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DEPARTMENT OF STATE

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NO.

TO : Department of State

INFO: BANGKOK, CALCUTTA, DACCA, JAKARTA, KATHMANDU, KUALA LUMPUR, NEW DELHI, PHNOM PENH, RANGOON, SAIGON, SINGAPORE, VIENTIANE

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17 JAN 1973

FROM : Amcon Hong Kong

DATE: December 22, 1972

SUBJECT : Views in South and Southeast Asia on the Future Role of China

REF :

Attached as an enclosure is a Memorandum written by FSO John J. Taylor, Deputy Chief of the Consulate General's Mainland China Section, on the observations and impressions he gained during a recent (October 29 to November 27) orientation trip to various countries in South and Southeast Asia. The purpose of Mr. Taylor's trip was to consult and explore with American colleagues and, as appropriate, with host country officials significant aspects of the interplay between the People's Republic of China's foreign policies towards various countries in the area and the attitudes and policies of these countries in turn towards Peking. Originally intended as a report to the Consul General on the main findings and highlights of his trip, Mr. Taylor's Memorandum is herewith submitted as of possible interest to the Department and other posts. Although Mr. Taylor's comments are based on his own personal views and do not in any way presume to represent the opinions of the posts he visited, it is believed that his comments in general supplement and coincide with the reporting of these posts on aspects of PRC foreign policies.

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Enclosure:
1. Memorandum.

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SUBJECT TO GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
AUTOMATICALLY DOWNGRADED AT TWO-
YEAR INTERVALS AND DECLASSIFIED ON
December 22, 1978

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Contents and Classification Approved by:
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Enclosure to
Hong Kong A-346

SUBJECT: Views in South and Southeast Asia on the Future Role of China

There is a wide diversity of views on China's future role in Asia with each government seeing China from the perspective of its own position and interests. Fear of a Chinese master plan to dominate southern Asia is dying out. There is growing recognition that China is concerned primarily with its own security and internal development and with countering its present principle enemy, the Soviet Union. The fear of Chinese aggression has all but vanished and Chinese-supported subversion--what used to be called indirect aggression--remains a serious and immediate concern in only two countries, Thailand and Burma. India, and to some extent Indonesia, see China as an obstruction to their respective regional leadership positions. In addition to the sense of political rivalry, there are of course other reasons why Sino-Indian and to a lesser extent Sino-Indonesian relations remain relatively antagonistic.

Generally, most of the smaller countries of South and Southeast Asia see the PRC as playing a positive role in maintaining a balance of outside interests in the two areas. Many of these countries are preoccupied with the hegemonic aspirations not of China, but of regional sub-powers. A PRC presence in their respective regions is seen as increasing maneuverability and freedom of action for the small countries vis-a-vis the sub-powers.

South Asia

This is particularly evident in South Asia. Nepali officials apparently harbor little concern about Chinese internal meddling or external pressures. Nepal seeks a wide international presence in the country in order to counter the predominant Indian position. And Chinese diplomatic support and economic aid provide Kathmandu its most important counterweight to New Delhi. Likewise, Bangladesh seems prepared to forgive and forget Peking's support for West Pakistan in the recent war. Dacca is reportedly anxious to establish relations with Peking. According to officers at Embassy Dacca, some disgruntlement with India is building up in Bangladesh as the Bengalis seek a scapegoat for the failure of "Golden Bengal" to materialize. In addition, the Soviets have established a large presence in Bangladesh and are viewed with some suspicion. Therefore, the Bengalis look to China as well as to the US to counter Indian and Soviet positions. Some Bengalis are

apparently uneasy about the possibility of China's future support for ultra-leftists, but there is no evidence that this is taking place now. PRC trade and aid could also be significant for Bangladesh. (Prior to the breakup of Pakistan, China was Bangladesh's fifth ranking trading partner.)

Thus, the assumption in Nepal and Bangladesh (and presumably also in Sri Lanka and Pakistan) is that the PRC seeks regional stability and pluralism and does not at the present desire to foster instability nor to exacerbate regional conflicts. Given the priority of China's diplomatic objectives, and the existing balance of interests in the area by the major countries, these governments seem reasonably confident that Peking will not try to dominate them nor to meddle in their respective internal affairs.

India

Indian officials, however, remain suspicious of Chinese intentions. Indian scholars as well as diplomats and politicians seem obsessed with the possibility of Sino-US collusion against India. The Indian Government evidently does not see a significant threat of direct Chinese aggression against India, rather it believes that Peking will seek by whatever means to undermine India's political position and influence and thus will fan the flames of instability in the subcontinent and within India itself. Neither Indian nor US officials, however, saw any prospect in the near term of a serious and relatively successful separatist movement arising within India which Peking might be tempted to foster. The idea of a "Greater Bengal" gaining steam was, for example, generally dismissed because of the Hindu-Moslem split. (Moreover, China should have its own reasons for not poking its nose into others' national minority troubles.)

Because of events of the past year, India is now more confident in dealing with China; but the general opinion of American observers was that this would not lead to Indian obstinancy in its bilateral relations with Peking. On the contrary, it was generally believed that India would now be politically and psychologically more able to compromise on bilateral issues, specifically the border question.

The point was frequently made that India genuinely wished to improve relations with Peking and some observers were puzzled at China's

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poor sportsmanship. It would, of course, be a crowning achievement for Mrs. Gandhi to top her dismemberment of Pakistan and her alliance with the USSR with a restoration of friendly relations with China. An Indian Foreign Office official who works on Chinese affairs seemed to understand that it would be some while before Peking was prepared to hold hands with Mrs. Gandhi. He believed that improvement in Sino-Indian relations would come after resolution of the Pakistan-Bangladesh problem and after Peking's recognition that the Indian-Soviet treaty was not aimed at China. (The PRC no doubt would like India to give evidence of the latter proposition by deeds.) He believed that Sino-Indian relations would not substantially improve until 1974.

No one with whom I talked seemed to believe that developments in the Himalayan states could lead to a Sino-Indian confrontation. For example, it was generally agreed by American diplomats that India is prepared to accept a neutral and stable regime in Nepal and that it has abandoned any idea of restoring its special position there. Likewise, Tibet is not seen as posing major problems for the two countries, unless there is an upheaval within the region, which does not seem likely. New Delhi officials recognize China's continuing fear of outside interference in Tibet.

Indochina

In Indochina, North Vietnam plays the role of the regional sub-power from whom others seek shelter. Both Laos and Cambodia look to China to help counter North Vietnamese and, secondarily, Thai influence. Most observers in Vientiane believed that the Lao Government welcomed China's role and presence. They said that the RLG was not concerned with the Chinese road building activity in the north, but in fact tended to see the Chinese presence as advantageous. I gave my own personal guess that after a political settlement the Chinese forces along the road would go away.

Reliance upon China for leverage against Cambodia's neighbors was, of course, one of the foundations of Sihanouk's foreign policy. Despit the fact that Peking is now harboring Sihanouk and denouncing the prese Khmer Government, the validity of Sihanouk's assumptions in this respec are apparently still accepted by the Phnom Penh Government. It still seems to be assumed or hoped that China has no grandiose ambitions in regard to Cambodia itself, but that China will tend to support Cambodia independence, Communist or not, against either Vietnamese or Thai pres· sures.

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These assumptions lend support to the thesis that new differences between Peking and Hanoi will probably come to the surface after the Vietnam settlement. Some American officials agreed that Hanoi would probably incline toward the Soviets in the next few years. Moscow presumably will have a greater capability in providing economic aid to the DRV and in addition it will probably tend to favor a strong Indochina bloc under Hanoi's leadership as a counter to China. Peking, on the other hand, will probably tend to favor as much freedom of action as possible for Cambodia and Laos. Peking, of course, has a large stake in its relations with Hanoi, but the possibilities of disagreement are intriguing.

Pro-Western States

In the rest of Southeast Asia multi-polarity is much talked about but expectations do not seem to envision equally balanced poles. N one in Southeast Asia seems keenly interested in formalizing a Sovi security role in the area, and the pro-Western states, while ready varying degrees to accept accommodation with China, appear intent o maintaining a Western orientation. The Government of Malaysia, for example, is aware of the symbiosis of its relations with Moscow and Peking, and that too close political identification with one is bou to provoke the other. One GOM official noted that close ties with the US presently do not have a provocative effect on either Peking or Moscow.

The Indonesians are certainly not interested in any political, much less security, cooperation with the Soviets. According to Indonesi officials, Soviet propaganda about Indonesia's internal affairs is presently more hostile than that of the Chinese.

Consequently, the Soviets are unlikely to have much success with their collective security idea in Southeast Asia. In South Asia, Bangladesh seems to be indirectly linked to the system by its own treaty with India, but the other states of South Asia appear to be determined to resist Soviet and Indian overtures.

One is also struck by the general dismissal of a political role f Japan. South Asia even seems to have small expectations about Ja economic contributions to development. Bangladesh, for example, been disappointed in the Japanese failure to cough up any assista (A Japanese team, however, is currently in Bangladesh studying th

feasibility of an expensive bridge project.) Japanese trade and aid is, of course, important in various areas of SEA, but this seems to have won it as much resentment as appreciation. (A student boycott of Japanese goods began in Bangkok shortly after I was there.) There seems to be a vague fear that Japanese economic power threatens the nations' sovereignty--probably this is similar to the problems US businesses encounter in Latin America.

At the same time, meaningful political cooperation among the states of SEA seems more vision than substance. Even Malaysia and Indonesia cannot agree on a common front on policy toward China. The splitup of MSA, differences over the Malacca Straits, and Thai acquiescence in Burmese insurgents use of Thai territory also suggest the difficulty of coordinating foreign policy. Thus, uneven multi-polarity from the outside is likely to be dealt with largely on a bilateral rather than a multilateral level.

Subversion and Chauvinism

Fear of Chinese subversion remains strong in Thailand and Burma. In Rangoon, Foreign Ministry officials said that it was difficult for a great power to quickly reverse its policies but they believed that Peking would gradually reduce its involvement with the Burmese Communists. They said they believed this involvement was already on the decrease. The Embassy, however, reports that Burmese military and security officials are highly concerned with the continued growth of insurgent forces in the Sino-Burmese border area. The Embassy reflected uncertainty about China's intentions and was skeptical about my emphasis on the importance of China's domestic politics in regard to its past commitments to the BCP.

In Thailand theEmbassy also takes a serious view of the insurgency and of Chinese intentions. I did not talk to any Thai official about China's role in the insurgency, but as you know, Praphat recently threw the book at the Chinese--over two unconfirmed developments. But in Malaysia and Singapore most officials believed that China would increasingly give priority to its diplomatic objectives. They did not seem to be concerned about serious PRC subversion developing. In Indonesia, although press stories frequently talk of "Chinese spy rings" and "Peking-sponsored" sabotage, most Indonesians with whom I spoke did not seem to believe that there was significant PRC-supported subversion presently going on within Indonesia. They do not like the

fact that Adjitorop and other PKI exiles are given refuge in Peking; but they apparently have no evidence of present PRC direct involvement in Indonesian affairs.

Indonesians, Malaysians, and Singaporeans seem more concerned with the impact on their respective Chinese communities of Peking's expanding diplomacy. This feeling is particularly strong in Indonesia where there is an extraordinary amount of hostility against the Chinese community. The leaders of Malaysia and Singapore are aware of Peking's enunciation of a liberal non-interference policy toward overseas Chinese, but they apparently feel that whatever Peking's official policy, a PRC diplomatic presence may feed chauvinist sentiments. Some officials, however, accept the theory that the basic effect would be to undermine local Chinese chauvinism, because the PRC would prove unhelpful to chauvinist causes.

An interesting phenomena observed in SEA is the tightening up of domestic political control by most of the pro-Western governments. Partially in response to the changing international situation, the regimes in Malaysia, Singapore, Thailand and the Philippines have, to varying degrees, tightened the screws on their internal opponents in the past year or two. Presumably one objective of these moves is to increase control of leftist and Chinese chauvinist elements in the wake of creeping accommodation with China. And there is common agreement that diplomatic accommodation with China is inevitable. All agree that containment and isolation policies are no longer feasible, although some believe them still desirable.

CM:JJTaylor:jgb