not automatically ensure a similar condition between China and either of the superpowers. The need to create forces to deter China may in fact eventually have a destabilising effect on the strategic balance between the United States and the Soviet Union.

Ideally, some means should be found to decouple the American and Soviet deterrents against China from those balancing one another. In practice, this will be very difficult. ABMs, anti-aircraft systems and passive measures of civil defence cannot be directed exclusively against a specific offensive nuclear force, but degrade the effectiveness of all such forces. The same is generally true, in greater or lesser degree, of all mobile offensive systems (missile-firing naval craft, carriers, bombers, etc.) and of long-range fixed systems. (The Soviets, for example, would be unlikely to accept assurances that a fraction of the American ICBM force is designed solely to deter China, since the same missiles could reach the USSR.)

The best means of decoupling the United States and Soviet deterrents of China from the larger American-Soviet strategic balance would be to deploy fixed MRBMs to sites close to China from which they could not reach the United States or the Soviet Union. Because of its long land border with China, this strategy is more available to the Soviet Union than to the United States.

The impact of growing Chinese nuclear capabilities on the American-Soviet relationship is, however, a problem that will not become acute for some years to come. The more immediate problem, which is virtually upon us, is the possible effect of even a modest Chinese nuclear weapons capability on the credibility of the American deterrent posture in Asia. In this connection, the potential significance of long-range delivery systems which could reach the continental United States differs from that of medium-range systems which pose a threat to several United States allies and bases in Asia and the Western Pacific. (For convenience, in subsequent discussion the first will be referred to as ICBMs and the second as MRBMs, even though the single Chinese G-class submarine does in

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4 The decoupling problem, it might be noted, is not identical with the question of whether a part of the United States nuclear deterrent should be clearly China-oriented. Thus, aircraft carriers habitually operating south of Japan and north of the Philippines would be regarded by the Chinese as intended to deter them. The carriers would not, however, be eliminated from Soviet calculations of the American-Soviet strategic relationship, because they could as easily operate within range of eastern Siberia.
theory pose a limited long-range threat and the still modest but obsolete Chinese medium bomber force could deliver nuclear weapons to nearby areas.)

The Chinese might hope that even a few ICBMs would cause the United States to hesitate before intervening to block the use of conventional Chinese power. Whether or not this hope was well founded, the Chinese might with some reason believe that they could in time convince other Asians that the United States would not risk losing San Francisco to save (for example) northern Thailand or the Nationalist-held off-shore islands.

Chinese MRBMs could be used to undermine the United States deterrent posture by causing the people of host countries to regard American bases as a source of danger, rather than protection. This strategy, however, has distinct limits. Any Chinese effort to force removal of United States bases through overt nuclear blackmail would be highly dangerous, since it could justify a United States pre-emptive strike against Chinese nuclear weapons facilities. At the same time, Chinese nuclear blackmail would make the threatened countries realise how difficult it would be for them to maintain any real independence if America protection were withdrawn.

Countering the effects of Chinese ICBMs and MRBMs will presumably become more difficult as the numbers of each increase. In time, the threshold of American response to Chinese conventional aggression might indeed be raised (or—equally serious—appear to have been raised in the eyes of Asians). This process might in theory be forestalled or retarded by obvious measures to improve the ability of the United States to move quickly and effectively to meet Chinese conventional aggression with its own conventional forces. Lacking such measures, an alternative would be to proclaim a readiness in some circumstances to resort to the first-use of nuclear weapons to check conventional aggression.5

The United States may again someday proclaim a first-use strategy in Asia, but to contemplate such an action now flies in the face of strong political currents throughout the world, including in the United States itself. The most that could be done in the near term would be to maintain the existing uncertainty concerning the circumstances under which the United States might use nuclear weapons.6 One measure to this end would be to try to avoid loss of any apparent capability to use tactical nuclear weapons. Since those weapons could probably be used with less risk of provoking a Soviet reaction than could strategic nuclear weapons, and would, moreover, be less damaging to non-military per-

5 This would of course amount to a return, under changed circumstances, to the Dulles doctrine of 'massive retaliation'.

6 It might be noted that two can play this game. Whenever the Chinese acquire tactical nuclear weapons, uncertainty concerning their use could inhibit (or appear to inhibit) American reactions to conventional aggression.
sonnel and facilities, the possibility of their use in an emergency would appear more credible than would the use of strategic nuclear weapons. The trend, however, is the other way. The immediate problem, if a tactical nuclear weapons capability is viewed as an important part of the total United States deterrent, is in fact to compensate for the impending de-nuclearisation of Okinawa.

The tentative conclusion to be drawn from the foregoing discussion is that some gradual decrease in the effectiveness, on both friend and enemy, of the United States deterrent posture in Asia is probable, in part because of Vietnam-engendered doubts over American willingness to take timely and effective action against unconventional aggression and in part because a growing Chinese nuclear weapons capability will tend to raise the real or apparent threshold of American military action against conventional aggression. The practical significance of this prospective degradation in the United States deterrent is of course another question. Conceivably, the need for deterrence could decline because of either developments within China or a heating up of the Sino-Soviet dispute.

The Future of Mutual Security Arrangements in Asia

Since the end of World War II, and particularly since the end of hostilities in Korea, a complex network of mutual security arrangements has been developed in Asia. These include the various alliances sponsored by the United States, the base system maintained by the United States in support of those alliances, and programs of military and economic assistance financed principally by the United States. The future of each of these kinds of mutual security arrangement will be considered briefly. In addition, a more speculative look will be taken at possible alternative arrangements, some of which may exist in embryonic form today.

ANZUS appears to be in a gratifyingly healthy state. SEATO, however, is in an advanced state of disarray. France and Pakistan remain only nominal members and pursue policies at variance with SEATO's original purpose. Britain is rapidly reducing its small remaining capability to act militarily in the treaty area. Laos and Cambodia, never members, have publicly renounced their right to call on SEATO for protection. Only Thailand, Australia, New Zealand, and the United States seem, in varying degrees, to take SEATO seriously.

SEATO today is in fact not so much a regional security alliance as a vehicle for committing the ANZUS powers to the defence of Thailand and a legal justification for the involvement of all four of these nations in the current fighting in Vietnam. The second of these roles for SEATO will of course someday end, leaving the commitment to Thailand the

I have assumed that ANZUS will be dealt with fully elsewhere and therefore will not attempt a detailed treatment here.
Treaty's only practical significance. This is no small matter, however, and probably justifies SEATO's continued existence.

In any case, SEATO should not be judged against some ideal that never existed, but against the alternative of its dissolution. When we consider the probable effect of SEATO's dissolution on the security, internal stability, and international orientation of Thailand, plus possible secondary repercussions in neighbouring countries, SEATO's perpetuation seems preferable, even with all of its imperfections.

The most important bilateral alliance of the United States in Asia is clearly that with Japan. That alliance becomes subject this year to unilateral denunciation by either party on one year's notice. Until recently, many observers believed that this circumstance would make the future of the alliance a major issue in Japanese politics in 1970, with the outcome very much in doubt. Prospects for at least the near term, however, have been drastically altered by the American-Japanese agreement on the reversion of Okinawa and the subsequent sweeping electoral triumph of Prime Minister Sato and his Liberal Democratic Party. There is now little doubt that the American-Japanese mutual security treaty will be allowed to continue without renegotiation.* This does not of course preclude its becoming a major issue again, nor does it mean that the roles of the two parties will not change over the years.

The United States alliances with the Republics of Korea and China have not been seriously questioned within any of the three countries and may be assumed to have good life expectancies. Nevertheless, frictions exist between the United States and each of these two militantly anticommunist partners, frictions which are traceable to fundamental differences in national objectives. Stated briefly, the United States is willing to live with the status quo, but its Korean and Chinese allies are not. By themselves, these chronic frictions do not threaten the alliances, but any real rapprochement between Washington and Peking could do so.

The United States-Philippines alliance is currently more subject to political controversy than any other part of the American alliance system. Renegotiation of some aspects of the alliance seems increasingly possible, but not including the Mutual Defense Treaty itself, since it is most unlikely that the Filipinos would wish to face the storms of an unpredictable international environment unprotected by the American security umbrella.

The best over-all judgment that can be made concerning the future of the American alliance system is that it can probably be maintained in about its present form for some years and possibly for the entire decade. Whether the system will in fact survive, depends in large part on the general strategy adopted by the United States in Asia and the

* This expectation was subsequently confirmed.
The United States base system in Asia and the Pacific is of course inextricably related to and dependent on the alliance system. Continuance of the alliance system, however, by no means precludes major changes in the base system. Some decrease in both the size and utility of the present system is in fact most likely during the 1970s.

After the end of major hostilities in Vietnam, if not before, the United States may well decide to reduce the target which its military presence offers Filipino nationalists and give up some of the large area which the United States military forces hold on Luzon. Acceptance of a Filipino veto power over the use of American bases in combat operations may also in time become necessary.

The future of United States bases in South Vietnam of course depends on the nature of any negotiated settlement or other outcome of the war. A greatly reduced American presence is a virtual certainty. Sooner or later, all bases now used by United States forces will presumably be abandoned or turned over to the Vietnamese. Some arrangements might conceivably be made for renewed American use in another emergency.

The future of American bases in Thailand depends more on developments in Laos than on the outcome of the Vietnam war. As in South Vietnam, withdrawal of most or all United States forces is clearly in the cards. Arrangements for reoccupancy in a future emergency are, however, more likely than in Vietnam.

Use of military facilities by the United States on Taiwan will dwindle to negligible proportions as the war in Vietnam comes to an end. A technical military case might be made for transferring to Taiwan some of the functions now performed by bases in the Philippines and Japan (including Okinawa). However, the adverse effect of such a move on hopes for improved relations between Washington and Peking and its inconsistency with the American desire to see Japan assume larger sub-regional security responsibilities argue strongly against such a policy.

The reduction of the United States military presence in Japan has been under way for some time and will probably be accelerated by the end of the Vietnam war, the increasing capabilities of Japanese self-defence forces and—of greatest importance—rising nationalist sentiment among the Japanese people. In 1972, the United States will lose the legally unrestricted use of its bases on Okinawa and may thereafter decide to downgrade the importance of that island in its overall military posture.

The United States is not likely to encounter local pressures to give up bases in South Korea as long as the threat of renewed North-South hostilities persists. The United States military presence, and as a con-
sequence the importance of those bases, may, however, decline as South Korean defensive capabilities increase. Movement to South Korea of some base functions now performed in Japan and Okinawa makes more sense than moving them to Taiwan, but this cannot be assigned a high probability, if only for reasons of cost.

Barring the outbreak of new hostilities, the clear trend is for the United States to occupy fewer bases in Asia, to station smaller forces on them, and to enjoy less freedom of action in mounting combat operations from them than is now the case. This is not to say that this trend cannot be slowed or possibly even reversed in some areas, but it is one of the facts of life which the United States must take into account in shaping its future strategy.

For many years, American military assistance has played an important part in the strategy of seeking to contain Asian communist aggression. Critics of American policy are not entirely wrong in labelling such assistance a reward for joining the United States alliance system and permitting the United States to maintain bases on allied soil. The principal purpose and effect of military assistance has been, however, the publicly declared one of creating allied military capabilities which would supplement those of the United States.

Again with some reason, critics have claimed that military assistance equipped United States allies to fight conventional wars, whereas the threat is largely unconventional. The distinction between conventional and unconventional forces, however, is not as sharp as this line of argument implies. Moreover, in some areas, the need has in fact been for conventional forces.

The conventional versus unconventional issue will continue to be relevant in the 1970s. In addition, the United States must re-examine its military assistance policy to ensure its consistency with overall strategy. A question which is likely to be asked increasingly is whether military assistance in fact raises the threshold below which direct American military involvement is unnecessary. Moreover, the United States may not always be willing to be almost the sole source of military assistance. Japan in particular may be encouraged to enter the field on a significant scale.

Economic assistance to allies has in some cases explicitly or implicitly supplemented military assistance by helping allies maintain forces which would otherwise have been beyond their means. The need for this kind of help has declined in several Asian countries, but in any case it may not be easy in the future to get funds for this 'cold war' purpose. Even if the downward trend in total economic aid were to be reversed, a

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8 As used here, 'military assistance' includes not only grant military assistance provided through foreign aid appropriations, but also credit sales, excess material and service-funded assistance to friendly forces.
greater proportion of such aid is likely to be devoted to economic development or (in Vietnam) reconstruction and to be administered by multilateral institutions with little or no interest in supporting American security policy.

The idea that Asians might someday co-operate to ensure their own security has obvious attractions for Americans. Unfortunately, this appears to be an idea for which the time has not yet come and is not likely to come for many years. Seen in historical perspective, the recent growth in bilateral contacts and multilateral discussions among Asian nations is truly remarkable. At the same time, these contacts and discussions have produced few concrete results. (The creation of the Asian Development Bank is perhaps the single great exception.) Moreover, Asians thus far have shown little disposition even to confer among themselves on security matters. At the present stage, regional co-operation in Asia means—with a few exceptions—talking about economic problems and paying lip service to the goal of increased cultural exchange.

The two most interesting recent Asian co-operative ventures are the Asia and Pacific Council (ASPAC) and the Association of Southeast Asian Nations (ASEAN). The former has become a useful forum for exchanging views on a variety of common problems, and the latter has shown some potential for actual co-operation in the economic field and for limited, bilateral consultations on internal security problems.

This picture could conceivably change during the 1970s, especially if the United States continues its recent emphasis on the need for Asian self-reliance. Several considerations, however, argue against excessive optimism on this score:

1. Regional co-operation of any sort is still a new idea in Asia, and experience in co-operating to deal with tough, practical security problems is almost totally lacking.

2. Non-communist Asians are with good reason impressed with their own military weakness and do not see how combining weaknesses can result in strength.

3. No purely Asian security system that does not include Japan can amount to much. Japan is not yet ready to play this role, nor are other Asians ready to accept a partnership with Japan that might give Japan a dominant influence over their future security.

The most that can probably be hoped for in at least the first part of the new decade is limited Asian consultation and co-operation in internal security matters.

The Future Role of Japan

The one certain thing about Japan and its role in the world is that both will change, and probably quite rapidly. In the century since the Meiji restoration, Japan has experienced rapid, sometimes cataclysmic
change and has played many roles. Japan today is probably the most
dynamic of the major nations of the world.

It has recently become commonplace to point to Japan's emergence
as the third largest national economic unit. The significance of this fact
and of the unchecked continued rapid growth of the Japanese economy
has not, however, been fully assessed. While the world was largely pre­
occupied with other concerns, a new great power has arisen off the coast
of east Asia and must be given increasing weight in the policy decisions
of other powers, large and small.

Japan is at present committed to a policy of co-operation with the
United States. This relationship, however, has by no means been a
static one. In less than twenty-five years, Japan has progressed from a
supine, defeated enemy of the United States to a junior partner and
can see the day when it may be the senior partner where common Asian
interests are concerned.

The United States-Japanese partnership is not at the moment troubled
by any major security issues. However, economic issues with explosive
domestic political potentialities in both countries have yet to be settled
satisfactorily, and the status of American bases in Japan could someday
cause serious friction. More fundamentally, the United States may find
it difficult to adjust to a strong, assertive Japan vigorously pursuing its
own national interests, and Japan, conscious of its own strength, may see
less need to accommodate to American desires in order to retain an
American nuclear umbrella of possibly declining credibility.

Prospects for continued political stability in Japan appear to be good,
despite occasional violent actions by radical elements. There is little
reason today to fear that extreme nationalists of either the right or the
left will gain control of the government. At the same time, we must
remember that the ruling Liberal Democratic Party embraces a wide
range of political opinion and that not all possible future leaders are as
committed to close United States-Japanese co-operation as is Prime
Minister Sato.

The crucial factor in the future of the United States-Japanese alliance
may in fact be the way in which Japan eventually deals with the nuclear
threat to its security. In theory, Japan has several broad options:

1 To continue to rely on United States nuclear protection.
2 To acquire its own independent nuclear weapons capability.

9 The first substantive sentence in the historic Nixon-Sato joint communiqué of
21 November 1969, reads: 'The President and the Prime Minister recognized that
both the United States and Japan have greatly benefited from their close association
in a variety of fields, and they declared that guided by their common principles of
democracy and liberty, the two countries would maintain and strengthen their fruitful
cooperation in the continuing search for world peace and prosperity and in particular
for the relaxation of international tensions.'
3 To seek a joint guarantee from the United States and the Soviet Union against the Chinese nuclear threat.

4 To adopt a policy of left-leaning, lightly armed (no nuclear weapons) neutralism, seeking an accommodation with both China and the Soviet Union.

The third and fourth of these theoretical options can probably be ruled out as both impracticable and inconsistent with nationalist trends in Japan. India's experience has shown how difficult it is to obtain joint (or even parallel) American and Soviet nuclear guarantees, and meaningful accommodation with both quarrelling communist giants would, to say the least, be a neat trick. In any case, neither of these last two options could realistically be regarded as a satisfactory solution to Japan's security problem.

The viability of the first option depends of course to a large degree on the credibility of the United States nuclear deterrent. It is almost inconceivable, however, that Japan's faith in American protection would be so absolute as to cause it to close the door forever to the second option. The credibility of American assurances, it must be emphasised, is not determined solely by United States actions and statements in the security field. It also depends on the general tone of United States-Japanese relations. Chronic, bitter controversy over economic issues could in time erode Japanese confidence that in a nuclear showdown the United States would take great risks to protect Japan.

Within the next ten years or so, Japan may well decide that it must become a nuclear power to preserve its security and to promote its own interests in competition with the other great powers of the world. If Japan does in fact choose the nuclear path, its partnership with the United States could continue, but clearly in a much altered form.

Even if Japan does not go nuclear, the United States-Japanese partnership could evolve in a variety of ways. At one extreme would be a 'Gaullist' Japan, accepting the United States nuclear umbrella and avoiding alignment with either the Soviet Union or China, but pursuing its own narrow national interests in near disregard for those of its nominal ally. At the other extreme would be a smoothly functioning division of labour between Japan and the United States especially in Asia. This appears to be the concept underlying the policies of both governments in the afterglow of the Nixon-Sato joint communiqué.

What this concept will mean in practice remains to be seen. As is always true of such documents, the language of the communiqué raises as many questions as it answers. What, for example, will Japan actually do pursuant to Sato's declaration that 'the security of the Republic of Korea was essential to Japan's own security' and that 'the maintenance of peace and security in the Taiwan area was also a most important
factor for the security of Japan? Will Japan now or in the foreseeable future agree to share responsibility for the defence of South Korea and Taiwan?

Questions might also be raised concerning Sato’s statement that ‘Japan was exploring what role she could play in bringing about stability in the Indochina area’ and his declaration that Japan would ‘make a substantial contribution’ to postwar rehabilitation in Southeast Asia.

All that can be concluded with certainty is that relations with Japan will continue to grow in importance to the United States and that those relations will increasingly influence, and sometimes complicate, American relations with Russia and China, as well as with its other Asian allies.

**Soviet Policy in Asia**

Despite its huge Asian territory, the Soviet Union is almost as much an extra-regional power as is the United States. Both are culturally, and to a large extent racially, separate from Asia. And the main centres of population and economic strength of both lie far from the parts of Asia that really matter. (The Russian problem of projecting power and influence into Asia across the wastes of Central Asia or around the shores of the ‘world island’ is in fact at least as formidable as that of the United States in attempting to do the same across the Pacific Ocean.)

The interests of the two great extra-regional powers in Asia contain elements of complementarity as well as of competition and conflict. During the 1960s, the United States and the Soviet Union shared an interest in keeping a revolutionary China from dominating much of Asia. This common interest will probably persist throughout the 1970s. They will also continue to share an interest in not permitting local disturbances to involve them in a mutually disastrous war.

These shared interests—which are often not fully recognised, especially by Moscow—do not, however, alter the fact that the United States and the Soviet Union have different visions of what would be a desirable international order, and they are implacable rivals for influence in Asia as elsewhere. More specifically, any state of affairs which would fully satisfy the American desire for a stable, advantageous balance of power in Asia would be viewed by the Soviet Union as an unacceptable permanent exclusion of Soviet power from a large area and the attachment of that area to the ‘imperialist’ system dominated by the United States. The Soviet Union would in fact probably like to establish its own advantageous regional balance of power, as a means of containing China and as a stage in the process of driving the United States out of Asia.

From the viewpoint of the United States, the key question concerning

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10 The fine shadings of language in the reference to Taiwan as contrasted with that to South Korea undoubtedly intrigued many readers, especially those in Seoul and Taipei.
Soviet Asian policy in the 1970s is whether it will in its effect, if not in its intent, contribute to stability without seriously undercutting American influence. Some grounds for optimism exist on this score.

The Soviet collective leadership is not known for bold, new initiatives. In any case, Moscow appears likely to continue to be obsessed by its China problem and to divert both Chinese attention and Chinese resources away from non-communist areas to the south and east. The same China-fixation will make Moscow interested in good relations with even right-wing, pro-American Japanese governments and ready to accept an expansion of Japanese influence in areas to the south. Soviet-Japanese co-operation in the economic development of Siberia remains a possibility, but is unlikely to bring the Soviets much political leverage in Tokyo.

The Soviet Union may well increase its diplomatic and commercial activities in Asia, but the effect of those activities on American interests will probably not be great. Domestic economic troubles and competing demands for limited resources make it difficult for the Soviet Union to mount large aid programs in furtherance of their interests in this area.

Stated simply, the Russians do not appear to have what it takes. GAZ jeeps are not likely to displace Toyotas on the roads of Asia, and a rare port visit by Soviet warships will not be enough to cause Asians to forsake the advantages of either neutralism or alliance with the United States and risk the enmity of both Americans and the Chinese. The apparent inability of the Soviets to give any real content to Brezhnev's vague pronouncement on regional security, or to elicit much interest on the part of Asians, may be taken as an illustration of the fundamental weakness of the Soviet position in this area.

The best guess then is that the Soviets will be a more important factor in Asia in the 1970s, but they are not likely greatly to threaten United States interests. This estimate rests, however, on the belief that the Sino-Soviet dispute will continue. It is worth asking what might happen if that dispute were to end and Moscow and Peking were to form a truly effective partnership. Much would of course depend on how the dispute ended and on what terms. If the Soviets were to make most of the concessions and agree to support Chinese objectives, the consequences could be quite serious. The prospects for peace and stability in South and Southeast Asia would be undermined, and the latter area might soon be drawn into a Chinese sphere of influence. The danger of renewed hostilities in Korea and the Taiwan Strait would increase markedly. Japan would feel greatly threatened and might veer toward neutralism or,

11 On 7 June 1969, in his speech at the international meeting of communist and workers' parties, Brezhnev, after referring to Warsaw Pact proposals on European security, declared without further elaboration: 'We are of the opinion that the course of events is also putting on the agenda the task of creating a system of collective security in Asia.'
more likely, embark on a crash program to build up its own armed forces, including providing them with nuclear weapons. In short, the combined weight of Soviet and Chinese power would fundamentally alter the situation in Asia. Policies which would be appropriate with Moscow and Peking at sword’s point might become unworkable.

Fortunately, the Soviets are no more likely to be willing to expend large resources or accept sizable risks to achieve Chinese objectives in the 1970s than they were in the 1960s. The degree of heat generated by the Sino-Soviet dispute may fluctuate—indeed, some cooling of the controversy appears to be particularly in the Soviet interest—but a full reconciliation is not probable.

The China Problem

The present situation in which one-quarter of the human race lives in virtual isolation, ruled by a régime at odds with most of its neighbours, can scarcely be viewed as desirable. Along with the rest of the world, the United States must ask whether it can do anything that will make it more likely that China will become a non-disruptive, even a co-operative, member of a reasonably stable and peaceful world society. The answer, I fear, is that not very much of consequence can be achieved in the near future.

The United States can of course try to make clear by words and actions that it poses no threat to China’s security and is not conspiring against China in league with other powers. Convincing China’s present leaders of these facts, however, will not be easy. Marxist ideology, combined with a near-paranoia all their own, causes Mao and probably also his closest associates to see sinister plots in even the most innocent and inconsequential actions. Nevertheless, the United States should not lightly take actions—such as provision of offensive weapons to militantly anti-communist governments or utterances which appear to take the Soviet side in the Sino-Soviet dispute—which might appear to lend substance to the Maoist view of America.

At the same time, the United States cannot make avoiding offence to Peking the overriding determinant of its foreign policy. The Chinese Communists must continue to be deterred from using their conventional military forces and their emerging nuclear weapons capability to attack or pressure their neighbours. Moreover, the United States cannot refrain from negotiating problems of global importance with the Soviet Union just because Peking sees such negotiations as an anti-China plot by the American imperialists and the Russian revisionists.

If a policy of avoiding unnecessary offence is unlikely to produce an early improvement in Chinese Communist views of the United States, may not other more positive steps do so? Again, an optimistic view appears unwarranted. Virtual elimination of United States restrictions on travel
to mainland China has produced no reciprocal lowering of barriers on the part of Peking. The same may also be said thus far of the more recent American move to permit travellers to bring goods of China mainland origin into the United States, provided they are not for resale.

 Critics of America China policy have long argued that the United States should drop its opposition to Peking's admission to the United Nations. There are of course many arguments on both sides of this complex issue, but one consideration has been controlling for the United States thus far. The United States can scarcely acquiesce in a decision by the international community which would appear to legitimitise a Chinese Communist effort to seize Taiwan by force and in effect brand the mutual security treaty of the United States with the Government of the Republic of China an illegal intervention in domestic Chinese affairs. Particularly in recent years, the United States has placed more emphasis on the right of the Republic to retain its United Nations seat than on the ineligibility of Peking for membership. Both points of course have the same practical effect, since Peking has repeatedly made it clear its refusal to enter the United Nations while Taipei is still represented there.

 United States recognition of Peking, which has been advocated by some critics, would also seem certain to founder over the Taiwan issue. But even if this issue were miraculously to disappear, there is little reason to believe that the present Chinese Communist leadership would entertain the thought of diplomatic relations with the leader of the imperialist camp.

 Some observers saw grounds for optimism in the attempted resumption of the Warsaw talks after a lapse of two years. Not being privy to the content of those talks, I cannot make categorical judgments on their significance. Considerable scepticism is, however, not out of order, in light of the small results produced by 134 previous sessions. Moreover, since the mere fact that the talks were resumed is of value to both sides in their relations with the Soviet Union, one need not assume that some significant change in Sino-American relations is impending.

 The conclusion seems to be inescapable that a rapid improvement in relations between Washington and Peking is unlikely until the end of the Mao era and is only a matter for speculation thereafter. In its current policies, the United States can afford to gamble on the possibility that Mao and his close associates will be succeeded by a clearer-eyed, less doctrinaire leadership. But this is by no means a foregone conclusion. Nor can we be certain that a more pragmatic Chinese leadership would be any easier to deal with. Pragmatism does not exclude nationalism, and a China dedicated to a nationalist goal of regional hegemony could be just as destabilising as a China aspiring to lead a world revolution.
Special Problem Areas

Every part of Asia is in some sense a problem for United States policy, but three areas—Korea, Taiwan, and mainland Southeast Asia—pose problems of special importance and difficulty and will be treated briefly below.

Seventeen years after negotiation of an armistice, two large armies stand in hostile array across the middle of the Korean peninsula, separated only by a narrow demilitarised zone (DMZ). Small fire-fights in and near the DMZ are common, and the North Koreans infiltrate terrorist teams or individual agents across the DMZ or by sea to points far to the south. The North Koreans also maintain a belligerent propaganda posture, calling for the overthrow of the government in Seoul and the end of the American 'occupation'. The public pronouncements of the Government of the Republic of Korea are more moderate. Seoul, too, calls for reunification on its own terms, but says that this can be brought about peacefully, possibly in the late 1970s when the strength of South Korea is expected greatly to exceed that of the North. Seoul has so far rejected Pyongyang's proposals for limited contacts between North and South Korea. Except for a small amount of illegal travel by way of Japan, the two parts of Korea are effectively sealed off from one another.

The military situation in Korea is scarcely one that the United States can regard as satisfactory. Two American divisions are tied down north of Seoul. Apart from the considerable expense and the maldeployment which this involves, the United States would find it almost impossible to avoid direct participation in new hostilities, no matter how they originated. Informed observers do not regard such hostilities as likely in the near future, but no one can argue that the risk is insignificant.

Ideally, from the American point of view, the South Koreans should be able to turn back any level of attack which North Korea could mount by itself. The role of the United States would then be reduced to deterring, and if necessary helping repel, a combined North Korean-Chinese attack. Under these circumstances, American combat forces might gradually be withdrawn.

Achieving this result would not, however, be easy. A substantial increase in the United States military assistance to South Korea would presumably be required, particularly in order to reduce the North's present heavy superiority in the air. The United States Congress might not be willing to spend more on military assistance to South Korea, even though such expenditures could lead to much greater savings in the United States defence budget. Moreover, the peace in Korea depends on more than a simple balancing of military manpower and weapons. The

12 Direct Soviet participation in a new attack appears most unlikely.
possible political and psychological effects of withdrawing American
combat forces, in both North and South Korea, would have to be weighed
very carefully.*

These and other considerations might argue in favour of an inter-
mediate policy of withdrawing only part of the American combat forces
and pulling all remaining ground forces back into reserve positions.
Moreover, any lag in increasing South Korean defensive capabilities
might for an interim period be compensated for by periodically demon-
strating, for benefit of friend and foe, the increasing American ability
to deploy forces rapidly by air over long distances.

Apart from possible modifications in its own military posture, the
United States has continuing interests in reducing tensions in the Korean
peninsula and in inducing others to share its heavy responsibility for the
security of South Korea. Promoting both of these interests will clearly
be slow going. Duplicating even the degree of contact that exists between
West and East Germany appears almost utopian when one considers
the frozen confrontation that has long existed between North and South
Korea. The only conceivable major partner for the United States in
Korea is Japan, and, as has been noted above, only in November 1969
had Japanese policy progressed to the point that a prime minister could
publicly recognise Japan’s security interest in South Korea. Public atti-
dudes in both countries will probably long delay any concrete actions
pursuant to that interest.

For over a decade, Taiwan has stood out in non-communist Asia as an
area of remarkable political stability and economic progress. It is easy to
forget that some of the circumstances on which this happy state of
affairs depends may not last much longer.

The economic progress which has buttressed political stability may well
continue, but the social problems which accompany rapid industrialisa-
tion could begin to have a destabilising effect. Moreover, the era of
Chiang Kai-shek’s leadership must inevitably soon come to an end and
with it the unique political system which he developed. Whether his
successors can create a new system quickly and smoothly remains to be
seen. Their efforts to do so may well be complicated by a sudden release
of political energies which have for so long been submerged and which
may have been given unusually latent power by the prolonged disparity
between the rates of economic and political development. No one can
be sure, for example, whether years of prosperity and official indoctrina-
tion have really softened the old animosities between Taiwanese and
mainlanders.

Some challenge by Taiwanese to the legitimacy of rule by a main-
lander government-in-exile appears probable. The clear implication of

* The vigorous South Korean reaction to subsequent United States proposals to
withdraw some 20,000 men has substantiated this point.
such a challenge will be that Taiwan is an independent, or at least an autonomous, political entity. If a Taiwanese drive for power reaches serious proportions, Peking would be alarmed and would probably see an American plot to detach Taiwan permanently from China. Chinese Communist propaganda attacks on the American ‘occupation’ of Taiwan would be intensified, as would appeals to the patriotism and self-interest of the mainlander minority.

The legal status of Taiwan might of course become a critical issue through attrition of Taipei’s international standing in the United Nations and elsewhere. Adverse international trends might coincide with political agitation on Taiwan itself, in which case external and internal trends would probably be mutually reinforcing. In any case, the problem posed for United States policy would be a serious one.

Readers may be surprised to encounter mainland Southeast Asia at the end of an inventory of major United States problems. This treatment of the area of America’s greatest current distress is quite deliberate. The focus of the present paper is on options after the end of major hostilities in Vietnam, and from that perspective mainland Southeast Asia is less important to the United States than are areas to the north and south. The primary centre of American interests is in Northeast Asia where its largest Asian ally, Japan, is located and where the interests of four great powers—the United States, the Soviet Union, Japan, and China—intersect. A second centre of United States interests is emerging in the Southwest Pacific, both because of the potential importance of Indonesia and because of the importance of the area to the security of Australia and New Zealand.

Fundamental and lasting American interests in mainland Southeast Asia derive largely from the possible impact of events there in countries to the north and south. Thus, if all of mainland Southeast Asia were to fall under Communist control and thereby be drawn out of the relatively open international economic system, Japan, South Korea, and Taiwan would experience a shrinking of political and economic horizons which might have seriously destabilising psychological and political consequences. The principal impact of communist control of mainland Southeast Asia on Malaysia, Singapore, and Indonesia would be a drastic worsening of their internal and external security. Preventing these undesirable consequences is obviously an important, but not a vital United States interest.

Some would argue that mainland Southeast Asia today is an excellent illustration of a classic dilemma in international affairs: how can interests that are not vital be preserved by limiting measures commensurate with

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13 The seriousness of the consequences of communist control could of course vary with the brand of communism: pro-Moscow, pro-Peking, pro-Hanoi, or unaligned.
their importance? In other words, what is to be done if an enemy raises the cost of defending an interest above its value to the defender?

There is no easy solution to this dilemma, but in actual fact it is rarely posed in these stark terms. Thus, at each step of the American involvement in Vietnam, costs were far from clear. Also, in the early stages, it was argued with more conviction than is common today that saving South Vietnam was an essential part of the larger strategy of containing an expansionist Communist China and that, as a consequence, acceptance of very high costs was entirely justifiable. Perhaps most important in obscuring the underlying dilemma, however, is the fact that at some point defence of an interest engages the prestige of the defender and creates a new, important interest in avoiding defeat. This phenomenon accounts for much of the difficulty currently experienced by the United States in seeking to reduce its involvement in mainland Southeast Asia to a level consistent with its more lasting interests there.

The main problem of course is how to disengage from Vietnam under acceptable circumstances. At the same time, the United States is acutely aware of the danger of being drawn in too deeply elsewhere in the area. Much of the public discussion of this danger focuses on Thailand, but the immediate problem is Laos. The current scene in that primitive, thinly populated country provides more questions than answers. Can a reasonably stable political and military situation be brought about in Laos, as part of a settlement in Vietnam or separately through breathing life into the 1962 Geneva accords? If not, can the part of Laos along the Mekong be kept in non-communist hands through roughly the present level of military effort? If the communists do advance to the Mekong, will the security of Thailand be vitally affected? Will the heightened threat to Thailand in that contingency be primarily conventional or unconventional? In any event, what will be the future roles of the Chinese and North Vietnamese in Laos and in any increased pressures on Thailand? Will the two communist powers co-operate or compete?

In the face of these and other uncertainties, formulating United States policy toward Thailand, as well as toward Laos, will not be easy, and strains between Washington and Bangkok are to be expected. Thailand has been the keystone of United States policy in mainland Southeast Asia. Whether that concept will remain viable throughout the 1970s remains to be seen. At a minimum, change in the precise content of the concept is possible, if not probable. Thailand might conceivably remain the hard rock around which the United States can seek to stabilise the entire subregion. Or, more likely, it may by its own choice play a more flexible and independent role in shifting configurations of international politics.

In the latter event, United States security guarantees to Thailand could continue to provide an essential shield against conventional attack and
nuclear blackmail. (The communist insurgency in Thailand does not now appear to have potentialities for growth with which the Thais could not cope, aided only by modest military advice and assistance.) Relations with Thailand in the 1970s would be somewhat less close and would often be subsumed in multilateral co-operative endeavours, such as the long-projected plan to develop the Mekong Valley. By the second half of the decade, the United States could find itself more in the role of outside protector and provider of economic assistance in Thailand and elsewhere in Southeast Asia and less and less an active presence on the local scene.

UNITED STATES POLICY ALTERNATIVES

Any discussion of broad policy alternatives is bound to be somewhat academic. Only rarely do governments deliberately choose one strategy from among the many which are theoretically available and faithfully follow that strategy in subsequent actions. In the real world, policies are usually made by a series of small decisions, arrived at on pragmatic rather than theoretical grounds. Only later, in the normal case, are these decisions rationalised and explained in terms of larger strategic concepts.

But having conceded all of this, an examination of broad policy alternatives can still be useful. Decision-makers do operate within some kind of intellectual framework, whether fully articulated or not. Moreover, the present may be one of those rare times when dissatisfaction with old policies may give practical value to debate over even fairly abstract alternatives.

The Guam or Nixon Doctrine

Before attempting to define the broad choices before the United States in Asia, one important fact must be noted: the American posture in Asia is shifting, but the speed, extent and, to a degree, even the direction of the shift are not yet fully apparent. One would be hard put to decide whether it is more accurate to say that the United States posture has become unfrozen and options are increasing, or that movement to a new posture has acquired a momentum which forecloses some options which were previously available.

The doctrine first enunciated by President Nixon on 25 July 1969 on Guam illustrates both the fact of a shift in the United States posture and its indeterminate nature. The indeterminate nature was of course not accidental, beginning with the President’s decision to allow the press to publish his views, but not to quote him directly. Senator Mansfield, in his report on a trip to Asia in August 1969, tried to give the Guam doctrine greater precision in the direction of limiting future American involvement in Asia. Later, Vice President Agnew in the course
of his Asian trip seemed to be trying both to maintain the indeterminate element of the Guam doctrine and to emphasise the doctrine's reaffirmation of United States commitments in Asia. President Nixon's 1970 foreign policy report discussed the doctrine at somewhat greater length, but did not add substantially to earlier formulations or resolve previous areas of uncertainty.\textsuperscript{14}

Legalistic interpretation of the various forms in which the Guam or Nixon doctrine has been set forth is clearly pointless. Future United States actions will undoubtedly prove more significant than the fine shadings of language employed by American officials. For present purposes, we will assume that the doctrine can be reduced to four general propositions:

1. The United States will honour its treaty commitments in Asia, but will seek to raise the threshold and limit the circumstances under which it must intervene militarily to do so.

2. Thus, the United States will continue to accept sole responsibility for countering a nuclear threat, but will expect Asians increasingly to assume responsibility for their conventional defence, particularly in the provision of manpower. Deployment of American combat forces to meet unconventional aggression is all but ruled out.

3. The United States welcomes regional security arrangements among Asians, but expects little from them for a number of years.

4. The United States will place more emphasis on economic than on military assistance and will favour extending the former through multilateral instrumentalities.\textsuperscript{15}

If the above propositions are correct, they can be taken as general guidelines in formulating and assessing United States policy alternatives.

The Range of Choice

For purposes of analysis, the infinite variety of strategies theoretically available to the United States in Asia can be reduced to four categories:

1. Close-in containment of Asian communism in both Northeast and Southeast Asia is still a fair description of what the United States is doing, even though the Nixon doctrine clearly suggests that the United States intends to behave somewhat differently in the future.

2. Complete withdrawal from Asia is a theoretically available strategy lying at an opposite extreme from close-in containment. Complete withdrawal in its pure form would require termination of security commitments, relinquishment of bases, repatriation of armed forces, and liquidation of aid programs. Withdrawal could of course be rapid or slow, conditional or unconditional.

\textsuperscript{14} United States Foreign Policy for the 1970s. A New Strategy for Peace. Report to the Congress by President Nixon, 18 February 1970; see especially pp. 55-62.

\textsuperscript{15} This preference for economic over military aid was not reiterated in President Nixon's 18 February report to Congress, but neither was it explicitly disavowed.
Conditional withdrawal would almost by definition be slow. It might be based on a variety of conditions, such as internationally guaranteed neutralisation of all (or some) non-communist areas on the Asian mainland, assumption of American security responsibilities by Asians, or some combination of these two.

3 Partial withdrawal from Asia could take many forms, involving in various combinations different force deployments and base systems, different security commitments and different conditions precedent to withdrawal. For example, the United States might: relinquish all of its Asian bases and withdraw its forces to the Central Pacific and the continental United States, but retain some or all of its present commitments, or withdraw only from the Asian mainland, with or without altering its present commitments. Whatever its form, partial withdrawal, like complete withdrawal, could be rapid or slow, conditional or unconditional.

4 New power configurations might be sought in Asia, such as alliance with China and Japan against the USSR or establishment of American and Soviet spheres of influence, plus at least tacit agreement to cooperate in containing China.

Assessment of Alternatives

1 New power confirmations usually illustrate the truth of the adage, attributed to former Secretary of State Acheson, that 'in foreign affairs there are very few new ideas and most of them are bad'. A Japan-China-United States alliance is of course inconceivable under any likely Japanese or Chinese governments. Such an alliance would in any case be more calculated to precipitate a clash with the USSR than to create a stable, advantageous regional balance of power. If war with the USSR were somehow avoided, the United States might, in time, find itself the 'odd man out', confronted by the very Japan-China combination that it fought World War II in the Pacific to prevent.

Establishment of American and Soviet spheres of influence has some superficial plausibility, but this configuration, too, cannot survive close examination. How would the two spheres be defined? What if, as would be virtually certain, Asians turned out to have quite different ideas from those of two superpowers? How could Japan, itself a major power, be fitted into any such American-Soviet scheme? And, if these practical difficulties were overcome, what would be gained? In all probability, the United States would discover that it had facilitated the expansion of Soviet influence and at the same time earned the lasting enmity of China.

Other, even more extreme new power configurations could no doubt be dreamed up, but none of them is likely to be either desirable or practicable. The same may be said for extreme 'solutions', such as seeking to end the China problem through a military showdown.
2 Complete withdrawal from Asia might be ruled out solely on the ground that it is clearly inconsistent with the Nixon doctrine. Fundamental considerations of national interest, however, lead to the same conclusion. For many years to come, the kind of balance of power which we have argued is in the American interest cannot be achieved or sustained without major United States involvement.

This fact is almost self-evident in the case of unconditional withdrawal. The United States cannot at this stage of Asian history simply step back and let the pieces fall where they may. The possible consequences of such an extreme and irresponsible action range from wars, large and small, to the proliferation of nuclear weapons. When the dust finally settled, the United States might find much of the region under hostile domination and its citizens’ freedom to trade, invest, and travel in Asia sharply constricted.

In theory, complete withdrawal might occur on the basis of conditions which would greatly reduce the risk of severe damage to American interests. In actual fact, prospects for achieving such conditions in all parts of non-communist Asia are very poor. For example, an internationally guaranteed neutralisation of Laos and Vietnam might just be possible, but the United States would presumably either be one of the guarantors or would want to be in a position to keep the other parties ‘honest’. Neither status would admit to complete withdrawal from Asia.

Turning over security responsibilities to Asians appears equally unlikely to facilitate a complete United States withdrawal in the 1970s. In time Japan may well play an important role in keeping the peace in Northeast Asia, but it is difficult to foresee the day when Japan would be willing or able to displace the United States completely, even if the United States concluded that such an arrangement would be in its own interest. (Whether South Korea or Taiwan would willingly accept Japan as their sole protector is, of course, highly questionable.) Any significant security role for Japan elsewhere in Asia is only a distant possibility. Regional groupings, such as ASEAN, may by the late 1970s develop into useful adjuncts to other security arrangements, especially in dealing with unconventional aggression. Such groupings, however, cannot be expected to contribute much toward facilitating a complete American withdrawal.

3 Close-in containment of Asian Communism is a strategic concept whose period of usefulness and feasibility is clearly ending. The United States was in fact drawn into a posture of close-in containment against its will by events, first in Korea, and later in Southeast Asia. It is therefore not surprising that the tide of public opinion in the United States is running strongly against maintaining this posture much longer.

Even if this were not the case, there are strong foreign policy and military reasons for trying to reduce and eventually eliminate the United
States military presence on the Asian mainland:

a. If Asians are to assume more responsibility for their own defence, the United States should, to the extent possible, increase their motivation to do so.

b. Stationing troops on foreign soil always involves the risk of friction with the local population. In some cases, it has also contributed to an unhealthy 'client state' attitude on the part of the host government.

c. Reduction of tensions between the United States and China might become easier if American forces are drawn back some distance from China's borders.

d. Forward deployments of combat forces unavoidably reduce the total forces readily available to meet emergencies. Such deployments should therefore not be maintained longer than is necessary.

4. Partial Withdrawal. By a process of elimination, we must conclude that some form of partial withdrawal from Asia would probably be the best strategy for the United States in the 1970s. This conclusion, however, leaves a host of questions unanswered, some of which will be addressed in the concluding section of this paper.

SOME IMPORTANT DECISIONS

As we saw in the earlier discussion of major problems, the United States faces a number of important and difficult decisions in the 1970s. We must now try to relate those decisions to the broad strategy of partial withdrawal. In doing so, we may be able to give that strategy more specific content.

Security Commitments

On 22 January 1970, in his State of the Union Message, President Nixon, in reaffirming the Guam doctrine, declared: 'We shall be faithful to our treaty commitments but we shall reduce our involvement and our presence in other nations' affairs.' Unilateral denunciation by the United States of existing security treaties has therefore been ruled out. In taking this position, the President apparently recognised that these treaties are important to the strength of the United States deterrent and therefore to the stability of non-communist Asia.

Commitments, however, can be honoured in many ways. Both in the State of the Union Message and in earlier enunciations of the Guam doctrine, the Nixon Administration was clearly trying to raise the threshold of United States military intervention through reinterpreting commitments. This effort obviously requires a deft touch and a fine balancing of risks. The problem is how to encourage self-reliance on the part of allies without dangerously weakening the deterrence of
potential enemies. If the China threat has indeed been overrated, and if Vietnam does in fact prove to be unique, room undoubtedly exists for reinterpreting United States security commitments. Such a reinterpreta-
tion would also be consistent with a strategy of partial withdrawal.

The question of exactly how far the intervention threshold can safely be raised is very complex and raises some difficult subordinate issues. The Guam or Nixon doctrine clearly contemplates no change in the United States deterrence of nuclear attack. But are United States nuclear capabilities to continue to be part of the deterrent against conventional attack by a nuclear power? Unconventional aggression also raises a prob-
lem. If American intervention in this case is to be all but ruled out, as the Guam doctrine suggests, are small threats to the security of allies to be allowed to grow, and is the United States in some cases to avoid involvement in counter-insurgency struggles at the cost of later being forced to fight conventional wars?

Firm answers to these and other questions are of course impossible to ordinary mortals without the gift of prophecy. This fact, however, underlines the utility of leaving some degree of indeterminancy in talk-
ing about commitments. Absolutes like 'never' and 'never again' have no place in a statesman's vocabulary.

Bases and Force Deployments

'Reducing the involvement and presence [of the United States] in other nations' affairs' obviously has important implications for United States bases and force deployments in Asia. In part, this aspect of the Nixon doctrine makes a virtue of necessity. The United States has little choice but to adjust to the gradual decline in the political viability and usability of its base system. Over the longer run, this phenomenon could have the effect of shifting the United States military centre of gravity farther away from the Asian mainland than might otherwise be the case. For a number of years, however, and possibly throughout the 1970s, the availability of bases will not critically constrain American decisions on non-nuclear force deployments.

In all probability, a military posture based on the off-shore island chain will be feasible for some years to come, and moving to such a posture would form an important part of the strategy of partial with-
drawal. The timing of such a move involves difficult political and military judgments in both Southeast and Northeast Asia.

The withdrawal of American forces from Vietnam is of course under way and will presumably continue, although there may well be a pro-
longed pause in the process after most or all ground combat forces have departed. Since most American military personnel in Thailand are there in connection with the war in Vietnam, it might appear that, except for a few advisers, they could leave whenever the war ends. The prob-
lem is not so simple, however. Some United States air force units may have to remain in an effort to deter the communists from overrunning all of Laos and South Vietnam and to reassure the Thais concerning the continued validity of the United States commitment to SEATO. When all American combat forces are removed, some provision must probably be made to ensure the readiness of bases in Thailand to receive United States forces in an emergency.

In Northeast Asia, the big question will be whether, when, and how rapidly American combat forces can be withdrawn from South Korea. Some withdrawal, particularly of ground forces, is probably in the cards, both as part of general strategy and on its local military and political merits. The pace and scope of the withdrawal will depend on a variety of circumstances, including the level of tension between North and South Korea, political developments in the South, and the relative strengths of the Northern and Southern armed forces.

In Japan, the prospective de-nuclearisation of Okinawa will create a problem which can probably be solved only in part by reliance on long-range or sea-based delivery systems. South Korea could as a consequence gain greater importance in connection with the maintenance of a United States nuclear deterrent.

As the Vietnam war draws to a close, United States military support units on Taiwan can be withdrawn. Leaving them there, or bringing in other units, does not appear to be necessary militarily and is probably unwise politically, if any progress is to be made in reducing tension between the United States and Communist China.

Military and Economic Assistance

As has been noted, the Nixon doctrine would apparently have the United States place more emphasis on economic, than on military assistance. In this respect, the doctrine may not be realistic, or even internally consistent. Asian self-reliance is a worthy goal and important to the success of the strategy of partial withdrawal which we have concluded is best for the United States in the 1970s. But self-reliance is more than a state of mind. It must be based on real defensive capabilities, which most Asian countries are unable to increase rapidly without outside help.

The need for continued, and possibly increased, military assistance is most critical to the success of a partial withdrawal strategy in South Korea. Lesser needs, however, exist elsewhere in Taiwan, Thailand, and South Vietnam even after the end of major hostilities. Laos presents a large question mark in this as in other connections.

The increase in economic assistance implied in the Nixon doctrine will almost certainly be necessary in mainland Southeast Asia and probably also in Indonesia. In addition to large requirements for reconstruction in Vietnam, the Mekong Development Plan in some form
may prove to be an important means of promoting economic growth and international co-operation. Both would facilitate a partial American withdrawal from the area.

Whether the United States Congress will be willing to provide increased funds for either military or economic assistance remains to be seen. Optimism on this score would not be justified.

*Relations with Other Powers in Asia*

The success of a partial withdrawal strategy will depend in no small degree on the ability of the United States and Japan to achieve a co-operative division of labour in political, economic, and security affairs. Partial American withdrawal will in fact tend to encourage this kind of co-operative relationship by providing more scope for Japanese energies and by creating a situation in which Japan’s own national interest will require it to assume greater international responsibilities.16

Bilateral economic issues aside, the single greatest threat to United States-Japanese co-operation is the possibility that Japan and the United States will someday quarrel over a Japanese decision to acquire an independent nuclear weapons capability. The two nations might of course agree to disagree and try to go on as before, but this would probably not be possible. Japan, with its great economic strength and national dynamism, would have started down the road to superpower status. Superpowers need not be enemies, but whether they can be partners remains to be demonstrated. Moreover, achieving a stable balance among three superpowers (or possibly three and a half, counting China) may prove to be very difficult.

Clearly, the desirable course is for the United States and Japan to agree on a means of preserving Japan’s security that does not involve an independent Japanese nuclear weapons capability. This solution, as has already been pointed out, depends in large part on preserving the credibility of the United States nuclear deterrent. The importance of doing so could cause the United States, with full Japanese assent, to maintain some bases and forces in Japan almost indefinitely, as evidence of the seriousness of the United States commitment to Japan’s security.

If Japan does decide to acquire its own nuclear capability, the United States should try to work out a co-ordinated nuclear strategy within the framework of the Mutual Security Treaty and avoid the kind of split that occurred between the United States and France.

In contrast with the policies appropriate to some other areas, the best posture for the United States toward the Soviet Union in Asia is probably

16 A concrete, if little noticed, illustration of this general proposition is the fact that the reversion of the Ryukyus extends Japan’s defence perimeter to a point southeast of Taipei. Almost inevitably, this circumstance will cause Japan to take a more lively interest in the security of Taiwan.
not to take the Soviets too seriously. So long as they are preoccupied with their quarrel with China, the Soviets are in no position to inflict serious damage on American interests in Asia. At the same time, in those instances where American and Soviet interests are not in conflict, the Soviets have very little to offer.

Exceptions will of course arise, but two general rules can probably guide most of America’s relations with the Soviet Union in Asia. It should not expend much diplomatic capital in blocking Soviet manoeuvres, most of which are unlikely to get anywhere. Nor should it concede anything substantial to obtain Soviet co-operation, which will usually be of questionable value.

Above all, it should not be drawn into supporting either side in the Sino-Soviet dispute. Taking the Chinese side would merely interfere with the negotiation of important issues between the United States and the Soviet Union. And taking the Soviet side would confirm the Maoist view of an anti-Chinese conspiracy, embitter Sino-American relations and delay China’s hoped-for emergence as a responsible member of the international community.

Partial withdrawal of the United States from Asia should over the long run contribute to an easing of Sino-American relations. The specifics of a partial withdrawal strategy should, to the extent possible, be designed to further this objective. The desirability of maintaining a non-threatening posture toward China has already been mentioned. From time to time, United States officials might declare publicly that they recognise that China has legitimate interests which other powers should respect and that China has a right to be consulted on all matters importantly affecting her interests.

Beyond maintaining a non-threatening military posture and a conciliatory declaratory policy, there may be little that the United States can or should do with respect to China until the era of Mao is over. Continuing the Warsaw talks and making small gestures in the trade and cultural fields are no doubt worthwhile, but a real breakthrough should not be expected soon.

In the United Nations, a move toward some form of dual Chinese representation may be necessary to avoid expulsion of the Republic of China. Whether either Taipei or Peking would go along with such a move, however, is doubtful, even if any implication that Taiwan had separate legal status were carefully avoided.

As for the still unresolved question of Taiwan’s status, the United States would be well-advised to leave the answer to history. The United States cannot acquiesce in handing over the island to Peking, nor can it come out in support of Taiwanese independence. The first course would violate its treaty commitments, betray the people of Taiwan who have relied on American protection and undermine the credibility of
commitments to other allies. The second would damage the interests of those it would appear designed to help and, of more lasting significance, brand the United States in the eyes of patriotic Chinese as the power that tried to steal one of China's provinces.

A major security concern of Australia and, in slightly lesser degree, New Zealand is to stabilise the Asian areas immediately to the north and keep them from falling into hostile hands. This concern explains these nations' support of SEATO, their military contribution in Vietnam, their decision to maintain armed forces in Malaysia and Singapore in peacetime and their interest in maintaining good relations with all non-communist governments of Asia. In these and other respects, the foreign policies of Australia and New Zealand parallel those of the United States.

Both formal and informal co-operation among the three governments is routine. The single important Asian issue on which the policies of the United States and its ANZUS partners have seriously diverged has been trade with China. On this issue, the partners simply agreed to disagree. Recently, shifts in American policy seem to be narrowing even this policy divergence. The placid surface of ANZUS relations has been disturbed from time to time only by a few bilateral economic issues and by understandable Australian and New Zealand complaints over the failure of the United States to consult them adequately on matters of common concern.

Despite a remarkable identity of interests and a long history of successful co-operation, future modifications in the Asian policies of the United States could create strains in the ANZUS relationship. The forward defence strategy of Australia and New Zealand assumes that the United States will maintain and effectively honour its SEATO as well as its ANZUS commitments. A United States strategy of partial withdrawal could, in fact or appearance, undermine this assumption and cause Australia and New Zealand to fall back on a strategy of close-in defence. Such an outcome would leave the United States in an uncomfortably exposed political position as the only active, non-Asian member of SEATO. Moreover, withdrawal of the stabilising Australian and New Zealand influence from Malaysia and Singapore could both weaken the United States rationale for its commitment to Thailand and make honouring that commitment more difficult.

It is obviously important that the United States do what it can to forestall this undesirable course of events by consulting fully and frankly with its ANZUS allies at every stage of execution of a strategy of partial withdrawal. Moreover, by both its military posture and its declaratory policy, the United States must convince those two allies that the assumption underlying their own strategy remains valid. There is in fact no reason why the Asian strategies of the three allies should not continue to complement one another.
Asian Regionalism

Insofar as regional co-operation among Asians contributes to economic growth and political cohesiveness, it facilitates a partial American withdrawal. The United States should quietly encourage such co-operative efforts, but neither expect too much of them nor overwhelm them with solicitude.

The United States should not expect Asian regional groupings to contribute significantly to regional security in at least the first half of the new decade. Later on, broader, more effective consultation on security problems and even joint action against unconventional aggression may develop. In such an event, the United States might appropriately extend military assistance and advice in response to the request of a regional organisation, rather than bilaterally to individual countries.

Regional co-operation is of course most advanced in the economic field. As contemplated in the Nixon doctrine, the United States should increase the proportion of its economic aid handled through multilateral instrumentalities. In this way, the United States can reduce its presence and strengthen regional co-operation, thereby contributing in two ways to a strategy of partial withdrawal.

Conclusion

An examination of some of the important decisions which the United States faces in Asia supports the conclusion, arrived at on more general grounds, that a strategy of partial withdrawal is workable and serves fundamental American interests. It is, moreover, in tune with the present temper of the American people. A generation ago, many Americans believed with some reason that as leaders of a victorious alliance they could exert a strong, often decisive, influence on events in Asia. As they enter the 1970s, they know better. They realise that, by and large, Asia will go its own way and that, with rare exceptions, they can influence the broad sweep of history only marginally.

A strategy calling for less direct involvement in Asia therefore appears no more than prudent and realistic to a growing body of American opinion. It also conforms to the growing need to devote larger resources to solve our social, economic, and environmental problems at home. If, as appears probable, defence budgets in the 1970s will be cut to free funds for urgent domestic requirements, United States activities overseas must be appropriately adjusted. A strategy of partial withdrawal provides at least the hope of reduced requirements of men and money.

Partial withdrawal, then, seems to be the answer. But one final word of warning is in order. We have been here before, in 1945 and 1953, but events beyond our control decided otherwise.
DISCUSSION

The discussion soon fastened on to the implications of the Nixon doctrine, for the region and for Australia and New Zealand. It was observed first that the doctrine was deliberately ambiguous; and it suggested that its implications could be more limited than some at the conference supposed. In the first place, there was a parallel between United States policy in Asia and in Europe. Historically, the United States had been engaged either in both or in neither. The Mansfield resolution concerning withdrawal of United States forces from Europe could be seen as a counterpart of the Nixon doctrine in Asia. But the effect of both would be limited by American inability to withdraw substantially from global commitments.

There was also the parallel, noted earlier in conference discussion and in Mr Yager's paper, between the current political rhetoric about American foreign policy and what was said in the closing stages of the Korean war and the period immediately following it. There were limitations in the policy of rapprochement with China, as there had been with the Soviet Union. The prevailing assumption in American public opinion that military threats had lost their reality, and that armaments were useless in a revolutionary situation, might well need to be reassessed in the light of events.

As to the ambiguities in the Guam doctrine it should be noted that its wording—particularly the reference to a threat from a nuclear power, not a nuclear threat—left open the possibility of United States intervention by conventional forces to meet a conventional threat. Undoubtedly the intention was to raise the threshold point at which the United States would be required to intervene. This might not work in practice, however, because it could remove some existing restraints which inhibited the escalation of dangerous situations. They might therefore simply get worse faster and require intervention anyway. (It worried an American speaker that the reduction in planned United States military capacity forecast by President Nixon—from a capacity to deal with two major situations and one minor one at the same time to a capacity to meet only one major and one minor crisis simultaneously—from two and a half to one and a half—would tend to reduce American capacity to intervene effectively in future even if it was desired to do so.)

Finally, the Nixon doctrine envisaged that a redirection in American military power should be compensated by an increase in the efforts of other and regional powers, for example, Germany in Europe and Japan in Asia. To some extent, however, this could put American interests in pawn to Japanese and German decisions, which might not necessarily prove palatable for the United States. The consequences of a substantial increase in Japanese military forces especially might not seem as felicitous
in 1980 as perhaps it did in 1970. And, insofar as there was a decline of the American position in Asia, Australia and New Zealand, it was asserted, seemed likely to become more important to the United States rather than less, for reasons both of geography and economics.

In the general discussion which followed, it was again asserted from an American quarter that the Australian and New Zealand decision to retain their force commitment in Malaysia-Singapore was of the utmost importance in upholding the Nixon doctrine. An effective attack was being mounted in Congress, notably in the Symington and Fulbright committees, to undermine even this position: ‘They are on a missionary trail’. The line of argument was that people in the region were doing conspicuously little, why should the United States do more? The Australian and New Zealand action could thus be influential in a contrary sense.

An Australian response to this was to contend that it was specious to set what local governments would be prepared to do against United States action. Senator Fulbright’s criticism of the scale of Australia’s contribution in Vietnam rested on the mistaken assumption that the American action there had been undertaken for Australia’s benefit. In fact, the United States had acted initially in its own interests. The point was that it was now beginning to perceive those interests differently. Meantime, President Nixon and Dr Kissinger were showing a great disposition for ambiguity. Whose interests did this serve? If the United States was going to be ambiguous about its position, then allies would be ambiguous about theirs. There was scarcely a word in the President’s 40,000 word foreign policy statement of 18 February 1970 which would reassure Australia.

In defence of ambiguity, it was remarked that the American public mood was such that President Nixon had faced a risk of complete disarray over United States foreign policy shortly after his election. It represented a considerable achievement for him to have rescued as much as the Nixon doctrine represented. Inevitably, the doctrine and its associated political rhetoric had to look both ways: it had to reassure American allies that the United States would meet its commitments; and it had to reassure American public opinion that the maintenance of these commitments would not prove too burdensome. The real ambiguity lay less in the wording of the doctrine than in what, in any particular circumstance, public opinion would be likely to permit the President to do.

There was a significant difference, it was commented, between rhetoric and policy. Successive formulations of general policy—whether the Manila Pact, the Honolulu doctrine, or the Alliance for Progress—left one sceptical whether the exposition of an intent represented a blueprint for future action. It was a mistake therefore to scrutinise the text of the Guam doctrine looking for nuances, as though one were an English
literature student analysing Shakespeare. Few governments, an American remarked, were prepared to be specific about their precise reactions to future contingencies. Would Australia or New Zealand wish to give firm assurances about the action they might take in certain circumstances in Malaysia, if, for example, communal relations deteriorated markedly, and the Malaysian authorities were to turn to Indonesia for assistance? Surely the United States, with over a million men in Asia, was entitled to retrench without having its readiness to meet its obligations called into question.

It was agreed by another speaker that it was not particularly fruitful to call for clarifications of ambiguity in the Nixon doctrine. But it was important that allies should make their own assessment of the basis of American policy, the drift of opinion in the United States, and the likely course of American policy in future.
Review Comments
I have heard the object of this review described as that of drawing together the threads of discussion thus far, if that indeed were possible. The further and the deeper we have gone the more it has seemed to me that it would be useful to draw a distinction between two types of pre-occupation which have been on our minds throughout.

In the first place, there has been an attempt to talk about developments in Asia and the Pacific region as they may occur over the next decade or more. It seems to me that at this level the debate rose above the rather more obvious points of Japan’s growing in confidence and power, of the green revolution’s going at least some distance towards solving the food problems in Asia, and of China’s proceeding along a path of both greater strength and greater unpredictability. At one level this conference was surely about what one historian has described as ‘the contingent and the unforeseen’—about such possibilities, perhaps probabilities, as Indonesia’s not being frozen into respectability, but going crazy again quite soon; of Sir Alec Douglas-Home’s turning out to have been really an angel of East-of-Suez mercy instead of an arrogant aristocrat undertaker; of the United State’s going even deeper into its mood of Asian disenchantment or even (and I suppose it is a possibility) one day having second thoughts about Guam and all it may be taken to stand for.

There has been a second tier to our discussion which, for me anyway, has not been as satisfying as the first. Perhaps given the nature of the conference it was not intended to be. When we talk about ANZUS we are talking about relationships between states. The larger Asian picture, actual or imagined, is only the background against which the more immediate task of examining and developing the nature of the ANZUS relationship should be undertaken. Here I think one can specify a number of factors which have made balanced dialogue—three-sided ‘dialogue’—difficult, particularly on political matters but to some extent also on economic ones. In the first place there is this element of genuine hesitation which seems to be shared by the American, Australian, and New Zealand representatives alike, as to what exactly the Guam doctrine
means in itself and, in a more specific sense, for ANZUS. If, as I suspect, it is a little more than the adumbration of a new mood on the part of the largest ANZUS partner, I think we need to know whether it is a developing mood, or whether that mood has already found its own centre of gravity. If the latter, then it is difficult for Australians and New Zealanders to decide whether the Guam doctrine provides a psychological peg sufficiently large and of the kind we have come to recognise, on which to hang an Australian-New Zealand military presence in Asia in the 1970s. If it is the former—if America's commitment to Asia implies neither action against insurgency, nor limited scale military intervention of a conventional nature on behalf of friends, but only the suspension of a nuclear umbrella over an unstable region in which we all have an interest—then I think we shall have to say, at least for New Zealand, that Guam is something not only disquieting but also a little terrifying.

In sum, the problem for the smaller ANZUS partners, as I see it, is in satisfying ourselves that the new United States mood is a stable one, capable of providing us with the psychological references and props on which an alliance must depend if it is to have much meaning.

Another factor, which has made a truly harmonious dialogue difficult, if not impossible, concerns the question of perspective raised during the conference. Here I am talking about the difficulty of three powers, each with vastly differing degrees of strength and prestige, examining specific problems in the knowledge that each really knows what the other is thinking. The United States is a superpower. By exerting its power it can change the character of my life. By withdrawing its power it can change the character of my life. One speaker at the conference pointed out how handy it would be for the United States as it went about its larger concerns in Asia in the 1970s (such as containing China and looking at Russia) to know that Australia and New Zealand were there, to the south, doing something relatively small but very important in Malaysia and Singapore. As a New Zealander, I squirmed a little at the assumptions, if not the presumptions, implicit in this analysis, not because I disagreed with him, but because his perspective seemed to me so sharply different from my own that I found it difficult to recognise a satisfactory place for myself in the kind of picture he was drawing. Equally I could detect a degree of well-concealed fascination (or half-concealed fascination) on the part of other Americans as they watched New Zealanders fret about specks on the map which even they themselves sometimes have difficulty in discovering.

Australia is in a different category again. The conference has revealed it to be a country with all the hang-ups of a middle-ranking power, both tempted and indeed urged to do the work of a great power. As was said it helps Australia politically in Kuala Lumpur to be able to point to a record of commitment on the ground inside the region. Hopefully, it will
also help Australia politically in Washington to point to such items as Pine Gap.

These facilities, on the other hand, are beyond the range of New Zealand in the long term. New Zealand is of course a member of a minor class of nations compared with the other two. It is used to the idea of commitment in Asia but it is not at all sure that it can sustain such commitment without immediate great power reassurance of some tangible kind. Perhaps there are forces within New Zealand society tugging at the moral substance of that commitment. Certainly New Zealand is not likely to be able to gain leverage in Washington by devices such as Pine Gap because politically New Zealand society is not prepared to concede that much to acquire American nuclear protection. The prospect of an Omega navigation beacon on New Zealand soil was enough to evoke a controversy of very considerable and probably effective proportions. The visit of an American Vice-President created, at least in the malignant imaginations of the Special Branch, a major problem of national security. When such things can happen I do not think we can too readily assume that New Zealand’s commitment to ANZUS is entirely without restraints and inhibitions.

Perhaps New Zealand, and perhaps even Australia, may one day wish to turn away from ANZUS and what it implies, and towards some of the other options which have been offered. New Zealand’s greatest current political concern is not an Asian one at all. It is a European one. Upon the outcome of negotiations in Brussels, 12,000 miles distant from Wellington, may depend New Zealand’s capacity to play the kind of role within ANZUS that its friends here would continue to wish of it.

It seems to me that the test of these discussions in Canberra will not be our success or failure in predicting events in Asia, or in exploring the tugs and tensions which underly the ANZUS relationship. The real test will be our ability to make the second function interlock with the first: to make sure that we have sufficiently thrashed out our agreements and our differences to be able to apply an agreed approach to one or other of the hypothetical Asian worlds we have been sketching. There are three rather random but important sets of questions which have not been fully considered so far.

The first of them I have already touched on: How far and how fast will Japanese economic expansion extend in the 1970s? How will this be reflected in Japanese policies—possibly military and certainly concerning investment—in the region? How will ANZUS as a set of partners, and individually, react to the probable spread of Japanese power of one type or another across the Pacific?

Secondly, how low, in quantitative terms if not qualitative, can the American posture in Asia become without persuading Australians and New Zealanders that it has little real meaning for their security and that
they should therefore resort to other options, either in terms of defence, or political preoccupations, perhaps beyond this immediate region?

Thirdly is American eyesight sharp enough to detect that sometimes Australian and New Zealand interests, though small and relatively insignificant when measured in global terms, look much more important from Wellington and Canberra than they do from Washington? Here I refer not only to meat markets in America, and political and economic problems in such areas as New Guinea and the South Pacific (which are specific Australian and New Zealand preoccupations) but also to something a little intangible in which it seems to me so long as ANZUS has existed—and it has existed for 18 years—have underlain all the efforts we have made. That is, what actually does ANZUS stand for? What about the substance of the societies which comprise ANZUS? What about the kind of life we are enjoying and which we are presumably intending to protect and perhaps even to spread around the region? New Zealand has a life-style. Australia also has a life-style. I think each country's participation in this region, both in defence and in political and economic relations, depends to some extent on a perception of its own character as a nation and on the perception of how the constituent elements of its society can be brought to bear and so influence the region itself. This is something which, I believe, underpins a commitment to an alliance. It is perhaps not all that relevant to people who are considering the matter purely in strategic, or political, or economic terms. But it is important in terms of the actual will of commitment. Why, in fact, are we in ANZUS? Is it purely for our own physical protection, or is it, in some more general sense, for the projection of a little of ourselves among the people whose interests may happen to coincide with our own?

DISCUSSION

The implied imbalance in the alliance, arising from the immense disparity in strength between Australia and New Zealand on one side and the United States on the other was explored further in the context of intergovernmental consultations. To what extent, it was asked, could Australia and New Zealand hope to influence the course of American policy? Consultation, it was noted, was important but it needed to be undertaken at a formative stage in policy-making, not after major decisions had been taken. Did the United States in fact consult Australia and New Zealand at this stage?

An American speaker responded by saying that Vietnam had long been the area of prime concern for the White House and the State Department. There were times when Washington was eager to solicit
and to listen to alternative policies. Australia and New Zealand were well represented in Washington but too often their officials lacked sufficient briefing. Because of their contribution in Vietnam and their commitment in Malaysia and Singapore, Australia and New Zealand had a 'ticket' for consultations in Washington which those who merely sat on the sidelines and criticised did not have—in other words, they had some leverage. If they had produced a new approach it would have been given a careful hearing but in practice they had tended to react to the American position rather than to the situation itself. Canberra, it was added, had for some years had particularly close links with Washington because of the cordial relationship which existed between President Johnson and Prime Minister Harold Holt, but in the opinion of the speaker this had not been effectively used.

To these observations were added the comment that Australia especially in view of its potential nuclear capacity, needed a much greater knowledge of nuclear matters if it was to contribute effectively to the consideration of issues of nuclear strategy. Whereas in the case of counter-insurgency operations, Australian experience was considerable, more attempt could well have been made to use this knowledge in a dialogue with Washington.

There were some sharp divisions of opinion in the conference on this issue. It was debated whether Australian and New Zealand diplomats were failing to take advantage of the opportunities which existed, whether because of the limitations imposed by the inadequacies of governmental policy or otherwise. It was said that while there were obvious limitations in the departmental resources available to the two countries, nonetheless consultation at the middle levels did serve to maintain a close contact between allies—access to officials in Washington was good and this sort of effort represented the greater and invisible part of the iceberg. Negative attitudes in government, a tendency to react only when obliged to do so, it was contended, was a more fundamental limitation.

It was asked also whether genuine consultation was possible on complex issues between allies so unequal in strength. The United States's course of action was likely to be moved by the advocacy of a small ally only when other political forces so disposed Washington to move.

To some extent, also, criticisms might have been aimed less at the actual weight of Australian influence than at the direction of policy in which it was used. It was remarked that Australia had long placed substantially more emphasis than had New Zealand on the United States commitment in Vietnam. Consequently, New Zealand had been less shaken when the commitment faltered and was less pessimistic subsequently. It had to be recognised, however, that the American political climate had changed sharply and Australia and New Zealand would need to consult closely about future courses.
One general proposition that may be put forward about the ANZUS alliance is that the degree of community of perceived interests among its members is diminishing. It is true that long term prospects for survival of the alliance are good; indeed, if we consider the likely shape of international politics in Asia and the Pacific in the 1970s we should regard ANZUS as one of the few points of stability in an otherwise very changing scene. The movement of international politics is away from a simple and towards a complex balance of power, and a likely characteristic of the next decade in Asia and the Pacific is greater flexibility in the choice of allies and antagonists.

Because in the last twenty years we have had a stable pattern of relationships—the confrontation of the western alliance and the communist powers—we are inclined wrongly to look for a future pattern of rest and stability, to expect that after a period of flux international politics will accommodate themselves to some new fixed pattern. On the contrary, we should expect constant movement, constant uncertainty as to who is the friend of whom, to what extent and over what issues; the atmosphere is already thick with speculations about possible new combinations—a Sino-Japanese alliance, a rapprochement between China and the United States, a combination of Indonesia and Malaysia directed against Singapore—my point is not that any one of these new alignments is likely, but that we are moving into a period in which these possibilities, and others, have to be taken into account. But amid all this flux the relationship between the United States on the one hand and Australia and New Zealand on the other is likely to be a stable element.

One reason for this is that the alliance does not rest merely on political or strategic calculations, but has moral or cultural foundations as well. The Australian interest in alliance with the United States, I am sure, is ultimately cultural, even intellectual, as well as political and strategic. Australians and New Zealanders derive a great sense of comfort from the mere existence of America: it somehow gives them a sense not merely of security but of bearings and direction, to know that there are a couple of hundred million English-speaking people across the Pacific, and
that they, the Australians and New Zealanders, are part of this great mass of humanity.

I should argue that it is very important culturally and socially for Australia and New Zealand to participate in a wider grouping, so as to check the provincial or parochial perspectives towards which they are drawn. It is very noticeable how much more narrowly Australia and New Zealand define their national interests than a former great power like Britain or a current great power such as the United States. Australians, for example, do not look much beyond Southeast Asia and the South Pacific, and they tend to be chiefly concerned with their own survival. They are not, like Americans, concerned vitally with every quarter of the globe, and they do not appear to be much preoccupied, even in the rhetoric they employ in justifying their policies, with those grandiose objectives—such as the peace of the world or the viability of what is called the free world—that provide the rationale (and also, I should argue, shape the content) of United States policy. Participation in an alliance such as ANZUS helps to broaden the concerns of the junior partners and even to extend their sense of identity.

Despite the fact that the ANZUS alliance seems very likely to survive in some form, it appears at present, at least in political and strategic terms, to be going into decline: for while Australia and New Zealand are drawing closer together, these two partners and the United States are moving perceptibly away from each other.

Let us look first at the policy of the United States. A principal characteristic of the ANZUS alliance is the one that Professor Greenwood has referred to, namely the imbalance in it, and this is not merely an imbalance in power as between American strength and Australian and New Zealand weakness, it is also an imbalance in the degree of interest which the two sides have in the alliance. Whereas for Australia and New Zealand ANZUS is ultimately a matter of their survival as states, for the United States it is at most a convenience.

This, of course, has always been the case. At the present time, however, the United States' interest in her relationship with Australia and New Zealand appears to be diminishing. The new United States policy in Asia and the Pacific not only involves a withdrawal from Vietnam and Southeast Asia but also seems to imply a diminished interest in Australia and New Zealand. For some time after the Americans began to throw their Asian policy into reverse it was still possible to ask the question whether, after they had pulled out of Vietnam and Southeast Asia, they might perhaps retrench their position in other places. It was possible to believe that after the Americans got out of Vietnam they might look to Australia for bases, as Walter Lippman long argued they should do, or to the Philippines, or to Micronesia. It was possible to speculate whether, after scaling down their position in Asia they might build
up their position in Europe. Now the answers to this question have become more clear: the movement of American policy is not merely one out of Vietnam and out of Southeast Asia, it is a policy of global retreat and withdrawal, not of course a withdrawal without limits, not a withdrawal back to a Fortress America or isolationist position, but a withdrawal that is reflected all over the world and in all aspects of American policy. America is under pressure to reduce the commitment in Europe and in Korea as well as in Southeast Asia. The overall United States defence budget is going down and the one part of it that is going up, that which is devoted to strategic nuclear weapons, is the element which makes it possible for the United States to think more in terms of continental self-sufficiency. The foreign aid budget is going down, the American diplomatic establishment is being pared, American scholarly attention and research resources are being directed away from international affairs and towards domestic concerns; indeed all the vehicles of American influence in the world are being attenuated. We are faced with a global withdrawal, not merely a regional one.

This needs to be stressed because it has been a characteristic of Australian and New Zealand policy over the last few years constantly to underestimate the degree of American withdrawal, constantly to fail to recognise the direction in which American policy has really been moving, and this is the more remarkable since the same mistake was made just before about Britain. All through the period (1965-8) when the British were drifting towards a decision to withdraw from the Far East, Australian governments appeared to believe, or at all events to say, that the British were going to stay there or could be persuaded to stay. They seemed reluctant to recognise that Britain was really about to withdraw, or to face up to the implications of such a withdrawal if it took place.

In the case of the withdrawal of the United States, every statement of change in the policy of the United States since President Johnson's 31 March 1968 speech has been greeted by an Australian governmental adumbration along the lines that really the American policy had not altered at all—a theme which is still present in Australian statements. The Australian government has given the appearance of relying on what is told to them by their United States ministerial official and military contacts rather than making their own assessment of the drift of American opinion. What an American official (or any other) says about the future of his country's policy may well be something he honestly believes, but it will be coloured by his own hopes about what his country will do and is no substitute for an independent assessment of the forces shaping that country's policy among which the hopes and beliefs of the government are only one. There is a danger that Australians and New Zealanders at this conference may be unrealistic in the same way:
the Americans around this table are a group who, for the most part, have been fairly close to the United States government during the last decade, who are themselves on the whole attached to the policies which America appears to be abandoning, and whose own assessments of what the future of American policy will be are the product of their hopes that it will remain substantially the same. An American participant said that a good reason why Australia and New Zealand should remain in Malaysia and Singapore is to influence the American debate in the direction of retaining a presence and an interest in this part of the world. He hopes that his view as to what the United States will do will prevail but Australian policy has to be based not on that hope, but on an assessment of what the outcome of the struggle in America is likely to be.

As regards Australian influence on United States policy in Vietnam, I should accept the suggestion of an earlier speaker that Australia did have a 'ticket' that admitted her as a participant in the American governmental debate about what to do, and that Australia's influence, though slight, may not have been negligible. Such evidence as we have, however, shows that this ticket was used to influence American policy in what now appears to have been the wrong direction. If Australian spokesmen did use their influence in private in the way the public statements suggest that they did, viz. to uphold a strong and inflexible 'hawkish' line, this has contributed to the revolutionary changes in the American world outlook by which Australians now feel threatened. By endorsing the idea that what was at stake in Vietnam was not merely the survival of a small country but the future of the doctrine of people's war, the security of the whole non-communist world, and the credibility of American commitments everywhere, Australia was courting the risk that if the American will faltered, as it has now done, disengagement from Vietnam would not be an orderly withdrawal to strategically superior positions, but a headlong retreat from responsibility and involvement in the region. Because, by her words and actions during 1965-68, the United States magnified the issue in Vietnam into one of historic proportions, now that the American will has faltered there has in fact been a general loss of confidence in the credibility of American commitments. It would be foolish to suggest that it was Australian policy that brought this about, but it did play a small part among those forces working against any attempt to reassess United States policy during 1965-8, to play down the importance of the issue, to set limits to the scale of American involvement, or to insure against the possibility of failure.

It would be wrong to assume that the momentum that has built up in the United States against involvement in world affairs will not carry that country further along the road of withdrawal before it comes to a halt. President Nixon's Guam Doctrine is a particular statement, designed to satisfy a variety of needs in a particular historical contin-
gency: it is not a sacred text from which the future behaviour of the United States can be deduced, and it may prove to be no more than one of a number of staging posts on a road to further withdrawal.

It is clear that the United States is at present resolutely opposed to taking on new commitments, and in particular, is unwilling to underwrite the Australian and New Zealand presence in Malaysia and Singapore. The Australian government appears hesitant to reaffirm or extend its commitment to this presence, in the absence of such an underwriting by the United States. The fact is that whatever the preferences of President Nixon's Administration, American public opinion has become less concerned about the future of Southeast Asia, and less interested in resisting communism in Southeast Asia or preserving the 'stability' of Southeast Asian countries. If the United States really felt that it was of vital importance that Australian and New Zealand forces remained in Malaysia and Singapore, it might be willing to take the risk of entering into the commitment that would ensure the continuation of this presence, but in the scheme of American policy, avoidance of additional commitments has a higher priority than the preservation of the Australian and New Zealand presence.

In addition to the general decline of United States interest in Southeast Asia and the South Pacific, a number of other factors working against the significance of the ANZUS Treaty may be mentioned. The United States strategic interest in Australia and New Zealand has, to say the least, an uncertain future. It was the strategic interest in Australia as a base for its operations against Japan that led the United States to come to the rescue of Australia in 1942. There does not appear to be any comparable American strategic interest now. There is no United States interest in establishing military, naval, or air bases in Australia, except for the interest shown in some American naval circles in the projected base at Cockburn Sound. There is no United States interest in deploying nuclear missiles in Australia: there does not appear to be anything to gain, from an American point of view, from stationing them here rather than elsewhere. There remain the naval communications station at North West Cape and the defence space installations of Woomera and Pine Gap; my impression is that Australians exaggerate the importance of these facilities in American strategic priorities.

The new mood of protest in the United States, including youthful protest, operates against the interests of Australia as these interests have been viewed by Australian governments in the recent past. As against the view that Australia has earned credit and won friends in the United States by her participation in the Vietnam war, the fact is that for many young Americans Australia is associated with a set of American policies and a group of American leaders on which they are now turning their backs. The idea that the friendship and affection of the United
States is to be won by unswerving loyalty to the American government of the day, overlooks the fact that over a period the complexion of the United States government and the character of its policies are bound to change.

Moreover, the rise of black power in the United States has implications for Australia's relationship with that country. For this increasingly vocal 11 per cent of the American population the main thing about Australia is that it discriminates against coloured people in its immigration policy and has neglected and oppressed its aboriginal population. This is a factor of which Australians need to take account in their estimation of the American alliance and the policies necessary to sustain it.

As regards Australian interests in ANZUS, it may be argued that despite the 'historic decision' made known in the Prime Minister's speech of 25 February 1969, committing Australia to remain in Malaysia and Singapore after the British withdrawal, the actual movement of Australian policy is away from the permanent deployment of forces in Southeast Asia and towards concentration on continental defence and the defence of New Guinea. It is clearer now than it was in February 1969 that the United States is disengaging from Vietnam. The Australian Labor Party, which is opposed to regional military deployments, has emerged as a serious alternative government. The Malaysian troubles have heightened the feeling in Australia that a military presence may lead to involvement in communal disputes. The growing interest in naval expansion in Australia, and particularly in the construction of a base at Cockburn Sound, indicates a shift of priorities.

The reluctance of the Australian government to sign the Non-Proliferation Treaty (and having signed it, to ratify it) reflects a feeling of diminishing willingness to depend upon the American alliance—not of course a belief or a hope that ANZUS can be dispensed with, but a judgement that Australia may have to become the principal element in its own defence and not merely make a contribution to it subordinate to that of its great power ally. By its hesitation on the Non-Proliferation Treaty, and by its decision to establish a nuclear power station at Jervis Bay, Australia has begun gradually to edge its way in a nuclear direction. It is by no means inevitable that nuclear weapons will spread in the Pacific or that Australia will at some time in the future decide to acquire a nuclear capability: but the decision to acquire a nuclear power station does prepare the ground for the latter, and was taken with full realisation of this implication.

Australia's policy in relation to nuclear weapons creates problems for New Zealand. It has already been mentioned that there is strong attachment in New Zealand not only to the view that New Zealand should have no plans to acquire nuclear weapons but also to the proposition that such weapons should not be deployed on New Zealand soil. New
Zealanders, who are not likely to want to acquire a nuclear weapon themselves, presumably need to consider carefully what policies they would wish Australia to pursue in this respect. It is not clear whether the New Zealand government has considered what policies it wishes Australia to pursue in relation to the Non-Proliferation Treaty, or how it could influence Australian policy on this matter.

New Zealand presumably has a vital interest in the security of Australia; most New Zealanders recognise that if Australia were subject to a direct threat, this would be a threat to New Zealand also. Australia's interests in relation to New Zealand are less important: Australia is not dependent on New Zealand's survival and could conceivably do without it. Australia, however, has an interest in adding the diplomatic weight and resources of New Zealand to its own, and to this end should be concerned to keep New Zealand's policy broadly in line with its own.

Australians are very aware that in relation to the major powers of the world their country is weak and insignificant. But they discover, when they go to New Zealand, that in that country Australia looms very large. I myself came to feel, while visiting New Zealand a year or so ago, something of a great power chauvinist. I remember feeling, while standing on a hill looking over Wellington harbour, something of the exaltation Hitler must have felt when he marched into Vienna in 1938 and proclaimed that it was the Ostmark of the German Reich. So long as it chooses to co-operate with Australia, New Zealand strengthens Australia's diplomatic resources and extends its field of operations.

There are, however, certain elements in New Zealand opinion which tend to push New Zealand out of line. For one thing there is the New Zealand sense of national identity. Professor Keith Sinclair has said that New Zealand national feeling is a coin, on one side of which is written 'not Australian', and on the other side of which is written 'more British'. Rather as Canadian opinion has a built in tendency towards dissent from United States policies, arising from Canada's need to assert a national identity vis-à-vis the United States, New Zealand opinion has a built-in tendency to seek out differences with Australia. The analogy with Canadian-American relations can be taken further; New Zealanders are inclined to see Australia as bigger, more vulgar and more compromised by power politics than they are.

New Zealanders moreover, because theirs is a small country, do not have the great power aspirations that Australians sometimes have, the big visions of the future that are an aspect of Australian life. Some New Zealanders, I think, tend to resent these Australian visions of grandeur and seek to cut them down to size. These elements in New Zealand thinking, when combined with neutralist or isolationist political doctrines, are capable of producing in New Zealand a sense of alienation from Australia and Australia's policies. It is an Australian interest to
frustrate any such developments on the New Zealand scene, to combat this possible alienation of New Zealand sentiment by trying always to engage New Zealand loyalties and emotions in Australian enterprises, to ensure that wherever possible Australia is seen to act jointly with New Zealand, so that New Zealanders will feel that they have a stake in Australia’s schemes and visions, including the grander ones.

DISCUSSION

Professor Bull’s contention that the ANZUS alliance would become looser in the 1970s because, in the current trend of American foreign policy, both Australia and New Zealand were likely to become less important to the United States was questioned in the commentary. In earlier sessions a contrary view had also been expounded, substantially on strategic aspects, but the point stressed on this occasion was one of possible countervailing forces in other fields. If, in economic and political aspects, both Australia and New Zealand envisaged an enhanced relationship with the United States in the 1970s, as they did, would this not have some beneficial effect on the alliance? Were not the bilateral relationships involved in each case contributing elements to the larger tri-partite relationship? Professor Bull subsequently accepted this point in itself but reiterated his view that it was the strategic or security aspect of the alliance, with which he was concerned, which he expected to become weaker in the 1970s.

The view expressed in his statement about the likely extent of American withdrawal from Asia, however, provoked the major body of comment. One American view of the likely scene by 1980 portrayed the following:

1 There would then be no American ground forces in Korea but perhaps still a United Nations command under an American general.
2 United States bases in Japan (and Okinawa) would have become Japanese bases, used occasionally by American forces. There would be no United States nuclear weapons in Japan.
3 The joint United States-Chinese Defence Command in Taiwan would be gone but the mutual security treaty would still be in existence.
4 There would be a reduction in United States bases in the Philippines.
5 The security of South Vietnam might be guaranteed but there would be no United States forces there.
6 There might be standing arrangements of some kind to reassure Thailand.
The United States Seventh Fleet would still be stationed in the region but would have fewer aircraft carriers.

8 All United States security treaties would still be in force.

The same observer rated the Laotian situation as quite unpredictable. The total picture emerging from this survey was less pessimistic than Professor Bull's conclusions but no consensus of opinion was reached.
Appendix
APPENDIX

The 'Nixon Doctrine'

Excerpts from *United States Foreign Policy for the 1970s—A New Strategy for Peace*

A Report to the Congress by Richard Nixon, President of the United States, February 18, 1970.

(a) *From Part II: Partnership and the Nixon Doctrine*

Asia and the Pacific

Three times in a single generation, Americans have been called upon to cross the Pacific and fight in Asia. No region of the world has more engaged our energies in the postwar period. No continent has changed more rapidly or with greater complexity since World War II. Nowhere has the failure to create peace been more costly or led to greater sacrifice.

America's Asian policy for the 1970's must be based on the lessons of this sacrifice. Does it mean that the United States should withdraw from Asian affairs? If not, does it mean that we are condemned to a recurring cycle of crisis and war in a changing setting beyond the understanding or influence of outsiders?

Our answers to these questions provide the concepts behind this Administration's approach to Asia.

First, we remain involved in Asia. We are a Pacific power. We have learned that peace for us is much less likely if there is no peace in Asia.

Second, behind the headlines of strife and turmoil, the fact remains that no region contains a greater diversity of vital and gifted peoples, and thus a greater potential for cooperative enterprises. Constructive nationalism and economic progress since World War II have strengthened the new nations of Asia internally. A growing sense of Asian identity and concrete action toward Asian cooperation are creating a new and healthy pattern of international relationships in the region. Our Asian friends, especially Japan, are in a position to shoulder larger responsibilities for the peaceful progress of the area. Thus, despite its troubled past, Asia's future is rich in promise. That promise has been nurtured in part by America's participation.

Third, while we will maintain our interests in Asia and the commitments that flow from them, the changes taking place in that region enable us to change the character of our involvement. The responsibilities once
borne by the United States at such great cost can now be shared. America can be effective in helping the peoples of Asia harness the forces of change to peaceful progress, and in supporting them as they defend themselves from those who would subvert this process and fling Asia again into conflict.

Our friends in Asia have understood and welcomed our concept of our role in that continent. Those with whom the Vice President, the Secretary of State and I spoke during our visits there agreed that this was the most effective way in which we can work together to meet the military challenges and economic opportunities of the new Asia.

Our new cooperative relationship concerns primarily two areas of challenge—military threats, and the great task of development.

*Defense*

Our important interests and those of our friends are still threatened by those nations which would exploit change and which proclaim hostility to the United States as one of the fundamental tenets of their policies. We do not assume that these nations will always remain hostile, and will work toward improved relationships wherever possible. But we will not underestimate any threat to us or our allies, nor lightly base our present policies on untested assumptions about the future.

At the beginning of my trip last summer through Asia, I described at Guam the principles that underlie our cooperative approach to the defense of our common interests. In my speech on November 3, I summarized key elements of this approach.

—The United States will keep all its treaty commitments.

—We shall provide a shield if a nuclear power threatens the freedom of a nation allied with us, or of a nation whose survival we consider vital to our security and the security of the region.

—In cases involving other types of aggression we shall furnish military and economic assistance when requested and as appropriate. But we shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense.

This approach requires our commitment to helping our partners develop their own strength. In doing so, we must strike a careful balance. If we do too little to help them—and erode their belief in our commitments—they may lose the necessary will to conduct their own self-defense or become disheartened about prospects of development. Yet if we do too much, and American forces do what local forces can and should be doing, we promote dependence rather than independence.

In providing for a more responsible role for Asian nations in their own defense, the Nixon Doctrine means not only a more effective use of common resources, but also an American policy which can best be sustained over the long run.
General Purpose Forces

When I examined the objectives established for our general purpose forces, I concluded that we must emphasize three fundamental premises of a sound defense policy.

First, while strategic forces must deter all threats of general war no matter what the cost, our general purpose forces must be more sensitively related to local situations and particular interests.

Second, while the possession of 95 per cent of the nuclear power of the non-Communist world gives us the primary responsibility for nuclear defense, the planning of general purpose forces must take into account the fact that the manpower of our friends greatly exceeds our own, as well as our heavy expenditures for strategic forces.

Third, we cannot expect U.S. military forces to cope with the entire spectrum of threats facing allies or potential allies throughout the world. This is particularly true of subversion and guerrilla warfare, or 'wars of national liberation'. Experience has shown that the best means of dealing with insurgencies is to preempt them through economic development and social reform and to control them with police, para-military and military action by the threatened government.

We may be able to supplement local efforts with economic and military assistance. However, a direct combat role for U.S. general purpose forces arises primarily when insurgency has shaded into external aggression or when there is an overt conventional attack. In such cases, we shall weigh our interests and our commitments, and we shall consider the efforts of our allies, in determining our response.

The United States has interests in defending certain land areas abroad as well as essential air and sea lines of communication. These derive from:

— the political and economic importance of our alliances;
— our desire to prevent or contain hostilities which could lead to major conflicts and thereby endanger world peace;
and
— the strategic value of the threatened area as well as its line of communications.

The military posture review I initiated the day I took office included a thorough examination of our general purpose forces. This study explored in turn our interests, the potential threats to those interests, the capabilities of our allies both with and without our assistance, and the relationship of various strategies to domestic priorities.

The National Security Council examined five different strategies for general purpose forces and related each one to the domestic programs which could be supported simultaneously. Thus, for the first time,
national security and domestic priorities were considered together. In fact, two strategies were rejected because they were not considered essential to our security and because they would have thwarted vital domestic programs.

We finally decided on a strategy which represented a significant modification of the doctrine that characterized the 1960's.

The stated basis of our conventional posture in the 1960's was the so-called '2 1/2 war' principle. According to it, U.S. forces would be maintained for a three-month conventional forward defense of NATO, a defense of Korea or Southeast Asia against a full-scale Chinese attack, and a minor contingency—all simultaneously. These force levels were never reached.

In the effort to harmonise doctrine and capability, we chose what is best described as the '1 1/2 war' strategy. Under it we will maintain in peacetime general purpose forces adequate for simultaneously meeting a major Communist attack in either Europe or Asia, assisting allies against non-Chinese threats in Asia, and contending with a contingency elsewhere.

The choice of this strategy was based on the following considerations:
— the nuclear capability of our strategic and theater nuclear forces serves as a deterrent to full-scale Soviet attack on NATO Europe or Chinese attack on our Asian allies;
— the prospects for a coordinated two-front attack on our allies by Russia and China are low both because of the risks of nuclear war and the improbability of Sino-Soviet cooperation. In any event, we do not believe that such a coordinated attack should be met primarily by U.S. conventional forces;
— the desirability of insuring against greater than expected threats by maintaining more than the forces required to meet conventional threats in one theater—such as NATO Europe;
— weakness on our part would be more provocative than continued U.S. strength, for it might encourage others to take dangerous risks, to resort to the illusion that military adventurism could succeed.

To meet the requirements for the strategy we adopted, we will maintain the required ground and supporting tactical air forces in Europe and Asia, together with naval and air forces. At the same time, we will retain adequate active forces in addition to a full complement of reserve forces based in the United States. These force levels will be spelled out in greater detail in the program and budget statement of the Secretary of Defense.
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