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*portions exempted*

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William R. Kintner







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## U.S. POLICY INTERESTS IN THE ASIAN-PACIFIC AREA\*

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\*A study by Ambassador William R. Kintner.



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I. ASIA, IN THE SHIFTING BALANCE OF  
WORLD POWER (App. 1)

ASIAN

ASIA AND THE SHIFTING BALANCE OF WORLD POWER\*

I. ASIA IN THE WORLD BALANCE OF POWER

A global US foreign policy must be anchored both in Europe and in Asia. In a global policy the relationship between the United States and the Soviet Union will be the single most important driving force of world politics during the next decade. The ambiguities of this relationship are especially complicated in Asia where the general policies of the super-powers are modified by the varying influences of the Peoples' Republic of China, Western Europe, Japan and to a lesser degree by other countries such as Iran, Vietnam and the two Koreas. Sino-Soviet antagonism in particular creates options and opportunities for the United States as it adjusts to the evolution of power in the Asian-Pacific region. This area has not been regarded as a primary source of US-Soviet tension, but constricted US prestige following the "Vietnam exodus," expanding Soviet regional involvement, increased Chinese capabilities, and the potent Japanese economic role in both Asia and the global arena necessitate a more critical assessment.

The collapse of our efforts to prevent communist domination of Indochina highlighted our inability to guide our actions with a set of purposes the American people would support. The more purposeful, disciplined and sustained campaign of the Vietnamese communist nationalists and their Chinese and Russian patrons brought them success. Vietnam is over; the need to clearly understand our changing status and define a creative and credible policy for Asia remains.

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\*Appendix One.



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Throughout most of this century the United States has been a major but reluctant participant in and reactor to the transformation of Asia, primarily because we underrated the region's significance to our security. We were bombed into World War II at Pearl Harbor with our eyes fixed on Nazi Germany. By 1950 the US was concentrating on European recovery through the Marshall Plan and NATO. Washington sought disengagement from the Far East after the "loss of China" with its attendant acrimonious controversy. By "inadvertently" omitting the Korean Peninsula in our defense perimeter we "invited" a North Korean invasion which triggered our involvement in the Korean War. After the Cuban Missile Crisis and China's announced determination to support wars of national liberation, the US expanded its involvement in the "War of the Indochina Succession." We proved unable to sustain a protracted conflict in a region considered low on the scale of our national interests, while consecutive administrations failed to convince the American people of Indochina's strategic value.

In Asia we lack commonly accepted criteria for arguing whether a particular event or development threatens US interests. The American foreign policy elite are divided over what the central thrust of US foreign policy should be. The new foreign policy "realists" believe that the almost axiomatic planning of the "Cold War" is no longer applicable in the age of detente. The US-Soviet conflict is less important than the emerging north-south conflict. Global interdependence is considered to be the most significant characteristic of the emerging world order. The more traditional concepts of sovereignty, national interests, power politics and influence seem passe to many Americans. Yet interdependence and power are not mutually exclusive concepts.



# BRITAIN

Unfortunately, many American perceptions regarding the nature of the international system stand in strong contrast to the informing insights of the leaders of the Soviet Union and the Peoples' Republic of China.\* Their cooperation with the United States, other countries and even with each other is tempered by strong emphasis upon economic autarchy, military strength and the "correlation of forces" in the conduct of conflict. The activities and ideologies of both Moscow and Peking belie the suggestion that their policies are compatible with the US hopes for a genuinely cooperative interdependent world order.

The future of the United States is intertwined with Asia as much as with Europe. American interests in the Asian-Pacific region derive from our status, position and purpose as one of the world's two leading powers. The primary American security objective is to ensure that no single country or coalition of countries hostile to the United States dominates East Asia, the Western Pacific or its approaches. This objective revolves around Japan--the country in Asia whose political, economic and territorial integrity and security is vital to the preservation of US security in the Western Pacific.

Finally, the US, SU, Japan and the PRC impinge upon one another in the political, military and economic evolution of Asia, presenting the US with opportunities to advance our area interests in ways that can contribute to global equilibrium.

\*This study makes no effort to explore in detail the dynamics of US, Soviet or Communist Chinese societies, their government structures, the internal pressures and external policy pressures of each of the three actors interacting in Asia. It does present, however, the central thrust of their respective foreign policy goals and the main factors which guide their actions with respect to each other and the countries of the Asian-Pacific Area.



A. Intrinsic Characteristics

Asia, east of the Urals and the Pacific Basin, together cover about one-third of the earth's surface, contain about half of the human race with roots in civilizations older than our own. Well over two billion people live in the area covered by this study.

Since the Ural Mountains separate European Russia from Siberia, the area east and south of these mountains is included in Asia.\* The territories included in the study comprise many nations and areas differing in size and population, resources, climate and productivity. They range from the Tibetan Plateau to the Gobi Desert, from Arctic tundra to lush, tropical islands and to the vast empty reaches of the Pacific.

The regions and nations taken into consideration include: Russian Siberia (4,400,000 sq. mi.--a few million people); Russian Central Asia (1,555,000 sq. mi.--some 27 million people); the Peoples' Republic of China (3,700,00 sq. mi --830,000,000 people); the Peoples' Republic of Mongolia (640,000 sq. mi.--1,420,000 people).

Northeast Asia, including Japan (143,000 sq. mi.--110,000,000 people), South Korea (38,000 sq. mi.--33,000,000 people), North Korea (47,000 sq. mi.--16,000,000 people), and the Republic of China on Taiwan (14,000 sq. mi.--16,000,000 people).



\*Asia Mainland, 17,000,000 sq.mi. Largest continent. The western boundary of Asia "is generally considered to run southward along the eastern front of the Ural Mountains, in the Soviet Union, after which it turns approximately southwestward to the northern shore of the Caspian Sea, from where it again runs generally southwestward to the Caucasus Mountains, which from the boundary until the Black Sea is reached; from there the Coast of Asia Minor and the Mediterranean coast of the Levant form Asia's western limits, after which the boundary runs south across the Isthmus of Suez and along the coast of the Arabian Peninsula. To the east the Pacific Ocean including the island arc: Japan, Taiwan, Philippines and Indonesia form Asia's natural boundary.  
Encyclopedia Britannica.



Southeast Asia, including Burma (262,000 sq. mi.--30,000,000 people), Thailand (198,000 sq. mi.--40,000,000 people), Cambodia (70,000 sq. mi.--7,500,000 people), Laos (91,000 sq. mi.--3,300,000 people), Vietnam (131,000 s. mi.--45,000,000 people), and Malaysia (51,000 sq. mi.--7,900,000 people) on the mainland and in East Malaysia Sabah (29,400 s. mi.--769,000 people) and Sarawak (48,300 sq. mi.--1,100,00 people).

Off the Southeast Asia peninsula are the two archipelagos--the Philippines (116,000 sq. mi.--42,000,000 people) and Indonesia (736,000 sq. mi.--129,000,000 people). In addition, one finds the British Protectorate of Brunei (2,300 sq. mi.--152,000 people) and Singapore (224 sq. mi.--2,243,000 people).

In the South Pacific there is the continental island of Australia (2,970,000 sq. mi.--13,505,000 people), and neighboring New Zealand (103,736 sq. mi.--3,094,000 people).

The two other countries in the area are quite small in territory except for Papua, New Guinea (183,540 sq. mi.--2,767,000 people with 700 indigenous languages).

The subcontinent including India (1,211,000 sq. mi.--593,000,000 people), Pakistan (310,000 sq. mi.--70,450,000 people), Bangladesh (55,000 sq. mi.--80,000,000 people), the Himalayan States, including Nepal (54,600 sq. mi.--12,425,000 people), Bhutan (18,000 sq. mi.--1,161,000 people), Sikkim (2,800 sq. mi.--223,000 people).

South of the subcontinent is Sri Lanka (25,300 sq. mi.--16,640,000 people). Adjacent to the subcontinent in Southwestern Asia, Afghanistan (250,000 sq. mi.--18,930,000 people), and Iran (636,000 sq. mi.--33,000,000 people).





There are many anomalies between the regions of Asia with tremendous diversity among the countries within them. The sweep of Asia, its historical grandeur and tremendous potential as it moves on to obtain the accomplishment of the technological, scientific revolution, are formidable indeed. A comparison of statistics on population and territory with those of economic growth reveals wide differences, stretching from Japan with its gross national product of close to \$425 billion to many countries which do not have a modern economy in any sense of the word.

For the last three years, two-way trade between the US and East Asia and the Pacific Basin exceeded in value the trade conducted between the US and the EEC.

US TRADE WITH EAST ASIA COMPARED TO

US TRADE WITH THE EEC AND WORLDWIDE

(In \$ Millions)

	<u>East Asia</u>	<u>EEC</u>	<u>Total</u>	<u>Percent of Trade with Asia</u>
1974	45,500.5	41,274.4	199,478.6	22.9
1973	34,117.6	32,349.8	140,814.0	24.2
1972	24,726.1	24,389.7	105,230.9	23.5
1971	20,035.6	21,572.2	89,692.7	22.3
1970	18,677.0	20,519.0	83,175.6	22.5

The East Asian Pacific region is an important source of raw materials, supplying all our coconut oil imports and practically all our rubber, tin and wool.

The book value of our investments in East Asia amounted to \$12 billion in 1972. Australia, Japan and Indonesia are in the lead. Perhaps of equal importance is the trend; in 1950 4.5% of US foreign investments were in



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East Asia; in 1972 the figure was 12%.

B. Major, Intermediate and Minor Actors

Two key sets of relationships provide the global framework in which US policy options toward the Asian-Pacific area can be conceived. One such set, concerned primarily with the power factor, involves the United States, the Soviet Union and China. A second, mostly political and economic in character, consists of the United States, Western Europe and Japan. These opposing yet intertwined triangular relationships provide many of the forces shaping the structure of the international order.

The arithmetic or geometric patterns which enjoyed some popularity in the parlance of the early 1970s--multipolarity and pentagonal balance--tended to make policy analysis mechanical. With respect to the nuclear strategic balance the world remains largely bipolar. Current notions about "detente" also rest substantially upon bipolar concepts about the nature of the East-West confrontation. For other purposes however, these concepts are less useful even though they provide a shorthand that aids the description of relationships.

The balance of power that once existed in 19th Century Europe is not duplicated in this age of nuclear weapons, intercontinental ballistic missiles, OPEC oil cartels and conflicts between fundamentally divergent ideological systems. Furthermore, all nations are engaged in the international system, whether as part of the Third World majority within the UN General Assembly as objects of international charity such as Bangladesh, or rich or poor casualties of the OPEC oil price squeeze. Different nations cooperate or compete in different groupings, but there is no nation outside the total system which can, by favoring one set of actors over another, induce a general harmony or equilibrium over the total

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conglomeration of nations. Equilibrium, if it exists or can be developed, will come from the interplay of forces generated by the individual nations comprising the global system.

Any equilibrium must take into account the persistent rivalry between the two most powerful nations, the United States and the Soviet Union. The United States, coming out of the Second World War as clearly the leading world power, is now being challenged for preeminence by the Soviet Union. In recent years the Peoples' Republic of China has contested the Soviet Union for leadership of that part of the world controlled by communist parties. Fearful of a Soviet military riposte, the PRC has opened diplomatic doors to the US so as to minimize risks of Soviet nuclear attack. The dynamic, three-sided interaction process is most apparent in Asia.

The US-USSR-PRC triangle rests chiefly upon the political-economic influences projected by these three potent nations and their military forces, all of which vary significantly. Pairs of this triad share parallel interests, even though each nation rejects the foreign aims, ideology, and social structure of both the others. Such complexity provides US foreign policy with a range of opportunities. As long as the Sino-Soviet conflict continues, neither the Soviet Union nor the PRC wants the US to move closer toward its communist rival for fear that a gain for one will be a loss to the other. Both the Soviet Union and China find satisfactory relations with the United States valuable to them for a number of purely bilateral reasons. Factors which dynamically affect interactions within the big three triangle are: (1) the expanding drive for influence by the Soviet Union, as reflected in its growing seapower; (2) the growth of trans-ideological economic arrangements; (3) the reduction of US military



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forces in the Asian-Pacific area; (4) the almost worldwide, intense USSR-PRC competition for influence in Asia, the Middle East, Europe and Africa; and (5) the perceived indifference of the American people in sustaining US interests in Asia.

The United States and the Soviet Union will remain the principal contenders for influence in a militarily bipolar world in addition to which only China and NATO count for much. Because of their industrial or oil power the countries of Western Europe, Japan and OPEC play important roles in today's multipolar diplomacy in which economic factors have become matters of high policy.

The Soviet Union and China remain behind the United States technologically, except for impressive Soviet commitments and achievements in military capabilities. Within the global triangle, the US also enjoys preponderant economic strength--two to one over the USSR and more than ten to one over the PRC.

Given such advantages and free of the bitter ideological conflict gripping Peking and Moscow, the US should be able to maneuver diplomatically with far greater ease with each of them than the other powers can with their rivals performing in the center ring.

What has the US gained so far from the Sino-Soviet-American triangle? US "triangular" diplomacy with Moscow and Peking was of little help in Vietnam. For some time to come an easing of tensions with the PRC in Asia nevertheless could be useful as the US sorts out its future role there.

Not surprisingly, both Moscow and Peking have gained from this triangular relationship. China has introduced uncertainty into the minds



of the Kremlin leaders as to what the US would do in the event of a Soviet attack on China. Reciprocally, this uncertainty has in part, compensated the US for the relative gains the Soviets have achieved in strategic arms in the past few years. A relaxation of US prohibitions on trade has also helped China. The 1972 Shanghai communique indicated that the US had abandoned its "two China" policy. At the same time, the Soviet Union has won US recognition of its conquests in Europe, with a legitimized German Democratic Republic under Soviet hegemony. The US acquiesced in the Helsinki Conference on Security and Cooperation in Europe (CSCE). That conference, which ratified the permanent division of Europe, represented a Soviet symbolic achievement of some value. Only the future can tell whether a form of nuclear "parity" in strategic weapons systems will be a Soviet gain. Repeated sales by the US of large amounts of grain, large scale technology transfers and investments by the US, with the prospects of more to come, help the Soviets improve the domestic sectors of the Soviet economy while their investments in military hardware steadily increase.

The competitive-cooperative relationship between the US and its major communist adversaries has existed for only a few years. The final accounting may not be made before the end of this century. Although the American capacity to shape the international scene has declined, the US remains the most dynamic and influential country on earth. It will affect the future, whether it pursues a positive design or adopts strategic passivity out of conflict weariness and frustration.

The pursuit of peace and prosperity in Asia, in particular, will depend on the depth and direction of US cooperation with Japan. President Ford and Prime Minister Miki set forth the range of desirable cooperation in the text of their joint statement issued at the conclusion of the latter's



visit to Washington on August 6, 1975. Interestingly, Miki negotiated with the US in global terms, the first time this has been done by a Japanese Prime Minister.

Japan occupies a unique category in the hierarchy of nations. It is not a great power in the tradition sense, yet its tremendous economic productivity--greater than all the countries of East Asia and the Pacific combined--gives it a unique capacity to attract and influence. Japan has been called an economic giant, a political midget and a military mouse; it has been described as a semi-power or an upper-level middle power--with virtually no foreign policy and very little political influence.\*

For many reasons Japan is unlikely to become one of the poles of the pentagonal world structure once envisaged by many American leaders. But Japan cannot continue to ignore the impact of its economic power. In a world in which the trend is toward greater economic interdependence between nations and in which most countries attach high priority to the pursuit of economic progress Japan should, somehow, be able to transfer its economic capacities into political or diplomatic influence. How and when are the questions. The overall US performance vis-a-vis Asia will help vector Japan's future course.

Significant roles in the unfolding Asian drama will be played at lower levels of influence by many other nations. From time to time US officials have tended to overlook the intrinsic importance of the lesser powers and smaller countries which frequently create the problems which compel great power involvement. The leaders of these countries have minds

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\*Harold C. Hinton, Three and A Half Powers: A New Balance in Asia, Indiana University Press, 1975.



of their own. The greatest of diplomatic sins is to ignore this fact by taking a given country for granted. In subsequent annexes, the salient characteristics and roles of many of the presently and potentially influential middle-of-the-ladder countries in Asia are examined. The effect of their actions on Asian developments is likely to be significant.

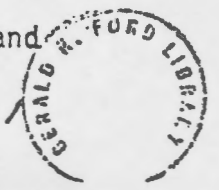
C. Regions Strategically Linked to Asia

1. Europe: NATO. The Soviet Union, as an imperial power located in the midst of the Eurasian landmass, is apprehensive about the possibility of conflict or pressures being applied simultaneously against it from its western and eastern extremities. Moscow is especially concerned about any strategic collusion between the European NATO allies and the PRC. It is also concerned about the ubiquitous strategic missile air and naval power of the US and about the US-Japanese alliance.

The Soviets face a situation comparable to that of would-be European conquerors in the past--the possibility of conflict on two fronts. The established linkage between the US and Western Europe on the one hand and the recent rapprochement between the US and the PRC on the other has created a strategic nightmare for the Soviet Union.

For almost a decade the PRC has welcomed a strong, united and economically prosperous Europe. China completely supports the idea that Western Europe should become stronger and more powerful. The Chinese also agree that Europe is the most valuable strategic prize in the overall confrontation between the US and the Soviet Union. It is quite probable that the Soviets would like to neutralize any possible threat on their western front before putting the full force of their power against the PRC.

As late as fifteen years ago, the Mediterranean was essentially an American sea, and we had access to bases on both its southern and



( northern shores. Now all the southern bases are denied and our access to Turkish bases is practically closed. Access to Greek bases is severely limited. The Soviet Union has benefited from these developments. The divisive Soviet European diplomatic offensives and the growing power of the communist parties on the southern flanks of Europe's Mediterranean coastline also weaken NATO. Consequently, the value of any strategic gain which the US could achieve as a result of its new relationship with China should ascend even higher in Washington calculations.

2. Eastern Europe: The PRC also has a strong interest in developments in Eastern Europe. They have good contacts in Yugoslavia as well as in Romania, and Albania is a Chinese ally. Their goal is to encourage the Eastern European countries to act as independently as possible from the Soviet Union.

The Soviets are pushing on ahead as rapidly as possible to extend their influence in Western Europe, and at the same time they keep as tight a control as they can on their Eastern European "allies."

3. The Middle East: The area between the Eastern Mediterranean, the Persian Gulf and the Indian Ocean has been for two decades the scene of military conflict and confrontation which potentially can be the most dangerous to the survival of the international system. China has played a relatively small role in Middle East affairs. The Chinese have denounced both the US and the Soviet Union for "imperialism" in the region.

Four major Arab-Israeli wars have rocked the area, bringing with them the possibility of a US-Soviet confrontation. The last, the October 1973 War, included the strongest kind of Soviet threats to the US





to force the Israeli army to stop advancing its encirclement of part of the Egyptian army east of the Suez Canal.\*

A continued stalemate in the Middle East is as unlikely as a real peace. There is an old Islamic rule that temporary truces may be made with enemies of Islam, but not real peace. With a record of intermittent set-backs and gains the Soviets play the Middle East power game under the assumption that a condition of "controlled tensions" in the Middle East will best serve their interests. They do not wish the destruction of Israel, but they do not want an end to the conflict until all of the existing bourgeois-feudal Arab regimes have been replaced by radical regimes, such as the leftist government of Syria. The Arab-Israeli conflict keeps open the door to the Soviet presence in the area. Meanwhile, Soviet power, so close to the region, helps to make possible the excessive oil prices so damaging to NATO and Japan. Thus, developments in the Middle East affect US policy options in the Asian-Pacific region.

D. The Power Factor

There are more men under arms in Asia today than in any other part of the world. The Soviet Union has the largest military machine ever created

\*The political and military assistance which the Soviet Union gave the Arabs before, during and immediately after the October 1973 Arab-Israeli War is thoroughly discussed in The Soviet Union and the October 1973 Middle East War--The Implications for Detente (Foy D. Kohler, Leon Goure and Mose Harvey, Center for Advanced International Studies, University of Miami, 1974.) Beginning in the winter of 1973 there were large shipments of advanced type Soviet military equipment to Egypt, Syria and Iraq. According to Sadat the decision to renew the war was made in April 1973. After the cease-fire the Soviet Union took proper credit for Soviet military success. As the October 1973 War was winding to a close, General Secretary Brezhnev, in a speech to the World Peace Congress in Moscow on October 26, 1973, said: "Of course, we are realists and we cannot fail to see facts of a different sort. We all well know that wars and acute international crisis are far from being a matter of the past." (Pravda, October 27, 1973)



in peacetime, and a sizeable proportion of it is deployed in Asia. The two Koreas together have almost a million men in their armed forces. The army of the Republic of China in Taiwan is about the size of the French, West German and Turkish armies. The new Vietnamese armed forces will be formidable indeed after they have absorbed the abandoned US equipment and reindoctrinated junior officers and enlisted men from the former South Vietnamese forces. The PRC has the second largest army after the Soviets, and India has the third largest. China (PRC) has the third largest navy. Except in jet aircraft and modern naval craft, the total armed forces of the Asian countries are greater than those of NATO. In sum, the tinder for a major conflagration is present in Asia, and because of numerous potential conflicts and tensions, will persist. Japan, the PRC and India can manufacture almost all of the equipment their armed forces need.

E. Detente

US detente policy seeks to ensure that our competition with the Soviet Union and the Peoples' Republic of China remains within a peaceful framework so that eventually a more stable international system will emerge. The US efforts toward detente with the Soviets and the PRC differ markedly in kind and scope. The primary US aim of detente with the Soviets is to render improbable the outbreak of a thermo-nuclear war between the two nuclear superpowers. Detente with the PRC, in the exploratory stage, rests on the mutual suspicions which the Chinese and Americans share regarding ultimate Soviet intentions.

While the results of US-Soviet detente are controversial, the purpose is not: more negotiation and less confrontation is preferable in every region where the superpowers interact.

The interesting question of how to measure detente performance has



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prompted the London Economist to observe:

"In the third and perhaps decisive round of the detente battle that is now beginning, the West will have to hold hard to three essential rules. The first is that the one indispensable part of detente is the agreements on arms control and crisis-management that are designed to prevent the east-west contest becoming a war. The second is that, in any agreements that go beyond that indispensable core, measurable concessions by one side have to be matched by measurable concessions from the other. The third is that detente is unlikely to become a permanent feature of the east-west relationship unless the Soviet government makes changes in the way it treats both its own people and its non-communist neighbors."\*

An additional measure for detente might be: The progress of detente should be measured by the real reduction of Soviet capacity to resort to force (or the threat of force) in settling international issues. By this scale, detente was more advanced in 1970 than 1975; our unilateral ability to restrict destabilizing Soviet actions has been reduced.

In this situation a strong, independent China becomes crucially important in the global power equation, since the Sino-Soviet struggle for ascendancy in Asia directly threatens world equilibrium.

## II. STRATEGIC RELATIONS IN THE ASIAN DIMENSION

Having established Asia's importance to the global economic system it is useful to focus on the policies, strategies, and goals of the three major powers in Asia--the Soviet Union, the Peoples' Republic of China and Japan--and relate trends within the Persian Gulf and Indian subcontinent to potential developments in the rest of Asia.

### A. The Major Powers

1. Soviet Union. The ultimate objective appears to be global

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\*London Economist, August 2, 1975, p. 10.



political ascendancy, if not hegemony. Moscow's strategy attempts to manipulate a "correlation of forces" to influence an opponent's behavior to Soviet advantage. Within the concept of correlation of power, the creation of military force superior to major rivals is complemented by economic and technological programs, relations with allies, and ideological, psychological and political struggle.

2. The PRC. The Chinese ultimately seek to restore the Middle Kingdom to its former preeminence, but on a world rather than solely Asian scale. Before this grandiose but remote objective can be pursued through world revolution the PRC must first assure its own independence against a range of Soviet military and political threats. The PRC's deficiencies in advanced military technology are partly compensated by her enormous population and massive civil defense preparations. Once the PRC nuclear capabilities can assuredly deter a Soviet nuclear attack, the Chinese, if they endeavor to expand their sphere of influence might try to acquire ICBMs capable of striking continental US targets as well as MRBM targets against Japan and India.

3. Japan in Asia.\* Japan is both a source of dynamic influence and an object of strategic cultivation. The intrinsic importance of the US-Japanese alliance should be obvious: a shift of Japan from the US orbit to either the camp of the Soviet Union or to that of the PRC would significantly alter the Sino-Soviet conflict favorably for that side. Furthermore, the security of the United States itself would be undermined.

The Japanese economic miracle was partially the result of the unique relationship with the US--one without historical parallel. Whether this relationship will continue across large geographical and cultural distances will depend upon the development of a pragmatic nationalism within

\*See Annex 1, Japan and the Structure of Peace in Asia



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Japan and the creation of a stable political strategic order in the world. The first development will be largely shaped within Japan. At the present juncture Japan's ability to contribute to the development of a stable global order is marginal. Japan lacks the political influence and military power possessed by the other Asian powers. Japan today is a major power only in economic terms with policies that in many respects are more appropriate to a trading company than a powerful nation state. To a degree extraordinary for a country of its importance, Japan, since the end of World War II, has conducted international relations without a foreign policy backed by independent military and political power. The Japanese have been able to avoid questions of security and power politics and to concentrate instead on a foreign policy geared in large part to enlarging overseas contacts for the purpose of maximizing economic well-being. Japan is now more attuned to the necessities of international peace and trade (and even ecology) than any other nation in the world. Japan is the only great power for which "interdependence" is not a catchword, but inescapable policy.

Japanese leaders realize that Japan's self interests require a more active contribution to the well-being of its Asian neighbors and the political stability of the Pacific region. Yet the emergence of Japan as a formidable economic power more actively engaged diplomatically in Asia according to its own perceptions and policies will not occur without potentially serious destabilizing impact--both domestically and internationally.

B: Sino-Soviet Conflict

The struggle between China and Russia pervasively affects Asian destinies. The historically rooted Russian fear of the Chinese is recipro-

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cated by the PRC's apprehension of the threat it faces from the powerfully-armed and hostile Soviet Union. For each country, the threat it now perceives from the other dominates its security considerations.

China is apprehensive about a series of Soviet "encirclement maneuvers": (1) the Friendship Treaty with India, which in Peking's view violates India's neutral stand; (2) Soviet endeavors to gain the economic cooperation of Japan and deflect the Japanese from a China friendship policy; (3) attempts to cooperate with the US and enlist her in an anti-China coalition; and (4) efforts to build an Asian Collective Security System, which to Peking is nothing but an attempt at an anti-Chinese alliance.\*

Since the PRC represents a proximate and growing threat to Soviet security, a prime Soviet aim is to reduce or eliminate the threat. The PRC claim to leadership of the World Communist Movement as well as its territorial claims against the Soviet Union present ideological and geographical threats to the USSR.

Although the likelihood of continuing hostilities between Moscow and Peking is far greater than accord, the possibility of a Sino-Soviet rapprochement after the demise of Mao cannot altogether be dismissed. Such a rapprochement would create a drastically new world situation with radically new threats to US security.

Presumably there are factions within the ruling circles of both the USSR and the PRC who would like to see the bitter dispute ended or toned down so that they can cooperate more effectively in undermining the US. Just as the unexpected 1939 Nazi-Soviet Pact unleashed World War II--a Sino-

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\*See Annex 9, South Asia-Indian Ocean-Persian Gulf.



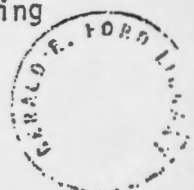
Soviet detente could produce political-security earthquakes of first magnitude. However, the root causes of the Sino-Soviet conflict are such that the departure of leading personalities in Moscow and Peking will not necessarily bring an end to it.

C. The Succession Problem

There has been a great deal of discussion in the West about the potential succession problems confronting both the PRC and the Soviet Union. Neither country has a system for transferring power from an incumbent to a successor that is recognized as legitimate and acceptable by all politically important segments of their respective societies. In Peking Chairman Mao is old and his Prime Minister, Chou En-lai, is believed to be dying. In Moscow Chairman Brezhnev is believed to be seriously ill. It is only a matter of time before both Brezhnev and Mao are either dead or incapacitated.

The crucial question is: will either or both countries face a leadership crisis as the baton of power is transferred? The Soviet Union has acquired some experience in managing succession since Stalin died in March of 1953. No one can know whether all factions in Moscow support detente with the US and confrontation with the PRC. It seems logical, however, that the Soviets would not like to cope simultaneously with a conflict over policy and a conflict over leadership. If this contention be true, there is little chance of a major upheaval or policy reversal taking place in Moscow when Brezhnev leaves the seat of Soviet power.

The situation in Peking is more complicated. The Chinese Communists have had no experience in transferring power. Further, the recent Lin Piao affair suggests that there are pro-Soviet individuals in the upper levels of the Chinese hierarchy. Most likely the Soviets are already cultivating political proteges in Peking and in some of the border provinces. But



Peking, aware of the danger, is doubtless taking measures to insulate itself from Soviet machinations.

Nevertheless, the excessive deification of Mao and the partial destruction of the party which took place under his leadership have already created conditions that will be hard for any new leader to master. The first task of any new Chinese leader will be to gain full control of the party reins. A return to orthodox communism with a restoral of relations with Moscow would be difficult to attempt let alone achieve during the initial consolidation of power phase. Later, any significant relaxation of tensions would have to be sparked by major Soviet concessions; particularly a thinning out of Soviet forces along the Sino-Soviet border. Thinning troops and probably accepting Mao in the pantheon of "great socialist thinkers"; however, will be the last thing the Soviets would think of doing until the situation within China clarifies to their liking. Furthermore, Moscow and Peking communist states have made much use of the demon figure the other represents in both their internal and external propaganda. They may each need a continued polemical enemy more than friendship.

There is no certain forecast as to how the murky succession scenario will work itself out in Peking. Furthermore, there is little that the US can do to influence its outcome. Under these circumstances, the best we might do is to advise Moscow against fishing in any troubled Chinese waters that might be agitated by Mao's demise.

D. Competing Strategies

Soviet foreign policy goals require either the cooperation with or neutralization of the PRC. The Soviet Union now appears to be engaged in a serious endeavor to create positions of military strength around China's





periphery.

Moscow perceives the PRC as a potential threat to its own security and to its domination of Eastern Europe. The threat could grow with China's growing nuclear arsenal, combined with China's massive conventional forces. If the Soviet Union remains between an economically strong Western Europe and a hostile China it may eventually have to come to terms with its adversaries and abandon its dream of global hegemony. Then a new global system dominated by the Soviet Union would become impossible.

Peking appears to perceive the Soviet Union as a rising power and the US as a declining power which nevertheless can be useful to them for a period of time. With this in mind, it is noteworthy that shortly after the Indochina debacle, Peking propaganda quickly resumed its focus on the positive aspects (from the perspective of Peking) of US foreign policy-- to wit: countering in Western Europe Soviet attempts at world hegemony.

In order to reduce the likelihood of a Soviet nuclear attack during the fledgling phase of its own nuclear force build-up, the PRC opened up new diplomatic communications with the US. It has also encouraged European unity, supported strengthening of NATO and expressed "understanding" of Japan's security needs. PRC indoctrination materials indicate, however, that the new PRC liaison with the US is essentially tactical, until the Soviet threat can be minimized.

"The present situation is: US imperialism's counter-revolutionary global strategy has met with repeated setbacks; its aggressive power has weakened; and hence, it has had to make some defection and adjustment of its strategy. Soviet revisionism, on the other hand, is stretching its arms in all directions and is expanding desperately and deceptively. That is why Soviet revisionism has become our country's most dangerous and important enemy."\*



\*No. 42 Outline of Education on Situation for Companies, Edited and Printed by Propaganda Division, Political Dept., Kuming Military Region, PRC, April 2, 1973.

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The Soviet leaders can look back to a net record of success --overall trend-shifts in political influence and military power are in their favor. From the Soviet perspective the favorable posture it has achieved in strategic arms acquisition, increased influence in Western Europe (symbolized by the ratifying of the Helsinki European Security Agreement) and to a certain extent in the Middle East, should not be jeopardized by adverse developments in Asia. Soviet policies in Asia issue from the necessity of neutralizing the PRC threat to Soviet security.

The broad Soviet formula for Asia, that of an area-wide collective security program, resembles the European security proposal initially made with respect to Europe twenty years ago at the 1955 Summit Meeting. Since Brezhnev first advanced the Asian version in 1969, it has been kept deliberately vague and undefined. The purpose of the Soviet-Asian Collective Security Plan appears to be the isolation of the PRC politically and militarily.\*

Despite China's extensive military efforts of recent years, the gap between the military capabilities of the PRC and the USSR may widen because of superior Soviet R&D.

The Soviets are aware that the Pacific has been essentially an American military preserve since the defeat of Japan. Nevertheless, a steady increase in Soviet naval power in the Pacific seems likely. Soviet forces equipped with tactical nuclear weapons will remain stationed on the Sino-Soviet and Sino-Mongolian frontiers. The Soviet Union will continue to keep a permanent naval presence in the Indian Ocean.

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\*See Annex 9, South Asia-Indian Ocean-Persian Gulf.



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While American capabilities render the United States the most dangerous adversary of the Soviet Union, Chinese intentions appear much more dangerous to the Soviet leadership. The Chinese claim the Soviets are pursuing an encirclement strategy against them. Whether this description of Soviet strategy in Asia is accurate, many Soviet activities undertaken to increase their influence in Asia appear to be consistent with such a strategic concept.

No one can predict how successful the Soviets might be in carrying out such a strategy. Asia has always presented the Soviet Union with more difficult operating terrain than either Europe, the Middle East or Latin America: Soviet successes in Asia; i.e., Indonesia before 1965, have been costly and ephemeral, but setbacks have never affected Moscow's persistent pursuit of major objectives.

2. The Chinese Counter. The Chinese seem to believe that the Soviets are pursuing an encirclement strategy along the general lines of the one hypothesized. They hope to thwart Soviet policy and then launch their own offensive. As the PRC nuclear capability grows the likelihood of all-out war between China and the Soviet Union will diminish. This development will not necessarily mean that their confrontation will cease. As the Chinese develop an increasingly credible second-strike capability against targets in the European area of the Soviet Union, not only will Soviet apprehensions rise, but the Soviet nuclear "deterrent" will be devalued and the latitude for other forms of military and political conflict will widen. Moreover, to the extent the Soviet-American Treaty of 1972 limiting ABM deployment restrains Soviet anti-missile developments, it correspondingly enhances the Chinese strategic nuclear capability.



The PRC offensive strategy is truly audacious and revolutionary. Peking has pioneered a new conceptualization of today's international disorder. Peking divides the world into three component parts: the superpowers; the intermediate zone; and the Third World. In the first category come the US and the USSR, defined respectively as the forces of imperialism and social-imperialism. Western Europe and Japan comprise the second category. The PRC hopes to mobilize the third to undermine the influence of both the superpowers.

In 1973, Chou En-lai asserted:

"The present international situation is characterized by great disorder on the earth. The winds sweeping through the tower herald a rising storm in the mountains.

"This aptly depicts how the basic world contradictions, as analyzed by Lenin, show themselves today. Relaxation is a superficial and temporary phenomenon and great disorder will continue. Such disorder is a good thing."

Even since the Nixon-Kissinger opening to China and the Presidential visit in February 1972, many American scholars and even some government officials have interpreted Chinese foreign policy intentions in a benign fashion. Perhaps, however, the manner in which the PRC presents the Chinese rationale for the Nixon visit to its own soldiers gives a more accurate appraisal as to how Peking views the world.

"It is for the sake of making the people of the United States a major target of ours that we invited Nixon to visit China...(Mao said). Mao invited Nixon 'in order to exploit contradictions, win over the majority, oppose the minority and destroy them one by one.' It foiled the Soviet plan to embroil China with the United States on a long term basis, aggravated conflicts between the US and USSR and promoted dissension between US imperialism and its lackey, especially Japan."\*

\*No. 42 Outline of Education on Situation for Companies, Edited and Printed by Propaganda Division, Political Dept. Kuming Military Region, PRC, April 2, 1973.



The Chinese strategy for achieving global ascendancy is based on mobilizing the Third World (most of the globe's population, resources and real estate) against both the capitalist-imperialist power, the US, and the social-revisionist power, the USSR. The Chinese identify themselves as part of the Third World and offer their concept of the new man on earth who arises uncorrupted from the poverty of rural life to challenge the superpowers as a model of all people in the Third World. The PRC has depicted the superpowers as contending and colluding for politico-economic, and especially military hegemony. Representing and underpinning the present system of world politics and finance as a whole, they face struggles at various levels--armed mass movements, strikes, agitation and adverse publicity; by subnational and supranational bodies in: Korea, Indochina, Thailand, Burma, Malaysia, the Philippines, the Middle East, and especially southern Africa. Most important are the "struggles of the Third World people"--mainly economic, as in the case of the oil embargo and various nationalizations and cartelizations of other resources, and the "struggle" against maritime hegemony, i.e. to extend patrimonial and territorial waters and use of the seabed.

These transitional demands for economic independence, equitable distribution of raw materials, etc.; i.e., transformation of the world market and financial system and its political super-structure, are supported by Peking not simply for their intrinsic merit as perceived by the "countries" (transitional personages and establishments now in power); the purpose is also to help initiate the three phase process of independence, liberation and revolution. There is much evidence that the PRC is continuing to foster the "hardest" revolutionary activity in many parts of the world.



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The PRC new year article for 1974, "The World Advances Amidst Turbulence," listed as examples of the beneficial "struggle" regional wars in Indochina, the Middle East and Africa, revolutionary mass movements and workers' strikes, military coups, the rivalry of the superpowers and anti-hegemony struggles of the small and medium-sized powers.

The PRC believes that insurgency is an effective, low cost weapons system which can win victories or political influence. Although it manifests itself at the local level most obviously in military terms, communist-dominated insurgency is primarily psychological-political warfare that is carried on both within a given nation and internationally. Peking continues to train within PRC territory cadres who can link violent insurgency and political warfare. Insurgency is a long-range attrition-type strategy which requires protracted effort; coping with it requires extraordinary perseverance, political sophistication and psychological staying power.

The PRC urges the formation of a broad united front of countries taking independent positions--largely of the Third World but including any country not under the complete domination of the US and USSR--to struggle against the two superpowers. Removal of a country from foreign domination, including countries ruled internally by reactionary forces, would strengthen the progressive and revolutionary forces in each country. That is, the struggle for national liberation (from colonial and neo-colonial, feudal and semi-feudal, comprador and big bourgeoisie control) would be enhanced in a country free of foreign control and thus of direct manipulation and support of the ruling group in power. Struggles for independence and then liberation often lead to revolution. This is what the Chinese mean by their slogan "countries want independence."

SECRET



Although most of Chinese communist invective is heaped upon the socialist-revisionist-imperialistic Soviet Union, Peking's propaganda lavishes no love on the United States. In a recent broadcast, the PRC gave the US and the USSR equal billing as merchants of death.

"The Soviet Union and the United States regard arms sales as an important means of infiltrating, interfering with, and controlling other countries, especially the Third World countries. In recent years the two superpowers, the USSR and the US, have sold large quantities of weapons to the Middle East region. As a result, the Middle East has become the world's largest arms market."\*

The PRC has recently castigated the US about its unfair treatment of Panama.

"For many years, the Panamanian people, who have a glorious tradition of fighting against imperialism, have persisted in fighting against the unequal treaty of 1903 and waged an untiring struggle for restoring the sovereignty of the canal and the Canal Zone. In January 1964, the Panamanian people staged a heroic and just anti-US and patriotic struggle. Chairman Mao, the great leader of the Chinese people, issued a statement supporting the Panamanian peoples' anti-US patriotic and just struggle."\*

The foregoing examples indicate that PRC hostility against the US will at best be muted as long as the liaison with the US is useful to Peking.

The current leaders of China have repeatedly stated that the PRC has special interests and responsibilities in Asia. Malaysia, and more recently the Philippines and Thailand, have established diplomatic relations with the PRC.

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\*FBIS Report, Peking Domestic Service in Mandarin, 0230 GMT, 7 August 1975

\*FBIS Report, Peking Domestic Service in Mandarin, 0230 GMY, 8 August 1975



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Part of each recognition instrument was a statement that each side would refrain from interfering in the internal affairs of the other. It is interesting to note how the Voice of the People of Thailand, broadcasting from Yunan Province in Southwest China, carries out this agreement. On August 8, 1975 it proclaimed:

"The Khukrit-Praman government has committed more serious crimes against the people. On 3 August it sent policemen to insanely suppress and arrest farmer leaders and students who have helped the farmers in Lamphun Province. Nine farmer leaders and students were arrested and charged with closing down the Mae Wa mine, Mae Tha district, Lamphun Province; detaining and depriving others of their freedom; gathering together more than 10 persons; causing political unrest and rioting. They were also charged with razing the government's teak forest. All these serious allegations which the reactionary Khukrit-Praman government leveled against the farmer leaders and students at will are similar to the past actions of the Thanom-Prapat tyrannical clique."\*

Probable Chinese policies in Asia for the foreseeable future will in large measure derive from the nature and scope of the Sino-Soviet dispute and from their ability to master their many internal political and economic problems. If after Mao a smooth transfer of power is achieved by those opposed to normalization of relations with Moscow, China will continue to seek to enhance its prestige and leadership position among Third World nations against both the USSR and the US. What the Chinese lack in military capacity to extend their influence in the world, they will seek to make up for by psychological/political warfare and subversive techniques.

3. Whose Allies? For many years the Soviet Union and the PRC have both supported and competed for influence over the tough communist regimes in Pyongyang and Hanoi. Both regimes have fought the US. A unified

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\*As reported in FBIS, Broadcast of 100 GMT, 8 August 1975.





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Vietnam is without question the strongest nation state in Southeast Asia.\* The nature and scope of Vietnamese power, however, is such that its potential impact may go well beyond the regional confines of Southeast Asia. Vietnamese military power is in many respects important because it underwrites Vietnamese psychological/political/ideological power. The potential impact of this latter aspect of Vietnam among Third World nations is enormous and will influence American political and security interests in many parts of the world.

North Korea's President Kim Il Sung, ever since the fall of Saigon, has been carrying on a coordinated political/psychological campaign to isolate South Korea diplomatically and to fan discord in the South.\*\* Although the threat of an armed attack by North Korea has been raised in this campaign, it is more likely a part of Kim Il Sung's war of nerves strategy designed to play upon isolationist, anti-war liberalism in the United States.

Both these middle-level communist powers seek to achieve considerable freedom of action from their competing communist patrons. Consequently, they represent major forces of instability in Southeast and Northeast Asia respectively.

\*See Vietnam Annex 4. While Hanoi is having some problems in digesting South Vietnam and incorporating ARVN servicemen into its own armed forces, the complete integration of the country is essentially a matter of time.

\*\*See Korean Annex 2.



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E. South Asia-The Indian Ocean-Subcontinent-Persian Gulf Complex\*  
Conflict Laboratory

The manner in which the Sino-Soviet conflict has been waged in South Asia and in the Indian Ocean-Persian Gulf area may give a clue to its future conduct there and in other regions of Asia.

The many threads of conflict, imperial ambition, racial and religious animosities that interlace this strategic theater from the Persian Gulf to the Straits of Malacca make it one of the globe's most portentous regions.

1. The Soviet Strategy. In South Asia, the friendly Indo-Soviet relations which began in the mid-1950s were strengthened by the cooperative Soviet attitude during the Sino-Indian War of 1962 and the subsequent flow of Russian arms to India. The Chinese were bitter towards the Russians for their support to "reactionary India" as against a fellow communist country (China).

The Kremlin leaders sought to increase their influence in South Asia through a policy of friendship with India, the most important regional power. Simultaneously, they relaxed their attitude toward Pakistan when it was still a member of CENTO and SEATO. The Soviets informed Pakistan leaders about the US "imperialist designs" in Indochina, "the presence of the Seventh Fleet" in the Indian Ocean and its "negative" attitude toward the "causes of Afro-Asian countries."

As a result of the Soviet moves to both India and Pakistan, Soviet influence increased in South Asia. When war flared up between India and Pakistan in 1965, the Soviet Union, thanks to its new flexible policy

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\*See Annex 9, The Indian Ocean-South Asia-Persian Gulf Complex



towards the South Asian countries, was able to play the role of "peacemaker" at the Tashkent Conference in January 1966. The conference could not solve the Indo-Pakistan disputes or reduce tensions in the area, but was a major diplomatic triumph for the Soviet Union.

Nineteen sixty-nine witnessed serious fighting on the Sino-Soviet border, and the effect of the Soviet anti-Chinese campaign began to be felt in Pakistan which was greatly dependent upon China for military supplies and other support. The Soviet Defense Minister, Marshal Andrei A. Grechko, came to Pakistan in February and told Foreign Secretary S.M. Yousuf, "You cannot have simultaneous friendship with the Soviet Union and China." Yousuf noted that the Soviet Union had sought friendship with India and Pakistan. Grechko ruled the point irrelevant: "What is permissible for a superpower, is not possible for a country like Pakistan."

Pakistan President Yahya Kahn visited Moscow for five days beginning June 22, 1969,]

1.3(a)(5)

1.3(a)(5)

The Soviet attitude toward Pakistan cooled rapidly. The Soviets were frowning at Pakistan when the Bangladesh crisis began in 1971. The relationship between this soured attitude and the prompt Soviet support for the Bangladesh movement was more than casual.

\*Emphasis added.

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2. China's Policies in South Asia.

The 1962 Sino-Indian war broke a decade of close and friendly Sino-Indian relations. India was shocked by China's "aggression;" India's prestige as the "leader of the non-aligned block" was seriously affected by her military debacles. Pakistan was gleeful to see her "enemy" humiliated and defeated.

Pakistan turned to both Moscow and Peking. China's responses to Pakistan's gestures were prompt and encouraging for Pakistan. Thus began a unique feature of contemporary international politics in South Asia; the special relationship between a highly doctrinaire communist regime, the PRC, and an Islamic military regime, Pakistan. On most issues Pakistan moved closer to Peking. On PRC's membership in the UN, for example, Pakistan not only moved away from the Americans, but became an active co-sponsor of PRC membership until Red China entered the UN in 1971. Similarly, Pakistan endorsed fully Peking's stand on Formosa and Tibet.

3. Developments in and Around the Indian Ocean. Over the past decade the Soviets have been building a well-rounded navy useful in the pursuit of a range of Soviet political objectives. Since the spring of 1969 the Soviets have maintained a permanent surface naval vessel presence in the Indian Ocean. The reopening of the Suez Canal in 1975 should be beneficial to the Soviet Union. The Suez Canal could become the channel for the extension of Soviet influence throughout the Middle East, the oil-rich and politically unstable Persian Gulf and on into the Indian Ocean.

The present and potential linkage of Soviet and Indian interests in gaining a dominant position in this ocean complex are related to the Sino-Soviet struggle.



The Indian government has become the major advocate of making the Indian Ocean a zone of peace--from which the navies of the superpowers would be excluded.

Despite the desirability of the Indian Ocean becoming a genuine zone of peace the prospects for this happening appear quite remote. As an Indian scholar has observed, "The peace zone movement would have acquired a measure of credibility if the littoral states themselves could weave their strategic interests into a harmonious balance and keep the Indian Ocean region free of tension and conflict generated by their own clashing interests." Instead the Indian Ocean region has been "the most conflict-prone region in the postwar world."\*

In the general Northern Indian Ocean area there appears to be emerging two cooperative groups competing with each other: (1) the USSR, India, Afghanistan, Iraq, South Yemen and Somalia; (2) the PRC, Pakistan and Iran, Saudi Arabia and Tanzania. Iran is becoming a major regional power. Up to the 1960s, Iran had few relations with the PRC. The relationship is now well established and has some potentialities vis-a-vis the Moscow-Delhi relationship in the power struggles in the area. Similarly, Pakistan's efforts were directed to prevent any closer relationship between Iran and India. Since 1974 the Shah's economic aid to India has caused worries in Pakistan.

India emerged victorious in the Indo-Pakistani war that began with the Indian invasion of East Bengal in November. In the aftermath of the 1971 Indo-Pakistani war, India became the regionally dominant power with a substantial military capability.

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\*Bhabani Sen Gupta, "The Problem," Seminar, No. 181, September 1974.



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Pakistan emerged as a nation facing a host of vexing problems and with a desire for revenge. The country lacks the capability to gratify this desire, however, and may well face renewed Indian challenges over that half of Kashmir under Pakistani control and over still-disputed portions of the Punjab. On Pakistan's other flank, relations with Afghanistan could reach the point of conflict over the Khyber Pass frontier area of Push-tunistan or Pakhtoonistan.

As a result of the 1971 Indo-Pakistani war, Soviet influence and prestige gained immensely while that of both the PRC and the US declined. This assessment was affected in 1975 by the August Bangladesh coup which displaced the pro-India, pro-Soviet government.

As of now it is difficult to determine the likely impact on South Asian international politics of the 1975 Bangladesh coup. Bangladesh per se is of little strategic importance to the US, but in the Sino-Soviet rift Bangladesh has some "negative" values to both China and the USSR. If Bangladesh can come out of India's control and develop a good relationship with China, it may affect the balance of power between the "two groups" in the area.

4. Overview. In Asia only Japan exceeds the South Asia-Persian Gulf complex in strategic importance to the US-USSR-PRC relationship. Iran - which looks to both the Middle East and South Asia is linked with the US, oriented toward the PRC and hostile toward the Soviet Union.

The Soviet Union has persistently pursued expansionist policies in the Indian Ocean region and, although mistrusted, enjoys considerably more influence in that area today than ten years ago. The Soviet naval advantage over the US in the Indian Ocean is established and is likely to



grow with the opening of the Suez Canal, despite continued US development of Diego Garcia. 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 increasing linkage between the Middle East and South and Southeast Asia makes the Indian Ocean of greater importance to the Soviet Union. The Soviets will probably increase their naval strength there.

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. 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 of India's peripheries.

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 the policy of nonalignment. Yet, the special ties between New Delhi and Moscow display the attributes of an alliance. The new Indian position on the subcontinent seems unchallengeable, although India faces overwhelming domestic problems. The shift of India from a democratic to an authoritative region is a manifestation of basic political and economic weakness. The capacity of India to hang together and solve its problems is questionable.

Some Indian leaders are apprehensive about the closeness of the New Delhi-Moscow connection. They would like to see India "normalize" its relations with China on the basis of the status quo, if China is willing.



They would like to see India improve its relations with the United States, if they knew how. Ideally they would like to obtain sufficient Washington support to balance that of Moscow. Nevertheless, Mrs. Gandhi has apparently hitched her wagon firmly to the Soviet Union.

Pakistan remains weak and 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. It probably faces more impossible problems than almost any other country. The governmental changes which took place in Bangladesh in 1975 could weaken the influence in the subcontinent of India and the Soviet Union. Pakistan could be strengthened because it will have much friendlier relations with the new leadership of its old east wing. While the future of former East Pakistan is still in doubt with respect to its political and economic viability, it will no longer be an Indian client state, and thus could pose some questions for India's security problems on its eastern front.

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 Asia country.\*

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\*New York Times, August 7, 1975, p. 2





For example, the armed forces newspaper Krasnaya Zvezda has charged that Peking was using its improved relations in Asia as a "screen for hostile activities against neighbors," and talked of subversive moves against India, Malaysia and Indonesia. A step-up of military activity by the Chinese-based communist party in northeast Burma has taken place since the fall of Indochina.

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.

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Looking at the abiding Indian interests involved, there are essentially two possible options. India can join unambiguously in Moscow's efforts to enlarge its influence in the Southeast Asia region vis-a-vis China, or it can throw its support behind the independence of the Asian states and Burma--even if this means splitting from the Soviet Union.

In sum, 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, which 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.

F. 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. The security links between Australia and Indonesia, however, are potentially through the ANZUS Pact. Security guarantees to its South Pacific allies obtain for the US utilization of some important installations as well as operating rights in the area.

Both countries turned 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. US security, political and economic interests in both Australia and New Zealand have grown since the Second World War.

\*See Annex 10, same title.



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. Australian and New Zealand policies toward China, the Middle East and the Indian Ocean, to mention some instances, may diverge from those which American administrations would prefer.

All these considerations notwithstanding, the present relations between the US 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.

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 ports; 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



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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. 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. Over time Australia 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 about to be, in a position to dominate the Indian Ocean. There are major educational task ahead for the US if the implications of the Soviet naval buildup in the Indian Ocean and elsewhere are to be understood and the potential danger this poses is to be met.

G. Competing Policies

Under the present circumstances, what are likely to be the policies both the Soviet Union and the PRC pursue in the various regions of Asia following the US setback in Vietnam? Neither the Soviets nor the Chinese use the same regional categories as the US in organizing its foreign policy. The Chinese, for example, looking at the world from the historical perspective of the Middle Kingdom, perceive other countries as the inner or outer states of Asia.

Thus, policies toward the inner states, Korea, Vietnam and Mongolia, have an historical depth which is lacking in the more distant countries with whom China has been in less direct contact. Nevertheless, for consistency, we present the Soviet Union's policy goals in parallel with those of China:



SOVIET UNION

1. Northeast Asia\*

- a. Continue to compete with the PRC for influence with North Korea. Support North Korean efforts to induce withdrawal of all US forces. Encourage efforts to discredit and undermine support for the ROK;
- b. Continue efforts to draw Japan into closer relations with the Soviet Union by advancing joint projects to develop infrastructure for access to resources in Siberia that will strengthen Soviet facilities on the Pacific coast.
- c. Try to encourage the Japanese to loosen their security links with the US, remain unarmed and adopt a neutral military and political posture in return for Soviet "support" for Japanese security vis-a-vis the Chinese. To

PEOPLES'! REPUBLIC OF CHINA

1. Northeast Asia

- a. Attempt to play on deep-seated Japanese dislike and trust of Russians to block Soviet efforts to better relations with Japan; they will attempt to offer the Japanese more than the Russians, i.e., oil, on better terms;
- b. Restrain North Korea from launching a military assault on South Korea in the immediate future, but attempt to obtain more influence in North Korea than the Soviets, possibly by promising full support for unification on North Korean terms "when the time is right;"
- c. Continue efforts toward a special Sino-Japanese detente that will in turn encourage Japan not to rearm and eventually make possible withdrawal of US forces from Japan;



\*Currently the PRC appears to have the better overall hand in Northeast Asia.

SOVIET UNION

PEOPLES' REPUBLIC OF CHINA

this end the Soviets might work toward expansion and acceptance of the Brezhnev Asian Collective Security Pact to include Japan. In any event,

the Soviets will work against a PRC-Japan rapprochement on a very low key.

- d. Explore possibility of improved relations with Taiwan;
- e. Demonstrate on a regular basis a more active role for Soviet trading, shipping and other representatives as accepted players on the Asian scene.
- f. Seek to influence internal situations in the PRC in favor of those in PRC who may favor more normal relations with the USSR.

2. Southeast Asia\*

- a. Concentrate on strengthening links with Hanoi and obtain at least access to Cam Ranh Bay naval facilities;

- d. Prevent development of ties between Taiwan and the USSR as the US withdraws its forces from Taiwan.

2. Southeast Asia

- a. Continue efforts to normalize official relations with all ASEAN states thereby raising the Chinese political profile throughout Southeast Asia.

\*Currently the PRC enjoys many advantages over the USSR in Southeast Asia.



SOVIET UNION

- b. Attempt to regain influence in Indonesia.
- c. Play on Southeast Asian fears of China to encourage a pro-Soviet tilt in ASEAN either as an organization or by member countries as possible;
- d. Undertake all of these efforts in a slow, nearly invisible manner that will avoid raising fears in Asia to fill any vacuum left by American withdrawal.

PEOPLES' REPUBLIC OF CHINA

- Special emphasis will be placed on Thailand, the Philippines and Malaysia;
- b. Encourage development of ASEAN with special emphasis on its ASEAN and Third World character;
  - c. Attempt to preclude tendency of these states to seek higher Soviet political profile by assuring them that China will never pose a military threat to them; use relations with ASEAN states to pressure against acceptance of the Brezhnev Asian Collective Security concept;
  - d. Attempt to limit Soviet influence in Vietnam, especially any Soviet naval presence in Cam Ranh Bay. The Chinese can try to create and play upon any possible divisions in the Lao Dong Party if necessary. This treat alone can help limit Hanoi's tilt toward the Russians;



SOVIET UNION

e. Attempt to obtain US help in blocking PRC plans to increase and spread its influence in Southeast Asia:

PEOPLES' REPUBLIC OF CHINA

e. Maintain cooperative presence in both Cambodia and Laos as a possible means of restraining Hanoi's subversive efforts toward Thailand;  
f. Continue support to insurgency movements in Thailand, Burma and Malaysia.

3. South Asia\*

a. Strengthen relations with India and Afghanistan, attempt to gain influence in Sri Lanka and retain influence in Bangladesh;  
b. Concentrate on enhancing the psychological influence of the Soviet naval presence in the Indian Ocean, while painting the US as the primary intruder into the "Indian Ocean Zone of Peace."

g. Cultivate, discretely, the Chinese communities in all ASEAN countries.

3. South Asia

a. Retain strong relations with Pakistan;  
b. Offer to India the hope of improved relations with China in direct proportion to the limits on Soviet naval and political presence in the area;  
c. Cultivate the states on the western littoral of the Indian Ocean.

\*Currently the USSR seems to have the stronger cards in this region.





SOVIET UNION

4. Australia and New Zealand\*

- a. Continue to cultivate radical elements in the political spectrum of each country to work against ANZUS security links and associated security installations.

PEOPLES' REPUBLIC OF CHINA

4. Australia and New Zealand

- a. Develop trading connections and interests;
- b. Cultivate pro-Peking factions in respective radical movements.



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\*Neither the PRC nor the Soviet Union seems to have the edge in this area.