

# OUR SOUTHEAST ASIA POLICY

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Southeast Asia is comprised of nine states: Vietnam, Laos, Cambodia, Burma, Thailand, the Philippines, Malaysia, Singapore, and Indonesia. These nine states have a population in excess of 250 million people. All except Thailand are young in independence, but many are the heirs of ancient cultures. They differ in many respects—history, religion, language, political orientation. All are essentially agricultural, but most must import food. Most are potentially rich in natural resources, but need outside assistance to help develop them. They also require help to provide protection against any serious military threat from without.

Southeast Asia is an integral part of the larger Pacific area and is affected by states and events elsewhere in that region. Japan, for instance, is increasingly assuming a significant role in many developments in Southeast Asia and has decided to contribute in aid to developing countries annually 1 percent of its GNP. South Korea's contribution of military personnel to the assistance of South Vietnam, on a per capita basis, is comparable with ours. Australia and New Zealand in the South Pacific are growing forces in Southeast Asia, assisting through the Colombo Plan and other channels with the needs of area states and contributing militarily in Vietnam.

The United States has an important, even key, concern in the welfare of Southeast Asia. We actively participate in some area activities, contribute to others, and are affected in one way or another by still others.

## **U.S. POLICY OBJECTIVES**

Our long-range objective is a peaceful area with rising living standards and growing prosperity, with states working out their own destinies without outside interference. This is consistent with the four goals for the Pacific area set at the Manila Summit Conference in October 1966:

1. To be free from aggression.
2. To conquer hunger, illiteracy, and disease.
3. To build a region of security, order, and progress.

4. To seek reconciliation and peace throughout the Pacific area.

These goals are at once altruistic and practical. With rising living standards, peaceful conditions, and increased prosperity, the peoples of the area will benefit; the need for U.S. help, financial and military, will be eased; and trade and cultural contacts will expand.

We are working toward these goals along three main channels:

First, *security*. After the French collapse in Indochina, the states of Southeast Asia were in need of assurance against the threat of Communist expansionism. The Southeast Asia Treaty Organization (SEATO) was formed in 1954. That organization, which we support, has made it possible for area countries to devote their attention to domestic problems without constant fear of attack. We are also helping through bilateral alliances with some countries and through cooperative action in resisting Communist aggression as in Vietnam.

Second, *material assistance*. We are giving needed aid—material, personnel, training, financial—to the countries of the area to develop their resources as they desire our help and as we can give it. This aid is being extended directly through bilateral arrangements and indirectly through multilateral arrangements such as United Nations agencies.

Third, *cooperative arrangements*. The states of the area increasingly are working together on common problems through regional arrangements. We welcome and, where appropriate and desired by the area countries, we are assisting regional efforts at cooperation. These arrangements in many cases involve economic matters, such as the Asian Development Bank to which we contribute. There are also significant political arrangements which the states themselves have established among area countries, such as the Association of Southeast Asian Nations (ASEAN), announced on September 8.

#### AREA TRENDS

Taking the area as a whole, three main trends can be distinguished:

1. **ECONOMIC AND MATERIAL IMPROVEMENT.** Everywhere in the area are evidences of sturdier economies. The countries have acted individually or through international organizations to produce the economic means to support improvements. In many cases we have also helped. Improved economic conditions have been accompanied by greater political stability.

2. **SOCIAL WELFARE.** There are new hospitals, schools, low-cost housing, urban renewal programs, and the like. Again, where possible and appropriate, we are helping.

3. **REGIONAL COOPERATION.** The states of the area are now working together on their own initiative on common problems. Only a few of the more outstanding recent examples can be mentioned here:

a. The *Asian Development Bank* opened in Manila in January 1967. It was an Asian idea and 60 percent of the Bank's authorized capital of over \$1 billion has been subscribed by Asians. Eight Southeast Asian countries—comprising all area states except Burma—have subscribed to the Bank a total exceeding \$120 million. The United States has subscribed \$200 million, as has Japan. The bank administers special funds, with particular reference to agricultural development.

b. An ambitious program is under way for *development and control of the vast Mekong River*. This undertaking involves construction of expensive dams, irrigation of now unusable lands, and elimination of costly flooding. The states involved are receiving help from many countries, including the United States, and from private organizations.

c. On August 8, Indonesia, Malaysia, the Philippines, Singapore, and Thailand announced the establishment of the *Association of Southeast Asian Nations (ASEAN)* for regional cooperation. The association is open to all states in the Southeast Asian region subscribing to its basic aims: peace, progress, and prosperity.

d. A *Conference on Transportation* was sponsored by the Ministers of Education of Southeast Asia who have banded together to work on common problems relating to education, communication, and transportation.

e. A *Conference on Southeast Asian Economic Development* was held in Manila in 1967 after an initial conference in 1966 in Tokyo, sponsored by Japan.

f. A *Center for Regional Labor Problems* has been established in Manila.

g. The *Asian and Pacific Council (ASPAC)*, organized in 1966, held its second meeting in July 1967 at Bangkok, and will meet next year in Canberra. Four Southeast Asian states—Malaysia, the Philippines, Thailand, and Vietnam—are among the members, and Laos is an observer.

h. The *Southeast Asia Treaty Organization (SEATO)* was created

in 1954 following the French collapse in Indochina. The organization has provided assurances within the treaty area for states threatened by Communist expansionism and has also carried on activities in the economic and cultural field. In 1968 SEATO's Graduate School of Engineering will become the Asian Institute of Technology, an independent regional institution.

These regional undertakings are indicative of a contagious new spirit in the area. In some of these arrangements, our help has been wanted, and we have given it to the extent that we can. In April 1965, President Johnson suggested the need for a greatly expanded, cooperative effort among Southeast Asian countries, and he said that he would seek a \$1 billion authorization from the Congress for such an effort. He also expressed the hope that North Vietnam would join as soon as peaceful cooperation is possible. The states concerned have shown great initiative in seeking ways and means of advancing the welfare of their people through cooperative undertakings.

These regional trends—in material progress, social welfare, and regional cooperation—are only part of a long list of current developments in the area. The countries of Southeast Asia are now on their feet and beginning to move.

### **CONCLUSIONS ON POLICY**

It has been suggested that we should withdraw from Vietnam and should look to the Chinese Communists as the coming "dominant" power in the area to provide security for Southeast Asia in general. Considering the current disarray in mainland China, such a course is clearly unrealistic. There are also strong political and human considerations against it.

Contrariwise, it has been suggested that the conflict should be brought to a speedy conclusion through various drastic military operations. At the same time there is a general desire to keep the conflict localized and to avoid a general conflagration.

Accepting neither of these alternatives, U.S. policy is pursuing these lines:

#### **In Vietnam**

1. We are aiding the Government of Vietnam in resisting Hanoi's attempt to take it over by force. In this task Australia, New Zealand, the Philippines, Thailand, and Korea are contributing military personnel.

2. We are seeking to move to a peaceful settlement without conditions. We remain watchful for any indication that Hanoi might be prepared to enter into negotiations.

3. In the meantime, our military effort must continue. Our bombing of selected military targets in the North is impeding infiltration and resupply to Hanoi. While the end of the conflict is not in sight, Hanoi's drive has been blunted and it is clear it cannot win.

4. We are assisting the Government of Vietnam to speed forward constructive economic, social, and humanitarian programs. Some thirty Free World countries are assisting.

### **In Southeast Asia as a Whole**

1. Our objective is to see the emergence of a peaceful and stable Southeast Asia, with rising living standards and with states choosing their own way of life without outside interference.

2. Toward this end, we are helping to provide the states of the area with security from Communist expansionism and a needed sense of confidence so that they can concentrate on economic and social progress at home.

3. We are contributing to the economic and social development of the states of the area, when our help is desired and can be given, through financial and other material aid, training programs, and personnel. Other countries, notably Japan, are also actively assisting.

4. Recently, the Southeast Asian states have taken new steps toward cooperative action in finding common solutions for common political, economic, and social problems, and have also joined in larger associations with Japan, Australia, and other Pacific states.

## **PROGRESS**

### **In Vietnam**

Constitutional elections for the head of state were held on September 3, 1967, in which 4,800,000 persons participated—83 percent of the registered voters.

Since July 1965 the proportion of the population under Communist control has been pushed back to well under 20 percent, and the secure proportion of the population has expanded from about 45 percent to 65 percent. The Viet Cong are experiencing severe manpower problems, and their food supplies have become critical. So far this year, 20,000 persons formerly supporting Hanoi have

come over to the Government of Vietnam under the Chieu Hoi program. This is double the number reported for the same period last year.

In education, since 1963, 8,500 classrooms have been built, thousands of teachers trained, and more than 8 million textbooks distributed.

In agriculture, an Agricultural Development Bank was established last spring to bring low-interest credit to the farmer and help with essential supplies such as fertilizers. The United States is making available \$35 million of fertilizer in connection with this program. Progress is also evident in land reform, improved seed programs, animal health programs, etc.

In medicine, with Free World assistance, hospitals are being established with out-patient clinics, bringing medical help to villagers who have never before had such help.

Under Prime Minister Diem, a staunch nationalist, South Vietnam demonstrated a surprising strength of non-Communist feeling and the ability to stand on its own feet. We did not—we could not—“create” the Government of Vietnam. The Vietnamese themselves created it. National feeling such as the Vietnamese possess cannot be developed by outsiders.

The struggle in Vietnam is looked upon—by the Communists and by the free states of Asia—as a test of the Communist theory of “wars of national liberation.” Failure on the part of the Free World to counter Hanoi’s attack would not bring peace, but more “peoples’ wars.” It would also surrender people who have fought for their freedom to a regime which has shown disdain for human freedom.

### **In Southeast Asia as a Whole**

Progress in Southeast Asia has been greater than could have been imagined ten years ago. Throughout the area, there is a new spirit of hope and confidence. Many factors have contributed, including growing experience, financial assistance, and able leaders. Of fundamental importance has been the greater sense of security—the confidence that small states would not be deserted, that they could rely on commitments—that the Free World stand in Vietnam has brought to states throughout the area.

We have had our part in contributing toward the progress in the area and we intend to continue to help as the states of the area make their way toward a better, more secure, and more peaceful future.

PART II

*Response to World Food  
Outlook*

