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GENERAL SERVICES ADMINISTRATION

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SECURITY INTEREST, CONCEPTS, THREATS AND CAPABILITIES**

I. INTRODUCTION: THE STRATEGIC DIMENSIONS OF THE PROBLEM

A primary US global objective is the development of an international environment in which the pluralistic, democratic American social system, rooted in a free-market economy, can continue to flourish. The corollary interest is to prevent the erosion or destruction of that environment by hostile forces either globally or regionally. As of now, and for the next ten or fifteen years, the Soviet Union seems the only power capable of eroding this environment on a global scale and in Asia. Perhaps in the longer range--at some time before the end of this century--the PRC might pose the greatest threat to American interests in Asia and elsewhere. In the meantime, however, only the US and the Soviet Union have a truly global relationship. Since the public announcement of a new opening in US-PRC relations in the summer of 1971, both US-Soviet and US-PRC relations have been detente-oriented. For its part the US has sought to serve peace through systematic resistance to pressure and conciliatory responses to moderate behavior. It has sought to oppose irresponsible behavior.*

There is no overall consensus as to what has been achieved so far by the detente process, particularly with regard to the Soviet Union, or how detente will manifest itself in Asia "after Vietnam." In the global context there is no desire to go back to the confrontation policies of the past, particularly since "Soviet physical power and influence on the world are

*From a statement by the Honorable Henry A. Kissinger, Secretary of State, before the Senate Foreign Relations Committee, September 19, 1974.
**Appendix 2.

greater than a quarter century ago." Although the results of the detente process are not yet in, it is recognized that Soviet actions could destroy detente.

"If the Soviet Union uses detente to strengthen its military capacity in all fields;

"If in crisis it acts to sharpen tension;

"If it does not contribute to progress towards stability;

"If it seeks to undermine our alliances;

"If it is deaf to the urgent needs of the least developed and the emerging issues of interdependence, then it in turn tempts a return to the tensions and conflicts we have made such efforts to overcome."*

Concerned that these detente guidelines were being violated, Secretary of State Kissinger on August 14 warned of the dangers posed to detente by Soviet activity in Portugal:

> "The United States has never accepted that the Soviet Union is free to relax tensions selectively or as a cover for the pursuit of unilateral advantage. In Portugal, a focus of current concern, the Soviet Union should not assume that it has the option, either directly or indirectly to influence events contrary to the right of the Portugese people to determine their own future. The involvement of external powers for this purpose in a country which is an old friend and ally of ours, is inconsistent with any principle of European security." ** .

Yet, the Soviet Union's role in disturbing progress toward a more peaceful order has been even more conspicuous in the Middle East, South Asia and Southeast Asia. The Soviet Union provided the considerable arms which made possible:

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*Ibid.
**Marder, Murray, "Kissinger Warns Soviet on Portugal" Washington Post, August 15, 1975, p. 1.

1. The Indian attack on Pakistan in December 1971.

2. The Egyptian-Syrian attack on Israel in October 1973.

3. The defeat of South Vietnam in April 1975--the PRC also contributed arms to this major defeat sustained by the US.

Furthermore, the Soviet net military posture vis-a-vis the United States has gained significantly during the past decade. Taking the foregoing into account, US diplomacy in Asia should seek to assist the nations in the region who are resisting Soviet temptations*. The Soviets may well try to achieve an ascendant posture in Asia of a type that would replace that which the US achieved in the three decades following World War II (and has since lost). The current Soviet efforts in Laos, where Soviet "technicians" and pilots have virtually replaced their US predecessors, are a case in point.

Whether the Soviets will succeed in achieving ascendancy is questionable at this time. The point is they may try; the Sino-Soviet dispute practically compels attempts by both the Chinese and the Soviets to seek ascendancy vis-a-vis each other wherever possible. Continued withdrawal of US interest, power and influence from the area, where the US has been so active in the past could, therefore, create opportunities for Sino-Soviet competition that might not otherwise have appeared "necessary" to either of these communist powers. Certainly, the PRC's current desire that the US remain in the area, and Chinese warnings about chasing the tiger out only to let the wolf in are a reflection of Chinese concerns over the possible opening of new arenas for Sino-Soviet competition that the Chinese would just as soon avoid, at least at this time.

*A summary of the recent step-up of Soviet activities in the area by Peter Osnos, "Soviet's Step Up Efforts in Asia," appeared in the Washington Post, September 11, 1975, p. A-21.

Finally, the argument (and fact) that the Soviets have never been very successful in Asia, particularly Southeast Asia, in the past is not necessarily a guarantee that they will not (a) either keep trying or (b) succeed in the future. In the past, the US has been an active force in the area. Too rapid removal of US presence, particularly in political and economic terms, would remove a key variable in the power equation that has helped inhibit possible Soviet success in the past.

The key point to bear in mind, however, is that unless the Soviet Union obtains ascendancy in Asia, it cannot achieve it on a global scale. The prevention or limitation of Soviet efforts to this end is achievable. Specifically, it would include:

1. Maintenance of the US-Japanese alliance as the lynchpin of our security system for the Asian-Pacific region. An independent South Korea is essential to this goal.

2. Continuation of the liaison and case-by-case cooperation with the PRC.

3. Assuring, if possible, the independence of an increasingly interdependent ASEAN grouping of nations, but, unequivocably, the independence of Indonesia and the Philippines within that grouping.

A. A Strategic Concept

With the vast increase in Soviet strategic military power toward a form of "parity" with the United States, the independence of Western Europe (and with it the relative power of the United States vis-a-vis the Soviet Union) may rest in large part on the capacity and determination of China to

maintain its independence from the USSR. In the context of global US strategy, an independent China diverts Soviet energies and resources from its western borders to its Asian front. Similarly, from Peking's perspective a strong Western Europe, linked to the United States in NATO, diverts Soviet attention and capabilities from the Sino-Soviet frontier.

The Soviet goal of world ascendancy requires either rapprochement with or neutralization of the PRC. The US strategy should be to spoil Soviet endeavors to bring either condition about. Within this broad concept the lines of action to which the US should hew in East Asia include:

1. Posture Toward PRC. The Chinese perceive that the Soviets are pursuing an encirclement strategy along the general lines of the one hypothesized in Appendix 1. In counteraction they have cooperated most effectively with Pakistan. They have opened their own strategy of spoiling the global maneuvers of the USSR in areas of strategic interest, and the US and its allies might find opportunities to cooperate more openly with Peking on a case by case basis. In the main the US should do what it can to help sustain a complex equilibrium between the two principal communist powers by generally keeping itself politically equidistant between Moscow and Peking. The point of equidistance will vary according to the given issue.

Under certain circumstances US-Japanese cooperation to thwart Soviet designs could include a willingness to extend economic and technological help to China, in the event the PRC asked for such assistance. Whether the us should do even more with China--i.e., help it achieve an early warning

system vis-a-vis the Soviet Union--will depend on an accurate assessment of the existing correlation of forces between the two communist rivals. Whatever we do to "help" China in its dispute with the Soviets, we must never, however, lose sight of the fact that in Asia China already holds considerably more aces than the Soviets, and possibly even the US. The Chinese position is particularly strong, or can be, in Southeast and Northeast Asia. It is inferior to that of the USSR in South Asia.

2. Keep Japan with US. Japan's supportive relationship to US security is obviously conditioned on its continued dependence on the United States and recognition of the long-term benefits thereof. Yet there are potential sources of international economic conflict inherent in Japan's "resource diplomacy." The security implications of realignment that put Japan and Korea on the same side as either the PRC or the USSR would be momentous indeed. To forestall this remote possibility, prudent US policy toward Japan should reinforce both Japanese security and fidelity to us.

a. Regional Equilibrium. Obviously, if Japan is vital to US security in the Western Pacific it follows that equilibrium within Japan's own geographical region, Northeast Asia, is equally essential (see Northeast Asia, Part III). This requires either the independence of South Korea or the reunification of Korea under non-communist auspices. (See Annex 2)

Existing US relations with the Republic of China on Taiwan should not be altered in such a way as to risk losing US credibility in Japan or adversely affecting Japanese southward sea communications (See Annex 3).

b. Security of Sea Communications and Access to Oil. The Japanese vulnerability to interruption of external sources of energy and other raw materials makes Japan peculiarly sensitive to external pressures--its abrupt derecognition of Israel after the October 1973 War being a case in point. Consequently, the interaction of Japan's own policies to resolve its future supply problems with the policies of other countries, especially those of the Soviet Union, the PRC, and the United States, could affect Japan's alliance position.

Neither the Soviet Union nor the PRC is likely to be able to become a dominant supplier of oil to Japan during the coming decade. Therefore, Japan is unlikely to have to accede to political demands of either of the communist powers if either threatened an oil cut-off. The PRC or the Soviet Union could exercise real leverage against Japan by threatening or inducing other states in Southeast Asia to harrass Japan's supply routes. Such harrassment is conceivable, for example, through raising objections to or trying to place limits on Japanese oil tankers passing through the area. Such activity already occurs on a minor scale even without "inducement" from great powers. Taiwan presents an island base for operations of this nature if it comes under Peking's control. The Malacca Straits and Singapore may present a possible target for Chinese subversive penetrations or political pressure aimed at the trade routes. In the extreme, the Soviet Union, because of its expanding navy, could have the potential for interruption

of Japan's sea lanes that extends from the Persian Gulf right to Japan. Most important are choke points such as the Malacca, Sunda, Lombok and other Indonesian straits.

Finally, the power that is best able to offer Japan security of its trade routes against acute disruption or to threaten their serious disruption, including at source, will be able to affect Japan's future alignment or non-alignment. This power should and must be the US.

3. Specific policies that the US should pursue with respect to the most significant countries in Southeast Asia, are presented in Part III Southeast Asia, particularly the Thailand, Philippine and the Indonesian annexes. Similarly, the annexes in Part IV on South Asia-Indian Ocean (Annex 9) and South Pacific-ANZUS (Annex 10) contain policy recommendations for those areas.

B. Phasing

There is little utility in establishing arbitrary time frames for this kind of strategy, although specific performance targets may be given time objectives (i.e., South Korean military self-sufficiency by 1980). It is useful, however, to state time-related conditions to be achieved or anticipated.

Phase I - 1975-'76. Restoration of US credibility as a reliable power. Basic policy: Don't rock the boat. Avoid or minimize any reduction in US force deployments in Northeast Asia. Assure that declarations to maintain commitments are matched by actions as required.

In Southeast Asia reduce our forces and presence as necessary, but not at a pace faster than either Thailand or the Philippines desire.

1.3(a)(5)

Phase II - 1976-'80 and Beyond. Period of PRC inferiority vis-a-vis the USSR. It will take at least five to ten years to know whether the PRC can withstand Soviet pressures to contain and compromise Chinese political independence into the indefinite future. At a minimum, passing this test will require the PRC initially to acquire a nuclear arsenal that will give it an assured destruction capability. The PRC could then, however, become the major destabilizing force in Asia. The PRC could engage in expansionist activities, perhaps supporting the insurgencies it chooses with conventional forces in states bordering China. More likely will be increased covert support to insurgencies and direct party-to-party cooperation with other Asian communists toward the eventual collapse of "capitalist" governments. Because of these possibilities some argue against any US efforts to bolster the PRC vis-a-vis the Soviet Union. The wisdom of aiding or not aiding the PRC would be dependent upon a precise periodic evaluation of the correlation of forces between the two communist powers.

The US should continue to maintain access to military facilities in Japan, Philippines and, if possible, Thailand. US should give highest priority to improving its political relationships with the countries of East Asia, including Burma, Cambodia and Vietnam in that order.

Phase III - Mid-80s or Beyond. Approach of PRC-Soviet Union equivalency. Subic Bay in the Philippines will probably still be necessary and the US should try to retain access to it. 1.3 Kats

C. Evaluation

No one can predict the exact outcome of the many potential scenarios that might occur in the East Asian theater. Despite Lenin's motto that the Soviet road to Western Europe passed through China, Asia has always presented the Soviet Union with difficult operating terrain. Soviet triumphs in Asia have been costly and ephemeral. Though Soviet prestige and presence in Asia currently appears strong in Vietnam, Laos and India, it is weak elsewhere. For example, none at all in communist Cambodia and what little influence the Soviets have had in Thailand is now challenged by the Chinese. As a final factor most Asians find it difficult to like the Russians.

Past Soviet inability to control events or its allies does not mean that it won't make the effort with the patience that consistently characterizes Soviet strategy. Moreover, generally speaking, the trend in Soviet power and influence is upward and expansionist, while the trend in US power and the capability and will to cope with Soviet efforts to "fish in troubled waters" has declined relatively.

Likewise, the PRC ability to both ward off the Soviet threat and lead a Third World crusade against both the US and the USSR is in doubt. The prospects for the Chinese gaining the leadership of the Third World are limited by the persistence of strong currents of nationalism in most Third World countries. Even if the PRC became the titular leader of the Third World the general confusion, conflict and instability that characterizes many of these countries will bring little strength to the Chinese cause.

Nevertheless, until the Soviet bid for hegemony is proved impossible, the US should (1) do what it can to assist Peking's efforts to retain complete independence and freedom of action from Soviet machinations, and (2) encourage the PRC to remain reasonably passive on the insurgency front. If the PRC again becomes the driving force in Asia, Japan should be induced to become a positive counter to Peking's expansionism.

II. NATIONAL SECURITY OBJECTIVES

The general US security objective in the Pacific area is to ensure that no single country or coalition of countries hostile to the United States dominates the Western Pacific or approaches thereto. A related objective is to endeavor to limit the intensity of Sino-Soviet competition in the area (via a constructive US political/economic/military presence and the uncertainty that issues from US strategic nuclear capabilities) so that it does not erupt into open warfare with incalculable consequences.

A. Northeast Asia Regional

US security interests in Northeast Asia derive from the US relationship with Japan.

1. Japan. The US must ensure that Japan remains a politically and economically free state, democratic in nature, and allied with the US toward the achievement of our primary objective. Japan is the single country in Asia whose political, economic and territorial integrity is absolutely vital to the preservation of US security in the Western Pacific. Yet there are those who question how much longer we can continue to justify our military presence in Asia on this basis alone. There is concern that a future Japanese government might no longer see merit in a US military presence on Japanese soil or no longer believe such a presence to be necessary or desirable in terms of Japanese interests. There is also concern a US Congress might grow tired of the cost of the protection of Japan.

At the present time there does not appear to be any alternative to a US Pacific strategy which is based on the firmest possible US-Japanese security linkages. (See Annex 1).

2. South Korea. The United States must retain its security treaty with South Korea until such time as Korea can be unified peacefully on terms acceptable to both Korean governments and which pose no military threat to Japan. (See Annex 2).

3. Republic of China (Taiwan). The US should not abrogate its security commitments to the ROC until the ROC and the PRC have themselves

decided on how to resolve the future status of Taiwan or until the ROC itself decides it no longer needs a security relationship with the US. (See Annex 3).

B. Southeast Asia

The supplementary US security objective in Asia is to ensure that no single country hostile to the United States and Japan achieves military, political and economic domination or, perhaps more likely, ascendancy over Southeast Asia. Security-oriented objectives in Southeast Asia and their related interests derive their importance, in part, from their direct relation to Japan's political and economic security. These interests, however, are also highly important to the United States in terms of their relationship to the current and future status and purpose of the United States as a global power.

Specifically, US objectives should be to:

1. Maintain a capacity to monitor developments in Indochina through maintaining a mission in Laos (if not done obsequiously) and periodic naval presence in the South China Sea and Gulf of Thailand.

2. Help Thailand to preserve its independence and territorial integrity by continuing friendly and cooperative working liaison relationships with Thailand that do not preclude, but do not necessarily require, a US military presence on Thai territory. Attempt to retain Manila Pact after the phase-out of SEATO.

3. As a minimum, maintain present low-key relations with Burma.

~~CONFIDENTIAL~~

4. Strengthen US relations with Malaysia and Singapore; encourage Australia and New Zealand to retain existing security links to both.

5. Retain US bases in mode acceptable to Filipino nationalist feelings. Assist through MAP and FMS Philippine efforts to modernize forces. Retain Mutual Security Treaty.

6. Cooperate via MAP and FMS in strengthening Indonesian armed forces with minimal presence of US personnel. Scrupulously respect Indonesian non-alignment policy, but respond to Indonesian requests for assistance in the event of any significant Soviet and/or PRC pressure. Ensure continued freedom of passage through the Straits of Malacca and Lombok Straits for US naval vessels sailing to and from the Indian Ocean.

C. South Asia and Indian Ocean Area

1. Maintain a US naval presence at Diego Garcia in the Indian Ocean (unless or until the Soviet Union is willing to accept a tacit agreement that neither the US or the USSR will seek a permanent naval presence there and that they will limit the number and type of naval vessels that occasionally transit the area).

2. [redacted] 1.3(a)(5)

3. Strengthen friendly relations with Iran and Pakistan; attempt to strengthen Pakistan militarily.

4. Respond to Indian initiatives to improve Indian-American relations.

~~CONFIDENTIAL~~

III. THREATS TO US OBJECTIVES AND INTERESTS

The threats to the stability and hence to the peace and security of the Asian-Pacific area rise within many of the countries and regions themselves: from the Sino-Soviet conflict and the Soviet and Chinese military deployments related thereto; from the importance and vulnerability of the sea lines of communications; from the capabilities and policies of two middle-rank communist powers (Vietnam and North Korea); from conflicting ideologies and movements including Muslim independence forces; from socio-political unrest that results from population pressures and inadequate development programs; from highly charged nationalism and finally the decreased credibility of the United States as a power concerned about instability and able or willing to support collective or unilateral security efforts. Most of the countries in Southeast Asia, for example, are seeking new relations with Peking since they believe the US is withdrawing from Asia and has no will to stay. This perception may be mistaken but it nevertheless persists.

The future roles of the Soviet Union and the Peoples' Republic of China in Asia are the major concern of the United States in the immediate post-Vietnam era. America's allies and friends in Asia are cognizant of growing Soviet capability and the relatively weakened US capability. Japan and most especially, China, are conscious of the fact that Soviet military superiority would offer the Soviets the possibility of being able to make or to threaten selected strategic attacks against them. Even more important to our Asian friends is the psychological and political advantage which might

issue from an evidently superior Soviet military machine, one useful in the coercive diplomacy of blackmail, however subtle the coercion might be.

There is no evidence that either the Soviet Union or the PRC will abandon the threat or the actual use of force as a fundamental element of their foreign policies. Nor is there evidence that they can categorically control the external activities of either Vietnam or North Korea. Evidence suggests that they jointly or separately will continue to support political/psychological warfare activities as well as communist-led insurgencies operating in the turbulent political-social climate of many of the countries in the region.

The possibility of the Soviet Union, the PRC and even down-the-road India, utilizing nuclear blackmail threats to achieve foreign policy objectives cannot be overlooked.

A. Strategic Threats

The Soviet navy is a major strategic threat to the United States' objectives and interests in Asia. The Soviet navy enhances considerably the capability of the Soviet Union to project its power throughout Asia.

The Soviet navy is today a "blue water navy" with almost as many surface combat ships as the US and over three times as many submarines (other than ballistic missile submarines). Small surface ships with an emphasis on speed and heavy firepower would complement the Soviet style of diplomacy if the opportunity in Asia were available. Ahead of the US in surface-to-surface anti-ship missiles and possessing a formidable attack submarine fleet, the Soviet navy presents a significant threat to the security interests of the US and its allies. Reflective of the Soviet Pacific focus is the fact that 750

ships of the Soviet navy are committed to their Pacific Ocean fleet. By comparison the Soviet Baltic fleet numbers 750 ships, and their Black Sea/Mediterranean fleet includes 700 ships.

Royal Navy Captain John E. Moore, editor of Jane's Fighting Ships, has warned in his foreword to the 1975-76 edition that,

> "The Soviet Union has spent 50 percent more than the United States on naval shipbuilding in the past ten years...
>
> "The evergrowing Soviet navy has outrun the legitimate requirements of national defense and has no logical merchant defense role in time of war...
>
> "The NATO nations must abide by the lessons of history--unnecessarily large forces are intended for aggressive action."

Naval forces are useful for far more than simply fighting. They are excellent for surveillance operations, charting and research in the oceans, port calls that help spread influence or create at least the impression thereof, maintaining a military presence without all the disadvantages that accrue to permanent bases with combat personnel, and providing emergency relief and rescue operations when natural disasters occur. In this latter regard, helicopter carriers, for example, can often carry out spectacularly effective relief operations--which can have equally valuable political payoff.

Finally, the imaginative use of Soviet naval power to support Soviet detente diplomacy is a repeated theme in the official writings of Admiral Georgi V. Gorshov, the father of today's modern Soviet navy.

If the US further reduces its naval forces in Southeast Asia or loses access to the Subic Bay facilities in the Philippines, the Soviet Union could upset the entire balance of power in Asia if it can obtain use of the Cam Ranh Bay naval facilities in Vietnam. This deployment of Soviet power would help close the ring around China and bring the Soviet and Chinese navies into direct confrontation in the South China Sea. (In this case, the Sino-Soviet conflict would definitely affect the peace and stability of East Asia.) This possibility should not be taken lightly. Adm. Elmo Zumwalt (Ret.) has already described how the Soviet navy had achieved enough supremacy in the Eastern Mediterranean to threaten the US Sixth Fleet during the Arab-Israeli War in October 1973. The US had lost many of its base facilities and the US fleet could not stand against threatened Soviet air and naval assaults from four directions. The Soviet navy outnumbered the American navy 98 ships to 65*.

The Chinese do not yet pose much of a strategic threat to the US or even Japan. The Chinese do, however, possess the world's third largest navy and the largest fleet of small attack craft. China continues to develop its missile capacity. US-Chinese rapprochement is a direct function of the Chinese perception of the Soviet strategic threat. This rapprochement is not guaranteed to last forever, particularly if the US proves unable to cooperate effectively.

*Wilson, George C., "Soviet Navy Plans Better Than US, Zumwalt Says," Washington Post, July 28, 1975.

Thus, the Soviets are the primary threat to the US strategic position in Asia today. It is likely that the Chinese could be the major threat in the future. If hegemony over all countries of Asia is impossible, hegemony over the seas therein is not. The Soviets and Chinese both are capable now or in the not too distant future of serious competition for naval supremacy in Asia and thereby seriously threaten Japan and the security of the Western Pacific.

B. Conventional Threats

Conventional threats to US interests or that of its allies in Asia come from four sources: the USSR, the PRC, North Korea and Vietnam. The Soviets and the Chinese can now or in the near future threaten the sea lanes of Southeast Asia and the Indian Ocean. The North Koreans are a potential threat to attack South Korea. The North Vietnamese military forces are a direct conventional threat to the Thai even if the current prospects for using these forces in a conventional assault are remote. The Vietnamese could also eventually pose a serious threat to Thai oil and fishing interests and all shipping in the Gulf of Thailand.

C. Subversive and Political Threats

The most immediate threats to peace and stability in Asia come in the form of insurgency with external support and political and psychological warfare. The North Vietnamese and the Chinese are the most dangerous sources of threat in both these areas--either in cooperation or competition with each other. The Soviets and Chinese should not be ruled out of communist intra-party conflict in Asia that could manifest itself in guerrilla warfare between communists and governments at the same time.

The nature and scope of these security problems for the US in Asia follows by region in Section V of this Appendix.

IV. US STRATEGY, CAPABILITIES AND FACILITIES IN THE ASIAN-PACIFIC AREA

A. The Strategy

The fact that the US faces Asia across the Pacific Ocean determines that the US should pursue on essentially maritime strategy to support its security interests there.

All US military deployments in the Asian-Pacific area are made on the premise that these forces provide a fundamental support to the conduct of US foreign policy. The US has for the most part pursued a maritime strategy to support its Asian policies. For a quarter of a century the western anchor of this strategy has been the off-shore island chain from Japan to the Philippines, with South Korea considered as a kind of peninsular island linked to Japan. After the Korean war most American military planners adopted, almost as an article of faith, the principle that the US should not engage in sustained ground combat on the Asian mainland. This principle was violated in the Indochina conflict. It is unlikely to be violated in the future.

Because of the growing power of the Soviet navy and its deployment into the Indian Ocean, Indonesia, the gateway between the Pacific and Indian Oceans, has become an important concern in US strategic planning. Deep in the Indian Ocean the naval-air-communications base being developed at Diego Garcia represents the farthest extension of the off-shore island chain concept.

B. The Forces

Today, under the Commander in Chief Pacific, the US disposes of an array of forces, installations, facilities and advisors to safeguard US security interests within the framework of US foreign policy.

The US-Chinese rapprochement in Asia, made possible by the Sino-Soviet split and post-Vietnam force reduction, have resulted in a shift in US general force planning from the "two and one-half war" concept to one in which our forces are to be prepared for a conflict in Europe and a minor conflict elsewhere. Based on the assumption that the US-China link will deter the Soviets in Asia and unwilling to get committed to another Asian conflict, the US conventional capability has dwindled. US domestic fiscal pressures have also induced conventional force cuts. Presently, US forces in the area are deployed approximately as follows:

South Korea:	2nd Infantry Div., 314 Air Div. 22,000 Combat troops 12,000 Support troops 7,000 Airmen 54 F-4s
Japan:	7th Fleet
Okinawa:	Kadena Air Base (Airlift, Refueling) 60 F-4s
	3rd Marine Division 20,000 men
	3rd Marine Airwing
Guam:	3rd Air Division - SAC 15-20 B-52s 15-20 Tankers
Philippines:	Subic Bay Naval Base.
	Clark Air Base 20 F-4s 30 C-130s
Thailand:	Utapao-Udon 17,000 Airmen 100 Combat Planes (Approximately) 100 Support Planes

Hawaii: 25th Infantry Div. (2 Brigades]
12,000 Men

Hawaii: 3rd Fleet Japan: 7th Fleet
(Combined fleet strength - 220 Combat Ships)
7 Aircraft Carriers
2 Cruisers
50 Destroyers (Submarine strength classified)

Diego Garcia: US-UK Base in Indian Ocean

Australia: Facilities and Installations

These deployments indicate that the US forces remain essentially in a forward basing posture. Forward deployed forces contribute to the overall defense of the Pacific area, to the security of air/sea lines of communications, the stability of non-communist Southeast Asia, the equilibrium of Northeast Asia, and to the undergirding of US influence in both the Western Pacific and Indian Ocean areas.

As indicated in Section I.B. of this Appendix (3), during the initial post-Indochina phase the forward basing posture should be maintained as completely as possible. In the next phase (1976 to approximately 1980) adjustments may be made in this posture depending on political attitudes of host countries and changes in US capabilities and international developments.

As a general rule, the US should not pull back from facilities in Asia if asked to remain under appropriate arrangements. On the other hand, it should pull back or reduce its forces if asked to or if the presence of US forces becomes a serious source of political agitation. The removal of combat forces, however, need not necessarily involve the removal of advisors or supporting installations.

For the longer-haul third phase, some of the presently forward based forces may have to be located in Guam and the Marianas if Subic Bay and Clark Field in the Philippines prove no longer viable.

C. The Missions of US Pacific Forces

1. To monitor potentially hostile or adversary activities in the Western Pacific-Indian Ocean areas by air and sea surveillance.

2. To deter conflict either via presence or rapid access to threatened areas.

3. To assist allied forces to enhance their capabilities to maintain their own national security.

4. To facilitate and coordinate, as desirable, security cooperation among US allies.

5. To defend US security interests as necessary.

As indicated previously the US should support its security interests primarily by a maritime strategy utilizing both naval and air force components to back it up.* For the immediate and mid-term the US must base its maritime strategy on access to the island chain stretching from the Aleutians through Japan, Okinawa, the Philippines, Singapore, Indonesia down into Australia and New Zealand. Currently, Taiwan is part of this chain but cannot remain so for much longer. The chain would extend into the Indian Ocean to Diego Garcia. By the mid-1980s if hard base complexes are developed in the Marianas and Guam, coupled with technological advances, it may not be

*The monitoring of sea lanes and the warding off of efforts to interrupt sea communications might be a suitable role for long-range and long-loitering B-52s--until a more suitable aircraft for this mission comes along.

necessary to have permanent bases in Japan and the loss of access to Taiwan could be compensated for if access is retained to Subic Bay and Singapore.

D. Future Adjustments

Regardless of the utility of this maritime strategy US security needs of the future will require the US defense capability to adjust to the new Asian security setting.

The problem of retaining US bases in foreign nations is probably more acute today than it has ever been. Pressure for removal of US forces currently stationed on foreign bases is often more intense in the halls of the US Congress than in the countries themselves. Nevertheless, even abroad there is increasing pressure on these facilities, encouraged in part by doubts that the US will ever use them anyway. The US must begin planning for the strong possibility that in one decade, with one or two exceptions, the US will be unable to maintain any "hard" bases or facilities in foreign countries. Hard bases will be possible only in US-controlled territories. In the Western Pacific Asian area this may mean essentially the Marianas and Guam.

There is an outside possibility that we will be able somewhat longer to maintain access to hard facilities in the Philippines, particularly at Subic Bay. Currently, the Philippines is the most important and cooperative ally we have in Southeast Asia. The Subic Bay facilities are irreplacable if the US intends to develop and maintain, as we will recommend here, an effective maritime strategy in Asia. The Filipinos want to cooperate and retain

security ties to the United States. If we play our political cards right we might be able to maintain access to their facilities for longer than 10 years. There is a possibility that effective US diplomacy will enable the US and Japan to jointly utilize the naval and air facilities that have been developed there. But to be on the safe side, we need to adapt our forces to advanced technologies in which the need for forward land bases will be greatly reduced.

In addition to increasing the defense capabilities of our allies and friends, the US needs to enhance its own capability to operate from greater ranges than the current "forward basing strategy" permits. Enhanced surveillance and targeting capabilities and more flexible and rapid command and control capabilities will be necessary for use in what may be a "remote" area for conflict--remote from US land bases. New basing arrangements will also necessitate revised stockpiling procedures and more compatible equipment with our allies and friends. Further, the US must expect that it will be unable to maintain secure war reserves in foreign countries. To do so it will have to enlarge sufficiently both its strategic mobility and aerial resupply capability. Limited support facilities at Diego Garcia or in the Marianas will have to be used in a manner heretofore provided for the US by its allies. The World War II fleet logistics flotillas need refurbishing.

In projecting the US security posture in Asia to the turn of the century, several assumptions are to be noted. Foremost is the assumption that there will not be an Asian conflict in which US forces will be employed in

land combat. This further assumes: that reunification of Korea will not be attempted by North Korea through force; that Japan's commercial links throughout Southeast Asia are not interrupted; that US-China-Japan security interests vis-a-vis the Soviet Union remain in concert; and that the Soviet Union does not initiate a major effort in Asia to fill the "imaginary vacuum" created by a deliberately-designed lowered American profile. Whether these assumptions will hold up will depend on the presence of adequate, effective US naval and air forces and strong US leadership in Washington capable of acting if deterrence fails.

There are many operational advantages associated with present US deployments in a forward basing concept. Currently, US air and naval bases on Guam, considerably eastward and roughly equidistant from the Philippines and Japan, are at the rear of the forward basing deployments. Hawaii, an integral part of the US, provides the location for the permanent and most important US Pacific base system.

E. Guam and the Marianas

Looking toward the future, some consideration has been given to making Guam and other potential bases in the Marianas the location of the most westward deployment for US forces.

Guam and the Marianas, two separate yet relatively nearby geographical entities, are located some 3300 miles west of Honolulu.

Guam, under a congressional act of 1950, became an incorporated territory of the US whose government is monitored by the US Department of the Interior. Having served the more public role as SAC base (B-52 base) for US air operations into Indochina, and in the spring and summer of 1975 as a refugee center, Guam represents excellent air and naval facilities for both global and regional operations. Present operations utilize fully the space available on Guam. Additional space and facilities on Guam, to replace US forward base facilities, are not feasible, especially under peacetime conditions.

The US assumed responsibility for Rota, Tinian, Saipan as a US Trust Territory following World War II. Subsequently, the Northern Marianas sought a closer identification with the US through commonwealth status. Upon termination of the US Trusteeship Agreement and with US Congress approval the northern Mariana Island is to become a self-governing commonwealth in political union with and under the sovereignty of the US.

The Northern Mariana Islands comprise the area now known as the Mariana Island District of the Trust Territory of the Pacific Islands and includes the more sizeable islands of Saipan, Rota, Tinian.

The strategic significance of Guam, the Trust Territory of the Pacific Islands stems primarily from its geographic location, near lines of communication from North America to the East Asia region. Virtually all east-west air routes pass through either Japan or Guam in the Marianas. But in terms of traffic density and importance most air routes are far north of Guam

through Alaska and Honolulu to Japan and then south to Taipei, Hong Kong, Manila and on to Bangkok or Singapore.

While not all of the islands have good airports, harbors and petroleum storage facilities, the facilities on Guam and the projected construction for Tinian will greatly enhance the capability of ships and aircraft to pass through or patrol the Central Pacific area. As important anchorages for surface combatant or submarines, the facilities provide the opportunity for naval elements to replenish supplies, conduct minor repairs, or simply preclude having to remain under constant sailing.

The advantages to the US of these territories provide both military and political options as the US readjusts to the realities of the post-Indochina period. In the current period of "shifting orientations" in Asia, the partial option available to the US of reverting to a more constricted basing posture within US territory provides a valuable diplomatic card.

F. The Factors of Change

The present US base structure in the Western Pacific differs markedly from that before we began our deep involvement in Indochina 10 years ago and will likely be quite different 10 years from now.

The issue between forward basing (present dispositions), intermediate (Guam-Marianas) or Hawaii is more than a question of what should be retained where and for how long. Rather it is a question of what should be retained where for what purpose.

No exact answer to this question can be given. The answer will depend upon the emerging future situation in the Asian-Pacific area. And the future, particularly in an area as vast and complex as this one-third of the globe is an adventure into the unknown. Realistically, we need to examine the gradual erosion of foreign base rights, determine what forces or functions must be maintained in the Western Pacific for the indefinite future, and access the possibility of using Guam and the Northern Marianas as a complement to our foreign base structure.

The Northern Marianas also are important in terms of land requirements which cannot be met on Guam or elsewhere in the Western Pacific. These requirements include conventional ammunition storage, war reserves of petroleum and maneuver areas.

While we are thinking of facilities and functions which could be located in the Northern Marianas, we also should be taking a close look at the material condition and environmental impact of our bases and facilities elsewhere for maintenance, repair, and new construction during the period 1980-90. What are the prospects that Congress will approve major new construction (replacement) programs at various overseas base sites during this time frame? Which installations suffer most from urban encroachment? What are the chances that local and national governments will enact zoning laws which protect our military installations? What will be the impact of doing nothing to preserve and protect our current installations?

The use of the Northern Marianas as a political hedge against undesirable changes in our Western Pacific base structure will depend, to a very large extent, on one's perception of the future. Certainly, a complete fall-back to the Marianas is undesirable if our current security arrangements with Japan, Korea and the Philippines remain intact. But so too is the progressive deterioration of force readiness, operating flexibility, logistic support, and other base facilities. Too often we have sacrificed these considerations to maintain "military presence" in foreign countries. Nowhere is this more true than in Japan and Okinawa. We now are beginning to face similar problems in the Philippines. The Northern Marianas will enable us to accept some of these undesirable constraints without jeopardizing the combat effectiveness of our forces.

At this time the US is not changing its deployment strategy--forward basing remains advantageous. Officially, if a fall-back basing concept were adopted it would require a new strategy. Our allies currently do not want us to withdraw from present forward bases to the Pacific Island Trust Territories. If and when they do want us to withdraw, such a desire will reflect a disinterest in their security relationship with the US. Such a development would affect US strategic planning in the Pacific in a fundamental way.*

*In 1971, when US thought all was "coming apart" in Asia the JCS pushed for a Tinian construction program. Now that events appear to have stabilized, DoD has the problem of convincing Congress that we still need construction funds. A further problem is that Northern Marianas expect the construction.

Currently the US does not wish to give South Korea, Japan or the Philippines the impression that the US is relocating or planning a new basing strategy. Were US allies to perceive that the US is planning an eventual withdrawal from the "forward bases," very destabilizing effects might be set into motion. As long as US allies acknowledge the mutual security interests served by US occupied bases on their territory, the US should neither pay rental for the bases nor accept limitation on their use which would adversely affect the operational missions.

V. THE SECURITY OF ALLIES AND FRIENDS IN ASIA

A. Northeast Asia

During the immediate post-Vietnam period (1975-'76) US security interests in Asia are most directly served by the maintenance of a close, cooperative alliance relationship between the US and Japan. The immediate adjustments the US makes in Southeast Asia can strengthen or weaken this relationship. If properly sustained, the US-Japanese alliance can serve as at least one pole of stability in the region while indigenous states readjust to the realities of a Vietnamese dominated Indochina, a calculated US-China rapprochement, continuing Sino-Soviet competition over the aligned and non-aligned states, and the attitudes of American people unwilling to be further committed to an "Asian quagmire."

1. Japan*. One of the most outstanding successes of American policy since 1945 has been the relationship between the US and Japan. Eventually the relationship became an alliance which now is based on the 1960 Treaty of Mutual Cooperation and Security that has served to protect US security with and on behalf of Japan. Japan's powerful industrial resources and its strategic location in Asia vis-a-vis the Soviet Union and China are the hallmarks of US security interests. Were Japan either to fall prey to a power hostile to the US or elect to follow a competitive independent political and military course, US regional and global interests would be adversely affected. Both Washington and Tokyo realize that the alliance has

*See Japan Annex for additional discussion of internal political considerations and Japan's options. (Annex 1)

served both nations well for over twenty years. The alliance can continue even though there is a vocal minority in Japan which opposes it and there are Americans who have questioned and may increasingly question any alliance in which the US assures Japan's security at what appears minimal cost to the Japanese.

Significant changes in the perceptions of either of the partners could well change the nature of their relationship. If, for whatever reason, Japan were to follow a more independent political and military course (i.e., to undergird its growing political power with more military muscle) the US would have to reassess its commitment to Japan in view of diverging interests. Similarly, were Japan to become critical about US basing facilities on Japan and Okinawa, we would need to reassess American troop presence in Japan and find alternatives to our present "forward basing" strategy.

Such changes in Japan will largely be a function of identifiable behavioral patterns of our present adversaries, the Soviet Union and China, and the US reactions thereto that might reduce the perceived credibility of the US commitment to defend Japan. Events in the spring of 1975 in Indochina, while geographically remote to Japan, temporarily created new uncertainties about American policy. This uncertainty stemmed largely from the suspicion that Washington does not fully comprehend Asia's changing realities and is insensitive to the "Asian view" of these realities. The Japanese were able to forgive Americans for the shock caused by the economic and political moves of the Nixon Administration. They had difficulty, however, in comprehending their ally's acquiescence in the Indochina defeat, however

rationalized. Secretary of Defense Schlesinger's visit to Japan and South Korea in late August 1975 went a long way toward relieving Japanese uncertainties. Japanese government leaders were reportedly particularly pleased with Schlesinger's clear public statement about US policy in Asia, particularly toward Korea and Japan. In addition, the visit to the US of Japanese Emperor Hirohito in October 1975, while "above politics," has also reinforced the close identity between Washington and Tokyo.

Developments in the Korean Peninsula have the most immediate impact on US-Japan security interests. Long run changes in the strategic balance between the US and USSR, however, could cause much more significant changes in the US-Japanese alliance. If nuclear parity becomes in reality Moscow's recognized nuclear superiority, the US nuclear guarantee would certainly be less credible. Similarly, the conventional military power of the US also plays a significant role in Japan's security equation. US inability to respond against a threat to South Korea or Taiwan without the use of the nuclear arm would also undercut the US-Japan security relationship.

Even if the US is successful in convincing Japan that the US commitment is credible, it will still have to deal with an idea prevalent in Japan--that military strength is not an important element in Japan's foreign policy. If the idea that weapons count for little in a nation's security becomes popular the Japanese people may see no reason for continuing the Japan-US alliance. If such attitudes prevail, the US might expect that its bases in Japan will once again become an irritant in Japanese politics. Currently, however, these bases are less of an irritant than was the case in 1972.

These facilities at present provide the forward bases for US Marine Corps elements committed to the reinforcement of South Korea and as the immediate reaction force to any regional contigency. The Okinawa bases, along with Yokosuka, Hokota and Iwakuni, have also served as a symbol of America's intentions to continue to play a role in the defense of Japan.

Hopefully, there will be little serious challenge to the US Seventh Fleet use of naval facilities located in Japan. US naval power is the primary instrument of US military power in the Far East and it will be difficult and extremely costly to duplicate these facilities elsewhere. But large naval facilities are quite visible and not immune to agitational challenge.

A key misunderstanding concerning the continued presence of US forces in Japan is the Japanese public perception that the bases exist primarily for the protection of the US and not for Japan. While there is little consensus in Japan as to how Japan would or should defend itself without the bases, it is not certain that a clear majority favor a continuation of the status quo, particularly after the US defeat in Indochina. If strong Japanese nationalism develops, the pressure for change by 1980 may be even greater. The Japanese leadership will have to revolve these misunderstandings if the US-Japanese security alliance is to remain viable.

The United States finds itself in a frustrating paradox. Japan depends on US forces for protection. The credibility of the US security commitment depends upon a visible US military presence in Northeast Asia, including Japanese perceptions of the viability of the US nuclear umbrella.

If these perceptions become uncertain, pressure for the removal of US bases in Japan could cause increasing friction between Americans and Japanese and between the Japanese government and its people. Adjustments in the US-Japanese security alliance should focus on ways to cope with this paradox.

For the future, one technique for dealing with any increase in public pressure for removal of the permanent US military presence in Japan might be rotation of forces. The US and Japan could devise arrangements that would permit the US to rotate its forces in and out of Japan under different contingency security plans. Bases could be semi-commercialized yet useable for military exercises. These contingency plans would be exercised in a manner sensitive to changes to internal Japanese political conditions. Adroitly conducted exercises could crystalize Japanese responsibility in mutual security cooperation with the US and assure that the bases would be available for reinsertion of US air and naval forces in an emergency. In this case, the US would maintain the credibility of its commitment to Japan, though with a lowered military profile. This approach would enhance Japan's security role. This cooperative mode should be limited, however, to those kinds of security threats which previously induced Japan to make marginal improvements in its self-defense forces.

Mutual security cooperation might require more than verbal or written understandings or operational exercises. It could require enhanced use of non-nuclear technology so as to enable Japan to compete in a non-nuclear way with the nuclear powers. Protection of US-Japan security

interests would certainly require compatible air defense procedures; interconnected intelligence, warning and communications; and some increase in Japanese capacity to conduct interdictory naval operations. Such cooperation and coordination (which is currently under discussion between the two countries) is, in effect, what NATO seeks to ensure through its elaborate alliance structure.

There are other political and military relationships which may influence the future of US-Japanese relations. Technological breakthroughs, for example, outside the nuclear reactor and into the laser field, could permit the Japanese to consider enhancing their own defense capability.

1.5(a)(5)

Even if Japan eschews a more independent security course, increasing interaction in the Asian region by 1980 may still necessitate a readjustment in the alliance. US-Japan security interests may also diverge as the US expands its political and economic relations with the communist states, and Japan's economic strength leads to a more independent international role for Japan. (See Japan Annex 1). The nature of "readjustment" is difficult to envision at this time because there seems to be no consensus on the superior benefits to be achieved through any alternative to the current US-Japanese security alliance. Any new security treaty would still have to emphasize the mutuality of interests and require clear expression of Japan's confidence in America's military commitment to the defense of both Japanese and American interests. The Japanese would have to continue to support the stability of the region by coordinating Japanese security with the US and not striking out on an independent path of their own.

The problem, however, is that opening debate over a new or revised security treaty might well provoke Japanese opinion which could be more dysfunctional than endeavoring to revise the security relationship through less formal arrangements. Moreover, there is even the possibility that the US Congress might not approve a new security treaty or would so delay and emasculate it that there could arise serious questions over the credibility of the US commitment to Japan.

Adjustments will obviously have to center around the structure and process of consultation, defense complimentarity and redefinition

of defense roles and base structure, not the security commitment and overall contribution of each party.

If the US loses access to bases in Japan and Okinawa, alternative basing arrangements will be needed if the US is to ensure the security of the Western Pacific and help maintain a stable balance of power in Northeast Asia.

At the present time the alternative security arrangements for the US in this region are either Korea or Taiwan. If Taiwan does, in fact, come under Peking's authority, South Korea would be the only accessible territory through which the US could maintain a forward basing strategy in Northeast Asia. The problem here is that Congress is unlikely to support a US presence in Korea if and when US forces are out of Japan. On the other hand, given certain technological advances, the US might be able to secure its interests in Asia in a "mid-range" basing posture, using Guam or Tinian in the Mariana Islands, mid-way between our present forward basing posture and Hawaii.

2. Republic of Korea*. US security interests in South Korea relate to balance of power considerations in both regional and global terms. The US commitment to the defense of South Korea contributes substantially to continued peace and stability in the Korean Peninsula and in Northeast Asia. Other deterrents worth noting are: (1) ROK military strength itself, which is likely to become even greater vis-a-vis North Korea in the next five to ten years; (2) Chinese-Soviet misgivings about war in Korea;

*See Korea, Annex 2 for more detailed discussion of internal political situation.

(3) fears of provoking changes in Japan's attitudes toward rearmament; (4) limited North Korean capabilities to carry out war without outside help; and (5) continued South Korean economic success which should continue to outclass that of North Korea.

A Korea unified by force under the communist leadership in P'yongyang would directly threaten the security of Japan and the credibility of the US-Japanese security treaty. The failure of the US to cope successfully with the North Vietnamese-USSR-PRC assault on South Vietnam and the US security commitment thereto has weakened to some extent the credibility of US security commitments to both South Korea and Japan and perhaps broader political-security relationships on a worldwide scale. A failure of the US to honor its commitment to South Korea could cause both allies and adversaries to suspect that the US political process was totally incapable of sustaining any security pledge. The most immediate test and threat to the US security interests is the potential miscalculation by the North Koreans, with or without Moscow and Peking support, that could lead to war in Korea and thereby threaten not only the peace in Asia, but also result in serious confrontation between the major powers.

The basis for the US security commitment to the Republic of Korea is the 1954 Mutual Defense treaty in which Article III states:

> "Each party recognizes that an armed attack in the Pacific area on either of the parties in territories now under their respective administrative control, or hereafter recognized by one of the parties as lawfully brought under the administrative control of the other, would be dangerous to its own peace and safety and declares that in case of renewal of armed attack they should again be prompt to resist, and warned that a breach of the armistice would be so grave that it probably would not be possible to confine battles within the frontiers of Korea."

U.S. security objectives with respect to South Korea are:

1. To prevent the outbreak of war in Korea.
2. To maintain and enhance the defense capability of the armed forces of the Republic of Korea;
3. To maintain the credibility of U.S. commitment as enunciated in the Mutual Defense Treaty of 1954;
4. To maintain access to the military facilities in South Korea which enhance the ability of the U.S. to project its power for political purposes into a strategically significant area close to the Soviet Union and PRC;
5. To maintain the Military Armistice Commission in the supervision of the 1953 Armistice Agreement. This Commission serves to date as a channel of communications between the North and South and between the UN Command and North Korea forces.

While the U.S. has made many additional statements of support for Korean security from time to time, none of these statements extends the U.S. commitment originally stated in the Mutual Security Treaty. The treaty, it shall be noted, does not require the U.S. to maintain forces of any kind on the peninsula. The U.S. has agreed, however, to consult with the Koreans before substantially reducing the number of our armed forces in Korea.

American ground forces in Korea contribute only marginally to the defense of South Korea, which could probably withstand a unilateral North Korean attack. US air power is more important to the defense of South Korea than ground forces. The primary value of US forces in Korea therefore is deterrence of attack and political leverage for the US vis-a-vis the PRC, the Soviet Union and North Korea. The US military presence is also of considerable psychological importance in maintaining the sense of confidence that is responsible for so much of Korea's development since the end of the Korean War.

While the presence of American troops in substantial numbers in Korea makes it difficult to reach a lasting area-wide political settlement with the PRC and North Korea, it is extremely unlikely that a withdrawal of US forces in the immediate future will promote such a settlement. In fact, were it not for the presence of US forces in South Korea, the north would be sorely tempted to try a second time to reunify the country on its own terms, which would, in turn, force the USSR and the PRC to provide support for their "committed ally." The consequences for detente would be disastrous. US forces, therefore, help deter such action by Kim Il Sung and thereby satisfy Japan concerning the stability of the peninsula. These forces also help deter President Park from even further repressive activities in South Korea that he might feel were necessary to maintain control in the absence of US troops.

At some point in the future, perhaps by 1978-'80, after we and our allies and friends in Asia have weathered the adverse effects of the communist victory in Vietnam, another assessment of the balance of power

between North and South Korea should be made. If we can determine that each state is strong enough to deter any attempt by the other to change the status quo on its own, we may begin to withdraw US army forces from South Korea while retaining residual air units. The security commitment should remain until the north and south can reconcile their differences in a manner that will not threaten the balance of power in Northeast Asia and the security of Japan.

Even though the current US commitment to the Republic of Korea serves to deter direct North Korean aggression, some observers have expressed concern about the possibility of a Vietnam-style insurgency developing in South Korea. Development of such a communist insurgency is unlikely. Socio-political conditions in Korea and Vietnam are not at all similar. Moreover, South Koreans hate and fear communists even more than they may dislike Park. Far more possible would be non-communist opposition to the Park regime which could cause severe internal disorder in urban areas. Such a situation could tempt Kim Il Sung to intervent militarily. If urban guerrilla operations could begin in the south and ultimately threaten the safety and security of US forces, some Americans might urge an early US withdrawal. The US Government would then face a serious dilemma, for it is unlikely that it will be able to help the legal South Korean Government to meet this kind of challenge. The success of South Korean resistance would then depend on its own resolution and the popular support it can obtain on its own from its own people.

B. Republic of China (Taiwan)*

How Washington and Peking resolve their differences over Taiwan has a direct bearing on US security interests in Northeast Asia. For the US the most significant problems are: (1) how to change the nature, scope and tenure of US security commitment to Taiwan while seeking more extensive cooperation with the PRC vis-a-vis the Soviet Union, and (2) how to ensure that the "solution" to the Taiwan problem does not result in both the PRC and our allies and friends, including the Taiwanese, perceiving a US "sell-out."

The Mutual Defense Treaty between the Republic of China and the US is the underpinning of Taiwan's security support from the US, and serves as the legal basis for US use of facilities on Taiwan. The key provision of the Treaty, Article V, states that "each party recognizes that an armed attack in the West Pacific area directed against the territories of either of the parties would be dangerous to its own peace and safety and declares that it would act to meet the common danger in accordance with its constitutional processes."

Walter P. McConaughy, US Ambassador to the Republic of China, in 1969 described the strategic significance of Taiwan to the Senate Subcommittee on US Security Agreements and Commitments Abroad: "Lying midway along the offshore island chain stretching from Japan to Indonesia, Taiwan occupies a strategic position, not only in military terms, but in respect to the lines of communication and trade which are important to the continued development of the East Asian region as a whole." One may question whether Taiwan has

*See Taiwan, Annex 3.

such strategic importance today. Yet for 25 years Taiwan has been part of the offshore defense line which extends from the Aleutians to the Philippines, from which the United States could support military operations along the periphery of East Asia. No one can say with certainty how the removal of Taiwan from the US defense chain will affect the adjacent links.

Current political considerations related to the Sino-Soviet split appear to outweigh the historical and strategic imperatives that led to the US-Taiwan alliance. After the 1949 communist victory in the mainland, US interests largely centered on the possibility of a US-China confrontation over Taiwan, Korea, Japan or at that time French Indochina. The presumed implication of the peaceful reversion of Taiwan to PRC control is that Taiwan will no longer serve US security interests and that China's occupation of a former bastion of the US forward defense perimeter will not destabilize Southeast Asia or compromise other US interests in Asia. There is considerable controversy over this matter.

Ambassador McConaughy's description of Taiwan strategic position, for example, may still have merit. Peking control over Taiwan would present rather significant opportunities for the Chinese. If Peking gains control of Taiwan it simultaneously eliminates a threatening adversary position and provides more convenient access into non-communist controlled sea and air lanes. Normal operating areas for China's air and sea patrols would thus be adjacent to the northern Philippines and the southern Japanese islands. War conditions aside, such projected Communist Chinese power could sometime in the future have a significant impact on both the Philippines' sense of security and Japan's need to extend the security of its home-islands.

There is no guarantee that the PRC will always be seeking assistance from others against the "hegemonial designs" of the Soviet Union. The Chinese are not incapable of such designs themselves, if not over the countries directly, at least indirectly through control of the South China Sea.

If Japan and the Philippines were to consider such an extension of Peking's military power a threat to their security they could call on US military reaffirmation of their US alliance ties (a response which China might again consider threatening to its own intentions). A second alternative for both the Philippines and Japan would be to seek greater accommodation with the Chinese, though both Manila and Tokyo realize that "state-to-state" relations with Peking could enhance "party-to-party" relations between the CCP and the Philippine and Japanese communist elements. Finally, but most unlikely, the two states might toy with an expanded Soviet involvement in the East and South China Seas. The opportunity for the Soviets to "work with" US allies to counter China would be most welcome in Moscow.

US security interests with Taiwan are linked to three factors: US allies' perception of the relationship of the Republic of China security to their own, Taiwan's potential utility in general war, and the value of US-ROC military cooperation. Militarily, Taiwan is of some value to both Japan and the Philippines, who have worked with the ROC on Taiwan to enhance their own defense capabilities and the overall security in the region. These two states now, however, appear prepared to relinquish that cooperation in favor of improved relations with Peking. It is possible, nevertheless, that they would see a potential threat to their own security in the manner in

which Peking eventually takes over Taiwan and the US posture in Asia at that time; i.e., a Peking takeover by force of Taiwan after a unilateral abandonment by the US and further US military withdrawal from Asia would be seriously destabilizing.

US-ROC close cooperation ensures that Peking does not have the opportunity to use Taiwan's industrial base and its technological expertise for internal development nor its geographical location from which insurgency support operations could be conducted, particularly against the Philippines. Nor is it outside the realm of possibility that removal of this "last threat" to PRC territorial security on the east might encourage Moscow to take precipitous action before China could consolidate operational defenses and be able to move forces to the Soviet frontier.

A continuing US commitment to the independence of Taiwan is highly unlikely. The only feasible "commitment" by the US is to the principle that the PRC not take over Taiwan by force of arms coupled with attempts to persuade Peking to abide by this principle, or perhaps some US assistance to Taiwan if Peking does try to take it by force. Any Soviet attempt to align with Taiwan would significantly intensify the Sino-Soviet conflict and would probably provoke a Peking assault on Taiwan--an assault the US would find impossible to counter given the nature and source of the provocation.

A second [and most improbable] scenario would find Taiwan initiating its own nuclear weapons program and asserting its independence from Peking, Washington and Moscow. Such a step would greatly destabilize the region, especially as it might precipitate Peking counteraction with the possibility

for even more extensive armed conflict. The introduction of another nuclear state in the region would induce Japan and South Korea to reassess their nuclear vulnerability and perhaps embark on their own nuclear programs.

To assure that drastic, destabilizing actions do not occur either through initiatives by Taipei or Peking, the US over the next few years should continue to assist the ROC in maintaining and modernizing its defense capability and thus deter Peking from using force to settle its "internal problem" with Taiwan. For the short term (1975-'76) US continued support of the defense of Taiwan will contribute to the confidence of the ROC Government and will retain the credibility of US commitments to other states which would be more directly influenced by any abrupt Peking use of force to change Taiwan's status: the Philippines and South Korea.

It is difficult to project the status of Taiwan beyond the next few years. The Sino-Soviet conflict could call for a unique case of "mutual adversary cooperation." The PRC might see considerable advantage in continued US utilization of the facilities currently available to American military forces in Taiwan for the next two to three years. So long as the Sino-Soviet conflict continues and the PRC remains the markedly weaker of the two states, US access to and potential use of Taiwan's military facilities to secure the air and sea lanes which are vital to Japan also complements China's eastern defense against Soviet naval intrusion.

Alternatively, even if continued US utilization of Taiwan's facilities is impossible, the PRC could still see some advantage in an "autonomous" Taiwan at least until such time as the PRC can equal or surpass the quality of Taiwan's current economic, technological and industrial base. PRC cooperation with an autonomous Taiwan as a different kind of "Hong Kong" might be more valuable than total takeover and forced restructuring of the economic processes there and "reform" of its people. The "payoff" internationally to Peking of a reasonable and responsible handling of the Taiwan problem could be considerable. Peking might find it possible to achieve something akin to a "benign psychological hegemony," acceptable to most Southeast Asian states, whereas attempts to achieve an "active hegemony" could be counterproductive.

C. Southeast Asia

To American policymakers in the Truman, Eisenhower, Kennedy, Johnson, and first Nixon Administrations, security in Southeast Asia was essentially an aspect of the global political-military confrontation with aggressive power motivated by communist ideology. Twenty years later and after the loss of 50,000 + American lives and the expenditure of tens of billions of dollars, the American people appear to have decided that the "loss" of Indochina to hostile powers does not represent a threat to US security. Moreover, US relations with both China and the Soviet Union and US perceptions of the threats therefrom have changed considerably in the past five years. Nevertheless, the US may still have some intrinsic security interests in the remainder of mainland Southeast Asia.

In an era of global interdependence the region's rich natural and human resource base, and the region's geographic location as an air and naval crossroads which links Northeast Asia, South Asia and the Persian Gulf now give it significant importance beyond that which brought the US to the region in the first place. Furthermore, US security interests in Southeast Asia are now inextricably linked to those of Japan in and through the region. The US must define these interests in terms of the new post-Vietnam political realities of Southeast Asia. These new realities are:

1. Vietnam is the strongest nation state in both military and political terms in Southeast Asia. Moreover, Vietnam already dominates Laos and will certainly try to exercise control over Cambodia. (See Vietnam, Annex 4.)

2. Thailand and the Philippines have accelerated their efforts to cope with the dramatic rise in communist power in the region by establishing relations with the PRC and trying to establish relations with North Vietnam.

3. China for the time being does not perceive American presence in Southeast Asia as a threat to its territorial security. The PRC now believes that the Soviet Union presents a more serious threat and believes that the Soviet Union is trying to encircle China through both South and Southeast Asia. China now feels compelled to compete more actively with the USSR and perhaps even Hanoi for power and influence in Southeast Asia, particularly in Thailand, Burma, Laos and in Cambodia. The projection of the Sino-Soviet conflict into Southeast Asia thus presents new problems

and opportunities for the US in its assessment of its political and security interests throughout the region.

4. Although the forces of nationalism in Malaysia, Thailand, and the Philippines enhance the capability of these states to meet threats to their political and territorial integrity, communist insurgent elements in these countries threaten their internal stability by forcing the division of capital and manpower into military affairs rather than direct development programs. The future of all of these communist insurgent movements in part on the nature and scope of the support which Hanoi, the PRC or in certain cases, the Soviet Union decides to give them. Currently, Thailand seems the most likely target for increased insurgency with outside support from Vietnam and Laos.

Burma, however, is perhaps even more vulnerable to insurgency than Thailand. The PRC is supporting communist insurgents in Northern Burma, and further extension of Soviet power and influence in South and Southeast Asia (the Indian Ocean and Laos and Vietnam, specifically) could "compel" the PRC to allocate major resources to insurgent support or penetration of the government in Burma and try to gain thereby "a Chinese proxy window on the Bay of Bengal." Chinese success in such an effort would change the whole strategic balance on the northern tier of the Indian Ocean.

5. If the Malayo-Polynesian states of Southeast Asia (Malaysia, Philippines and Indonesia) are able to maintain their non-communist independence, America's interests in Southeast Asia as stated in section II of this appendix will be preserved. (The relation of Thailand to these prospects is treated separately in the Thai annex.) Success in maintaining

their independence also depends upon the willingness of the US to participate in the balance of power process with Peking, Moscow and Hanoi. If the US is unwilling to assist these countries they could become victims of the revolutionary interests of Hanoi or the Chinese or the Soviets. It is important to remember that while Japan does represent an alternative source of economic development assistance, it is not likely to be an active, constructive political factor in the area.

Continued US interest and active political/psychological and economic presence in Southeast Asia can (1) affect the scope of adjustments the non-communist countries of Southeast Asia will have to make with the communist states; and (2) influence Soviet, Chinese and Vietnamese actions in the area.

US security planners should consider three issues regarding Southeast Asia:

1. Those states presently aligned and/or friendly to the US do not share common perceptions of the nature and scope of the various threats in the region and the kind of role the US should play along with the other states to counter the threats.

2. There is need for careful reevaluation of the level and type of military forces that the US can maintain in Southeast Asia in a manner that is non-provocative both for these states' delicate internal political balances and towards the neighboring states of China and Vietnam. The primary purpose of these forces is geo-political in nature and scope. They can help deter larger conventional or nuclear conflict by undergirding

the US political presence in the region. They should not be used in local wars or insurgencies although they might provide valuable training assistance.

3. The states of Southeast Asia are still uncertain as to the nature of and need for possible future alternative arrangements for regional cooperation, with or without the US, that would contribute to stability in the region. ASEAN has potential in this regard, but needs some time to develop its political and economic "power" or influence*. The development of indigenously regional "political" power, however, depends very much on the willingness and capacity of the states of the area, particularly the ASEAN states, to work together. Their track record in this regard is poor. Unfortunately, there are currently few indications of a new commitment to put aside inter-regional disputes and animosities and work seriously toward making ASEAN, as Thai Ambassador to the US Anan Panyarachun puts it, "a fact of international life."

Fundamental and lasting US interests in mainland Southeast Asia derive largely from the possible impact of events there on countries in Northeast Asia. Thus, if the communist forces were to gain control of the governments of all of mainland Southeast Asia and thereby draw the mainland out of the international market economy, the political and psychological consequences for Japan, South Korea and Taiwan would be seriously destabilizing. Communist control of mainland Southeast Asia would drastically threaten both the internal and external security of Malaysia, Indonesia and the Philippines. If Indonesia turned communist, Japanese shipping to the Persian Gulf would be interrupted. The US has an important interest in preventing these undesirable consequences.

*See ASEAN, Annex 5.

1. Philippines.* The US is committed to the security of its former colony through the Mutual Defense Agreement of 1951, the Military Assistance Treaty of 1953, and the Military Bases Agreement of 1947.

US security interests in the Philippines stem primarily from the advantageous geographical position which Clark Air Base and Subic Naval Base provide for the US. The primary US security interests is to maintain access to and through these facilities, and thereby enhance the US regional and global security posture. The naval facilities in particular are vital to US surveillance and security activities along the entire line from the Indian Ocean to the Northern and Western Pacific. Though the US basing rights have again come under review by the present Philippine administration of Ferdinand Marcos, it is apparent, both for domestic and international reasons, that the Philippines seeks to retain both the defense and economic advantages which the presence of some 16,000 US troops bring to the Philippines. The prospects are that the US will be able to meet the desired "cosmetic changes" in the basing arrangement, particularly those relative to "extraterritoriality" through a tacit quid pro quo of base utilization for military assistance. Any abrupt change in the nature or scope of operations presently conducted from the Philippine air and naval facilities and, of course, any change in Manila's position relative to use of the bases on a non-rental basis would threaten US security interests in Southeast Asia.

*See Philippines, Annex 6, for political considerations.

No such changes appear likely in the immediate post-Vietnam era. Washington and Manila will continue the present alliance relationship and the US will be able to "hold the line" on any more drastic changes in its posturing vis-a-vis Northeast and Southeast Asia.

Future US-Philippine security arrangements are largely contingent upon the as yet unidentified successor(s) to President Marcos and upon the ability of the Philippine Government to contain or even resolve the intense insurgency of the southern based Philippine Muslims who threaten both the territorial integrity and political and economic viability of the Republic. With respect to the succession issue, although there remains a reservoir of very warm affection between Filipinos and Americans, the continued identification of the Marcos regime with Washington may necessitate that his successor, however he is identified, assert greater independence from the US in an effort to enhance his own political standing.

The succession issue relates, of course, not only to personal identifications, but perhaps more immediately to the continued unattractiveness to the American people of another Asian country under authoritarian rule. Increasingly, American Congressmen are questioning the US commitment of some $25 million per year to a regime which has set aside most democratic processes. (See Philippines, Annex 6.)

Clearly, the Philippines needs the US during a very difficult period of national development. But the Filipino people seek a greater Asian identification with their need for continued American economic and military assistance and alliance that enables the Philippines to attempt a more independent policy.

As both the US and the Philippines weather the current readjustments in the Asian power setting, and particularly as Filipinos assert their independence in the interest of exercising their spirit of nationalism, there is a danger that Philippine policymakers may misread their ability to act as an independent power in Asia. They may not realize the implications for regional stability of overtures which would have been considered radical less than a year ago. Neither Washington nor Manila can afford to permit their relations to drift apart as a result of what may be naive responses to overtures by Peking, Moscow, and Hanoi.

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While clarifying the limits to which the US will be willing to go in both base and economic arrangements, it is in the interest of the US to demonstrate its willingness to continue the historic links the two states have developed for the sake of both regional and Philippine domestic security.

2. Thailand*. US-Thai security relations since 1950 have been based on the willingness of the Thai Government to support the US-UN collective security principles in Asia. Aligned with the US through the Manila Pact and Southeast Asia Treaty Organization, Thailand in the 1960s lent invaluable support through troop and base facilities to the US effort in Indochina. Once the conflict in Indochina ended, US interests in Thailand diminished. Thailand, nevertheless, remains threatened by serious Peking and Hanoi-

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*See Thailand, Annex 7, for pertinent political aspects.

supported insurgencies in North and Northeast Thailand. The Thai are also struggling to legitimize and institutionalize a new civilian-dominated democratically oriented government based on a meaningful constition. Finally, Bangkok is trying to accommodate to its hostile neighbors while the US seems to have become more distant from Thailand.

The Thai themselves want to lessen their close identification with the US--but not completely. This effort to loosen the identification came, unfortunately for Thai security interests, at the same time that US policymakers, marred by the Vietnamese experience, began to question their commitment to Thailand's program of national defense and development. The Americans seem a little too willing to withdraw military power and "commitment" in the face of Thai public "demands" to do so. More mutual effort is needed to determine which "demands" and "accommodations" are really wanted or necessary or desirable over the long run.

US Interests in Thailand stem from;

1. The American need to retain some influence on the future course of Hanoi's political and territorial designs in Southeast Asia;

2. The continued utility of certain facilities in Thailand which serve US global security interests;

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These alternative facilities are particularly important in light of the more extensive Soviet naval activity in the Indian Ocean and in light of current uncertainties relative to US basing rights in the Philippines. Before giving up hope for working out some arrangements which will permit joint use of facilities, particularly until the "realities" of Asia become clear, the Thai and American governments should explore the matter patiently and carefully.

The US Government should seek to determine whether US assistance in the maintenance of this extensive complex as a commercial facility available to promote Thai economic interests would be an acceptable quid pro quo.

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The US arrangement with Singapore might serve as a useful model for future Thai-US security coordination without the so-called "taint" of an alliance relationship.

Of all the Southeast Asian countries which are trying to resist communist pressure, Thailand represents the most precarious case for the immediate future. If the Thais are unable to meet the insurgent challenge directly or to enlist the cooperation of China in deterring continuing Hanoi efforts, it is most unlikely that the present Thai political system will remain viable. The paradox is thus one in which, for popular support, the Thai leadership must continuously pressure the US to meet the announced

military withdrawal schedule while at the same time the Thais are faced with a most critical situation in which some American assistance is needed. The separate annex on Thailand provides a more detailed discussion of the problems Thailand faces and the relationship of Thailand to the security of the region and the future of ASEAN. The US should carefully reassess with the Thai exactly what the changing Asian realities are and how Thailand can best be served by some continued US presence.

3. Indonesia*. US security interests vis-a-vis Indonesia relate primarily to its geographic location astride the air and sea routes between the Pacific and Indian Oceans, and midway between the Asian mainland and our Australian and New Zealand allies. An Indonesia under the control of a government hostile both to the US and Japan would seriously affect US security interests in Asia. The same would be true if domestic conditions in Indonesia became so unstable that the government could not guarantee safe, secure and unobstructed passage through the economically significant Straits of Malacca and Lombok. Moreover, the prospects for stability in the rest of non-communist Southeast Asia depend in large measure on Indonesia's domestic stability and security.

In terms of size, population and resource potential, Indonesia is a potential regional leader. The 130 million people of Indonesia are friendly to the US and Indonesian leaders accept an American presence in

*See Annex 8 for pertinent political considerations.

the Southeast Asia region as vital to the peace and stability of the region. This welcome to US presence in the region does not, however, extend to a desire for US military presence on Indonesian soil. Moreover, any assistance the US would be willing to provide to Indonesia will have to be based upon those needs identified by the Indonesians and those which will contribute to the national interest as defined by Jakarta.

Several factors do, however, compromise the prospects for a significant leadership role for Indonesia in the near future. Population pressures on the presently overcrowded islands (especially Java), food shortages, and poverty are major problems for Jakarta. Equally major is the government's own inability to organize itself politically to tackle these problems.

Southeast Asia and the South Pacific states recognize Indonesia's potential, but also fear any leadership role that might resemble in any way the style of the Sukarno era. These states are suspicious of Jakarta's intentions toward the potentially economically prosperous Papua New Guinea. These suspicions seem unwarranted in view of the slow and deliberate reaction Indonesia has thus far exhibited with regard to conflict between moderates and leftist elements in Portuguese Timor.

While current US interests in Indonesia stem largely from its strategic location, it is important to remember that much of the raw material base throughout the island chain remains unexplored. Oil deposits at present are significant, especially for Japan, as a partial alternative to Arab oil. Additional resources, as yet untapped, would further enhance

both the potential for economic development and serve as prospects for more investment by other developed states.

Indonesia's position at recent Law of the Sea Conferences has caused some consternation in Washington. Indonesia's "Archipaelago Concept" (in which all waters within a base line around the 13,000 plus islands are considered territorial waters by Jakarta) and its claim that the Malacca Straits are within Indonesian territorial waters, conflicts with US interests in free passage through all international straits. Indonesia has already declared its intention to enforce the principle of "prior notification" for all foreign ships using the straits. Were Indonesia to be successful in gaining international recognition of its territorial waters position, US fleet operations between the Pacific and Indian Oceans would be affected and an adverse precedent would be set for other areas which are, from a US security point of view, best left as international waterways. Some agreements on anti-pollution and safety practices might be negotiated, but it is in the US interests to endeavor to dissuade both Indonesia and Malaysia from their present rigid approach on Law of the Sea issues. A compromise is likely to be reached on this issue.

Conditions exist within Indonesia which render it vulnerable to insurgent activities, although the Indonesian Army is capable of suppressing any internal struggles. It is not inconceivable, however, that by 1980 outside powers could be heavily involved in supporting insurgent activities in certain islands. Here again, as is the case with Thailand, Hanoi might eventually have good reason to support an insurgent movement that at least attempts to bleed Indonesia in order to prevent it from posing a serious political, economic, psychological or even military challenge to any of Hanoi's pretensions to leadership (the Chinese

call it regional hegemony] in Southeast Asia. We doubt that such attempts by Hanoi can or will be successful. The United States, nevertheless, should carefully consider the role that expanded and properly focused economic assistance might play in accelerating Indonesian capacity to preempt serious insurgency threats through successful economic, social and political development throughout the islands.

Assuming that Indonesia is able to realize more of its potential by the 1980s, Jakarta leadership in ASEAN regional economic plans could expand into greater political and military cooperation arrangements throughout Southeast Asia. Such cooperation could in turn enhance regional capacity to resist outside interference.

If Indonesia masters its complicated internal problems it could become the non-communist counter to Hanoi in Southeast Asia even if Thailand and Malaysia fall. But this is a role the Indonesians will have to take upon themselves. The Indonesian leaders are convinced of the virtues of non-alignment, natural resiliency and self-reliance. Indonesians' national indentity and purpose may drive them to assume this role even without US assistance. They will stand up to Hanoi and will not compromise their non-aligned attitude. But, Indonesia's future will be easier if the US recognizes the importance of Indonesia in the security and stability of Southeast Asia and provides the "proper aid." As for Indonesia's continued non-aligned, only a charismatic leader such as Sukarno might be able to lead Indonesia an alliance-type relationship with the PRC or the Soviet Union, and there are no Sukarno's on the horizon.

Currently, the Indonesian armed forces have limited defense capability. Indonesia has virtually no modern air force (F-86 and a few MIGs) and no navy of any account. The fighting capability of the army (360,000 approximately) is rated as excellent. There is a core for developing the air force around many qualified pilots (trained in the Soviet Union, US, Rumania and Egypt) but the Indonesian air force has almost no maintenance capability. The Indonesian military strategy is based on their assumption that there will not be a blitz against them and that they will be able to move to the contested area and contain any security threat. What Indonesia does need is communications, air and sea transportation, landing craft and air surveillance equipment. Indonesia does not need nor does it desire a large air force nor a traditional large and expensive MAAG. There is no place for an American training officer serving in the field with the Indonesian forces. Any insurgent problem in Indonesia can and will be handled by the Indonesians.

Indonesia has not yet sought advanced weapons purely for the sake of prestige. But the Indonesians along with the Thais and the Filipinos are aware of the billions of dollars and vast stocks of equipment which the US poured down the Indochina drain--in a losing cause. All three countries received marginal MAP support during the US crusade in Indochina. Now that there is increasing recognition of the intrinsic importance of Indonesia as a fall-back position in Southeast Asia, the Indonesians would like to see the US more responsive to their modest requests for military assistance.

4. Malaysia. US-Malaysian relations have been friendly and correct. A participant in the non-aligned nations' conferences, Malaysia maintains a loose defense arrangement with the United Kingdom, Australia, New Zealand and Singapore. Communist insurgents who operate from Thailand across Malaysia's borders pose the most significant security threat to Malaysia. Internal political, economic and racial problems, including those on Sabah which interact with the Philippines' southern Muslim problem, represent the greatest concern to Kuala Lumpur. Were domestic instability to become more acute in either Thailand or Indonesia, Malaysia could not remain unaffected. Outsiders can do little to help the Malaysia government cope with any increase in domestic unrest whether or not it was provoked by foreign powers.

US security interests in Malaysia are directly related to Malaysia's position astride the commercially important Malacca Straits. Also, Malaysia could become an insurgency trail between Thailand and Singapore. Serious political instability in Malaysia could affect US interests in assuring safe and secure commercial and naval passage through the straits. Such instability would also affect the sense of security of Singapore and Indonesia.

Malaysia is an advocate of a neutralized Southeast Asia, though it recognizes that great power agreement on this issue is unlikely to occur in the short run. Malaysia has tried to retain a non-aligned posture by seeking accommodation with China, the Soviet Union, Japan and the US. Malaysia has, however, sought US military assistance, on a cash basis and without a visible US presence.

While Malaysia has had "correct and friendly relations" with the US, the two states have not been in agreement on the role of US forces in the region and on the issue of territorial waters. At present, Malaysia, with Indonesia, persists in its policy of requiring "advance notification" of ships passing through the straits--a policy that reflects Kuala Lumpur's claim that the Straits of Malacca are within the territorial waters of Malaysia.

5. Singapore: Geographically located at the hub of Southeast Asia, Singapore represents a vital communication and transportation link between Northeast and South Asia. The important air and naval facilities in Singapore invite significant great power interests, because their control by a hostile power would greatly affect commercial and military activities in the region, especially those of the US.

The commercial significance of Singapore is evidenced by the fact that approximately every three minutes an oil tanker passes this shipping center enroute to or returning from Japan. The US has a direct security interest in maintaining safe and secure commercial routes which are necessary for Japan's economic viability.

Singapore operates the third largest oil refinery in the world and has sizeable oil storage facilities. Singapore has made its ideal ship repair facilities available to the US on a preferential basis. All of these facilities contribute to the US capacity to maintain the operating efficiency of the Seventh Fleet and thereby to the overall military capability of the US in the region.

At present, Singapore follows the "ideal" approach, from the American viewpoint, to regional security. Under the strong leadership of Prime Minister Lee Kuan-Yew and buoyed by one of the highest per capita income rates, the present Singapore leadership has focused on the resolution of domestic, social, economic and political problems which have served as the basis for domestic unrest in Malaysia and Indonesia.

The most immediate problem in US-Singapore security relations concerns continued US access to the naval repair and oil storage facilities. Heretofore, British presence in Singapore and British control of the facilities guaranteed US access. Efforts are now underway to work out a new British contractual relationship with Singapore through which US access might be guaranteed. If these efforts fail the government of Singapore may have to accommodate Soviet, and eventually even Chinese, ships seeking access to the preferred installations. While Singapore would prefer to meet US needs on a priority basis, it may have to yield to increasing Soviet pressure to use the facilities in order to preserve Singapore's non-aligned posture.

Assuming that this short-run problem is resolved without lessening US access to Singapore, US security interests in the long run are to remain focused on Singapore's need to maintain its economic growth momentum. For its economy to grow, Singapore must retain access to Japanese and Western commercial communities and it must be able to acquire Arab oil to support its refining industry.

Prime Minister Lee Kuan-Yew has been one of the most outspoken supporters of the US, whether the issue relates to US military presence

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in Southeast Asia[ ]or involves territorial water rights and the Straits of Malacca (Singapore supports the US on open seas and the recognition of the straits as international waters).

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Over the long run it does not seem likely that Prime Minister Lee Kuan-Yew will encourage a large increase in Soviet commercial, diplomatic and naval activities. Such attraction of the Soviets, even though designed in part to maintain Singapore's non-aligned posture, could provoke China which maintains a strong interest in the sizeable Chinese overseas community in Singapore. While China may not respond overtly, the possibilities of subversion through the Chinese community are as apparent here as they are in Malaysia and Indonesia.

Long term, informal US security relations with Singapore are thus more secure than those with the other states of the region. Although Prime Minister Lee Kuan Yew is somewhat constrained as a leader in ASEAN by virtue of his Chinese ancestry, his dynamic state leadership and his willingness to assert certain key principals regional stability ensure that his influence can be more significant than what his neighbors may openly acknowledge. It is interesting to note that the US security relationship with Singapore is totally "informal" with no treaty or permanent military presence--yet day-to-day working arrangements are the most satisfactory in the region.

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C. South Asia-Indian Ocean-Persian Gulf

1. The present situation in this portentious part of the world is described in Annex 9, same subject. The more significant aspects appear in Part I. Ever since 1962 this area has been the stage on which the Sino-Soviet conflict has been most openly waged. During this period China has moved from friendship with India to a state of hostility. The USSR and India have become allies in all but name.

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 relation 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.

India possesses, largely with 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."*

*Richard Burt, Washington Post, August 30, 1975, page A-9.

This effort has led to 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. What role the Soviets may have played in development of the Indian atomic device is unknown. Now under authoritarian rule, India may be willing to cooperate more openly with Soviet maneuverings 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 like Mrs. Gandhi. At the same time, India's need for military assistance from Moscow puts limits on her autonomy.

The Soviet Union is beginning to capitalize on the success of the 1973 Helsinki Conference on European Security and cooperation by to renewing its call for a Soviet-backed collective security system for Asia. (Essentially, an anti-Chinese alliance).

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 proved '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 in which the CESC was finally foisted on Europe. After twenty years of pressure, divisive diplomacy, and with

NATO in disarray, the Soviet Union is far more influential in Europe than it is likely to be in Asia. Peking presents the Soviets with a far bigger problem than does Western Europe--and one that will not easily go away.

Nevertheless, the Soviet Union has persistently pursued expansionist policies in the Indian Ocean and enjoys considerably more influence in the region today than ten years ago. 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 ten naval bases for its Indian Ocean operations, not including Indian ports of call. These bases are: Iraq, Aden, Socotia, Berbera, Mogadiscio, Chisimaid, Sevchelles, Fortune Bank, Chaiyos Archipelago and St. Branoan. The US by contract has two bases: Diego Garcia and Asmora.

The increased usage 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. Soviet naval domination of the Indian Ocean, if ever achieved, may induce many of the littoral states to adjust their policies to make them compatible with Soviet desires. At the present time some Indian Ocean states such as Sri Lanka are beginning to appreciate the Soviet threat and have encouraged continued US presence in the area if a neutralized Indian Ocean is impossible.

2. US Interests in the Indian Ocean Area

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 except as that equilibrium were to favor Soviet interests vis-a-vis China and Japan. Increasingly, the Indian Ocean region has become a theater of 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.

These interests have been expressed by responsible US Government officials in most general terms; to wit, as interests in:

1. Reasonable stability, security, and peaceful development of the region;

2. Keeping the Indian Ocean, and its access routes, open to all nations;

3. The preservation of friendly regimes.

In this context, a limited US naval presence in the Indian Ocean, including periodic visits of elements of the Seventh Fleet has been justified as a means of furthering these general national interests. More particularly, by:

1. Assuring the continued free movement of US ships and aircraft into and out of the area;

2. Enhancing US capabilities to meet contingency situations in the area involving threats to American interests;

3. Providing an alternative to the growth of Soviet influence in the region;

4. Undergirding US diplomatic efforts;

5. Helping to preserve regimes friendly to the US.

The principle of economy of means dictates that the foregoing interests be sustained with the least commitment of resources, based on careful calculations of requirements. A genuine zone of peace in which free movement in and out of the Ocean, if assured, would be the ideal situation. Efforts required to check a determined Soviet effort to make the Indian Ocean a Soviet lake would be enormously expensive and risky. It is of course uncertain that the Soviets would make an effort of this magnitude.

3. US Policy

a. The United States should seek 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. All nations should be able to use the Indian 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.

b. If the Soviet Union seeks to expand its presence and influence there for unilateral gain, or for indirect maneuvers against the PRC 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 "in the true spirit of detente" to agree to end escalation of naval competition in this "less significant area."

c. The US should: (1) avoid direct involvement in various manifestations of the Sino-Soviet dispute in the Indian Ocean area, but if forced by circumstances to take a position should "tilt" toward the PRC; (2) respond favorably to any Indian initiatives for more cooperative relations with the United States; (3) maintain close cooperative relations with Iran and Pakistan and increase assistance to the latter; and (4) encourage Iranian-Indonesian cooperation.

D. Australia and New Zealand*

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 exist for them at this time. Much of Indonesia's island complex 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 important. The United States is allied with Australia and New Zealand through the ANZUS Pact. US 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 from Great Britain to the United States for their principal security alliance during World War II. Until the advent of Labor Party governments in both countries in 1972 they both 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.

*See Annex 10.

The role which either Australia and New Zealand can play in Pacific security is strictly limited; they are geographically detached and scantily populated. Obviously, Australia, far larger than New Zealand with four times the latter's population and geographically closer to the Asian part of the Pacific scene, can play a more important role than New Zealand. One should bear in mind, however, that New Zealand will frequently cooperate with Australia in both security policy planning and undertakings.

Australia, and to some degree New Zealand, are also engaged in a reassessment of their positions in the world. Despite differing nuances, the present political-security relations between the United States and its ANZUS partners are quite 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.

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 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 scheme for Southeast Asia. Under these circumstances the Manila Pact should be retained as long as Thailand desires it.

4. A general area of divergence between the US and Australia and New Zealand relates to the nuclear question. New Zealand would like to see some kind of South Pacific nuclear free zone established and it opposes the visits of US nuclear-powered warships to its ports. NPW visits are opposed by Australia until certain minimal conditions are complied with. Australia is less concerned than New Zealand with the presence of US nuclear-powered ships in the area.

The Government of Australia is not enthusiastic about the NFZ idea but feels politically unable to oppose it. The Australians will not jointly sponsor the UN resolution. They want the resolution to "favor the general concept" and the call for a "study" to be made. In Australia, support for a nuclear free zone is more vocal than solid. Most professionals and semi-professionals believe such a zone impractical. Few Australians would take their opposition to things nuclear to the lengths of suggesting that the US navy should cease to operate in sea areas of interests to Australia.

Looking toward the future Australia and New Zealand could play an important role in assuring the peaceful development of the countries in Southeast Asia. Also, Australia over time might be induced to participate in allied efforts to ensure that the Soviet navy does not gain a dominant position in the Indian Ocean. But one might add that very 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, people are relaxed because they do not regard the danger as plausible, not because they would be comfortable with the situation if it should develop.

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Obviously, there is a major educational task 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.

POLICY RECOMMENDATIONS

A. General

1. Maintain a strong forward basing posture utilizing facilities as long as possible, including [redacted] continued development of Diego Garcia. 1.3 (a)(5)

2. Seek diplomatically to maintain operational accesses to facilities in Japan and the Philippines into the indefinite future.

3. Anticipate during the next decade the denial of usage of some facilities located on foreign soil. Plan for augmentation of bases in Guam and the Marianas from which to project access to the Pacific and Indian Ocean littoral utilizing advanced technology including longer operating ranges of ships and aircraft with requisite communications.

4. Continue to provide military assistance and training to allied and friendly countries in the area either through MAP or Foreign Military sales.

B. Northeast Asia

The security of Japan, Korea and to some degree Taiwan is much more closely interrelated and clearly defined than is true for other states in other areas of Asia. The US should therefore:

--Retain indefinitely the US-Japan Security Treaty with modifications in US force deployments in Japan and the nature and scope of changes in defense burden-sharing occurring primarily in response to Japanese desires rather than via US pressure.

--Retain the US-Republic of Korea Security Treaty and maintain some troop presence until the two Koreas peacefully resolve the unification issue or South Korea is independently capable of defending itself and US withdrawal to Japanese security.

--Do not seek "normalization" of relations with the PRC in haste simply because Mao may soon pass from the scene.

--Seek a commitment from the Peoples' Republic of China not to try to take Taiwan by force when the US withdraws its formal treaty commitment to the Republic of China. Whether such a commitment or understanding is obtained or not, do not recognize the PRC and concurrently, derecognize the ROC in a manner or timeframe that could lead both our adversaries and our friends to further doubt our interest in and commitment to retaining active and cooperative security, political and economic relations with other Asian states.

C. Southeast Asia

1. The United States should support the neutralization concept as an ultimate goal achievable only when all of the great powers and the affected Southeast Asian nations are prepared to agree and act on clearly defined principles and procedures for maintaining such neutralization. Unilateral US withdrawal as an "example" for other powers will not assure neutralization in Southeast Asia.

2. The United States should not withdraw its military power from Thailand and the Philippines or make adjustments in SEATO or other

relations faster than the Thai or Filipinos desire.

3. The United States should continue, to the degree that the Filipinos desire, to treat the Philippines as a special case for the United States in Asia. The nature of the US-Philippine relationship is changing, but US interest in the continued social, economic and political development of its former colony will remain. Currently, the US must retain access to the Clark Field and Subic Bay military facilities that are crucial to the maintenance of a meaningful military presence in the Western Pacific and particularly in Southeast Asia. Our actions toward the Philippines should be sensitive to the continuing importance of US historical ties as well as to the fact that this is the only country in Southeast Asia with which the US has a Mutual Security Treaty. (See Philippine Annex)

4. The US should retain military advisors in Thailand and continue to respond favorably through MAP and Foreign Military Sales (FMS) to Thai military equipment needs.

1.3 (a)(5)

(See Thailand Annex)

5. The US should, however, actively seek a new, more creative relationship with Thailand that does not rest on US military presence.

6. In Indochina, the United Should try to retain a diplomatic presence in Laos if it can do so without being obsequious. Eventually recognize one government in Vietnam and try to normalize relations therewith, but not by acceding to Hanoi demands as preconditions for good relations with the US.

D. South Asia

The US should: avoid direct involvement in various manifestations of the Sino-Soviet dispute in the Indian Ocean area, but if forced by circumstances to take a position it should lean toward the PRC; respond favorably to any Indian initiatives for more cooperative relations with the US; maintain close cooperative relations with Iran and Pakistan; and encourage Iranian-Indonesian cooperation.

E. Australia-New Zealand and the South Pacific

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 Southeast Asia 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.

Encourage Australia and New Zealand to continue and, if possible, expand their economic assistance programs in Southeast Asia, particularly with Indonesia and Malaysia.

1.3 a)(5)

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

CONCLUSION

This study assumes that probably no power or alliance could achieve and long retain hegemony in a heterogeneous, highly nationalistic Asia.

This assumption may understate the potential impact on US regional and global interests should the USSR and PRC achieve even a temporary coalescence of interests in Asia. US policy cannot rely 100% on an interminable Sino-Soviet rift. The assumption also that there is "scant prospect for the constructive employment of US forces in Asia" may prove to be in error. In sum, the overriding security task in the Asian-Pacific area is assuring that the US both (a) retains the capability to exercise political influence and to project military power where and when needed in the area and (b) conveys the perception of this capability and the will to selectively employ it.

The nature and deployment of the requisite military power will change with advancing technology. The levels of forces available will represent a continuing compromise between the desires of military planners and Congressional willingness to supply military funding. Both planners and Congressmen will make their judgments on their perceptions of US trans-pacific interests and the threats thereto.

It is beyond the purview of this study to recommend what forces the US should deploy in the Western Pacific or to forecast what these are likely to be. Yet the strategic concept articulated in this appendix does provide a rationale that may help planners make their force level recommendations and Congressional representatives their modifications or endorsements of these levels.