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Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK

Global Change, Peace & Security: formerly Pacifica Review: Peace, Security & Global Change

Publication details, including instructions for authors and
subscription information:

<http://www.tandfonline.com/loi/cpar20>

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Sue Thompson ^a

^a International Studies, University of Canberra, Australia

Available online: 06 Feb 2011

To cite this article: Sue Thompson (2011): The Western powers and the development of regional cooperation in Southeast Asia: the international dimension, 1945-67, Global Change, Peace & Security: formerly Pacifica Review: Peace, Security & Global Change, 23:1, 75-88

To link to this article: <http://dx.doi.org/10.1080/14781158.2011.540096>

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The Western powers and the development of regional cooperation in Southeast Asia: the international dimension, 1945–67

Sue Thompson*

International Studies, University of Canberra, Australia

The creation of formal regional cooperation in Southeast Asia is generally attributed to initiatives that came from countries in the region. In particular, the creation of the Association of Southeast Asian Nations (ASEAN) was a direct result of the Malaysian–Indonesian talks that ended Confrontation. Indeed, at the time many Asian leaders denied that ASEAN was the result of an outside idea or action. However, this position ignores the importance of Western financial aid in the establishment and subsequent success of ASEAN, as well as the various policy positions Western countries had taken since the end of the Second World War. This article argues that Southeast Asian regional cooperation was influenced by both Western and Asian policy and its development reflected the economic and political transformation of the Southeast Asian landscape that was taking shape at the time.

Keywords: regionalism; Southeast Asia; development; security

The creation of the Association of Southeast Asian Nations (ASEAN) in 1967 was a turning point in regional cooperation in Southeast Asia. Closer integration among its five founding members moved regional cooperation from organisations with a broad membership that included Western nations to the development and successful operation of an association comprised solely of countries within the region. There had been previous attempts at creating organisations solely consisting of Southeast Asian states, but these had failed, and by the mid-1960s, the main Asian regional associations operated with external membership.

The creation of ASEAN is typically attributed to initiatives that came from the countries in the region themselves. For example, Dewi Fortuna Anwar believes that the creation of ASEAN was a ‘direct offshoot’ of the Bangkok talks that ended the Malaysia–Indonesia confrontation. She says that the Foreign Ministers of Indonesia, Malaysia, and Thailand agreed that closer regional cooperation was necessary to prevent future regional conflicts, and that Abu Bakar Lubis, who was the private secretary to the Indonesian Foreign Minister, Adam Malik, denied that ASEAN was the result of an American idea or action.¹ Shaun Narine believes that Confrontation spelt out a need for regionalism and that Indonesia wanted to be part of an organisation that it had a role in creating. Despite a significant change in foreign policy after President Suharto took office in 1966, Jakarta saw the region targeted by foreign powers and wanted to maintain a national security policy of self-reliance.² All five original ASEAN members had their own reasons for joining the new organisation.³

*Email: sue.thompson@canberra.edu.au

- 1 Dewi Fortuna Anwar, *Indonesia in ASEAN: Foreign Policy and Regionalism* (New York: St. Martin’s Press, 1994), 49–57.
- 2 Shaun Narine, *Explaining ASEAN: Regionalism in Southeast Asia* (London and Boulder, CO: Lynne Rienner, 2002), 12–14.
- 3 Estrella D. Solidum, *The Politics of ASEAN: An Introduction to Southeast Asian Regionalism* (Singapore: Eastern Universities Press, 2003), 22.

There is no doubt that ASEAN's formation in 1967 came at a crucial time for Southeast Asia. Confrontation had officially ended the previous year, and Britain had just announced that it would withdraw its military bases from the region by the mid-1970s. But Britain was keen not to leave a military power vacuum in its wake and the United States also decided to commit significant financial aid to support regional cooperation, something the State Department believed could mark the beginning of regional development in Southeast Asia.

These actions suggest a measure of direct Western interest and influence over the development of regional cooperation. However, both the British and the Americans were keen to encourage countries in the region to cooperate rather than impose on them a system developed in London and Washington. Indeed, by the late 1960s the countries of Southeast Asia could not be forced to participate in a grouping against their will.

Unlike the academic orthodoxy, which gives greatest importance to the creative role of Southeast Asian states, this article argues that policies and initiatives forged in London and Washington were vital in influencing the move towards closer regional integration. Drawing on extensive archival research, it does not claim that Western policies directly created regional institutions; rather it seeks to provide the international context for the development of Southeast Asian regionalism and to show how the many layers reflecting international, regional, and national agendas often affected policy development in the post-1945 period.

Postwar origins

Encouraging the development of regional cooperation had been an initiative by the USA and Britain since the Second World War. Towards the end of the war, concerns were raised about securing international peace and cooperation through the United Nations (UN). The USA was interested in seeing collaboration among groups in the UN where there was a common interest, including regional cooperation.⁴ Britain had an idea of developing a policy for regional cooperation of colonial areas, which it hoped would be acceptable to the USA.⁵ Indeed, some countries in the region also favoured the idea of closer cooperation, especially those who supported decolonisation, but not pro-communist independence movements.⁶

When the Philippines government started to explore the possibilities of a Pacific and South-east Asian 'understanding', a number of countries indicated that US policy would largely influence their position. Following this, Manila pursued a commitment from Washington for the support and participation in a Southeast Asian meeting. The response from the State Department was that for any Southeast Asian association to be successful it would have to have been 'generated spontaneously within the area' and the USA would 'reserve judgment as to the specific manner and form pending developments'.⁷

By the 1960s, US policy was to support and encourage closer regional integration in Asia for the purposes of economic cooperation and development. Of particular importance to Washington were five regional and two sub-regional organisations. These were the UN Economic Commission for Asia and the Far East (ECAFE), the Asian Development Bank (ADB), the Mekong Committee, the Association of Southeast Asia (ASA), the Asia Pacific Council (ASPAC), the Colombo Plan, and the Asian Productivity Organisation.

Washington considered ECAFE one of the most important of these five groupings as it was a major vehicle in Asia in promoting regional economic and social cooperation and development.

4 Letter, H.V. Evatt to Johnson, February 24, 1944, A989, 44/735/168/20, National Archives of Australia (NAA).

5 Cablegram, Bruce to Curtin, November 10, 1944, A989, 44/630/5/1/11/22, NAA.

6 Memorandum, for Butterworth & Fisher, July 15, 1949, Box 5, John F. Melby Papers, China File, Publications, General, Harry S. Truman Library (HSTL).

7 Memorandum, through Secretary of State and Butterworth, January 16, 1950, Box 5, John F. Melby Papers, China File, Publications, General, HSTL.

Its membership included both regional Asian countries and non-regional members such as France, the Netherlands, the Soviet Union (USSR), Britain, and the USA. American officials believed that Asian members regarded this organisation as important since its focus was economic development rather than political problems, thus giving the Asian members a purpose developing an 'Asian bloc' for economic development, rather than as a group devoted to opposing a 'Western bloc'. Washington believed that renewed American commitment in the 1960s to the promotion of economic cooperation and development in Asia 'greatly enhanced the positive communication between the US and the regional members'.⁸

The idea of promoting Asian regionalism to prevent an anti-Western force developing was reflected in US support for the development of the Mekong River Basin. The first postwar interest in developing that area came out of French–Thai negotiations in 1946 to settle a territorial dispute. In 1950, former Office of Strategic Service Director William Donovan recommended that the US Administration support the development of the Mekong Basin as a long-range project to secure regional cooperation between Burma, Cambodia, Laos, Thailand and Vietnam. This concept was presented to ECAFE, and, in 1957, the Committee for the Co-ordination of Investigations of the Lower Mekong Basin was established. In 1958, Washington provided US\$2 million to help finance gathering basic data in the area. The State Department viewed the Mekong Committee as having enormous potential for the political and economic future of Southeast Asia and great significance for future relations between the United States and the countries in the Mekong River area: 'The establishment of such an authority in charge of an integrated program may be one of the essential long-run factors in determining whether South-East Asia remains free or comes under the control of the Sino-Soviet Bloc.'⁹

When Dean Rusk worked in the State Department during the Truman administration,¹⁰ he believed that it would be in the interests of the USA if Washington supported regional groupings of Asian countries rather than dealing individually with them. Since becoming Secretary of State in 1961, Rusk tried to promote regional cooperation in Asia by urging closer Japanese relations with other Asian countries, encouraging ASA, and supporting economic development projects such as the Mekong River Development Programme.¹¹ While support for regional cooperation began as the USA was establishing military forces in Vietnam, its purpose was first to find a solution to the war in Vietnam, and secondly to provide a framework for post-Vietnam policy. Thus, the aim of regional cooperation was to strengthen the Southeast Asian region and counter the threat of internal insurgency, so that the USA could eventually withdraw its forces from the Asian mainland to its bases in Japan and the Philippines.

However, until the early 1960s most of the successful regional organisations included a wide membership from inside and outside Southeast Asia. Regional subgroups existed, but none were particularly successful. The ASA was one such organisation. Founded in 1961, it was an economic and cultural organisation, and included Malaya, the Philippines, and Thailand. However, its functions were limited, especially when the Philippines refused to recognise the newly created Federation of Malaysia, because of the Philippine claim to Sabah. The ASA was not the only attempt at closer Southeast Asian regional integration. Another organisation was Maphilindo, which included Malaya, Indonesia, and the Philippines. Its purpose was to unite the Malay world, and arose out of the Manila Agreement, a report by the Foreign Ministers

8 Memorandum, President's Asia Trip, October 12, 1966, Box 6, National Security Files, International Meetings and Travel File, Lyndon Baines Johnson Library (LBJL).

9 Memorandum to Walt Rostow from Kenneth Landon, March 6, 1961, Box 130, National Security Files, Countries, Laos General, John F. Kennedy Library (JFKL).

10 Rusk was Chief, US State Department International Security Affairs division, 1946; Director, US State Department Office of UN Affairs, Deputy Under-Secretary of State, 1949–50; Assistant Secretary of State for Far Eastern Affairs, 1950–51.

11 Memorandum to Chester Bowles from Dean Rusk, November 29, 1965, Box 1897, Central Policy Files 1964–66, Political Affairs and Relations, RG 59, National Archives and Record Administration – US (NARA).

of Malaya, Indonesia, and the Philippines, accepted and augmented by the three heads of government in meetings in Manila in July and August 1963. They agreed that foreign bases should not undermine their independence. Maphilindo came to nothing because of the Malaysia–Indonesia conflict known as Confrontation and the Philippine claim to Sabah.¹² As regional groupings, the ASA and Maphilindo were designed not to include outside participants.

Attempts at regional cooperation came again at the end of Confrontation, which finally produced a lasting sub-regional organisation comprised of solely Southeast Asian nations. This came with the formation of the Southeast Asian Association for Regional Cooperation (SEAARC). SEAARC was essentially a combination of the principles of ASA and Maphilindo, and evolved into ASEAN, inaugurated in August 1967.

United States support

In early 1965, State Department advisers suggested to George Ball, the Under-Secretary of State, that work on some kind of Asian development defence agency, or organisation, might be initiated to replace existing groups and pacts. Ball agreed that it should be considered.¹³ However, many in Washington were wary that this policy would be portrayed as American interference, and did not want to be seen to be initiating new regional institutions. For example, in April 1965 US Security Adviser McGeorge Bundy advised that the idea of forming one proposed regional organisation, the Southeast Asian Development Association, had to ‘appear to be an Asian initiative and be Asian in character’. The USA would brief the UN on the concept and, on approval, the UN Secretary-General, U Thant, would be asked to put forward the plan as if it were his own. A statement would follow from Johnson endorsing the proposal, and then would come a number of other indications of support to maintain the momentum. This could be in many forms, such as a magazine article by a top government official or a conference of regional specialists. If U Thant turned down the idea, another country could be persuaded to take the initiative.¹⁴ In May 1965, Secretary of State Dean Rusk suggested to the British Foreign Secretary, Michael Stewart that both the USA and Britain should do more to encourage Southeast Asian countries to cooperate more closely on a regional basis, with the aim of reducing British or American involvement in the region. Stewart thought Rusk’s idea was generally a good one, but saw a potential problem in how the plan would actually work. Rusk responded that it might be possible to build some sort of organisation around Malaysia, the Philippines, and Thailand.¹⁵ Publicly, the USA claimed that regional cooperation was an Asian idea, but Washington also attributed the main part of its success to American money. Rusk claimed that one important step towards regional cooperation was the granting of US\$1 billion for economic development in Asia, as outlined in a speech by President Lyndon Baines Johnson at Johns Hopkins University in April 1965. Another important step was putting this US\$1 billion towards the establishment of the ADB and other regional programmes.¹⁶

The Americans initially wanted an economic bloc, believing that economic support would lead to political stability and anti-communist regional organisations. Security organisations would follow once regional economic and political groups were established, and once Southeast Asian nations were in a position to pay for their own defence and work cooperatively with their

12 Minute, A.J. de la Mare to Mr Samuel, January 23, 1967, FCO 15/18 & Foreign Office Memorandum, July 1966, FO 371/187566, The National Archives – UK (TNA).

13 Conversation between Ball and Talbot, February 22, 1965, Box 4, Papers of George W. Ball, Indonesia, National Security File, LBJL.

14 Memorandum to Bundy from Chester Cooper, April 1, 1965, Files of McGeorge Bundy, South-East Asian Regional Development, National Security File, LBJL.

15 Record of discussion between Rusk and Stewart, May 14, 1965, FO 371/180439, TNA.

16 Letter, Rusk to Rev. Henry Van Dusen, September 10, 1965, Box 1897, Central Policy Files 1964–66, Political Affairs and Relations, RG 59, NARA.

neighbours on defence issues; although until Confrontation ended, security cooperation could not be achieved. However, economic development could be a means to end that conflict, and improve relations between Indonesia and other Southeast Asian countries, especially Malaysia and Singapore. The USA saw Maphilindo as a means of promoting regional cooperation and of finding a solution to Confrontation.¹⁷ But the US Administration did not want all this money and plans for cooperation in trade and security to be perceived as American interference. When Singapore's President, Lee Kuan Yew, expressed his concern that the resurrection of Maphilindo was being promoted by the USA, Department of State officials told Lee that Maphilindo was an Asian and not an American initiative.¹⁸

The purpose of the ADB was to stimulate economic growth, which would encourage close cooperation in the region. Its membership would be open to members and associate members of ECAFE and other regional and non-regional countries who were members of the UN or its agencies.¹⁹ The requirement that ADB members be affiliated with the UN indicated that the USA did not want an American tag placed on the organisation, although the countries involved would more likely be aligned with the West or be politically neutral. American ambassadors in Asia met in March 1966 in the Philippines and decided that the USA should support regional cooperation 'as unobtrusively as possible'. They agreed that their government should emphasise Asian initiatives and encourage indigenous leadership, but also believed that there was a need for increased political assistance from Washington. No change was recommended to existing defence structures, and the Southeast Asia Treaty Organisation (SEATO) could not be disbanded until an alternative security organisation had developed to the same level. The ambassadors all believed that while Maphilindo was defunct, ASA should be resurrected.²⁰ To put this plan for increased cooperation into action, Johnson appointed Eugene Black as his special envoy to the Far East, to find out if 'the Asian people' would 'react positively' to an American proposal for an Asian regional long-term development plan. One of the main aims of the mission was also to seek approval for the concept and gather ideas of what the US and Asian countries could do 'to bring peace to the region'.²¹

In the mid-1960s, American belief in the importance of regional cooperation in Southeast Asia was reinforced by its own position in Vietnam and Britain's intention to withdraw its military bases from the area. While US policy was to try to persuade the British to stay there for at least the immediate future, the hope of some US policymakers was that out of the regional initiatives that had been implemented in the early 1960s would come 'uniquely Asian mutual security arrangements, buttressed by the US power presence, which will compensate for ultimate British withdrawal'.²²

British support

Support for some form of regional grouping was also British policy, although it was unclear whether the British government had any ability to achieve it, besides supporting US policy. London believed that regional cooperation would be a solution for its intention to withdraw its military presence from Southeast Asia, although economic cooperation had to come before new security pacts. Officials in the Foreign Office recalled that in 1954, when SEATO was

17 Telegram, Department of State to US Embassy in Singapore, November 23, 1965, Box 1803, Central Policy Files 1964–66, Political Affairs and Relations, RG 59, NARA.

18 Ibid.

19 Agreement on establishing the Asian Development Bank, December 4, 1965–January 31, 1966, FCO 15/24, TNA.

20 Telegram, US officials in Baguio to Department of State, March 2, 1966, Box 45, Confidential File – Foreign Affairs, White House Central Files, LBJL.

21 Telegram, Department of State Circular, March 12, 1966, Box 2814, Central Policy Files 1964–66, Political Affairs and Relations, RG 59, NARA.

22 Ropa to Rostow, July 28, 1966, Box 7, Name File – Ropa Memos, National Security File, LBJL.

formed, Britain had wanted increased Asian participation, and believed that no regional security pact would be effective without Indonesia and India. However, Washington believed that Western participation in the security pact was essential and it was not keen to sign up too many Asian states. J.E. Cable at the Foreign Office noted in June 1965 that Britain's insistence that SEATO include a wider Asian membership arose from its intention, eventually, to withdraw its military presence from Southeast Asia:

we envisaged SEATO as an alliance to be nursed through its early years by the Western powers, but that would ultimately look after itself. Clearly this would only make sense if it included countries of such potential military strength as India and Indonesia.²³

At the end of 1965, the British position was that until Southeast Asian nations could build up their own forces and economies, the region still required a Western military presence to counter China's strength. Ideally, Britain and the USA would withdraw to peripheral military bases, and contribute to the defence of Southeast Asia in cooperation with their local allies, rather than continue with the Anglo-American alliance. In November 1965, the British Cabinet agreed that the most important policy for Western interests in Southeast Asia was the containment of communism; and over the long term this was most likely to be achieved by creating a 'neutralist' area, free from an outside military presence.²⁴

Once Confrontation was over and Britain had withdrawn its forces from Malaysia and Singapore, London hoped that the Southeast Asian nations, in particular Indonesia, could be encouraged to take over the role of containing any communist advances in the region:

What the United States want – and what we too want – is a strong Indonesia able and willing to maintain her independence from the Communist bloc and acting in close collaboration with Malaysia and the Philippines. If this turns out to involve a considerable degree of Indonesian ascendancy over Malaysia, I think the United States will be prepared to pay that price and I think we probably would too.²⁵

This prospect suited Indonesia. Indonesian leader General Suharto reportedly said in February 1966 that the defence of Southeast Asia was a matter for the countries in the area, and that the British base in Singapore was a target for China's expansion. The Malaysian and Singapore governments, on the other hand, wanted the base to stay.²⁶ Nevertheless, cooperation between the Southeast Asian nations was needed. Britain did not have strong views about the form of agreement, although it hoped for the establishment of some sort of cooperation. London was quite keen on an organisation similar to the defunct Maphilindo, with the addition of Singapore. However, the Malaysians were less sure of resurrecting this organisation, and told London that they did not want Britain to opt for reviving it. Kuala Lumpur's preference was for ASA, which would include Thailand. Regardless of the form the association would take, London's position was to support any new organisation that might emerge from the Bangkok talks between Malaysia and Indonesia to end Confrontation.²⁷ Britain was uncertain whether a regional organisation would be discussed at these talks; however, London instructed its missions in the region to stress its approval of some sort of regional cooperation in Southeast Asia, and that the structure of any new organisation had to be worked out by the participating countries.²⁸ The main point of the Bangkok talks was to find a solution to end Confrontation. Then Britain could plan for

23 Memorandum by R.F. Oliver, June 9, 1965, FO 371/180439, TNA.

24 Record of meeting, Miscellaneous 17/8th meeting, Cabinet Defence Policy, November 13–14, 1965, CAB 130/213, TNA.

25 Foreign Office minute by J.E. Cable, January 4, 1966, FO 371/190783, TNA.

26 Telegram, Canadian High Commission in Kuala Lumpur to Ottawa, February 22, 1966, FCO 15/18, TNA.

27 Memorandum, N. Pritchard to Lord Beswick, May 20, 1966, FO 371/187564, TNA.

28 Telegram, Foreign Office and Commonwealth Relations Office to certain missions, May 26, 1966, FO 371/187564, TNA.

the withdrawal of its forces from the region. Southeast Asia had to be left in a politically stable position, one not vulnerable to communist influence. Thus, it was important that the talks considered ideas for a Southeast Asian regional organisation.

Initiation

Encouraging regionalism was possible only with the support of the Southeast Asian nations, and Britain and the United States both believed they already had this cooperation. However, after US Vice-President Hubert Humphrey visited Asia in January 1966, he reported that most Asian leaders had expressed a desire to address their own problems without outside interference. Thailand's Foreign Minister, Thanat Khoman, said he wanted to gather representatives from non-communist Asian countries to promote increased regional cooperation. The Japanese Prime Minister and the South Korean President backed this sentiment.²⁹ It was informally agreed at the Bangkok talks that Indonesia should join ASA, under a different name.³⁰ Indonesia was keen to see the withdrawal of Western forces from the region and Suharto wanted closer ties with neighbours to help stem the spread of China's influence in the region.³¹ He told two British Members of Parliament that an Asian community should be responsible for the security of Southeast Asia.³² The Thai and Malaysian Prime Ministers said that they were pleased there was an increasing awareness among countries in the region of the need for regional cooperation, and stressed their determination to make a Southeast Asian association work.³³ The Malaysian Finance Minister explained to US officials that the American nuclear umbrella and a Southeast Asian regional organisation were the only two alternatives to avoid the spread of communist influence.³⁴ Malaysia was also possibly attracted to the idea of drawing Indonesia into a regional association to prevent its dominance of Southeast Asia.³⁵ Thailand did not, however, want overt American support. Thanat told Rusk that he hoped regional development could have America's discreet blessing. When the Secretary of State asked if this meant that Bangkok did not want US support to be too obvious, Thanat replied that he was certain Washington would be able to tell where and when it could provide useful assistance.³⁶

Enthusiasm for regional cooperation was not universal, but this did not deter the British and American governments. The British embassy in Jakarta warned London that Indonesia was making only a token commitment to regionalism in order to establish a bargaining position over the settlement of Confrontation.³⁷ With this in mind, Britain and the USA had to decide how much support the West would give. At a four-power meeting in Canberra on 30 June 1966, Rusk asked his counterparts whether they should encourage a grouping of Asian powers. He added that if the Philippines, Indonesia, Thailand, and Malaysia showed any signs of forming a regional group, they should be encouraged. Rusk was in favour of giving

29 Letter from Vice-President to Johnson, January 5, 1966, Box 4, Name File – Vice-President Volume I, National Security File, LBJL.

30 Telegram, British High Commission in Kuala Lumpur to Commonwealth Relations Office, June 3, 1966, FO 371/187565, TNA.

31 Telegram, Indonesia to Department of State, May 27, 1966, *Foreign Relations of the United States 1964–68*, 432.

32 Record of meeting between Colin Jackson MP, Tam Dalyell MP & General Suharto, June 2, 1966, PREM 13/1058, TNA.

33 Telegram, US Embassy in Kuala Lumpur to Department of State, June 3, 1966, Box 2452, Central Policy Files 1964–66, Political Affairs and Relations, RG 59, NARA.

34 Telegram, US Embassy in Kuala Lumpur to Department of State, June 13, 1966, Box 2452, Central Policy Files 1964–66, Political Affairs and Relations, RG 59, NARA.

35 Despatch, British High Commission in Kuala Lumpur to Commonwealth Relations Office, June 10, 1966, FO 371/187565, TNA.

36 Record of conversation between Rusk and Thanat Khoman, June 28, 1966, Box 1898, Central Policy Files 1964–66, Political Affairs and Relations, RG 59, NARA.

37 Letter, Murraro to Stewart, June 23, 1966, FO 371/187546, TNA.

'second-line support' from the outside, even though he was aware that an Asian regional organisation would not have any military strength to face an internal or external attack. Therefore, a strong Western military presence in the Asian region would be required in the first few decades. Stewart reiterated that Britain remained obliged to defend Malaysia and Singapore, though it need not re-negotiate defence agreements. He stressed the importance of helping Asian countries build their own defence policy. He believed that economic development played a key role in this, but admitted that it might also be necessary to provide military assistance. Stewart agreed with Rusk that encouraging Asian powers to work together was important, with the 'discreet' encouragement of other countries such as Japan, and that support from a combined Western presence was crucial.³⁸

Because Indonesia's inclusion was deemed necessary, the British government was willing to accept that Jakarta might not join enthusiastically. Regional cooperation had been agreed to only in principle, and there was no decision on the form of the organisation. When Stewart asked Indonesian Foreign Minister Adam Malik, during a meeting on 1 July 1966, what would be the future arrangements for a new regional group, Malik replied that when the question had arisen in Bangkok both he and Thanat had decided only that Thailand should be part of any new structure. He then spoke to Philippine Foreign Minister Narciso Ramos and proposed an extension of Maphilindo, but Ramos brought up the question of ASA. They both agreed that neither a revised ASA nor Maphilindo would work, and that a new organisation was needed.³⁹ The appeal of such a grouping for Indonesia was that it would be an anti-communist organisation and its conception would mark the beginning of the demise of foreign bases in the region. Suharto was an opponent of Communist China. He had suppressed the Indonesian Communist Party (PKI) in 1965–66 and had approached the West for economic aid, which would open the door to trade with the most populated country in Southeast Asia. Britain and the USA wanted access to these markets, but Washington also wanted Indonesia to trade with the Japanese. Japanese economic success was deemed important for Asian economic development. Suharto was also determined to end Indonesia's international isolation that had come with his predecessor's alliance with Beijing. During his meeting with Stewart in July 1966, Malik noted that the stated aims of the new grouping were economic and cultural, but it sought to face the threat 'from a certain direction', which Stewart interpreted to mean China. Malik said Thailand, Laos, and Cambodia all felt threatened and, for the last six months, so did Indonesia. There had been suggestions that it was time to form an anti-communist grouping; however, Malik did not want an 'anti-communist' label placed on the new organisation.⁴⁰

New political outlook

Supporting regional cooperation reflected the shift developing in American and British strategy towards communism in Southeast Asia. Policy was moving away from direct confrontation to indirect support behind a non-communist Asian bloc. London and Washington no longer wanted to intervene in regional conflicts and Britain wanted to scale down its defence expenditure, although London continued to be concerned about the spread of communist influence and was determined not to abandon its interests in the region. British Prime Minister Harold Wilson reiterated this a few weeks later when his Australian counterpart, Harold Holt, visited London. At that meeting, Wilson said that Britain believed that in order to contain China it was important for Southeast Asian countries to develop their own strength, with Western support in the

38 Record of meeting with representatives of Australia, New Zealand, US, and Britain, June 30, 1966, FO 371/190803, TNA.

39 Record of meeting between Stewart and Malik, July 1, 1966, FO 371/186076, TNA.

40 Ibid.

background. The key to this was still Indonesia, and after Confrontation was officially over, Wilson hoped to see Indonesia 'at worst a non-aligned country and at the best an anti-Communist opponent of China'.⁴¹

Confrontation officially ended in August 1966. Relations between Indonesia and Malaysia were normalised and the Southeast Asian countries were faced with deciding the form of a new regional group. Indonesia's participation was of key importance for Britain and the USA. The Australians told London and Washington that this might mean that Jakarta would want to take the lead in the new organisation. The Foreign Office was warned in August 1966 that it should not assume that Indonesia had become less nationalistic or more pro-West since cutting ties with China. There were reports that Jakarta seemed more interested in forming a new regional movement than in joining those already in existence, and would not want anyone 'bigger' than Indonesia, such as Japan, in the new grouping.⁴² Nevertheless, the USA was not concerned about possible Indonesian domination in the region. When the Australian Ambassador to the USA, Keith Waller, asked George Ball if Washington felt that Indonesia would want to establish itself as the leader in a new Asian regional grouping, Ball replied that he thought so. Indonesia would not be an ally of the West, and believed its place in the region had to be dominant.⁴³ While the prospect of Indonesian regional domination upset Kuala Lumpur, the Malaysians were also concerned about China's influence in the region, and backed the prospect of establishing a regional organisation, hoping that the USA would continue to wield some influence in Southeast Asia. Malaysian Deputy Prime Minister Tun Abdul Razak told the US Defence Secretary, Robert McNamara, that regional cooperation was important to keep possible pressure from China away from Malaysia. He agreed with McNamara that eventual American withdrawal from the Asian mainland was a welcome goal, but he also hoped that Washington would continue to provide military power as a backup against China.⁴⁴

In the immediate post-Confrontation period, the British Foreign Office assessed the new political landscape of Southeast Asia. A group called the London Study Group met in early October 1966 to assess the 'threat' in the Indo-Pacific region. The meeting consisted of British, American, Australian, and New Zealand officials who were to 'study the nature of the threat in Southeast Asia'. It was not meant to make policy, but its conclusions were sent to the Foreign Secretary. The meeting decided that regional cooperation was an 'important manifestation' of the belief by the countries in Southeast Asia that China wanted to take over leadership of the communist world, and that they needed to stand up to this perceived threat on their own. The nations who most supported regional cooperation were Thailand, Malaysia, Indonesia, and the Philippines. Burma and Cambodia still believed in non-alignment. This development did not worry the London Study Group because it saw no anti-Western elements in it. Rather, first there was a continuing need for Western resources, and a Western presence in Southeast Asia was generally welcomed. But if the West did not help, or even denigrated Southeast Asian countries, anti-Western sentiment would develop, and, as regional cooperation strengthened and China's perceived threat diminished, the desire to see the departure of Western forces would grow. Therefore, there should be firm cooperation, firstly between Australia, New Zealand, the USA, and Britain, and then with other powers like Japan, the Netherlands, and West Germany to ensure Western aid to the region was utilised constructively.⁴⁵

41 Record of meeting between Wilson and Holt, July 11, 1966, CAB 133/329, TNA.

42 Letter, J.L. Knott to Sir Paul Gore-Booth, August 11, 1966, FO 371/186043, TNA.

43 Memorandum of conversation between Australian Ambassador Keith Waller and George Ball, August 11, 1966, Box 2308, General Records of the Department of State, Central Policy File 1964-66, Political Affairs and Relations, RG 59, NARA.

44 Telegram, Department of State to US Embassy in Kuala Lumpur, October 12, 1966, Box 2453, General Records of the Department of State, Central Policy File 1964-66, Political Affairs and Relations, RG 59, NARA.

45 Foreign Office minute, de la Mare to Foreign Secretary, October 14, 1966, FO 371/190805, TNA.

Eugene Black's visits to Southeast Asia were to make certain that Western money would be put to good use. Throughout the year, he had made several trips to compile a report on promising programmes and the principal obstacles to the various forms of regional cooperation, as well as to determine what other countries could do, economically or politically, to help development. The US State Department described the aim of Black's trips 'to discover new ideas and concepts for US participation and involvement in Asians' own efforts to evolve new social and economic order and co-operatively find new and better ways to promote the welfare of people of Asia'. The United States would provide financial and other necessary support, but this had to be from the sidelines, as direct support might do more harm than good.⁴⁶

The USA also encouraged other countries to support regional development in Asia. During a meeting with the Australian cabinet in Canberra on 21 October 1966, Johnson said he wanted more countries to be interested in social and economic development in the region. The USA had been disappointed that SEATO countries were not more involved in Vietnam, and Washington was keen that the Americans should not be the only ones interested in regional development.⁴⁷ For commercial reasons, Britain decided it would contribute financially to regional development through the ADB. Prime Minister Wilson believed it was important to back projects that 'usefully demonstrate support for the less warlike American activities in Asia and manifest British concern for the area'. It was also important that Britain back projects that supported British trade to improve that nation's balance of payments. British interest was still influential in several Asia countries, such as India, Pakistan, Ceylon (Sri Lanka), and Malaysia, and there was a possibility that these countries would spend more of their ADB loans on imports from Britain than London's contributions to the Bank.⁴⁸

Negotiations

In November 1966, Johnson spoke 'most enthusiastically' of the chances for peaceful regional development.⁴⁹ And after visiting Asia over several months, Eugene Black reported back to Washington that there was 'overwhelming Asian support for the concept of regional cooperation'.⁵⁰ Negotiations for a new Southeast Asian regional organisation were well under-way by early 1967. During a visit to London in March 1967, Bundy reiterated Black's views to the newly appointed British Foreign Secretary, George Brown, and said that the whole East Asia region was developing an interest in regional cooperation that would not have been possible a few years earlier.⁵¹

However, problems arose over whether the organisation would involve itself in regional defence. Malik stressed to the American ambassador in Jakarta in early 1967 that the new regional organisation would only be an economic, cultural and technical group and that defence matters would not be considered. This was because of Indonesia's wish to maintain a non-aligned role; although this did not mean that Indonesia would not participate in a grouping where other members had their own bilateral defence agreements with outside powers. Malik did acknowledge, however, that in time the regional organisation would take on a more political role.⁵²

46 Telegram, Department of State circular, October 3, 1966, Box 2814, General Records of the Department of State, Central Policy File 1964–66, Political Affairs and Relations, RG 59, NARA.

47 Record of meeting of cabinet with President Johnson, October 21, 1966, A5839 XMI Pt 2, NAA.

48 Letter, Wilson to Minister of Overseas Development, October 27, 1966, PREM 13/3027, TNA.

49 Letter, A.J. de la Mare to C.M. MacLehose, November 16, 1966, FCO 15/27, TNA.

50 Telegram, Black to Department of State, November 23, 1966, Box 2814, General Records of the Department of State, Central Policy File 1964–66, Political Affairs and Relations, RG 59, NARA.

51 Record of conversation between Bundy and Brown at the House of Commons, March 20, 1967, PREM 13/1454, TNA.

52 Cablegram, Jakarta to Canberra, March 3, 1967, A4359/14, 221/5/22 part 1, NAA.

Britain's Singapore base had not been raised during the negotiations to end Confrontation, but now the Indonesians felt they were in a better position to push for the withdrawal of British forces, even though the British government had yet to publicly announce its intention to withdraw its troops from the region by 1975. Bundy's opinion after visiting Asia was that Suharto had planned the development of regional cooperation in roughly the way it had turned out, and had gained a victory by 'sheer finesse'.⁵³

However, the USA still believed it was very important that a British military presence remain in the region to give Southeast Asian nations the confidence in the initial stages of developing closer regional cooperation. Allied forces had to remain until the region could stand on its own feet. Brown explained that British interests were best met by a 'progressive departure' of Western forces from mainland Asia, except South Korea and Hong Kong. An open-ended commitment to Malaysia and Singapore was very expensive, and would hamper Britain's freedom of political and military movement.⁵⁴ Brown later told his American, New Zealand, and Australian counterparts, when they were gathered in Washington for a SEATO meeting in April 1967, that by leaving Asia, Britain could shake off accusations of neo-colonial behaviour. Withdrawal was also important for encouraging Asian countries to take charge of their own defence. Rusk replied that many Asian nations preferred friendly 'white' forces to Chinese ones; and while Australian Minister for External Affairs Paul Hasluck believed in the broad objective of building up local self-sufficiency, he did not believe Malaysia and Singapore could build their own defence forces to an adequate level by the mid-1970s. Rusk said that he was not worried about the consequences of a British withdrawal in 1975, but rather the effect of an announcement of it in 1967.⁵⁵

A premature announcement of a British decision to withdraw its military bases from Singapore would certainly alarm the Malaysians, who believed that the Americans were working both directly and indirectly for a regional organisation that would promote Indonesian dominance in the region. Australian officials saw this view as having some validity. Kuala Lumpur believed that Washington was preparing for its own military withdrawal from Vietnam and was looking for a regional defence system to fill the gap which might result in American support for the stationing of Indonesian forces in Malaysia.⁵⁶

While it appears that Britain and the USA believed that the best security arrangement for Southeast Asia involved regional defence guaranteed by peripheral forces, Washington did not want any announcement made or action taken until there was a settlement in Vietnam. In a letter to Brown, Rusk said that as long as there was a need for Western forces to remain in the region while local forces were being strengthened, the USA could not be the only external power responsible for the defence of the region:

There is already a body of sentiment in important Congressional and other circles here critical of the Japanese for their easy assumption that they can concentrate on trade and investment in the East while we look after security and defense. This promises to become an increasing problem between us. The UK also has important direct and indirect economic interests in the area, and some of your colleagues are saying there is no need for the British to show the flag since the United States will provide for the security.⁵⁷

Yet the Americans knew that the regional nations were not yet ready to play a part in their military defence and should not be pushed into doing so. Washington was aware of Malik's position on non-alignment and that there was much to be done on the economic front. Economic and

53 Telegram, Washington to London, March 29, 1967, FCO 15/18, TNA.

54 Brief for Secretary of State's discussions with Rusk during SEATO Conference, April 12, 1967, FCO 46/54, TNA.

55 Record of meeting between Brown, Hasluck, Holyoake, and Rusk, April 20, 1967, FCO 46/54, TNA.

56 Cablegram, Kuala Lumpur to Canberra, April 6, 1967, A1838/280, 3004/13/21 part 1, NAA.

57 Letter, Rusk to Brown, Early May 1967, FCO 46/53, TNA.

social cooperation needed space to grow and Indonesia's role in this was important, though these developments must be left for the Southeast Asian countries themselves to work out.⁵⁸

Thus, deciding the shape of the new organisation was indeed left to the Southeast Asian nations themselves, and this was perhaps only possible because the task at hand was to form a group focused on economic development and cultural ties, rather than to delve into the pitfalls of deciding and maintaining a new defence system. Despite this, there was still some negotiation. The Malaysian Prime Minister, Tunku Abdul Rahman, was keen to maintain ASA; Thailand and Indonesia wanted SEAARC. During a meeting with Thanat on 20 May 1967, the Tunku decided Malaysia would be part of this new organisation and abandoned the idea of continuing ASA.⁵⁹ Britain wanted Malaysia to support the Thai and Indonesian initiative in setting up SEAARC, but the opinion within the Foreign Office was that it would be unwise for Britain to pressure Malaysia to join SEAARC. This was because the Malaysians believed that the USA had been pushing Indonesia and Thailand to set up the organisation, which was one reason for the Tunku's reluctance to join. Another was Malaysia's distrust of Indonesian intentions. Jakarta agreed that Britain should not pressure Kuala Lumpur, saying that the West should not appear to be giving support.⁶⁰ London ministers agreed with this. Britain would be open in welcoming cooperation among Southeast Asian nations but stressed that it had come about from Asian and not Western or UN efforts. Otherwise, the USSR would be able to use in its propaganda the view that the West was involved in setting up the non-communist grouping in Southeast Asia. Moscow had already accused Washington of pushing Indonesia to take the lead in any new regional group.⁶¹ The government in London was too conscious about appearing to stand back from responsibility for the defence of Southeast Asia, and when Brown was questioned in the House of Commons on 17 July 1967 about what measures the Foreign Office had taken to establish a new defence organisation in the region, he answered, none.⁶² The Foreign Office was keen on Brown stressing that there would be no vacuum left by Britain's military withdrawal from Southeast Asia, and that any new defence system would be the responsibility of the countries in the region.⁶³

When ASEAN was inaugurated on 8 August 1967, Washington decided not to make a statement on the formation of the new group in case the USA was accused by the members of the organisation of stealing the initiative, or by the USSR of being behind the whole idea.⁶⁴ ASEAN's declaration stated that the countries in Southeast Asia 'share a primary responsibility for strengthening the economic and social stability of the region'.⁶⁵ It added that all foreign bases were temporary and that the countries in the region shared the main responsibility for defending Southeast Asia, although ASEAN was not directly concerned with defence. Of the five founding members, Indonesia was the only country that did not have Western forces inside its territory, and Jakarta insisted that the declaration should stress the temporary nature of the Western bases in the region. At first, the Philippines opposed the passage, but backed down after the inaugural meeting began. However, the final statement was a compromise. Indonesia initially wanted a passage saying there would be no foreign bases, but accepted the word 'temporary', and Malaysia accepted the inclusion of these references to foreign bases as a condition of Indonesian membership. Indonesia's position was that the declaration must refer to the foreign bases, and

58 Cablegram, Washington to Canberra, April 11, 1967, A1838/280, 3004/13/21 part 1, NAA.

59 Telegram, British High Commission in Kuala Lumpur to Commonwealth Relations Office, May 22 & 23, 1967, FCO 15/18, TNA.

60 Memorandum, D.F. Murray to A.J. de la Mare, June 7, 1967, FCO 15/19, TNA.

61 Memorandum, D.F. Murray to A.J. de la Mare, June 13, 1967, FCO 15/19, TNA.

62 Hansard, July 17, 1967, Col. 1521–22, Vol. 750.

63 Foreign Office minute, July 12, 1967, FCO 15/4, TNA.

64 Department of State Circular Telegram, August 6, 1967, Box 1519, General Records of the Department of State, Central Policy File 1967–69, Defence, RG 59, NARA.

65 B.K. Gordon, *Toward Disengagement in Asia*, 1969, p.116.

stipulate that the region was responsible for its own defence. However, the other four countries did not see ASEAN as a security organisation.⁶⁶ Some members of the Australian press viewed the reference to the 'temporary nature' of foreign bases as a clear indication that Southeast Asia wanted to see the departure of the foreign presence in the region. Moreover, while ASEAN was not supposed to be directly concerned with defence, its success would have much the same effect in terms of bringing peace to the region.⁶⁷

Indeed, in a crucial sense, ASEAN was concerned with the security of the region as economic growth was intended to stabilise Southeast Asia. Britain and the USA believed that the biggest threat to the region would come from internal insurrection rather than external invasion. Therefore, economic development was essential. There was also less need for a military presence because Indonesia had ended its campaign of Confrontation and cut its ties with China. Johnson's speech at Johns Hopkins University in April 1965 clearly stated that a measure of regional cooperation was important to the US administration, and that American money would aid those countries willing to participate in regional groupings friendly to the West. Johnson's address indicated a new style of Western diplomacy in the region that suited both the US and British governments. London and Washington decided that supporting the policies generated by pro-Western Asian countries would be the most effective way to secure the West's best interests. The US embassy in Bangkok reported that Johnson's Johns Hopkins speech clearly stated how important regionalism now was to US policy in Southeast Asia. It also indicated that to achieve a 'stable political security situation', Washington wanted to disband bilateral relationships and introduce cooperative organisations; and to achieve this American assistance and directorship was vital.⁶⁸

Southeast Asian nations lent their support to regional cooperation for their own reasons. While some interest in regional cooperation has been traced back to the Second World War, it was not until the early 1960s that Southeast Asian leaders began to turn their attention to closer regional integration. The British Foreign Office believed that there were many factors behind this. The Vietnam War caused some countries to resent the US presence in the region, while others feared a future American withdrawal from Southeast Asia, and yet still others the possibility of a British withdrawal. In addition, there was a fear of potential domination of the region by China, or Indonesia, or the overseas Chinese population, and there was also a belief that Western markets might not always be accessible to Southeast Asia. These factors all contributed to the thinking that it might be advantageous for the countries in the region to consider some kind of alliance, whether economic, military, or political.⁶⁹ After the mid-1960s, Indonesia was keen to secure Western economic aid, and to sever its ties with China, while also stressing the departure of Western military forces from the region. Malaysia was also concerned about China's influence in the region, and despite its opposition to Britain's proposed military withdrawal, acknowledged that eventually Western forces would leave Southeast Asia. Thailand and Singapore were also concerned about China and the war in Vietnam. They were keen to see an anti-communist regional group formed. Regional cooperation could also help Singapore's economy, which would be adversely affected by the departure of British forces and its separation from Malaysia. For the British and the Americans, involvement in the defence of Southeast Asia was a situation they wanted to change; however, a military withdrawal from the region without efforts to put in place an alternative system of security and stability was not their intention. Therefore, Washington and London followed a policy of

66 Outward Savingram to all posts from Department of External Affairs, September 5, 1967, A1838, 3004/13/21 Part 3, NAA.

67 *The Sydney Morning Herald*, August 11, 1967 *The West Australian*, August 12, 1967.

68 Airgram, Bangkok to Department of State, September 6, 1967, Box 1850, Central Policy Files 1967–69, Political Affairs and Relations, RG 59, NARA.

69 Research memorandum on Southeast Asian regional groupings since 1960, May 20, 1968, FCO 15/13, TNA.

actively encouraging regional cooperation through financial and diplomatic support as the solution to the problem of over-extended military commitments.

Acknowledgement

I am especially grateful to Dr Allison Mitcham and Dr Chad Mitcham for thorough and critical readings of this article. Thank you also to Chad for providing some important documents that contributed to this body of research.

Note on contributor

Sue Thompson is a lecturer in International Studies at the University of Canberra and researches in the field of international history in the Southeast Asia region.