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BRITAIN, THE UNITED STATES, AND THE COLD WAR IN SOUTH-EAST ASIA, 1949-1950

*Ritchie Ovendale**

AT the beginning of 1949 the Labour government in Britain was preoccupied with the containment of Russia. Weakened by the Second World War Britain could not do this on its own. Only the United States possessed the necessary power. This was emphasised by the newly formed Permanent Under Secretary's Committee under William Strang, which operated in a similar way to George Kennan's Policy Planning Committee in the United States. Strang's committee considered the Anglo-American special relationship as the pivot of British foreign policy: British interests were best likely to be ensured by its maintenance and consolidation. There was, however, an inequality inherent in the association, and Britain thought that the alliance would be least effective in Asia and the Far East. Strang, while visiting this area early in 1949, concluded that with the 'Heartland' of Europe and Asia already largely under Russian control, the periphery of Asia at least should be denied to communism.[1] Here, however, American naïvety and selfishness were particularly evident. The United States seemed unwilling to contemplate any major effort in South Asia, and so Western resistance to the spread of Russian influence in the region depended largely on Britain.[2] During 1949 and 1950, with the expansion of the cold war into South-east Asia, one of the major concerns of the Labour government was to alert the United States to the dangers of communism in the area, and, if possible, to secure an American commitment to a region considered to be in the British and French sphere of interest.[3]

Britain's initiative and the American response

For Britain the cold war in South-east Asia started with the communist insurgency in Malaya, and the subsequent declaration of the Emergency on June 18, 1948.[4] Mao Tse Tung's successes in China led the Foreign Office to

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1. William Strang, *Home and Abroad* (London: 1956), pp. 240-41.

2. *FO 371*, 76386, E5573/3/500G, Makins to Bevin, Nov. 9, 1949: Foreign Office Minute, Nov. 23, 1949; PUSC 51 (Final) Second Revise, 'Anglo-American Relations: Present and Future' (Top Secret); PUSC 22 (Final), 'A Third Power or Western Consolidation?' (Top Secret).

3. *Ibid.*, PUSC 51 (Final) Second Revise, 'Anglo-American Relations: Present and Future' (Top Secret).

4. D. C. Watt, 'Britain and the Cold War in the Far East, 1945-58', in Yonosuke Nagai and Akira Iriye, eds., *The Origins of the Cold War in Asia* (New York, 1977), pp. 89-122 at p. 89; J. E. Williams, 'The

conclude, late in 1948, that communist movements would be stimulated throughout Asia; the agitation was likely to be serious in Indochina, Siam, and Burma. Indochina, where the communists worked in alliance with the nationalists, was of particular concern: the Foreign Office felt that the strengthening of the communist position there would have repercussions on South-east Asia generally. The United States was not prepared to accept any responsibility for South-east Asia. It therefore fell to the powers geographically situated in the region to meet the communist menace by their own measures. Britain felt that the countries concerned should alert their police and intelligence services, and ensure that the legal powers were adequate to deal with any growth of communist activity. The Foreign Office decided to try to elicit support for these measures from France, the Commonwealth, the Netherlands, Burma, and Siam, and even to approach the United States.[5] Political differences prevented a conference on the containment of communism in South-east Asia.[6] Burma would find it difficult to associate with French Indochina and Dutch Indonesia. Those colonial powers would reciprocate the feeling. The Commonwealth countries principally concerned—Australia, New Zealand, India, and Pakistan—would be unwilling to do anything that could support the French and Dutch governments in the area. Britain was, probably, in the best position to act as co-ordinator.[7]

France responded warmly to the British initiative, and suggested that the small Asiatic countries would be encouraged to take positive action against communism if the United States showed an interest. But, as Peter Scarlett of the Far Eastern desk observed, there were signs that the State Department was already 'shying at just this thought'. J. O. Lloyd offered the assessment of the South-east Asia department. There was the seed of a wide regional organisation for South-east Asia: Pandit Nehru, the Indian Prime Minister, had held a conference of nineteen countries in New Delhi which had endorsed the idea of a regional organisation within the framework of the United Nations for joint consultation on common problems. One of those was likely to be the spread of communism, but any participation of Western countries presupposed a satisfactory settlement in Indonesia and Indochina.[8]

In contrast to Paris, Washington was cautious. On February 23 H. A. Graves, the Counsellor to the British embassy, discussed the issue with State Department officials. Basing his case on a memorandum provided by M. Esler Dening of the Foreign Office, Graves tried to allay the fears of W. Walton

Colombo Conference and Communist Insurgency in South and South-East Asia', *International Relations*, 4 (1972–74), pp. 94–107 at p. 94.

5. *FO 371*, 75735, F424/1015/10G, 'Memorandum on the Possible Effects of the War in China on the General Situation in the Far East and South East Asia', Dec. 29, 1948.

6. *Foreign Relations of the United States* (hereafter cited as '*FRUS*'), 1949(7), p. 1115, 890.00B/1-449: Circular Airgram, Lovett to Certain American Missions, Confidential, Jan. 4, 1949; for the assessment of Britain sent to the United States of the effects in South East Asia of the Spread of Communism see *FRUS*, 1949(9), pp. 6–11, 893.00/1-549, British Embassy to Department of State, Jan. 10, 1949.

7. *Ibid.*, 1949(9), pp. 821–22, 893.00/1-549, British Embassy to Department of State, Jan. 10, 1949.

8. *FO 371*, 75740, F2277/1015/10, Viscount Hood (Paris) to Dening, 102/10/6/49 (Secret), Feb. 10, 1949; Minutes by P. W. S. Y. Scarlett, Feb. 15, 1949; J. O. Lloyd, Feb. 16, 1949; R. H. Scott, Feb. 16, 1949.

Butterworth, the director of the Far Eastern division, that the 'financial appetites' of the South-east Asian countries might be 'whetted' for increased assistance from Britain, and especially from the United States. Graves offered the assurance that Britain did not envisage an anti-communist movement in terms of American dollars. Instead he hoped that the United States would offer moral support for the British thesis that 'the Asiatic countries must set their houses in order and must evolve a policy of their own in the struggle against communism'. Butterworth was interested, but in his survey did not mention the continental territories in Asia in the line of the communist march. The drive was southwards, according to Graves, and so particular attention needed to be given to South-east Asia. Butterworth, however, appeared lukewarm to any suggestion of the communist danger in the region: the United States was apparently not prepared to accept any responsibility for the area, or to take any action to maintain the position of friendly powers there.

Charles S. Reed, the head of the South-east Asia division, was more co-operative. After Butterworth had left he suggested that Britain and the United States tackle jointly at least the Indochina problem, and that the United States should consider 'remedial measures'. But that evening Butterworth telephoned Graves and told him to forget that any such proposal had even been hinted at. Graves consequently advised the Foreign Office that the American approach to the area was likely to be cautious. Dean Acheson, the Secretary of State, was preoccupied with the Atlantic Pact.[9]

With the communist expansion, British and American officials in Asia offered a joint solution. J. Leighton Stuart, the American ambassador in China, urged a 'new approach' directed primarily at the 'mind and heart': Britain, France and the Netherlands should be asked to join with the United States in forming a federation to assist in the restoration of complete independence to the peoples of Eastern and South-eastern Asia, and through this to protect them from the highly organised minorities of their own people linked to international communism.[10] This was later modified by a scheme drafted by the Indian ambassador to China in consultation with his British, Australian, and American counterparts. In the short term a permanent Consultative Council of the States of the area was necessary to work out common policies, and to provide for an integrated economy capable of resisting communist economic doctrines. Before this could be established, however, Indochina and Indonesia needed 'political freedom' and Malaya the constitutional power to enable it to participate in the economic activities. The Western powers could assist by providing a specialist advisory committee.[11]

Malcolm MacDonald, the British Commissioner General in South-east

9. *FO 371*, 75743, F3288/1015/10, Graves to Scarlett, G47/14/49, Feb. 25, 1949; *FRUS*, 1949(7), pp. 1118–19, 890.00B/2-2349, Memorandum by Reed (Secret), Feb. 23, 1949.

10. *FRUS* 1949(7), pp. 1117–18, 890.00B/2-1549: Telegram, Stuart to Acheson, Feb. 15, 1949.

11. *FO 371*, 75745, F3790/1015/10, Stevenson to Bevin, No. 141 (Confidential), March 4, 1949 received March 12, 1949; *FRUS*, 1949(7), pp. 1119–23, 890.00B/3-849, Stuart to Acheson, No. 59 (Secret), March 8, 1949 received March 29, 1949, and Enclosure (Secret), Undated.

Asia, offered a diagnosis at the end of March 1949 similar to the one that had emanated earlier in the month from the ambassadors in China. He insisted that South-east Asia should be regarded as a whole: the communists saw the region that way and planned their campaign on a theatre-wide basis. Frustration in the West had probably forced the planners of international communist strategy to give more attention to the East. MacDonald saw the area in terms of what later became known as the domino theory: unless the West's counteraction were firm it would quickly lose important areas like Burma and Indonesia; and that could be a prelude to the loss of a large part of the rest of South-east Asia, and hence the power of the Western democracies to avoid defeat in a war against the communists would be 'gravely imperilled'. Taking the analogy of Western Europe, MacDonald suggested an Asian equivalent of the Marshall Plan and the Atlantic Pact. Though differing from the arrangements in Europe the scheme should offer the Asian governments and peoples economic, political, and if necessary, military aid to resist communism. The governments involved in the region could devise it with the help of the United States, Australia, and New Zealand. American assistance was crucial: without it no adequate economic or military plan would be possible. Indeed American reluctance to participate could mean that, in the very near future, such a scheme would not be realistic. MacDonald therefore suggested a preliminary conference of Commonwealth countries interested in the region.[12]

In Washington, George F. Kennan, the director of the Policy Planning Staff, noted similarities between a paper drawn up by his department at the end of March and the ideas offered by the ambassadors in China.[13] The paper advocated that the United States should adopt 'multilateral collaboration', primarily with certain Commonwealth countries and the Philippines, and approach South-east Asia as a whole. That region, however, was to be seen as an integral part of the great crescent formed by the Indian peninsula, Australia and Japan. The objective was to contain and reduce Russian influence in the area. Any urging of an area organisation was to be avoided at the outset. Instead the initial effort should be directed towards 'collaboration on joint or parallel action and then, only as a pragmatic and desirable basis for more intimate association appears, should we encourage the area to move step by step toward formal organisation'.[14]

The Policy Planning Staff paper was, however, only projected policy. It formed the basis of a report finally issued as National Security Council Paper 48/1 of December 23, 1949.[15] Indeed, as R. C. Blackham of the Foreign Office observed, the United States would be unlikely to support any proposal which offered effective Anglo-American military assistance to the French in

12. *FO 371*, 76033, F4545/1073/61G, MacDonald to Bevin, No. 16 (Top Secret), March 23, 1949 received March 28, 1949.
13. *FRUS*, 1949(7), p. 1123.
14. *Ibid.*, pp. 1128–33, Policy Planning Staff Files Lot 64D563, 'United States Policy toward Southeast Asia', PPS 51 (Secret), March 29, 1949.
15. *Ibid.*, pp. 128–29.

Indochina. Such a scheme could only be put to the Americans in the context of a general attempt to combat communist penetration in South-east Asia, and there was no sign that the United States was prepared to do anything about that.[16]

The Foreign Office assessment

The Foreign Office became increasingly aware of the need to secure an American commitment to South-east Asia.[17] During his visit to Washington in April 1949, to sign the North Atlantic Treaty, the British Foreign Secretary, Ernest Bevin, hoped to discuss the matter with Acheson. Dening accordingly prepared a brief. A year previously Dening had sounded the Americans about the possibility of secret talks on the Far East. Washington had indicated that it could not treat the other members of the Commonwealth in the same way as it did Britain and Canada. That also made any talks on the Far East impossible. But the Foreign Office was concerned about 'disquieting' indications: not only was the United States without a clear policy for the Far East and South-east Asia, but also the Americans were inclined to decrease rather than to extend their commitments in the area. Earlier British attempts to alert the United States to the dangers inherent in the situation[18] had only resulted in desultory interchanges. The least Britain hoped for was that in the event of the Asiatic countries showing a disposition to form a united front against Russian expansion, the United States would offer material help.

The Foreign Office saw the primary Russian threat being against Europe, and then the Middle East. In the Far East, China would fall to communist domination; in Korea the resistance of Rhee's South to the communist North was uncertain, though the United Nations had a continuing obligation to sustain the position there; but there did not seem to be any immediate Russian threat to the Pacific. Nevertheless, the Foreign Office saw a distinct danger in South-east Asia. As measures developed for the security of Europe and the Middle East, it was felt that Russian pressure on the area would increase, although the threat, for some time, was unlikely to be military. The conditions in South-east Asia, however, were favourable for the spread of communism. If the impression prevailed in the area that the Western powers were unwilling and unable to resist Russian pressure, the psychological effect could be the weakening of local resistance. With that, the governments in the region could be undermined to the extent that eventually the whole of South-east Asia would fall to the communist advance, and come under Russian domination without any military effort on the part of Moscow. It was therefore necessary, simultaneously with the efforts to strengthen the defensive position of Europe

16. *FO 371*, 75961, F3519/1015/86, Memorandum by Blackham, Undated, received in registry March 9, 1949.

17. *Ibid.*, 75744, F3729/1015/109, Commonwealth Relations Office to British High Commissioners, Telegram Y No. 69 (Secret), March 2, 1949; F2180/39, Commonwealth Relations Office to British High Commissioners, Telegram Y No. 25, (Secret), Undated.

18. *Vide supra.*

and the Middle East, to stiffen the South-east Asian territories' 'will to resist'. This need not involve vast resources: in the initial stages the question would be one of 'political and economic effort rather than of large scale outright aid'. A purely Western approach was unlikely to succeed—the Asian governments needed to build up the resistance themselves and to assume the principal burden. Provided this was done the Western powers, including the United States, could contribute through technical assistance and advice, capital goods, and the small scale provision of armaments. Before there could be a common front against Russian expansion there were major difficulties to be overcome in the area: there was the friction between Afghanistan and Pakistan over the North West Frontier Province; the Kashmir dispute between India and Pakistan; the conflict between the Burmese government and the Karens; the uneasy political situation in Siam; the conflict with the Vietminh in Indochina; the communist attacks in Malaya; and the situation in Indonesia. A realisation of the significance of the communist menace could, however, encourage the settlement of local disputes. Britain had a special relationship with the area through its Commonwealth connections, the treaty with Burma, close links with Siam, contacts with the French and Dutch, and the British presence in Malaya, Borneo and Hong Kong. The post-1945 surge of nationalism, however, meant that these Asiatic countries were suspicious of anything savouring of imperialism, or of either dictation or domination by the West. Furthermore, the states of South-east Asia were not likely to be attracted by the possibility that a closer relationship with the West would involve them in hostilities with Russia on a European issue. The territories of South-east Asia would only unite in a common front against Russia if they saw it as being in their own interests. Indeed self-interest should provide the inspiration for the unity necessary to resist Russian pressure. This could create a pan-Asiatic union hostile to the West. But so long as the countries of South-east Asia realised that co-operation with the West was on a basis of equality and self-interest that danger should not arise. Although it was essential that the sovereign states of South-east Asia took the initiative themselves, Britain and the United States could hope to prompt it. Provided that a common front could be built up from Afghanistan to Indochina, it should be possible to contain the Russian advance southwards, to rehabilitate and stabilise the area, and to preserve Western communications across the middle of the world. A stable South-east Asia could also possibly influence the situation in China, and make it possible to redress the position there. Although the strategic necessities of Europe and the Middle East should still have priority, the requirements of South-east Asia were of vital importance.[19]

The British Chiefs of Staff, when consulted about the situation, advised that the spread of communism into southern China would mean unrest, and

19. *FO 371*, 76023, F4486/1023/61G, Dening to Sir Cecil Syers (Commonwealth Relations Office), March 18, 1949; Dening to J. J. Paskin (Colonial Office), March 18, 1949; Draft Brief on South East Asia and the Far East (Top Secret), Undated.

consequently an increased security commitment throughout South-east Asia. If the Russians established bases in southern China, the threat to South-east Asia and to British sea communications could become serious. And if communism spread successfully into the Indian subcontinent the whole position in South-east Asia would become untenable. Until all the countries interested had agreed on a policy for the area, the only effective military co-operation was likely to be the exchange of intelligence and police information on communist activities.[20]

The Foreign Office brief was left with Acheson.[21] The Americans were told, however, that this represented only the personal views of Bevin and had not been discussed by the Cabinet. The issue would involve Britain in talks not only with the United States but also with the Commonwealth.[22] On April 2, Bevin expounded to the Secretary of State his concept of world geographical-political factors and how South-east Asia fitted into this. Bevin envisaged a Western Europe that would develop a multilateral system. In the Middle East there were 100,000,000 Moslems, potentially one of the biggest forces in the world, and Britain was the 'best window' towards this area. Rather than forming joint military pacts in this area, Bevin thought that Britain and the United States should adopt 'a common line' for the development of the great potential resources, particularly oil, needed for their defence. The Foreign Secretary then developed his Moslem theme for South-east Asia: there 60 per cent of the population were Moslems. Russia had an obvious opening. Britain could exercise influence through Pakistan, but hoped for American help. He wanted a conference arrangement set up for South-east Asia in which Britain, the United States, Australia, and New Zealand could co-operate for economic and political purposes, as distinct from a military pact or understanding. Britain intended to stand in Hong Kong and, if necessary, make it a 'Berlin of the East'.

But despite Bevin's exhortations the American participants ignored his suggestions about South-east Asia.[23] Indeed what little official American policy there was for the area was outlined in a reply to the earlier British memorandum on the Far East. At the end of April Mr Hibbert of the Foreign Office observed that this contributed little to the thinking about South-east Asia, 'but the fact that its contribution is so little has an important significance'. If the United States chose to stand back from the attempt to create a cordon against communism in South-east Asia, it would be difficult for other nations to press forward.[24] As Graves observed, it would be a difficult

20. *Ibid.* 75743, F3507/1015/10G, Scarlett to Sir Oliver Franks (Washington) for attention of Bevin (Secret), March 23, 1949.

21. *Ibid.* 76023, F5743/1023/61G, Graves to Dening, G47/37/49 (Top Secret), April 16, 1949; *FRUS*, 1949(7), pp. 1135-7, 890.00/4-2249, Bevin to Acheson (Top Secret), April 2, 1949.

22. *FO 371*, 76023, F4486/1023/61G, Dening to Graves (Top Secret), March 25, 1949.

23. *FRUS*, 1949(7), pp. 1138-41, 890.00/4-449, Memorandum by Beam (Top Secret), April 4, 1949.

24. *FO 371*, 75747, F4595/1015/10, Franks to Bevin, No. 224, March 22, 1949, received March 26, 1949; Minutes by Hibbert, April 27, 1949; Lloyd, April 28, 1949; Scott, April 29, 1949; Scarlett, April 30, 1949.

task to bring in the Americans: 'they have burnt their fingers so badly in China that they are at present in a very cautious mood'.[25]

For Britain, however, the threat of communist encroachment into South-east Asia seemed so real that it was prepared to modify the nature of the Commonwealth in the hope that India would remain within that body.[26] With the rapid advance of the communists in China, the British Defence Co-ordination Committee in the Far East suggested the urgent need for diplomatic, economic and military action 'to form a containing ring against further Communist penetration', including India, Burma, Siam, Indochina and the Dutch East Indies.[27] On May 24 the Commissioner General for South-east Asia, Malcolm MacDonald, and Lieutenant General Sir Archibald Nye, met Foreign and Colonial Office officials to discuss the issue. Dening explained that India was the key to regional co-operation in South-east Asia. MacDonald, however, directed his comments to the communist menace represented by China and enunciated a 'domino theory'. He urged the formulation of an overall policy that could be discussed with the United States, the Commonwealth, and later with the foreign countries in South-east Asia. But Dening warned that the Americans were 'holding aloof' from the problems of South-east Asia. Britain would have to take the lead discreetly. Nye foresaw difficulties: the Indian leaders thought that the Chinese communists would be Chinese first and communists second. India might only agree to some economic scheme.[28] For Britain the first test was Hong Kong. Attlee told the Cabinet on May 26 that the whole common front against communism would crumble in the Far East and South-east Asia unless those peoples were convinced of the British determination and ability to resist the threat to Hong Kong.[29]

The Far Eastern committee advised that positive steps should be taken to counter communism in the Far East and South-east Asia.[30] In June, a preliminary report by the working party on economic and social development in the area outlined the objectives of any British assistance as being the establishment of healthy economic and social conditions enabling South-east Asia to resist the spread of communism.[31]

But, as MacDonald warned from Singapore early in September, the time factor pressed with increasing urgency. The Commissioner General advised that unless Britain and the United States showed a constructive interest in South-east Asia, Indochina and Siam would fall to the communists. Britain was

25. *Ibid.*, 76023, F5743/1023/61G, Graves to Dening, G47/37/49 (Top Secret), April 16, 1949.
26. *Cab 128,* 15, ff. 61-62, Cab 17(49)2 (Secret), March 3, 1949.
27. *Ibid.*, ff. 127-28, Cab 33(49)2 (Secret), May 9, 1949; *FO 371*, 76034, F6670/1075/61G, British Defence Coordination Committee to Chiefs of Staff, Telegram No. SEACOS 900 (Top Secret), May 5, 1949.
28. *FO 371*, 76034, F8338/1075/61G, Record of a Meeting held at the Foreign Office on May 24, 1949.
29. *Cab 128*, 15, f. 248, Cab 38(49)3 (Secret), May 26, 1949.
30. *FO 371*, 76041, F7438/1103/61, Memorandum of the First Meeting of the Far Eastern (Official) Committee Working Party (Secret), May 19, 1949.
31. *FO 371*, 76041, F8883/1103/61, Memorandum by Lloyd of the Preliminary Report by Working Party on Economic and Social Development in the Far East and South East Asia, received in registry June 20, 1949.

not amiss; rather the problem was to persuade the Americans. If this were not done reasonably soon the communists would take over in Burma and the front line would then be the borders of Malaya. Lloyd, however, minuted that MacDonald's desires for the United States were unlikely to be realised: conditions for private investment by American capital in South-east Asia were unsound, and American government loans would be opposed in Congress.[32]

Lloyd's fears were confirmed with the Anglo-American conversations in Washington in September. On the question of South-east Asia the State Department warned that Congress was unlikely to vote fresh funds for aid anywhere. The Americans thought that the Asians should get together on their own initiative.[33] In any case the Americans believed that Britain was reluctant to 'have a rival to the Empire' in that part of the world, and considered 'the Empire' the 'proper instrument of pressure'.[34]

The long-term policy of the Permanent Under Secretary's Committee

Britain certainly did see for itself a special role in South-east Asia. This was evident in the papers drawn up on long-term policy by the Permanent Under Secretary's Committee, to serve as general guidance on the policy to be adopted. Bevin approved the general approach before leaving for the September talks in Washington.[35] Attlee commented that the difficulties presented by South Africa's attitude to non-European races should be stressed: South Africa's membership of the Commonwealth tended to involve Britain in accusations of colonialism.[36] The Cabinet endorsed the policy in November.[37]

Strang's committee argued that there was a real danger that the whole of Asia would become the servant of the Kremlin unless Britain exploited its special position in Asia to bring about a close collaboration between East and West. Britain was dependent on the area for rubber, tea and jute. Earnings from Malaya helped the sterling area's dollar pool. A combination of Western technology and Eastern manpower could be welded into a formidable partnership—but Asian nationalism was sensitive to anything which savoured of domination by the West. Dictation by Russia, however, had little meaning or reality to Asians, and this was to Moscow's advantage. Political immaturity and economic distress made their countries particularly susceptible to communist tactics. Although communist China was unlikely to extend control over the area, the existence of large Chinese communities within the countries

32. *Ibid.*, 76023, F13136/1024/61, MacDonald to Dening, Telegram No. 665 (Particular Secrecy), Sept. 2, 1949; Minute by Lloyd, Sept 10, 1949.

33. *Ibid.*, F14149/1024/61, Dening to Strang, G33/3/49 (Secret), Sept. 15, 1949; F15735/1024/61, Dening to Bevin, Sept. 12, 1949; F15775/1024/61, Dening to Bevin, Sept. 12, 1949.

34. *FRUS*, 1949(7), pp. 1204-8, 890.00/9-1349, Report by Yost of Discussions of Far Eastern Affairs in Preparation for Conversations with Bevin on Sept. 13, 1949 (Top Secret), Sept. 16, 1949.

35. *FO 371* 76385, W4639/3/500G, Strang to Bevin, Aug. 10, 1949; Minute by Bevin, Undated.

36. *FO 371*, 76385, W5016/3/500G, Attlee to Strang (Top Secret), Undated.

37. *Ibid.*, 76030, F17397/1055/61G, Minute by W. G. Hayter, Nov. 3, 1949. Circulated to Cabinet as CP(49)207. All reference to this document has been deleted from the Cabinet papers. It is evident, however, from cross referencing that the Cabinet endorsed the document.

of South-east Asia heightened the possibility of internal disruption. It was possible, however, that the unpopularity of the Chinese settlers with the local inhabitants could encourage resistance to the spread of communist doctrines propagated from China. Alternatively, India could try to dominate the area, but India was unpopular and its expansionist aims were feared, so the countries of South-east Asia were unlikely to accept its lead. From the Persian Gulf to the China Sea no single power could dominate the region. Nor could any combination of powers resist Russian expansion. And no Asian power could bring about unity and co-operation. As Britain had come to terms with the new nationalist spirit in Asia it could use its political and economic influence to weld the area into some degree of regional co-operation. Most of Britain's former territories in the area were friendly independent members of the Commonwealth, and had been built upon a British foundation. Britain also had a peculiarly close relationship with those countries in South-east Asia within the sterling area. The United States did not enjoy the same degree of prestige as did Britain, partly because it lacked the historical connections, partly because of the failure of its policy in China, and partly because of its reluctance to play a leading part in South-east Asia. Laissez faire American economic philosophy had little appeal in Asia where practically all progressive thought was socialist. Asian nationalists tended to see the choice between democratic socialism and communism, in effect between the British and Russian ways of life. Full development of the area, however, was only possible through American assistance, and the United States was reluctant to risk further losses after its experience in China.

Britain's commitments and interests in Asia were possibly in excess of its postwar strength, but the economic ties could not be severed without serious consequences. Britain, however, could not make any military commitment which would offer resistance against a full scale attack in war. The most it could do in peace was to maintain internal security within its own territories, encourage 'confidence in the adolescent nations of the region, and local efforts to form sound defence establishments'. With proper guidance the Asian nations could resist Russian aggression, particularly as Moscow's major commitments would probably be in the West and Middle East. Britain still had to cope with Asian suspicions that it was trying to re-establish its domination, and the memory of Britain's ignominious defeat by the Japanese lingered. The original draft of the paper drawn up by Strang's committee suggested that the absence of hostility towards Britain was partly because Britain was 'no longer regarded as a force to be reckoned with'.

The Permanent Under Secretary's Committee thought that Britain was in the best position to build up a regional association in South-east Asia in partnership with the West. Not only could Britain interest the United States, but it had the means of influencing and co-ordinating the policies of the Asian dominions, and Australia and New Zealand. The immediate intention was to prevent the spread of communism and to resist Russian expansion. The long-

term objective was to create a friendly system of partnership between East and West, and to improve economic and social conditions in South-east Asia and the Far East.[38] Working on the premise that the Far East comprised principally Japan, Korea and China—the first two being primarily an American commitment and the third a potentially hostile power—it was in South-east Asia that Britain had to start promoting greater regional collaboration. Only later could the Far East be attached to any system that might emerge. Strang's committee argued that there were advantages in using a Commonwealth rather than just a British approach to achieve these aims, though the racial policies followed by South Africa, and the resentment Asian countries felt over the 'White Australia' policy might endanger this. Furthermore, it was unrealistic to expect democracy to develop on the British pattern in the area: corruption and inefficiency would not vanish overnight. The masses of the peoples of Asia for many years would have little voice in government; universal suffrage was only likely to be exploited by the governing classes. The paper suggested that Britain should attempt to establish the nucleus of strategic co-operation between itself, Australia, New Zealand, and the Commonwealth countries of Asia. This was essential before any wider regional defence system could be contemplated. And then the co-operation could only be in the field of planning and exchange of views. Britain would have to supply the arms, and other commitments made any increase impossible. As so little could be done in the military field the most profitable line seemed to be the economic one. A draft of the paper, amended at the request of the Colonial Office, referred to the problem of how to 'reconcile the insatiable appetite of India and the Colonial Empire' for economic assistance with Britain's slender resources and the need to develop South East Asia as a whole. Indeed, economic collaboration seemed to be 'the only form of greater unity' the countries of the area were likely to accept. It was hoped that this could lead to greater political and military cohesion. American participation was, however, essential and Britain's main objective should be to secure this.[39]

The Russians presumably received a copy of these documents. It was decided to send them as a Foreign Office despatch to Nanking. That was passed to Guy Burgess of the Far Eastern Department. The despatch went missing. G. A. Carey Foster of the Security Department noted that several top secret papers had gone astray. Burgess, after trying a suggestion that the paper might have become attached to another document, insisted that he had returned it to the South-east Asia department. There Blackham, on an impending transfer to La Paz, thought that it might have been consigned to confidential waste, though Lloyd could not remember the act of tearing up. Security accepted that

38. *FO 371*, 76386, W5572/3/500G, PUSC(32) Final, 'The United Kingdom in South East Asia and the Far East' (Top Secret).

39. *Ibid.*, W5572/3/500G, PUSC(53) Final, 'Regional Cooperation in South East Asia and the Far East' (Top Secret); Strang to Bevin (Top Secret), Oct. 16, 1949; Minute by Bevin, Undated; PUSC(72), Amendments to Committee Papers on South East Asia and the Far East in the Light of Comments Received (Top Secret), Oct. 11, 1949.

explanation. It is probable that Burgess passed on the information, if not the documents, to his Russian masters.[40]

The policy outlined by Strang's committee was endorsed by the Cabinet on October 27. The Chancellor of the Exchequer, Stafford Cripps, was hesitant about Britain continuing its existing level of aid to South-east Asia, and his colleagues hoped for American participation on the basis of Britain providing the experience and the United States the finance.[41] These reservations were passed on to the conference of His Majesty's Representatives in the Far East and South-east Asia which met at Bukit Serene, Johere Bahru, between November 2 and 4 in preparation for the forthcoming Commonwealth Prime Ministers' conference at Colombo.[42] At Bukit Serene the representatives warned that the danger from communism in South-east Asia was so great that energetic short-term action was required irrespective of any steps to secure the long-term objective. Although the Chinese communists were unlikely to fight beyond their frontiers, they would stimulate conspiracy and subversion through the strong communist elements among the Chinese and other populations in Indochina, Siam and Buma. Domination of these great rice growing countries could give the communists a stranglehold on the whole of Asia. South-east Asia should be regarded as an area where an emergency existed. The conference endorsed the long-term aim of a regional pact including the North Atlantic Treaty countries, Australia and New Zealand, but as this was unlikely in the near future an initial approach should be made to stimulate economic co-operation in the region.[43]

Following the conference at Bukit Serene, Dening sounded Australian and New Zealand opinion. On November 11, at a meeting in Canberra, Dr Burton of Australia pointed to his country's dilemma: on the one hand there was the view that Australia had a vital interest in what happened in Asia and should play an increasingly active role there; on the other hand there was the feeling, stimulated by the recent awareness of the internal menace of communism, that Australia should recede from Asian affairs and attend to its own security. Mr McIntosh of New Zealand pointed out that his country was leaning more and more towards a policy of complete isolationism from the area: New Zealanders regarded themselves as belonging to Western Europe. Dening suggested that perhaps, in an increasingly smaller world, the Pacific dominions would not have a choice, and would find themselves involved in Asia whether they liked

40. *Ibid.*, 76030, F17397/1055/61G, Green Division to Tucker, Jan. 27, 1950; Minutes by W. C. Tucker, Jan. 27, 1950; R. Molland, Jan. 30, 1950; G. A. Carey Foster, Jan. 31, 1950; J. E. Puleston, Feb. 1, 1950; G. Burgess, Feb. 1, 1950; J. O. Lloyd, Feb. 4, 1950; G. A. Carey Foster, Feb. 8 and 10, 1950; W. C. Tucker, Feb. 8, 1950.

41. *Cab 128*, 16, f. 85, Cab 62(49)8 (Secret), Oct. 27, 1949.

42. *FO 371*, 76022, F6056/1022/61G, Scrivener to Dening, March 3, 1949; Strang to MacDonald, Telegram No. 429 (Particular Secrecy), March 26, 1949; 76010, F16233/10110/61, Bevin to Rees Williams and Dening, Telegram No. 1431 (Particular Secrecy), Oct. 31, 1949.

43. *Cab 129*, 37 Pt 3, ff. 381–4, Memorandum by Bevin on Conference at Bukit Serene (Secret), Circulated Dec. 1, 1949; *FO 371*, 76010, F16631/10110/61, MacDonald to Bevin, Telegram No. 928 (Particular Secrecy), Nov. 6, 1949.

it or not.[44] It was thought that New Zealand hoped that Australia and the United States would assume sufficient defence responsibilities in the Pacific to enable New Zealand, in the event of another war, to send troops further afield where they would be of maximum assistance to Britain. New Zealand remained the 'Peter Pan' dominion: it did not want to grow up; it did not want to be strengthened by large scale immigration. New Zealand wanted Britain to be as strong as possible, and enjoyed its sense of dependence on Britain. It hated to think of Britain being dependent on the United States and concealed its own dependence on the United States. New Zealand was irritated when other members of the Commonwealth took steps which it regarded as weakening the bonds of the empire. The British High Commissioner in Wellington warned: 'closer alliance with Western Europe will bring us some undoubted gains, but if it leaves New Zealand with a belief that we have forsaken her it will also bring undoubted and by no means insignificant losses'.[45]

The American commitment

Although the attitude of the Pacific dominions appeared rather negative, by December 1949 that of the United States was moving closer to Britain.[46] In November the Foreign Office and the American Policy Planning Staff exchanged information on South-east Asia. J. O. Lloyd found Kennan's paper of March, endorsed by Truman, 'very stimulating'. Kennan and his staff were allowed to read an edited version of the British papers drawn up by Strang's committee—the editing removing unfavourable references to the United States—and they commented that there was ' a remarkable similarity of view' in the British and American studies. The Americans felt that there was no reason why the envisaged multilateral collaboration, preceded by joint Anglo-American action, should not be successful. R. H. Scott of the Foreign Office minuted that the British and American papers were complementary rather than conflicting; though reached by different routes the conclusions were much the same. The American approach, however, was ideological whereas the British one was 'severely practical'. He was worried that the Americans glossed over 'the fissiparous trends' in South-east Asia.[47] In the middle of December Acheson dined with the British ambassador in Washington, Sir Oliver Franks, and explained that the world across the Pacific would be the principal preoccupation of the State Department in 1950. The Secretary of State and his advisers had changed their minds: the communists in China were

44. *FO 371*, 76010, F17568/10110/61, Minutes by Dening of Meeting in Canberra on Nov. 11, 1949, Nov. 12, 1949.

45. *Ibid.*, 76386, W5772/3/5008, A. W. Snelling to Sir Percival Liesching, Oct. 12, 1949.

46. *Ibid.*, 76983, F19106/1055/86, MacDonald to Bevin, Telegram No. 1098 (Particular Secrecy), Dec. 19, 1949 received Dec. 20, 1949.

47. *Ibid.*, 76025, F17668/10345/61G, Hoyer-Millar to Sir Roger Makins (Top Secret and Personal), Nov. 16, 1949; Minutes by Lloyd, Nov. 24, 1949; Scott, Nov. 24, 1949; 76386, W5665/3/500G, Minute by R. M. Hadow (Top Secret), Oct. 18, 1949; Makins to Hoyer-Millar (Top Secret and Personal), Oct. 19, 1949.

likely to expand beyond their borders, 'early', to the south and east. This would be especially dangerous in the areas with considerable Chinese settlements. With this in mind Acheson had 'scratched together about 75 million dollars to use in Indonesia, Indochina, and possibly Siam to help bolster the regimes in those countries. He interpolated a 'paeon of praise' about French achievements in Indochina: the American view had changed, and he was anxious to recognise and help Indochina. The Colombo conference now appeared as a 'most important event'. Acheson was thinking in terms of 'some rough geographical division of responsibilities': the United States would look after Indonesia, the Philippines, Indochina and spare a little for Siam; the Commonwealth could help the countries in the Indian Ocean and particularly Burma. Franks, to the subsequent relief of the Foreign Office, hastily discouraged thoughts about any sharp divisions or functions.[48] As H. B. C. Keeble minuted, the Americans seemed prepared to 'take a fairly helpful line' in South-east Asia.[49]

Indeed, the final Policy Planning Staff paper, NSC 48/2, endorsed by Truman on December 30, 1949, reflected many of the ideas of the papers drawn up by Strang's committee. The basic security objective was the gradual reduction and the eventual elimination of the preponderant power and influence of Russia in Asia. Non-communist regional associations were to be encouraged, but the United States was not to take an obvious lead. The United States was, however, on its own initiative to

> scrutinize closely the development of threats from Communist aggression, direct or indirect, and be prepared to help within our means to meet such threats by providing political, economic, and military assistance and advice where clearly needed to supplement the resistance of the other governments in and out of the area which are more directly concerned.

The Commonwealth was to be induced, in collaboration with the United States, to play a more active role in Asia. As a matter of urgency 75 million dollars was to be 'programmed' for the area.[50]

Bevin explained British policy to the Commonwealth ministers in Colombo in January 1950. Thwarted in the West, Russia was turning east where special circumstances made the equivalent of an Atlantic pact inappropriate. Like minded countries with interests in the east should be ready to help one another resist any attempt to hinder peaceful development on democratic lines. There could be financial help without domination. With remarkable unanimity the representatives viewed communism as a menace, and agreed on the need to

48. *Ibid.*, F18982/10345/61, Franks to Bevin, Telegram No. 5855 (Particular Secrecy), Dec. 17, 1949 received Dec. 18, 1949; Minute by R. H. Scott, Dec. 22, 1949.

49. *Ibid.*, 75983, F19106/1055/86, MacDonald to Bevin, Telegram No. 1098 (Particular Secrecy), Dec. 19, 1949 received Dec. 20, 1949; Minute by H. B. C. Keeble, Undated.

50. *FRUS*, 1949(7), pp. 1215–20, Executive Secretariat Files, Souers to National Security Council (Top Secret), Dec. 30, 1949; NSC 48/2, 'The Position of the United States with Respect to Asia' (Top Secret), Dec. 30, 1949; *United States-Vietnam Relations, 1945–1967*, Book 8, pp. 225–64, NSC 48/1, 'The Position of the United States with Respect to Asia' (Top Secret), Dec. 23, 1949.

improve the standard of life and the social welfare of the peoples of South and South-east Asia to combat this. The conference examined the practical economic steps that could be taken to help the threatened areas of Asia resist communist encroachments.[51]

Foreign Office officials, however, remained aware of the need to secure American encouragement and support for this. They were warned by Franks that although there was a genuine acceptance by the American people of the position of the United States as a world power and a willingness to shoulder the responsibility that accompanied that position, there was a budget deficit of five billion dollars and the American people associated that with the money spent by their government.[52]

At the end of January 1950 the American Joint Chiefs of Staff advised that if the communist penetration of South-east Asia continued allied military requirements would increase, and these would have to be underwritten, if not directly furnished, by the United States.[53] Ambassador at Large, Philip C. Jessup, after a fact finding tour of fourteen nations in Asia, including a talk with MacDonald at Bukit Serene, advised that South-east Asia was vitally important to the United States. Jessup agreed with the British representatives he had consulted that all measures should be taken to prevent communist expansion there. Indochina was the key to the situation and the fate of South-east Asia was in the balance.[54]

When British, American and French officials met for talks on the area in May, the Foreign Office observed that there was 'a close identity of outlook' between the British and American administrations.[55] The American delegate explained that although Britain and France had a primary responsibility in the area, the United States wanted to continue its practice of assistance in stemming further communist advances.[56] The United States felt that a regional pact in the Pacific would only succeed if it arose spontaneously and was not forced on Asia by the West. The emphasis should be on cultural and economic matters. This coincided with the British view: it was hoped that fuller economic co-operation would arise out of the Sydney conference following up the suggestions made at Colombo.[57] The Commonwealth economic

51. *Cab 129*, 38, ff. 66–70, CP(50)18, Memorandum by Bevin on the Colombo Conference (Secret), Feb. 22, 1950.

52. *FO 371*, 84528, FZ10345/3, Note of a Discussion with Sir O. Franks held in Strang's room on Feb. 8, 1950.

53. *FRUS* 1950(6), pp. 5–8, 793.56/2-150, Johnson to Acheson (Top Secret), Feb. 1, 1950; Memorandum by Joint Chiefs of Staff to Johnson (Top Secret), Jan. 20, 1950.

54. *Ibid.*, pp. 11–18, 611.97/2-450, Memorandum by Jessup of Conversation with MacDonald (Secret), Feb. 6, 1950; pp. 29–30, 700.001/2-2750: Telegram, Stanton to Acheson (Top Secret), Feb. 27, 1950; pp. 68–76, 611-90/4-350, Memorandum by Ogburn of Oral Report by Jessup upon his return from the East (Top Secret), April 3, 1950.

55. *FO 371*, 84517, FZ1025/1, British Brief for London Conference in May 1950, South East Asia General (Secret), April 29, 1950.

56. *Ibid.*, FZ1025/3G, British Record of a Meeting of a Tripartite Official Subcommittee held in the Foreign Office on May 1, 1950 (Top Secret).

57. *Ibid.*, FZ1025/6G, British Record of a Meeting of a Tripartite Subcommittee in the Foreign Office on May 2, 1950 (Top Secret); *FRUS*, 1950(3), pp. 935–48; pp. 1082–85, Conference Files: Lot 59 D 95: CF 20, Agreed Tripartite Minutes on South East Asia (Top Secret), May 22, 1950.

programme was orchestrated by the new Australian Prime Minister, Percy C. Spender: Bevin had arranged this as he thought it best that the proposal came from a country other than Britain.[58] The United States sent a mission under Robert Allen Griffin to develop a programme of economic assistance on an emergency basis to remove impediments to economic development in South-east Asia. Its recommendations were accepted and implemented.[59] As John Foster Dulles, Consultant to the Secretary of State, observed: 'what is going on in Asia is little more than a recrudescence in a new guise of the aggressive ambitions of the Czars'.[60]

For Britain, United States participation remained essential. As Bevin told the Cabinet on May 8, 1950, Western Europe, even with the support of the Commonwealth, was not strong enough to contend with the military dangers confronting it from the east:

> To withstand the great concentration of power now stretching from China to the Oder, the UK and Western Europe must be able to rely on the full support of the English speaking democracies of the Western Hemisphere; and for the original conception of Western Union we must now begin to substitute the wider conception of the Atlantic Community.[61]

With this in mind the British government became alarmed by the effects of American policy on Asian opinion during the early stages of the Korean war. Bevin acknowledged that from 1945 the United States had regarded South and South-east Asia as primarily a British interest. It was only with the communist threat late in 1949 that the United States took a closer interest in the developments of South-east Asia to the extent of giving military and economic aid to certain countries. But the United States still expected Britain to take the lead, and showed a 'welcome disposition' to consult before taking any action; this was 'satisfactory and should be encouraged'. The American declaration neutralising the straits of Formosa, however, had alarmed Asian countries, and aroused suspicions, particularly in India, of American imperialism. It was feared that unless American policy towards China, Japan and Korea took more account of Asian opinion and Asian susceptibilities, Asia would be alienated from the West to the benefit of Russia.[62] But the American administration was also conscious that much of Asia was unconvinced of its devotion to peace, its lack of imperialist ambition, and its interest in Asian freedom and progress.[63]

58. *FRUS* 1950(6), p. 146, 880.00/9-2650, Memorandum by Battle of Conversation between Bevin and Acheson (Secret), Sept. 26, 1950.

59. *Ibid.*, pp. 87–92, 890.00/5-1150, Record of Interdepartmental Meeting on Far East on May 11, 1950 (Confidential); pp. 93–94, 851G.00TA/5-1550: Telegram, Acting Secretary of State to the Legation at Saigon (Secret), May 15, 1950.

60. *Ibid.*, pp. 128–29, 790.00/8-750, Dulles to Acheson (Confidential), Aug. 7, 1950; Memorandum by Dulles (Confidential), Aug. 4, 1950.

61. *Cab 128*, 17, ff. 94–96, Cab 29(50)3 (Secret), May 8, 1950.

62. *Cab 129*, 39, ff. 242–3, Memorandum by Bevin of a Review of the International Situation in Asia in the Light of the Korean Conflict (Secret), Aug. 30, 1950.

63. *FRUS*, 1950(6), pp. 136–39, 611.90/8-3050, McGhee to Matthews (Top Secret), Aug. 30, 1950; Policy Paper 'A New Approach in Asia' by McGhee (Top Secret), Aug. 30, 1950.

The Foreign Office brief for the ministerial talks between France, Britain and the United States, held in New York between September 12 and 14, pointed out that although communist aggression in Korea had produced a certain hardening of opinion against communism amongst the free Asian peoples, it was essential for the Western powers to show that they were strong enough to contain China and its communist proteges in Indochina and Malaya, and that the free countries of Asia would receive help from the West in making themselves strong and independent. Indochina was singled out as the principal problem. There an American military mission was already arranging the urgent delivery of considerable supplies to the forces of France and the Associated States. The British Chiefs of Staff warned that if the French, even with American aid, could not contain the Vietminh, there would be the gravest repercussions on the British position in South-east Asia.[64] The preliminary talks between the three countries' representatives on September 1 pointed to Indochina as the principal problem. On September 15 Acheson told his British and French colleagues that the United States government attached the greatest importance to the development of military power in Indochina: military aid to Indochina had been given the highest priority and the amount of American help would be increased. He hoped for talks in the Far East on a high military level.[65] On October 9 Dean Rusk, the Assistant Secretary of State for Far Eastern Affairs, suggested that the United States form a closer relationship with Australia and New Zealand of a military and political character. This was seen as implementing NSC 48/2.[66] It marked the beginning of the assumption by the United States of Britain's traditional role in the area.

For Britain the cold war became a reality in South-east Asia with the communist insurgency in Malaya in 1948. At the beginning of 1949 the United States appeared uninterested and was not prepared to accept any responsibility for halting the communist advance there. The United States regarded the area as being primarily a British interest. The American experience in China made the administration wary of considering even economic support for the region. But Britain realised that, even with Commonwealth assistance, it could do nothing to counter communist moves without American participation. In the same way as it had prepared Western Europe for the American commitment[67] the British government did its best to

64. *FO 371*, 84536, FZ1073/1/G, Foreign Office Memorandum for Tripartite Ministerial Talks in New York. Briefs on South East Asia and Indochina (Secret); 'Current Developments in Indochina' (Secret); Secretary of Chiefs of Staff Committee to J. D. Murray, Aug. 24, 1950; *FRUS*, 1950(3), pp. 1146-53, CFM Files: Lot M-88: Box 152: Pre Mins 1-5, United States Delegation Minutes, Preliminary Conversations on Communist Threat to South East Asia and Developments in Indochina (Top Secret), Aug. 30, 1950; pp. 1172-75, CFM Files: Lot M-88: Box 152: Documents 1-40, Paper prepared by Tripartite Drafting Group on South East Asia (Top Secret), Sept. 1, 1950.

65. *FO 371*, 84536, FZ1073/2/G, Document on South East Asia prepared in preliminary Tripartite Talks (Secret), submitted to Ministers Sept. 1, 1950; British Delegation United Nations to Jebb, Telegram No. 1017 (Particular Secrecy), Sept. 15, 1950.

66. *FRUS*, 1950(6), pp. 147-8, Rusk to Matthews (Top Secret), Oct. 9, 1950.

67. See Ritchie Ovendale, 'Britain, the U.S.A. and the European Cold War, 1945-8', *History* (June 1982).

organise the countries of South-east Asia. At first the British task seemed almost impossible, but by the end of 1949 there was a considerable amount of congruence between the British plan drawn up by Strang's committee and that developed by Kennan's staff. Conversations, and the exchange of views between British and American officials, helped. In the end the key American document, NSC 48/2, reflected many of the ideas propounded by Strang's committee. It took less than a year to convince the Americans of the need to make a firm commitment to South-east Asia. That took the immediate form of military aid to the French in Indochina. With the outbreak of the Korean war, however, the American commitment evolved rapidly. With the moves towards the formation of a defence agreement with Australia and New Zealand the United States was increasingly assuming Britain's responsibilities and role in South-east Asia.