JACOB BLAUSTEIN LECTURES

LECTURE I

SOUTHEAST ASIAN VIEW OF THE NEW WORLD POWER BALANCE IN THE MAKING

By Lee Kuan Yew

We live in stirring times. Not for some time has the world witnessed such dramatic changes in the relationship of the great powers as in the last two years. We are witnessing the shifts in the balance of power as the weighting has changed. And the great powers are learning to live peacefully with each other, despite the urge in each to be more influential than the others. At this juncture in post-World War II history, I venture this Southeast Asian view of the new power balance in the making, and their implications for the smaller countries of Asia.

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1972-73 saw some remarkable turns in the kaleidoscope of international relations. Mr. Nixon's discussions in Peking and in Moscow changed the scenario for Hanoi. Hanoi knew their position was weakened. Hence in October, it was Hanoi that announced a 9-point agreement which had been agreed in principle with Dr. Kissinger. Peace was around the corner. But it was not to be signed until after Mr. Nixon's re-election, and after another period of massive bombing of North Vietnam, from December 18 till they were suspended before the New year. Talks were resumed. The agreement was finally signed on January 27.

After all this pulverising of North Vietnam, the North Vietnamese Prime Minister, Mr. Pham Van Dong, cordially received Dr. Kissinger in Hanoi on 11 February. The old fixed divisions of the cold war appeared fluid and nebulous. Washington had moved from confrontation to negotiations with both Peking and Moscow. For whatever their different reasons, both communist powers wanted the war in Vietnam scaled down and America allowed to withdraw honourably. So President Thieu was still President and in control, when North Vietnamese and Vietcong officers arrived in Saigon for the setting up of the Joint Military Commission. And Madam Binh, the Foreign Minister of the P.R.G. (Provisional Revolutionary Government), attended a reception in Paris given by the South Vietnamese Foreign Minister, Mr. Tran Van Lam, to shake his hand.

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Foes have seemingly become friends. America is more friendly to China, a Leninist-Maoist state, than to India, a democratic state, with a free representative system of government. China, for her part, shows greater cordiality towards capitalist America and Japan than towards communist Russia.

Paradoxically also, India has got closer to Russia. Ideological divisions appear to be less relevant. For the time being, national interests seem the most reliable guide for the actions and policies of governments.

A staunch anti-communist ally of America, like Japan, is now the cause of considerable irritation in America. Japan is under pressure to change her trade and monetary policies which have caused an American balance of payments deficit of $4.5 b. for 1972. Further, America's relations with her allies in Western Europe are not all that free from friction. America sees the E.E.C., whose formation she had urged and encouraged, as over-protectionist, and not only on the E.E.C's common agricultural policy. There is growing annoyance at reverse preferences for the E.E.C. from states associated with it. Even NATO solidarity, for many years unquestioned, needed to be re-stressed. There are many spiky problems over the talks on Mutual and Balanced Force Reductions,

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defence burden sharing, and the lowering of force levels of some European countries of the NATO alliance even without M.B.F.R. agreement.

Naturally, there is much confusion in Southeast Asia over all these developments. It was the speed and suddenness of these shifts in policy that have caught many an Asian government off balance. The plain black and white contrasts of the Truman and Eisenhower Administrations were too simplistic for the realities of the 1970's. Nothing more vividly spells out the change in moods and policies than American Presidential addresses. In 1949, President Truman warned against the "false philosophy" of communism and stated that "the U.S. and other like-minded nations find themselves directly opposed by a regime with contrary aims and a totally different concept of life".

In 1961, President Kennedy's words rang out in clear and crisp terms: "Let every nation know, whether it wishes us well or ill, that we shall pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and success of liberty". But whether it was in defence of liberty or in opposition to communist dictatorship, the U.S. found herself helping to defend governments in Asia not particularly reputed for democratic practices, nor enthusiastic supporters of the liberty of the individual.

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Perhaps these countries could not afford democratic liberties when they were open to exploitation by communist subversion and insurgency.

However, by January this year, President Nixon, in his inauguration, said: "The time has passed when America will make every nation's conflict our own, or make every nation's future our responsibility or presume to tell the people of other nations how to manage their own affairs."

In place of direct military intervention on behalf of governments, without much to show by way of popular support, the Nixon doctrine, announced at Guam in 1969, was that America will help those who wanted to, and presumably could, defend their freedom with economic and military aid. It assumed that the American President and Congress believed that such aid is in America's interests.

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These changes have been a long time in the gestation. From 1946-71, America had spent $74.7 b. on economic aid and $35.3 b. on military aid to all underdeveloped countries.[1] The results have been less then satisfactory, whether in economic development or military stability, internally or externally. And on Vietnam, American military expenditure was $108b[2] and economic expenditure

[1] U.S. Overseas Loans and Grants and Assistance from International organisations Obligations and Loan Authorization. House Foreign Affairs Committee (Washington G.P.O. 1972) p.9.
[2] International Institute for Strategic studies (IISS) Report 28.3.73.

$8.5 b.[3] But the most grievous cost of Vietnam was in domestic strife and dissension.

Meanwhile, Russia had grown into an equal nuclear power. Together with Eastern Europe, Russia had more in conventional arms in Central Europe than the West. But she had become increasingly worried over China and her growing nuclear capacity. China had become alarmed at Russia's intentions and subordinated everything to the threat from Russia of a pre-emptive nuclear strike.

On the other hand, although the American economy is the world's most dominant, its pre-eminence is no longer so assured, compared either to the combined GNP[3] of the West Europeans of $609 b. for 251 m. people,[4] or to Japan's $243b[5] for 105 m. people.[6]

Now, it is generally accepted that China's intervention in the Korean War in 1950 was defensive and precipitated by the closeness of General MacArthur's advance to the Yalu River, China's frontier with North Korea. Since China's aggressive attitude in Southeast Asia, and Vietnam in particular, is now regarded as an American misreading of the situation, is it not best for America to reassess the whole security situation in Southeast Asia?

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[3] Newsweek, February 5, 1973, p.16
[3] Table 1
[4] Table 2
[5] Table 1

Whatever the rights or wrongs of the intervention in Vietnam, one beneficial result of the conflict, and the way it has ended, is that it has broken the spell on other Southeast Asians, that the wave of history was on the side of the communists. Their victory was shown not to be inevitable. The fact that there are viable non-communist countries in Southeast Asia today, whatever their varying claims to democratic government, was because that streak of communist wins in China and North Vietnam was checked. Otherwise, people in the rest of Southeast Asia might have been stampeded into the communist millenium.

By 1959, the monolithic communist movement had begun to crack, between Moscow and Peking. By 1963, the schism had become vociferously public. And, after all the acrimony and genuine Chinese fears of a pre-emptive strike, this schism may never be healed, however much the successors of the present leaderships in Russia and China try to re-establish the unity of the communist movement. But, in any event, China has, for the time being, abandoned the rhetoric of the countryside surrounding and conquering the cities, one of Lin Piao's less famous last dogmas.

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[6] Table 2

It could well be that after the Indo-Chinese experience, however much dogma will continue to be chanted, in the next decade, particularly with a new generation in charge, China's support for guerilla insurgency may become more moral than material. And, like the Russian leadership, they may learn that it is easier to deal with governments in established authority than guerilla revolutionary groups. But, on the other hand, the present trends towards rational and friendly government to government relations may well change with a new generation in leadership in Peking.

For the present, America is making carefully parallel progress in her negotiations with both Russia and China towards an easing of relations. Any detente must appear to be pari passu, and must not give an impression of exploitation of Russo-Chinese differences. It is only to be expected that the middle and small nations, whose interests may be affected, are concerned with the dangers of direct super-power diplomacy, that super-power differences being settled over their heads may well be at their expense.

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With growing rapport between China and America, the Japanese, fearful of a march being stolen on them, moved with alacrity last October. They dropped Taiwan and established diplomatic relations with China at ambassadorial level. The Japanese do not fear communist subversion and have more to gain than lose in establishing closer relations. So too the Australians and

New Zealanders, after their election in December last year. But the smaller countries nearer China and Indo-China have been more cautious. South Korea made tentative approaches for a dialogue and regular meetings with North Korea. However, the South Korean President thought it necessary to strengthen his grip on events by enlarging his constitutional powers.

Thailand, nearest to Indo-China, and with only 50 miles of Laos between her and China at their nearest boundaries, is wanting more time to see how events will develop before making changes in policy. Malaysia, on the other hand, with Thailand between her and China and Indo-China, could believe that diplomatic exchange with China will show her own ethnic Chinese guerilla movement how hollow their struggle has become, as Peking's representative presents himself at the court of the Malaysian King, and observes the rules of non-interference in Malaysian internal affairs.

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But Indonesia, with memories of recent interference with her internal communist problems, is less convinced of correct behaviour. She is not enamoured of an early re-establishment of relations with China. Hence, when the Australian Prime Minister in February suggested that some new grouping for regional co-operation in security and economic matters could include China and Japan, the Indonesians let it be known that it was not feasible for the time being, though the proposal had merit in the long term.

Singapore, with three quarters of her 2.1 million of Chinese ethnic descent, is happy to continue trade and economic relations through existing non-diplomatic channels and let her neighbours take the initiative of opening official and diplomatic relations with China.

The Philippines, more engrossed in domestic contitutional changes, had alleged Maoist support for guerilla groups, before and after exploration was made in Peking by representatives of President Marcos.

By and large, the greater the correlation between domestic problems of subversion and the closer the nexus between their own guerilla insurgents and Peking, the less the enthusiasm for any speedy change in policy and establishing of diplomatic representation. In the end, how these matters will sort themselves out will depend in part on the developments in Indo-China, and on how America, Russia and China are seen to get the North Vietnamese, Vietcong and South Vietnamese to honour the terms of the Paris agreement.

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These are anxious and uncertain times for the smaller countries of East and Southeast Asia. Peace and prosperity without war for the great powers must mean a change in posture, strategy and tactics from the years of bipolar division,

between the communists and the Free World. The meaning and consequences of the new triangular politics between America, Russia and China have been poignantly demonstrated to Hanoi in the last 18 months. And, what about the interests of America's powerful allies, Western Europe and Japan? Even for them, it must mean critical re-appraisals of the new power balance and their place in it. For, in the negotiations for a new world balance of power, their interests may not always coincide with those of America.

An economic heavy-weight like Japan has had to respond quickly to the implications of these changes. Japan cannot do without the U.S. security umbrella for quite some time, especially to protect her from nuclear blackmail. Moreover, Japan's trade with America is almost one-third of her total external trade. Geographically, she is next door to both China and Russia, each of whom could do with her technological and economic co-operation. But, both Russia and China could become more of a problem for Japan after she has extended such technological and economic co-operation.

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In the case of China, even if Japan does not take the initiative, it is likely that the West Europeans, with excess industrial capacity, will find it difficult to resist from extending credits to China for heavy plants and know-how. Indeed, the West Europeans have a long-term interest in keeping Russia more occupied

in the East than in the West. An industrialised and stronger China in no way runs counter to Western European security or economic interests.

America must also recognise that, with or without trade and transfer of technology, China will make the grade. It is only a question of time. China will take many more years to do it the hard way, like the Japanese did before the war, by imitation, industrial espionage and experimentation on her own. But if China has to do it all on her own, it will probably lead to quite unnecessary and more implacable hostility for many years ahead. This was what happened to Japan before World War II. The obstacles placed in the path of Japan's industrialisation compounded her animosities towards the white peoples. To major power rivalries was added racial antagonism.

On the other hand, the generosity of America in rehabilitating Western Europe, including defeated Germany, under the Marshall Plan 1947-49, at $13 b. in 3 years or 2% of her then GNP for three successive years,[7] was as much to stop the advances of communism, as the result of lessons learned from World War I, of an embittered and revanchist Germany. So also American help in rehabilitating Japan with some $4.3 b. aid from 1946-71.[8] It was as much to check what was then monolithic communist expansion as to give Japan a reasonable place in the world, repaired from the ravages of war.

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[7] Zafar Imam, World Powers in South and South-East Asia (New Delhi: Sterling Publishers 1972) p.5.

If peace and prosperity without war is to be achieved, it must mean nuclear co-existence. But, in economics and politics, there will be both competition and co-operation, across ideological, racial, continental, and regional barriers.

In the current phase during which America is trying to find a world power balance between America, Russia, and China with Western Europe and Japan on America's side of the security balance, fundamental differences, whether in ideology or in political and economic systems, between the free enterprise and communist systems, must be muted. But these differences continue to exist. It is extremely doubtful if any amount of collaboration and co-operation will make the communist system open up their basically closed economics to the free enterprise of the West.

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Russia intervened in Czechoslovakia in 1968 to prevent any gradual opening up and liberalisation of the political and economic system in Czechoslovakia, because she considered it a threat to the security of Russia, through setting an attractive and, for Russia, a dangerous example for her other East European buffer states. Ordinary national competition for power and influence, over third countries, is part of the game of peaceful co-existence, but

not where such competition intruded upon the security of Russia and the communist bloc. Hence, whatever the contemporary differences, over defence burden sharing, balance of payments deficits, currency parities, tariff and non-tariff barriers to trade between America and Western Europe and America and Japan, the three together comprise an open non-communist world system, distinct from the closed economic systems of the communist powers of Comecon and China.

Any significant part of the Third World over which a communist government is established, means that the free world system is that much diminished. Professor Thomas Schelling said in 1966 before a Sub-committee on the Far East and Pacific Affairs "Hearings on United States Policy Towards Asia[9] The great danger, if all Asia goes communist, is really exclusion of the United States and what we call Western civilisation from a large part of the world that is poor and coloured and potentially hostile. The worst aspects of that exclusion are not military,but are social, political, spiritual, philosophical....."

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This is only one result. The greater loss in the long run is the shrinking and weakening of the economic base of the non-communist world, and a

[8] US Overseas Loans and Grants, op.cit., p.164
[9] Sub-Committee on the Far East and Pacific Affairs, Part 1 (Washington G.P.O. 1966), p.89.

corresponding expansion and increase in the base of the communist world, divided though it may be between Russia and China.

For, however much confrontation between the communist and non-communist powers is reduced by negotiations to co-existiance, it still means only co-existence, the abjuring of the used force in any conflict which may directly involve the super and major powers directly. This era of negotiations has led to co-operation in space. But, on earth, including the oceans, it means continuing competition for influence. For with a new country joining one or the other of the competing sides, there is a gain to that side in access to resources of more population and territory, whilst denying the same to the other competing sides.

In this kind of peaceful co-existence, with more or less peaceful competition for influence, America offers a formidable challenge to the other great powers, given her enormous industrial capacity, technological superiority, and her multi-national corporations. The alternative is for America to opt out of South and Southeast Asia. Then she is out of the Indian Ocean, and, eventually, out of Asia, and her global influence must shrink as that of Russia expands.

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The dramatic advances in communication and transportation technology in the last three decades were made primarily by America. American jumbo jets,

and instant communications through American satellites placed in stationary orbit, have made for a smaller and more inter-dependent world. It would be an irony of history if America were to give up areas where her influence has been considerable, and has not met with antagonism. Peace and prosperity are more likely to be preserved if the burdens of stability, and opportunities of trade and investments, are shared between the super and major powers, and no small country is forced to join one or other of the contending political and economic systems, because of the predominant presence of one and the absence of the other. This is the best, for the time being, Southeast Asia can hope for in this search for stability and progress.

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