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1 Report	U.S. Policy Interests in the Asian-Pacific Area	10/75	A
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Folder 2	Acknowledgements (4 pp.) <i>open</i> Bibliography (8 pp.) <i>open</i> Table of Contents (1 p.) <i>open</i> Appendix One - Asia in the Shifting Balance of World Power (46 pp.)		
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SOUTH ASIA-INDIAN OCEAN-PERSIAN GULF\*

The many threads of conflict, imperial ambition, racial and religious animosities that interlace the region from the Persian Gulf to the Straits of Malacca make it one of the globe's most strategic theaters. The rate of change in the power structure of this conglomerate area surpasses or matches that of any other part of the globe. Thirty years ago Lord Mountbatten was Viceroy of British India, the model point of Britain's empire. Today the British Navy is west of the Suez and even west of Gibraltar. The Soviet Union appears to aspire to become the dominant naval power in the region and is utilizing the endemic conflicts of the area to acquire access to bases and influence.

\*Annex 9.

Acknowledgement: This appendix reflects the advice and counsel of a number of scholars who have focused for many years on the problems of the Persian Gulf region, the Indian subcontinent and the Indian Ocean.

In particular Dr. Golam W. Choudhury, currently director of the Center for International Studies at the North Carolina Central University, was commissioned to write a paper which has been a major input to this study. Dr. Choudhury was the Director General (Research) in the Ministry of Foreign Affairs Government of Pakistan (1967-69) and a member of the Pakistan Cabinet (1969-71). He had unique opportunities to study the Chinese and Soviet policies; he visited the USSR and China as a member of the Pakistan President's entourage to these countries on the State visits and participated in dialogues with the top Chinese and Russian leaders. Much of Dr. Choudhury's submission was based on notes and papers originating in connection with meetings with the President of Pakistan and others, leaders of the Soviet Union and the Peoples' Republic of China. It gave invaluable insights into the motivations and style of the respective communist leadership groups.



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In addition, this appendix has benefited from the work of Dr. Normal D. Palmer, Professor of Political Science and South Asia Studies at the University of Pennsylvania. Dr. Palmer has been a close colleague and associate of the writer for many years.

This appendix is also based on some of the research work of R. M. Burrell and Alvin J. Cottrell. Dr. Cottrell is a member of the Center for Strategic and International Studies at Georgetown University in Washington, D.C. The writer has benefited from informative personal discussions with Dr. Cottrell concerning recent developments in the Indian Ocean area.

This appendix will examine the Soviet moves in South and Southwest Asia, including the Indo-Soviet collaboration before and after the Indo-Soviet Treaty of 1971 and the war in Bangladesh which soon followed. China, acting on the ancient axiom "enemy's enemy is friend," offered friendship to Pakistan after her war with India in 1962. Analysis of PRC policy and roles at that time and after her reemergence in world affairs following the upheaval caused by their cultural revolution will also be made.

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- A. EVOLUTION OF SOVIET AND CHINESE POLICIES TOWARD SOUTH ASIA IN THE SIXTIES
- B. SOVIET NAVY AND THE INDIAN OCEAN
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- D. AFTER THE FIGHTING STOPPED
- E. THE SOVIET-ASIAN SECURITY PLAN
- F. CONCLUSION
- G. US INTERESTS IN THE INDIAN OCEAN

This is a condensed version of a paper written on this subject in the preparation of this study. The longer version is not being circulated. Sections A, B, C, and D of the above table of contents are presented in condensed form.



A. Evolution of Soviet and Chinese Policy Toward South Asia in the Sixties

1. The Soviet Union and South Asia. In South Asia the friendly Indo-Soviet relations which began in the mid-50s were strengthened by the Soviet attitude during the Sino-Indian War of 1962. The Russians gave massive military aid to India from 1963 to 1969, yet constantly depicted the United States as "responsible" for "tensions" in the Indian subcontinent. The Soviet Union also wooed Pakistan and eventually gained increased influence and power in South Asia. During the war between Pakistan and India in 1965 Russia played "peacemaker" at Tashkent. Though the problems proved insolvable, the Tashkent Conference was a major diplomatic feat for the Soviet Union.

Russia continued to thwart China by offering to relieve Pakistan's dependence on Peking. To consolidate its position, Russia sought ties with the peripheral countries of China by a regional economic grouping of Afghanistan, India and Iran. The US had tried a similar idea earlier. Pakistan rejected the Soviet proposal, cooling relations, and thus the Soviets were ready to support Bangladesh in 1971.

2. China's Policies in South and Southeast Asia. After a decade of friendly Sino-Indian relations, India was shocked by China's "aggressions" during the 1962 Sino-Indian War. Pakistan was glad to see her enemy defeated but upset by US aid to India, and thus turned to both Russia and China. Peking's encouraging response to Pakistan's overtures of friendship alarmed India and worsened relations between the US and Pakistan for awhile. However, President Nixon in 1969 induced Pakistan President Yahya Khan to act as courier between the US and China. The Chinese messages which Yahya



forwarded to the White House in 1969-1970, when analyzed later, revealed Peking to be gravely concerned by the expansionism of the USSR. Fear of a preemptive attack by Russia was the dominant factor in China's foreign policy. China needed to normalize relations with the US because of the Russian threat to its national security.

In South Asia the 1971 Indo-Pakistan War culminated in the dismemberment of Pakistan, the emergence of Bangladesh and the rise of India as the major regional power in the area, with increased Indo-Soviet collaboration.

B. The Soviet Navy and the Indian Ocean

During the past decade, while the Soviet Union was maneuvering diplomatically in South Asia it was also building a well-rounded navy for use in its quest for global paramountcy. The Soviet navy has moved into all the world's oceans and major seas, and it appears that the Russians will continue to expand its naval arm and will seek bases for it in many areas. Somalia is Moscow's main foothold in the strategic northwest of the Indian Ocean. The opening of the Suez Canal will assist the extension of Soviet influence throughout the Middle East, into the oil-rich and politically unstable Persian Gulf and on into the Indian Ocean. By establishing a position of great influence in the Indian Ocean and its littoral, the USSR can help implement its containment policy toward China. The PRC has intruded into Northeast Africa and Mozambique in competition with the Soviet Union.

The following chart indicates the main bases, fleet anchorages and mooring buoy of external great powers in the Indian Ocean. The Soviet naval advantage over the US in the Indian Ocean is established and, despite continued US development of Diego Garcia, is likely to grow with the



reopening of the Suez Canal. Currently, the Soviet Union has 10 naval bases for its Indian Ocean operations, not including Indian ports of call. These bases are: Iraq, Aden, Scotia, Berbera, Mogadiscio, Chisimaïd, Sevchelles, Fortune Bank, Chaiyos Archipelago, and St. Branoan. The US by contrast has facilities in Diego Garcia and Asmara in Ethiopia. It should be noted that the US has a number of joint US-Australian facilities in Australia, but these are for communications purposes and do not directly contribute to US naval capabilities in the Indian Ocean area.

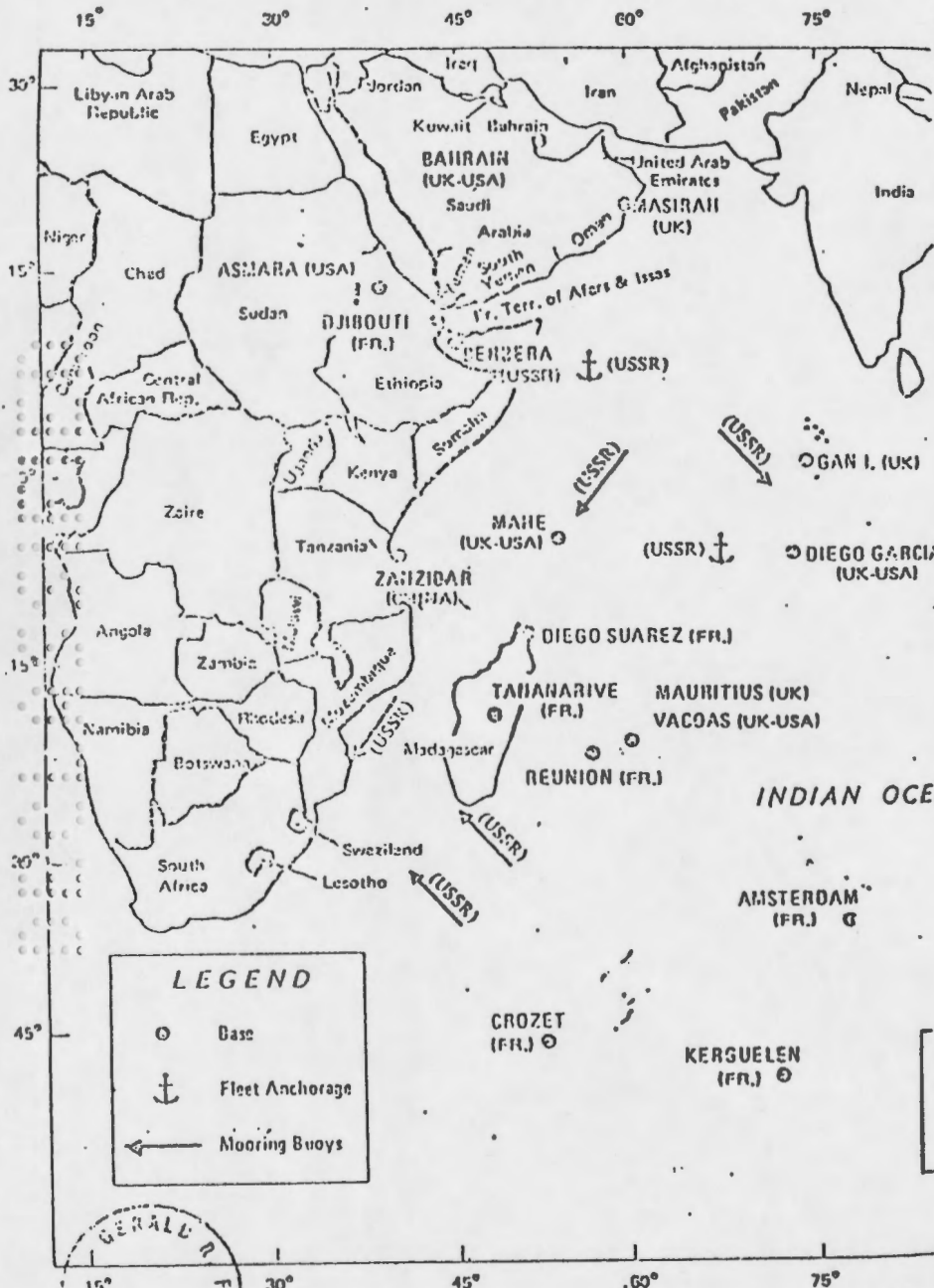
In 1971 the UN General Assembly adopted Resolution #2832 declaring the Indian Ocean to be a "Zone of Peace," a resolution apparently aimed at the US-British development of a small communications facility at Diego Garcia. India's promotion of the Indian Ocean peace zone may be due to her aspirations for an increasingly important role in that part of the world. There are indications of the emergence of two rival groups: (1) the USSR, Afghanistan, Iraq, Yemen, Somalia and India; and (2) the PRC, Pakistan, Iran and possibly Saudi Arabia and Tanzania. The primary US interest in the Indian Ocean lies in keeping the sea lanes open by safeguarding the long-established principle of freedom of the seas. Despite the desirability of the Indian Ocean becoming a genuine peace zone, the prospects for this happening appear quite remote.

In this connection it is interesting to note the virulence of Soviet propaganda against alleged US activities in the Indian Ocean area:

"New facts have been disclosed throwing more light on the Pentagon's plan concerning the Indian Ocean. After the series of exposures carried in the world press the American Defense Department was forced to admit the existence of a secret agreement with Great Britain, according to which the United States has the right to use for military purposes

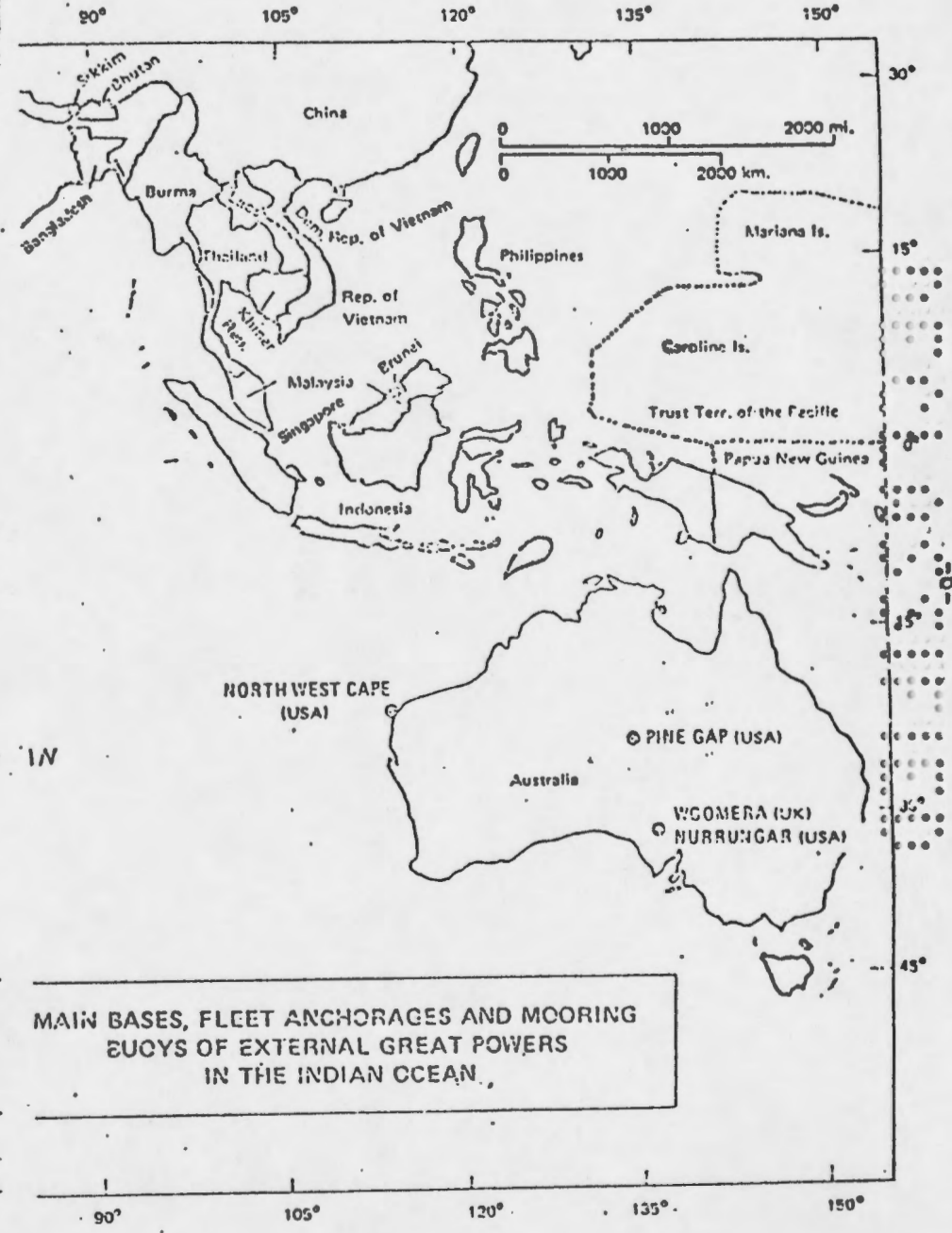






**LEGEND**

- Base
- ⚓ Fleet Anchorage
- ← Mooring Buoys



MAIN BASES, FLEET ANCHORAGES AND MOORING BUOYS OF EXTERNAL GREAT POWERS IN THE INDIAN OCEAN.

not only the island of Diego Garcia but also several other islands located northeast of Madagascar. The ASSOCIATED PRESS Agency reports that now the Pentagon is rapidly drawing up plans for creating new American war bases on the islands of Desroches, Farquhar and Aldabra which Great Britain has given to the Pentagon in exchange for Polaris rockets at reduced prices. It is planned to create a testing ground for various new types of weaponry and big bases for fueling American aircraft carriers and atomic submarines and also big ammunitions dump and a military airport.\*\*

Soviet naval domination of the Indian Ocean, if ever achieved, could induce many of the littoral states to adjust their policies to make them compatible with Soviet desires. At the present time, however, some Indian Ocean states such as Sri Lanka are beginning to appreciate the Soviet threat

There is some evidence that Soviet heavy-handedness has made other Indian Ocean littoral states apprehensive concerning the amphibious Soviet bear. Private polls for example, indicate that more of the littoral states favor the US base at Diego Garcia than oppose it.\*\*

C. Soviet and Chinese Interactions in South and Southeast Asia

India emerged strong and victorious in the 1971 Indo-Pakistani War, but her relations with the US and China worsened and even her image among the countries of the Third World was adversely affected. Today India is dependent on the Soviet Union to an untenable degree and also shares many common objectives with the USSR, such as containment of China and preventing the rearmament of Pakistan. Pakistan emerges from the war, however, as a nation shorn of longstanding liability, many vexing problems, a desire for revenge, plus poor relations with Afghanistan on its northwestern flank.

\*FBIS Report-Moscow Radio Peace and Progress in English to Asia 1030 GMT October 3, 1975 (Unattributed Commentary).

\*\*Dr. Alvin Cottrell, statement made at conference held by the Sino-Soviet Institute of the George Washington University, October 4, 1975.



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The Soviet Union emerged from the conflict with increased prestige and India's gratitude, which may mean more extensive naval privileges that will be vital assets to the USSR's expanding presence in the region. China escaped the defeat of her Pakistani client in relatively good shape.

The unfriendly attitude of the Soviet Union toward the "new" Pakistan continues, and its further dismemberment may be a goal of the USSR, India and Afghanistan. Afghanistan is making claims to the Pathan-inhabited territory of Pakistan, and the Baluchis, who share a border with Iran, are demanding more autonomy. These disputes concern the Shah of Iran, as well as Peking. If Afghanistan were to gain control of the northwest frontier province of Pakistan, the Soviets might thereby gain indirect control of the Khyber Pass, the historic land route from Russia to India. China and Iran share a mutual suspicion of Soviet motives, and believe that the responsibility for the security of the gulf area should be left to the littoral states. Iran is pledged to protect the territory of the new Pakistan, and India is worried about a modern military fleet coming to Pakistan's aid in the event of a future Indo-Pakistan war. The Shah, however, is providing aid to India, Afghanistan and Pakistan. He hopes that aid to the first two countries will induce them to moderate their hostility toward Pakistan.

Currently, the usually tumultuous Persian Gulf-Indian Ocean area is relatively quiet. Improved stability in the Persian Gulf is perhaps due to the new affluence from oil revenues. Even Iran and Iraq, bitter enemies, have set aside their political differences. Settlement of the Arab-Israeli dispute could also affect the stability of the Arab oil producing countries, who might then turn their attentions to other matters.

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D. After The Fighting Stopped (1971-1975)

1. The Bangladesh Factor. The Soviet Union was the first of the great powers to recognize Bangladesh and made efforts to penetrate the new state in the name of cultural cooperation. The policies of China and the US during the Bangladesh war were misinterpreted. These two great powers were not opposed to Bengali national aspirations, but to the Soviet-Indian intervention in Bangladesh to advance Indian hegemony in the subcontinent. The complicated Sino-Indian relations which existed before the 1971 crisis still exist, and no solutions are in sight. In the aftermath of the coup of August 15, 1975, Bangladesh appears to be moving out of India's orbit. At the same time, Pakistan is immeasurably weaker militarily with respect to India than it has ever been since they both achieved independence. Pakistan could not defend itself for more than a few days at most in the event of an Indian attack.

2. China and Pakistan. Good relations between China and Pakistan are likely to continue through the 1970s unless the Pakistani leadership goes too far either in the direction of Russia or India, a remote possibility. The PRC relationship with Pakistan demonstrates that China is more worried about the Russians than the US and are upset by the US policy of withdrawal in Asian affairs.

E. The Soviet-Asian Security Plan

The Soviet Union has endeavored to use India to advance its concept of Asian security. The Soviet scheme for Asia seems remarkably similar to the concept adopted at the Conference on European Security and Cooperation held in July 1975. Collective security in Asia must, in the Soviet view, "be based on such principles as (1) renunciation of the use of force in



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relations between states; (2) respect for sovereignty and inviolability of borders; (3) non-interference in internal affairs; and (4) broad development of economic and other cooperation on the basis of full equality and mutual advantage."

An earlier Soviet radio "Peace and Progress" commentary on March 23, 1972 suggested that both Bangladesh and Pakistan should emulate India in entering into a treaty with the Soviet Union on the model of the Indo-Soviet Treaty of 1971. The commentator said principles embodied in the Indo-Soviet Treaty were applicable to "any other people in the world."

A Soviet diplomatic technique in dealing with Asian countries has been to stress initially "innocuous economic cooperation" and then to reveal their real aim, the Asian Security Plan. Kosygin made such approaches to Pakistan when he visited Rawalpindi in May 1969 and when Yahya visited Moscow in June 1970. Soviet diplomatic dialogues confirmed this economic approach to the security plan until 1971. But in the changed circumstances following the "new" order in the subcontinent, the Russians began to publicly express their diplomatic objectives through their propaganda media.

It was particularly in relation to India that the Soviets have followed the economic approach to security designs. The Soviet Union and India signed an agreement on September 19, 1972 to set up a "commission on economic, scientific and technical cooperation," presumably in accordance with Article 6 of the 1971 Friendship Treaty. The agreement stipulates that each country will take into account the needs of the other's economy when formulating India's defense and security plan for the next five years.

Brezhnev, in his foreign policy speech to the Soviet Trade Union Congress on March 20, 1972, claimed that there was growing interest in the



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Asian security idea. He was, however, shrewd enough to emphasize that in Asia it was not a question of "military blocs and grouping" but of "good-neighborly cooperation by all interested states"--a theme which was devised to meet the sensitivities of Asian countries like India to any idea of a military pact. Upon closer scrutiny, however, the Brezhnev plan seems to be a military pact camouflaged to meet Soviet needs in the growing Sino-Soviet rivalry in Asia.

The Soviets have also expanded economic ties in the name of establishing the "material basis" of collective security. The Russians began to express hopes that their friendship treaties with developing countries like Afghanistan and India might contribute to the construction of a wider economic network under their aegis. In 1972-73, they began to stress the importance of greater economic cooperation as the basis for regional security, and appeared to be reviving Kosygin's 1969 plan for a trade and transit scheme covering India, Pakistan, Afghanistan and possibly Iran and Turkey.

#### Brezhnev's Visit to New Delhi

One of Brezhnev's main objectives in going to India in November 1973 was to reinforce the Soviet image in the eyes of the non-aligned nations and to counteract Chinese efforts to discredit it. The Russians were worried over the inroads the Chinese were making among developing countries of the Third World. China, though not a participant of the non-aligned nations conference at Algeria in October 1973, was gaining support among these countries. China also made additional bids to gain influence in the Middle East. Peking's denial of "great power status" and its claim to be champion of "small and medium" countries were not well received by

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the Kremlin leaders. China also supported the proposal put forward by Sri Lanka, Iran and others for a "zone of peace" in the Indian Ocean since, according to China, it was a reflection of these countries' logical demands for "struggle against domination by some big powers and their efforts to create zones of influence." Pravda accused China of having inspired the scheme.

The Sino-Soviet rift has considerably enhanced India's geo-political importance to Moscow. India admittedly no longer speaks "with the global voice" as in the days of Nehru, but, in the great game of Sino-Soviet rivalry, India has become a substantial piece on the board. Brezhnev, therefore, wanted to get maximum political support from India. The Soviets would regard a move by India to improve relations with China as counter to Soviet-India friendship.

With regard to the Asian Collective Security Plan, there were two interpretations of Brezhnev's mission to India. One was that a new Soviet strategy for Asia--a "peace offensive" in which India would be given the leading role--would begin with Brezhnev's visit to New Delhi. This might require abandoning the Asian Collective Security Plan of 1969 which failed to gather support among the Asian countries. Instead, the new strategy would seek to upgrade India's role as a stable and strong "bastion of anti-imperialism and peace." The friendship treaty of 1971 was to be strengthened by more fruitful aid and trade to serve as an example for others to follow. Bangladesh, Afghanistan and even Pakistan were considered among potential signatories of the friendship treaty along the basis of the Indo-Soviet treaty of 1971. The other interpretation of Brezhnev's mission was that he would exert pressure on India to get endorsement of his Collective



Security Plan which would not only cement the Soviet-Indian relationship but would also render a Sino-Indian rapprochement less likely.

In his speech at the Indian Parliament on November 28, 1973, Brezhnev strongly advocated his Asian Security Plan. He asserted that it was an "opportune" time to deal with Asian security: "In a word, we are calling for an active, broad and constructive discussion. The opportunity has arrived and the present situation in Asia has created adequate prerequisites. Asia can and must become a continent of peace."

It is ironic that Brezhnev chose the Indian Parliament, where Nehru had for a decade denounced military pacts and harped on the virtues of keeping his country away from any military or security plans, to recommend to the Asian countries a Soviet version of "SEATO". Some diplomats, mostly Europeans, in New Delhi were convinced that Brezhnev gained major economic and political leverage in India and tacitly advanced the doctrine of Asian security. Other diplomats and most Indians, however, maintained that the various agreements signed between the two countries during Brezhnev's visit had only strengthened their "economic friendship," and Mrs. Gandhi had to pay no additional price.

In a debate in the Indian Parliament on December 6, 1973 members of opposition parties voiced criticism and concern over the Soviet Union's growing influence. They also alleged that the Soviet Union had obtained port facilities in India for her naval vessels. The Indian Foreign Minister, Mr. Swaran Singh, however, denied these allegations: "We have not given any port facilities to the Soviet Union for military purpose." The opposition members, nevertheless, alleged that there were "secret agreements."





India expressed interest in obtaining MIG-23 plans, fighter-bombers and mobile SAM-6 anti-aircraft missiles, as well as Soviet assistance in plans for new naval vessels. It is hard to believe that the Soviet Union promised such generous economic and military supplies without any "political price" or quid pro quo. (On this point, Dr. Choudhury observes: "I may tell from my experience when Pakistan was seeking arms from the Soviet Union in 1967-70, the Soviet demands were not only 'cash' price, but also 'political dividends' for any arms supplies.")

India now possesses, largely from Soviet assistance, one of the largest and best-equipped military establishments in the world.

"Despite the attention focused on the recent military buildup in Iran and other Persian Gulf states, India possesses by far the largest land, sea, and air forces of any Indian Ocean littoral power. The armed forces number more than 1.1 million, including border security forces.

"More important, however, India appears to be on the verge of achieving a new military status in the Third World--a self-sufficient armaments industry. Indian analysts boast that within a decade the nation's large and thriving indigenous research and development sector will be able to supply the military with most of the advanced weaponry it will require."\*

There has been a growing Soviet role in Indian military planning and development. How much Indian strategic thinking is in tandem with that of the Soviet Union remains to be seen. Now under authoritarian rule, India may be willing to cooperate more openly with Soviet maneuvering in Asia. Admittedly, India is too big a country to be completely a "client" of a superpower. Nor is this an agreeable status for India under a leader

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\*Richard Burt, Christian Science Monitor, Washington Post, August 30, 1975, p. A-9.



like Mrs. Gandhi. At the same time, India's desire for military assistance from Moscow puts limits on her autonomy.

One aspect of the Sino-Soviet conflict that is frequently overlooked is the immense population disparity between China and the Soviet Union. Thus, the potential of Indian manpower is a factor on Soviet-Indian ties. During the heyday of the British Empire the British Army of India played a crucial role in sustaining British power in both the Middle East and in Asia. A comparable combination of Soviet technology and skilled Indian manpower may presents interesting possibilities to Soviet planners.

The Soviet Union is beginning to capitalize on the success of the 1973 Helsinki Conference on European Security and Cooperation to renew pressure for a Soviet-backed collective security system for Asia.

On August 28, 1975, the New York Times reported that:

"A lengthy analysis in the government newspaper Izvestia asserted that the Asian continent would particularly benefit from the adoption of the principles agreed upon by 35 states at Helsinki. Izvestia went on to contend that Asia was now in 'extremely urgent' need of its own system of collective security.

"Also, in the latest issue of the Soviet foreign affairs weekly Novoye Vremya, a Soviet historian declared that the European conference, which wound up in Finland at summit level earlier this month, had provided 'a fresh stimulus to the realization of the idea of security and cooperation in Asia'."

There is little chance the Soviet security scheme for Asia can be orchestrated in the same manner as the CSCE in Europe. After twenty years of pressure, divisive diplomacy and with NATO in disarray, the Soviet Union is far more influential in Europe than it can be in Asia. Peking presents the Soviet with a far bigger problem than does western Europe--and one that will not easily go away.



F. Conclusion

The Soviet Union has persistently pursued expansionist policies in South Asia and, although mistrusted, enjoys considerably more influence in the region today than ten years ago. A Soviet naval advantage over the US in the Indian Ocean exists and, despite continued US development of Diego Garcia, is likely to grow with the reopening of the Suez Canal.

For the time being the Soviets are relatively satisfied with the status quo in the subcontinent and adjacent region. They will make those commitments necessary to preserve their existing status. The increased importance of the sea lanes between the Middle East and South and Southeast Asia makes the Indian Ocean of greater importance to the Soviets, and they will probably increase their naval strength there. In any case, it seems improbable that the Soviets will accept South Asia as a "nuclear-free zone." Their attitude toward the emergence of India as a nuclear power appears ambivalent. In the event there should be any further break-up of Pakistan or fracturing of India, the Soviet Union would probably attempt to capitalize on such a development through the acquisition of smaller (and less expensive) client states which might provide base, port and communications facilities directly on the Indian Ocean.

The Chinese regard India as a Soviet "lackey" and a participant of the Soviet containment policy directed against China. Peking perceives the political-economic situation in South Asia as fundamentally unstable and susceptible to drastic change. Believing time to be on their side, Peking



( policymakers are not inclined to take initiatives for change. PRC policies seek to balance the Soviet-Indian alliance through whatever means are available, including support for Pakistan and overtures or pressures on the small states on India's peripheries.

( The recent increase in Iran's economic and military strength and her collaboration with both the US and the PRC has helped restrain Soviet-Indian destabilizing actions in the region.

India has become the dominant power of the subcontinent, primarily with Soviet assistance. India has insisted that its new relationship with the Soviet Union does not affect its policy of non-alignment. However, the special ties between New Delhi and Moscow display the attributes of an alliance.

( The new Indian position on the subcontinent seems unchallengable, unless India faces overwhelming domestic problems. The shift of India from a democratic to an authoritarian regime is a manifestation of basic political and economic weakness. The capacity of India to solve its problems is questionable, and the possibility of a military takeover should not be ruled out.

( Some Indian leaders are apprehensive about the closeness of the New Delhi-Moscow connection. The alignment shattered India's relations with China, created an image of dependence harmful to India's standing with many elements of the Third World and, to a lesser extent, hurt India's standing with the United States. These Indian leaders would like to see India "normalize" its relations with China on the basis of the status



quo, if China is willing, and to see India improve its relations with the United States, if they knew how. Ideally, these leaders would like to obtain sufficient Washington support to balance that of Moscow. It is possible therefore that as people and policies change, India may one day move away from Mrs. Gandhi's currently uncomfortably tight Soviet connection.

Pakistan remains politically and economically weak and militarily vulnerable despite PRC and US assistance. Further dismemberment of Pakistan would be highly destabilizing to the region as a whole.

Bangladesh could bring India far greater problems as an independent state than when it was part of Pakistan. Bangladesh owes its very existence to the Indian army, and it faces tremendous problems. Although the governmental changes which took place in Bangladesh in August 1975 are likely to strengthen the US influence in the subcontinent and weaken that of India and the Soviet Union, the greatest beneficiary in the coup which deposed Sheik Mujibur Rahman will be the PRC which, because of its relationship to Pakistan, has until now not had relations with Bangladesh. Pakistan also may be strengthened, as it could have much friendlier relations with the new leadership of its old east wing than in the past. While the future of former East Pakistan is still in doubt with regard to its political and economic viability, it is certain that it will no longer be an Indian client state, and thus could pose some questions for India's security problems on its eastern front. This development might help to diminish the threat to Pakistan itself. Politically, Bhutto will now be much stronger since Sheik Mujibur Rahman was the symbol of Pakistan's humiliation.



Just as developments in the subcontinent are increasingly linked with those westward to the Persian Gulf and the Middle East, the affairs of South Asia and Southeast Asia are also more and more interlaced. Recently, articles in the official Soviet press have charged Peking with pursuing a policy of active subversion against India, Burma, Malaysia, Thailand and Indonesia, as well as staking out territorial claims against virtually every other Southeast Asian country.

Stepped-up military activity by the Chinese-based communist party in Northeast Burma has taken place since the fall of Indochina. It has been accompanied by a serious deterioration of political order in Burma. The increased power of the Chinese-sponsored White Flag Burmese Communists could complicate India's security problems on the northeastern frontiers. The possibility that the Soviet Union might supply General Ne Win's government with arms in exchange for naval facilities at Coco Island in the Andaman Sea would be another serious example of the intensifying Sino-Soviet competition for influence in South and Southeast Asia.

Since independence, India, in a quiet way, has emphasized concern over the independence of Burma and Malaysia. The Indian military and diplomatic establishment regard Burma as India's Ardennes. The Indian government is also quite aware of the reciprocal link between the fate of Burma and Thailand. Although during the Vietnamese war New Delhi followed a systematic public policy of being pro Hanoi, [

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It remains to be seen whether India will join unambiguously in Moscow's efforts to enlarge its position in the Southeast Asia region vis-a-vis China. This kind of a straightforward Soviet-Indian thrust to gain leverage in the area could lead the Chinese to undertake rather drastic actions to enlarge its unilateral sphere of influence in Southeast Asia, and thereby trigger a confrontation between India and China.

In sum, by establishing a position of great influence in the Indian Ocean and its littoral, the USSR is implementing its containment policy toward China. In response the PRC has already intruded into Northeast Africa and Mozambique in competition with the Soviet Union. This competition is likely to contribute to the radicalization of this region at the expense of western influence.

Regardless of its behavior elsewhere, the evidence of the past decade does not suggest that the Soviet Union has shown a real and sustained desire to stabilize the equilibrium of the countries located along the Indian Ocean's northern littoral. As a global power, the United States interacts with its adversary, the Soviet Union, in most regions of the earth. Increasingly, the Indian Ocean region has become a theater of growing Soviet-US contention. The extent to which the US attempts to monitor, keep abreast of or surpass the spread of Soviet influence in the Persian Gulf-Straits of Malacca arc will be in part dependent on how the US perceives its interests in this part of the world.

In this context, a limited US naval presence in the Indian Ocean has been justified as a means of furthering these general interests. The build-up of the US-UK base facilities at Diego Garcia has been similarly justified.



G. Policy Recommendations

The principle of economy of means dictates that US interests be sustained with the least commitment of resources, based on careful calculations of requirements.

The United States should seek tacit areas of mutual agreement with the Soviet Union as far as operations in the Indian Ocean are concerned. These could include agreements on the limitation of naval presence and other military activities, on the preservation of the principle of freedom of the sea and the unrestricted use of the key straits and access routes, including the Suez Canal, and the Straits of Malacca. In essence we would keep our presence at a low level and hope that the Soviets would do the same. All nations should be able to use the ocean for such peaceful purposes as fishing, exploitation of mineral resources and the seabed, hydrographic and other types of research and exploration. Such use of the Indian Ocean and its seabed should be in accordance with the agreements reached in the UN Law of the Sea Conference.

If the Soviet Union continues to expand its presence and influence in the Indian Ocean for unilateral gain, for indirect maneuvers against the PRC or, though currently hard to envision, for potential interruption of Japanese shipping, the US should undertake to prevent Soviet ascendancy in this distant ocean. This effort would involve continued expansion of US naval presence and surveillance capability in response to Soviet deployments if the Soviets are unwilling to agree to end escalation of naval competition in the area.





The US should: (1) avoid direct involvement in various manifestations of the Sino-Soviet dispute in the Indian Ocean area, (2) respond favorably to any Indian initiatives for more cooperative relations with the United States; (3) maintain close cooperative relations with Iran and Pakistan; (4) help to strengthen Pakistan militarily; and (5) encourage Iranian-Indonesian cooperation.

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7. Australia-New Zealand and  
the South Pacific (Ann. 10)

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AUSTRALIA-NEW ZEALAND AND THE SOUTH PACIFIC\*

The two principal countries in the South Pacific, Australia and New Zealand, are so situated geographically that security problems comparable to those currently faced by other countries in the Asian-Pacific region simply do not appear to exist for them. Most of Indonesia is located south of the Equator, yet Indonesia is properly treated within the Southeast Asian region rather than in the South Pacific. The security links between Australia and Indonesia, however, are potentially through the ANZUS Pact. US security guarantees to its South Pacific allies obtains for the US utilization of some important installations as well as operating rights in the area.

Both countries turned from Great Britain to the United States for their principal security alliances during World War II. Until the advent of Labor Party governments in both countries in 1972, they followed the American lead in security activities in the Pacific region. Since then they have been more critical and their cooperation has been on a far more selective basis. But US interests in both Australia and New Zealand are far wider than purely security interests would indicate.

A. US Interests and Considerations

US security, political and economic interests in Australia have grown since the Second World War. In the security context, US access to jointly-operated defense and communications facilities are quite important; economi-

\*Annex 10: A major input to this annex was a paper commissioned from Dr. Harry Gelber of the University of Tasmania. The paper also benefited from Ambassador Marshall Green's comments on the penultimate draft.



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cally the US has large investments in Australia, and Australia imports around \$2 billion a year from the US. A factor to bear in mind, however, is that large scale foreign investment has spurred some economic nationalism in Australia. This is of some concern since American investment in Australia exceeds the combined total of American investment in all the other countries of East Asia. Cooperation with both Australia and New Zealand on a large number of "interdependence" issues in international forums is increasingly valuable; there such interests derive from collaboration on a number of activities ranging from education to scientific cooperation. Australia's interests in nearby Papua New Guinea and indirectly in West Irian (Irian Barat) is also helpful to the US in keeping these areas relatively stable.

The ending of the Indochina conflict has benefited US relations with Australia, and many Australians recognize more than ever how important the US presence in the Western Pacific is to their own security. At the same time it is unlikely that many Australians accept the need for a significant US presence in the Indian Ocean, including the base of Diego Garcia. Those who oppose this presence believe this to be provocative to the Soviets. They ignore the fact that the Soviets have their own motivations for moving into the Indian Ocean. A good deal of Australian trade passes through this ocean. Hence it should be recognized that a US presence in the area contributes to Australian and Japanese uninterrupted use of their sea lanes.

There are about 60,000 Americans living in Australia--far more American civilians than in any other country of Asia or the Pacific. With a population of less than 14 million, Australia is the world's largest exporter of meat and wool, second largest of sugar, third of wheat. Its resources of iron ore,

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bauxite, coal, copper, nickel and uranium are among the greatest in the world.

From the foregoing it is obvious that Australia's importance to the US is far greater than its relatively small population would indicate.

B. Foreign Policy Options

Australia and to some degree New Zealand, is engaged in a reassessment of its position in the world. The scope and character of this review has no precedent in its recent national experience. The extent and precise significance is less so, and the conclusions drawn as to the proper Australian response vary greatly as between different groups even within the comparatively small professionally concerned foreign affairs community. The internal differences of analysis and prescription are therefore wider and more various than at most times in the past. A sketch of the range of current opinion offers an uncertain guide in predicting future policy.

The more obvious changes in Australia's relationship to its international environment can be classified under three broad headings: changes in the strategic and political patterns of global and especially great power relationships, the growing importance of new factors such as questions of race, energy, raw materials and multinational enterprise, and the closer and more delicate relationship between foreign policy and domestic opinion.

The breakup of the post-Second World War alliance systems is universally accepted as an accomplished fact. The sweeping consequences of the Sino-Soviet dispute, especially its demonstration that the communist world is not monolithic--and perhaps never was--is now a platitude. The necessity for a redesign of US policies in the Pacific in the aftermath of the American defeat in Vietnam is accepted. So is the notion that the political and constitutional consequences of Watergate have brought great changes, at least for the time being, in the freedom of movement of any US administration.



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in designing its foreign policy, and that predictions about American action and any attempt to influence it will have to take much closer account of Congressional preferences than might have been the case before, say, 1972.

To Australian foreign affairs cognoscenti many of the great questions about the global balance are systemic rather than individual and specific. In what ways, if at all, should the Soviet Union be regarded as a satisfied power? Will the Soviet-American detente endure and what costs will it entail in other areas of US policy? What are the consequences of the Sino-Soviet dispute for world politics in general and Southeast Asia in particular? What role will a united or quasi-united Vietnam choose to play in its own region or outside it? What can be predicted about the future economic and political development of Japan? How is the politico-military balance of the Indian Ocean area likely to develop?

In addition to these questions about global politics, the government and the foreign affairs community has been impressed by the importance of new types of questions relating to the management of world opinion at or through the United Nations; problems of energy and raw materials, the political consequences of mass travel, of aid and development policies and of transnational activities. All governments, it is beginning to be appreciated, are compelled to operate simultaneously in different environments and to play different games, at different levels and with different prizes and penalties. Moreover, these levels have complex interrelationships.

For example, the Australian government has for the last two or three years gone out of its way to adjust to antiracist attitudes at home and abroad. No doubt the primary motivations were concerned with the view of

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the Australian public and of members of the government that racism was objectionable. But it may not be wholly irrelevant that some senior observers have warned that Australian national security might itself become vulnerable to certain Third World pressures. It has been suggested that in some circumstances a majority in the UN General Assembly might be prepared to condemn the tenure of a vast continent by a few million white Australians and to declare that a portion of it should be apportioned to the use of others. These observers have warned that, while the circumstances of such a situation could not be predicted in any detail, Australians should not take it for granted that their traditional friends in Europe and America would side with them on the issue or that, even if they did, they would make their support for Australia effective. It would therefore be wise to cultivate the friendship of the Third World long before such a question appeared likely to come up on the agenda.

The third dimension of the problem involves the increasingly complex relationship between domestic and foreign policy, in Australia as in most other advanced countries. It has been aptly described\* as both the internationalization of domestic issues and the domestication of international issues. Certainly the boundaries between them are blurred. The reasons, although inadequately analyzed, probably include the immediate and populist impact of television politics, the fragmentation and impersonal pluralism of modern societies and, for Australia and the US among others, the enormous importance of a common language as a medium for global communication and intercourse.

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\*Hugh Collins: Australian Foreign Policy in the Era of Detente, Australian Outlook (forthcoming).



It is clear, in a way which cuts across party divisions, that there is a new sense of initiative, a disposition to regard Australia as an independent party in international dealings rather than as a power destined to follow the lead of others. There is a sense that, even if the critical problems of world politics ultimately determine the framework within which Australian policies must be made, Australia cannot do very much about most of them and would do better to concentrate on those issues where she can "make a difference." And in these, there is some disposition to seek the role of balancer, of a deciding diplomatic factor, provided this does not involve undue economic or political costs. Although these attitudes may be generalized and some of their current manifestations ill-judged, one would expect them to represent a long-term shift in Australian attitudes to the outside world. They have already found reflection in Australian attitudes on the Indian Ocean, the assumption of a special Australian role in large areas of the Southwest Pacific and in some aspects of her resources diplomacy, including her positions on bauxite and tin.

This shift is marked both by pragmatism and flexibility. There is little evidence for supposing that the Prime Minister or the government are working towards some grand long-term plan or that policy is conceived in abstract or even coherently global terms. In Australia as elsewhere, policy-making tends to be piecemeal and ad hoc, though the rhetoric for domestic consumption often suggests otherwise. On the other hand, the new Australian diplomacy is showing markedly more flexibility than the old. Indeed, some of its critics argue that flexibility of tactics sometimes appears to be regarded--on Indian Ocean matters for instance-- as a substitute for policy.



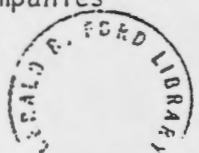


C. The Labor Government's Performance

For the most part it would be an error to attribute all the changes which have occurred during the past three years mainly to the views and prejudices of the Australian Labor Party. Though some of the elements in current policies are naturally and rightly a reflection of the attitudes of the party in power, the change of mood in Australia and the resulting change of policy, runs much deeper than that. The narrower definition of essential Australian interests, the pragmatic realization that developing mainland Southeast Asia can be affected, if at all only by diplomatic Australian influence, the acceptance of the new facts of US diplomacy, all go well beyond the boundaries of the ALP. It may be true (though the point is arguable) that many of Australia's present mainstream views on matters like Vietnam and pollution and urbanization have been derived from the US opposition while previous views are largely derived from US governments, but the fact remains that the adjustment to the facts of life in 1975 has on the whole been smooth. And the new mood of nationalism, though historically deeply rooted in the ALP, also goes well beyond its ranks. The new emphasis on Australia's personality in formal and ceremonial terms, as well as in policies towards multi-nationals and the outside world, is likely to survive the Whitlam Government.

The learning process, at work since the Whitlam Labor Party gained control of the Australian Government, has affected US-Australian relations. For example, all of our facilities in Australia, such as the Northwest Cape Naval Communications Facility, are now jointly operated. Procedures have been worked out for Parliamentary and Congressional visits to all facilities.

Similarly, Australian attitudes towards US and other foreign companies



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operating in Australia have matured. There is no threat to present investments, although Australian leaders talk about taking a more restrictive view toward new investments. The current economic downswing in Australia has also helped improve US-Australian relations. Rising unemployment and other economic woes induce an appreciation of the need for inward flow of investment in Australia to keep industries going and to open up new job opportunities. With less of Australia's GNP going to defense, there is greater appreciation of the worth of Australia's defense association with the United States.

It is too early to predict how long the Labor Government will be in power, but its increasing pragmatism deserves approbation.

D. Asian Regionalism

Asian regionalism will play a mixed role in Australian policy. Its most important aspect is the opportunity it affords Australia and her statesmen to differentiate themselves from Europeans or Americans on the one hand and from racists of various denominations on the other. Insofar as regionalism equals anti-racism, it will continue to play a role of importance both domestically and externally. But beyond that Australian regionalism may be declaratory rather than substantive and involving major resources. Support for ASEAN will continue to be given, but not in a way which is likely to embrace any major commitments. Australia concurred with the end of SEATO once Thailand and the Philippines agreed that this organizational expression of the Manila Pact should be ended.

Australia perceives Japan and Indonesia as the two most important countries of Asia affecting Australia. Japan is Australia's largest market and the most economically dynamic country in the world. Indonesia is Australia's biggest and closest neighbor. Toward both of these countries,

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Australia is pursuing policies that are entirely consistent with our own. The Australians are aware that adequate long-term access to overseas raw materials at fair prices will probably have more effect on Japan's foreign policy in decades to come than any other single factor. They also acknowledge a viable non-aligned Indonesia to be the most likely platform on which a stable international order in Southeast Asia can be constructed. Consequently, relations with Indonesia will continue to be a matter of the first importance for any Australian administration.

The Australian role in relation to the newly-independent Papua New Guinea will also be important. Australia will, whether under an ALP government or another, give economic and political aid to that country. It will also lend military aid and perhaps support. Whether such support should extend to the dispatch of Australian troops to New Guinea in support of the government in Port Moresby is a matter of controversy within Australia. All would doubtless depend upon the circumstances at the time. In certain Southwest Pacific island areas; i.e. Fiji, Australia might come to play the role of the local major power. This has not yet become a matter of substantial political debate within Australia, and it is not now possible to predict the outcome of such a debate.

#### E. Resources Diplomacy

More in the public eye at present are the areas of policy for which the government has coined the term "resources diplomacy." Historically, this can be seen as an extension of the raw materials and trading policies which, given their impact on any projections about national development, have always been close to the core of Australia's relations with the outside world. But its development in current circumstances faces Australia with a series of dilemmas which have not been widely appreciated, let alone



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publicly resolved.

Australia and the United States have much in common with respect to these issues. Both the U.S. and Australia are major producers of agricultural products, and are among the top exporters of grains and other foodstuffs. We both contain within our vast geographic reaches a sizeable proportion of the world's mineral resources. We will both face pressures from a resource-short world, especially for our foodstuffs. We both wish to help others but we both have our own needs at home.

Australia has been under pressure at meetings of world producers of bauxite and copper and iron ore, but has resisted efforts to establish price-fixing cartel without due regard to the interests of consumer nations. This is Australia's sensible answer to those who would go the OPEC route. There is conflict in Australia, however, between a wish to maximize Australia's economic benefits from the resources in her soil and the wish to use Australian influence to pursue political aims such as anti-pollution or anti-proliferation in the nuclear field.

Another unresolved dilemma concerns the relationship between long-term raw materials contracts, and the political relationships which they imply, and the wish for short-term diplomatic flexibility. Yet another concerns the potential conflict between maximum independence of Australian decision-making and the requirement for close cooperation with other governments if orderly marketing arrangements are to be achieved.

Indeed, it is in this area that some of the most acute difficulties of

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Australian policy-making during the latter half of the 1970s may well lie. The Prime Minister, Mr. Whitlam, seems to have seen the point, although understandably he has not said much about it in public. During his 1975 visit to Europe, most of his time seems to have been spent dealing with such problems as beef exports and uranium problems as well, perhaps, as more general discussions on Australia's need for the import of capital. This need continues undiminished. Not only does Australia have no real prospect of domestically generating the capital required for any of the more likely forms of national development plans, but the dangers of an adverse technology gap in relation to Europe, the US and Japan are probably increasing. A serious attempt to reduce them will involve action at the resources diplomacy and payments levels as well as that of national science policy. It will also require a changed attitude toward multi-national enterprise. Here the present government's record is not good, and substantial changes will be required within the next year or so in the policies which a government of either political party is able to pursue.

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F. Security Threats and Choices

The role which either Australia or New Zealand can play in Pacific security is limited; they are geographically detached and have small populations. The 13,000,000 Australians inhabit only the fringes of a large and almost empty island continent. Obviously, Australia, much larger than New Zealand with four times the population and geographically closer to the Asian part of the Pacific scene, plays a more important role than New Zealand. Consequently, the remainder of this discussion will focus on Australia. One should bear in mind, however, that New Zealand will frequently cooperate with Australia in both security policy planning and undertakings.

The general tendency in Australia is toward a narrower definition of defense responsibilities. The changed circumstances of world politics are reinforced by the fall of Vietnam and the evidence of uncertainty about whether or how or when the US might engage herself in the Pacific or Southeast Asia. Australian opinion perceives no credible external role for Australian forces for the foreseeable future, except, perhaps, the dispatch of some troops in support of a UN peacekeeping operation. Suggestions for sending ground troops or other forces to any part of Southeast Asia or the Middle East or even Papua New Guinea would encounter vehement objections almost irrespective of the circumstances which might cause a government to send them.



Nor is there a credible threat in sight in response to which more potent forces and a more serious capability for distant involvement might be created and maintained. One of the most powerful of the anti-Vietnam arguments was the suggestion that the war was irrelevant to Australia's (and America's) real concerns. No new concern which might have to be met with the use of armed force is at present in sight. The government's own strategic assessment, on which defense planning is based, maintains that there is unlikely to be a threat to metropolitan Australia for the next ten or fifteen years. Though this statment has been much disputed, no specific alternative has been suggested other than the maintenance of very limited forces for presently unknown contingencies which might arise without warning.

When we disagree on specific issues, the United States and Australia should make the extra effort to avoid complicating each other's problems, especially on an issue of predominant concern to one of them. This is especially important in the security realm. While economic issues loom increasingly, security problems cannot be brushed aside. Australia views ANZUS and our joint facilities in Australia as helping to preserve a world equilibrium which is essential for an effective negotiating process on arms, limitations, force withdrawals and prevention of nuclear arms proliferation. Yet there are some underlying differences between the US and Australia in assessing potential threats to stability, particularly in the Indian Ocean area. One distinguished British analyst, now resident in Australia, has described the issue as follows:



"The accession to power of labor governments in Australia and New Zealand in 1972, and the decision of the former to reduce defense forces, on the assumption that there will be no 'threat' to the country for fifteen years or so, changed the situation in the eastern part of the Southern Hemisphere to a considerable extent. From the Chinese point of view, as Chou En-lai has remarked, Australia is the 'gateway to the south'--that is to say, to the Indian Ocean via Southeast Asia.

"The strategic assessment that no specific 'threat' to Australia could not be forecast was reached against the general background of what is commonly seen as the 'detente' in international relations, or the end of the Cold War....A number of Defense Department officials and officers have publicly disassociated themselves from this assessment....Officials remaining in the Department allege that owing to the politicization of the public service, Defense and Foreign Affairs position papers are self-censored so as to fit the preconceptions and purposes of their political masters.

"The attitude of the Liberal and Labor Parties has differed only in degree, both accepting literally the 'no threat' misconception. In fact, Defense and Intelligence officials point out privately that predictions about the international environment and emerging threats can only be made for two or three years ahead, whereas the lead time for developing adequate defenses is eight to ten years."\*

Informed Australians would deny any threat confronting Australia via the expansion of some variant of Chinese communism down through Southeast Asia into Indonesia. Although this threat may be blocked by the emergence of

\*W. A. C. Adie, Oil, Politics and Seapower, The Indian Ocean Vortex, Crane, Russak and Company, Inc., New York, 1975. Adie is Senior Research Fellow, Research School of Pacific Studies, Australian National University.





a strong, united and independent Vietnam, it has not altogether disappeared-- at least in the minds of some officials in Jakarta. High-ranking PRC officials have asserted that the national-liberational movements which they support in the ASEAN countries "are not negotiable." It was against the threat since 1950 of creeping communist insurgency that Australians (and New Zealanders as well) have maintained a weak forward defense by deploying units of the Australian Armed Forces to several Southeast Asian countries. The current Australian leadership, however, no longer accepts this policy and has replaced it by its reverse: Fortress Australia. Currently, Australia's formal external deployment is limited to a small contribution in the FPDA (Five Power Defense Arrangement--UK, Australia, New Zealand, Malaysia and Singapore). Australia maintains two squadrons of Mirage aircraft and some transport aircraft at Butterworth in Malaysia and stations a naval vessel in the area. New Zealand maintains transport aircraft and an infantry battalion in Singapore. Since the British plan to withdraw all these forces by March 31, 1976, the Australian-New Zealand commitment to keep forces there as long as Singapore and Malaysia want them continues to be a residual hangover from the now-defunct forward strategy.

It should be noted that Australia's contribution to forward defense has always been marginal in comparison with either its British or American "partners." During the Malaysian emergency Britain, with a lower per capita GNP and five times the population, supplied 25 times as many men and made a proportionately larger financial contribution. In Vietnam, the proportionate



per capita contribution compared to the United States was even less. These observations indicate that Australia's interests in forward defense were not overwhelming. In every case Australia's allies carried the major burden-- a fact which might usefully be recalled from time to time.

It has already been suggested that Australia, because of its location, is relatively immune from any direct military attack, including long-range missiles or aircraft. The buildup of Soviet naval forces in the Indian Ocean would have to be even more evident and impressive than now appears to be the case for the Australians to worry about a threat from that region.

By the end of this century Australia may face a potential threat from China if that country becomes the predominant power in Asia. Australia might have no choice but to accommodate with such a China or to the USSR if the Soviets should gain naval hegemony in the Indian Ocean.

The basic fact remains, however, that the Australian Government cannot conceive of any plausible threat against its territories for years to come. This perception poses problems with respect to the maintenance of even prototype armed forces which would be necessary were the security situation to suddenly become threatening.

The absence of a readily identifiable present threat cannot be taken to imply that there will never be any threat. It is impossible to predict what will happen 10 to 15 years from now, particularly in the extremely volatile Indian Ocean area. Western Australia could be extremely vulnerable



to hostile developments there. Port Hedland in Western Australia, located in a region which produces much of that country's mineral wealth, is almost as many ocean miles from the Sidney naval base as it is from Shanghai or Nagasaki.

Australia should be interested in construction of a viable security system that might mitigate conflict in that vast region of the globe. But because of the general apathy of public opinion concerning foreign and security affairs (matched in the US and elsewhere), Australia has eschewed becoming an actor in the developing Indian Ocean drama.

Indonesia, if it again becomes hostile, could pose a threat to Australia against which Australian efforts could be meaningful. Indonesia's population, resources and regional leadership aspirations are well known to Canberra. Against this potential threat Australia could protect itself by drawing upon alliances (primarily ANZUS), by strengthening its own relatively miniscule defenses, seeking to foster goodwill and friendship between Australia and Indonesia, and by helping to protect Indonesia from either PRC or Soviet pressures.

Australia may wish to cultivate Indonesia within a wider maritime security arrangement focusing on the Indian Ocean. Two possibilities suggest themselves; one includes Iran.

During the Shah's visit to Australia in September 1974 the Iranian leader told members of Parliament of his desire to trade as widely as possible.



But, "we have to be sure that these goods leaving our country will travel through the waters of the Indian Ocean safely." The Shah has frequently expressed the wish that certain littoral states of the Indian Ocean might join in a collective security arrangement comparable to NATO. The four pillars of such a compact would be Iran, Indonesia, South Africa and Australia. An Australian Labor Government, however, might not wish to team up with apartheid South Africa. There are likely to be few takers for this scheme in Canberra.

Another concept suggests a Japanese, Indonesian and Australian maritime triangle. Presumably Japan could help bank an Indonesian naval expansion--in close association with Australia--in exchange for guaranteed passage through the Straits of Malacca or Lombok. Again, Canberra, given its Fortress Australia perspective, is not likely to buy this idea.

The willingness of both Australia and New Zealand to maintain and widen their military cooperation with members of ASEAN, if asked, could be of considerable value. Because Australia and New Zealand are small countries, the ASEAN states should have no psychological problems with such relationships. As Pacific countries, Australia and New Zealand could sometimes serve as more effective brokers with Asian societies than the US.

These possibilities aside, the Australian Government's directive to its forces is to be prepared to defend the Australian continent, but without



specifying against whom such a defense might be conducted and under what technological and diplomatic circumstances the action might take place. The result has been, predictably, to produce glaring defects in Australia's defense arrangements. No policies for making these good have yet been developed, however, probably because to do so would be expensive, technically difficult, diplomatically costly and, most important, politically controversial.

For the time being, the absence of an effective defense policy arouses little public interest and less passion. The implied risks may, however, one day be substantial. In the event of a conflict in Korea or the Middle East, for example, or some other event which appeared to make Australian participation desirable to significant sections of Australian opinion, it would at once be seen that Australia had no forces to send. Even on the narrowest grounds of party political advantage it hardly seems advisable for any government to incur such a risk.

In deciding what forces to raise and maintain and what contingencies for their use might be contemplated, however, the government of the day will inevitably be driven back to arguments about the nature and extent of the American alliance. Even a geographically narrow concept of the defense of the Australian continent, "Fortress Australia," is impossible to put into practice without a close accounting of assumptions about control of the seas



surrounding Australia, including particularly the Indian Ocean area. In these respects alone, the American role will be important and potentially decisive.

G. The American Connection

The American relationship has, of course, been a major factor in most aspects of Australian external policies for a considerable period of time. Resources diplomacy can hardly be conducted without reference to Washington, just as Australia's wishes in the field of technology, trade and financial connections obviously involve varying degrees of reliance upon, or at any rate cooperation with, the United States.

At the same time it should be stressed that the flavor of the relationship may change, just as the flavor of US external policies is changing also. The maintenance of the US tie is not in question. The Prime Minister has stressed the fundamental role of ANZUS in the same way as his predecessors. Also like his predecessors, he has adopted many lines of policy which are calculated to fit in with or follow US policies and US initiatives. It might be argued that some of the more ostentatious moves towards "independence" by his administration are little more than a carrying-out of the spirit of the Nixon doctrine. The American-Australian-New Zealand connection is solid. But that is not the whole story. The American tie is being viewed less as an overriding principle of policy than as one particular, if important, input to policy-making on a specific subject or group of subjects. Whether this



subtle change of focus is a matter of Australian initiative or should rather be seen as a partial reaction to Washington's own disposition to see relations with allies more in bargaining terms is an interesting question, but not one which is relevant to policy-making.

Two countries as close as America and Australia tend to judge each other by their own standards. There will always be this danger in our relations--that of taking each other for granted, of assuming and presuming too much. As we both look toward the future our focus is shifting away from bilateral issues toward regional and especially global issues, issues where solutions require collective action on a totally unprecedented scale. Fundamental issues, for example, in which Australia, New Zealand and the United States have much in common include: population, food, energy, access to resources and their pricing, terrorism, narcotics, nuclear proliferation, arms control.

Cooperation between the US and its ANZUS partners will continue to be close, but somewhat more ad hoc than in the past. Australian governments are likely to resist the idea that if the relationship between allies is to display an appropriate mixture of stability and flexibility, it is they who should display stability while the US, in pursuit of great power global purposes, is more free to be flexible. No future Prime Minister of Australia can be expected to commit himself to the US as unreservedly as did Mr. Whitlam's immediate predecessors; and none will willingly go out on a limb, as did Mr. McMahon and Mr. Gorton, on matters connected with Vietnam, only to find themselves cut off by US action.



In both Australia and New Zealand the prospect, then, appears to be for a continuation of cooperation and friendship both at the fundamental level of attitudes and assumptions and at the surface level of policy. But it will be combined with a greater insistence upon Australian initiative, and, in Australia as in the United States, changed definitions of national interests in the somewhat novel circumstances of today. What practical policies will flow from these new combinations is not altogether clear. In a number of specific areas--the problems of Korea, the development of the external aspects of an Australian national science policy, policy towards multi-national economic enterprises are examples--the changes may well be minor. But in others the constraints may not be so clear. Australian policies towards China, the Middle East and the Indian Ocean, to mention some instances, may continue to diverge from those which American administrations would prefer.

The defeat of Whitlaw's ALP Government could change the tone of foreign policy somewhat. Despite the maturation of Whitlaw's policies, there remain some important differences which would be reflected should the opposition parties take control: (1) the opposition parties believe Australia's primary relationship must be with countries whose interests are compatible and complimentary with particular emphasis on the United States; (2) the opposition stresses the fact that Australia must become more self-reliant, and puts special emphasis on developing Australia's economic resources and contributing actively to solving global problems especially those involving





aid, trade, and investment which in their view threaten the whole system of international relations; (3) the opposition rejects the concept of a neutral zone in Southeast Asia. It stresses the importance of ASEAN and pledges Australian economic assistance to ASEAN countries. The opposition also pledges to work towards maintaining a political balance in Southeast Asia to prevent either China, the Soviet Union, or North Vietnam from becoming the dominant power in the region.

H. Conclusion

All these considerations notwithstanding, the present relations between the United States and its ANZUS partners are generally satisfactory. In particular:

1. The warm and friendly support which both Australia and New Zealand have given to ASEAN's development is likely to increase following the US setback in Indochina. At this stage the prospects for ASEAN becoming a zone of neutrality in Southeast Asia appear remote.

2. The greatly improved pattern of US-Japanese relations over the past several years has in general been matched by favorable relations between Japan and Australia and New Zealand. In particular, there is a considerable level of two-way trade--between Japan and Australia, as well as a triangular trade between Japan, the US and Australia. The mutuality of economic interests between Japan and the two developed countries of the South Pacific is a major plus factor in the Pacific region.



3. The US and its ANZUS allies generally see that now is not the time to establish positions on various neutralization schemes for Southeast Asia.

4. A general area of divergence between the US and Australia and New Zealand relates to the nuclear question. Both of our partners would like to see some kind of South Pacific nuclear free zone established. Both governments opposed the visits of US nuclear-powered warships to their parts; New Zealand still does, but Australia has worked out with the United States procedures which now make such visits possible. On the matters of nuclear testing and non-proliferation, all three ANZUS countries are not too far apart. It should be noted, however, that support for a nuclear free zone in the South Pacific is more vocal than solid, particularly in Australia. Most professionals and semi-professionals see why it is impractical, and few people would take their opposition to things nuclear to the lengths of suggesting that the US Navy should cease to operate in sea areas of interest to Australia or New Zealand.

Looking toward the future Australia and New Zealand could play an important role in assuring the peaceful development of the countries in Southeast Asia. Australia over time might be induced to participate in allied efforts to insure that the Soviet Navy does not gain a dominant position in the Indian Ocean. As already mentioned, few people in Australia see any signs that the Soviet Navy is, or is about to be, in a position to dominate the Indian Ocean. In other words, the Australians are relaxed because they do not regard the danger as plausible, not because they would



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be comfortable with the situation if it should develop. Obviously, there are major educational tasks ahead for the US if the implications of the Soviet naval buildup in the Indian Ocean and elsewhere is to be understood and the potential danger this poses is to be met.

I. Policy Recommendations

The United States should:

1. Encourage Australia and New Zealand to retain the current level and nature of their military cooperation with Malaysia and Singapore after the British withdraw their forces in March 1976. New Zealand and Australia can contribute to some degree of psychological security in SEA by retaining their current links to Singapore and Malaysia. Both of these states want to retain their pluralistic societies and ties to "the West" but not necessarily directly with only the United States.

3.

4. Attempt to induce New Zealand to abandon its proposal for a nuclear free zone in the South Pacific.

5. Continue to cooperate with both Australia and New Zealand on global interdependence issues in all multilateral discussions.

1.3  
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