

Labour in Asia : BP161511 (420) a new chapter?

editor Colin Jackson

fabian tract 420

40p

ARGUMENT

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this pamphlet, like all publications of the Fabian Society, represents not the collective view of the Society but only the view of the individuals who prepared it. The responsibility of the Society is limited to approving publications it issues as worthy of consideration within the Labour movement. Fabian Society, 11 Dartmouth Street, London SW1H 9BN. March 1973

ISBN 7163 0420 1

1. introduction

Colin Jackson

This Fabian pamphlet is concerned with the policy of the next Labour government in relation to the peoples of Asia. In separate chapters the main areas are covered, the Indian sub-continent, South East Asia, Indo-China, Japan and the Peoples' Republic of China. In a relatively brief survey covering the most populous continent in the world, inevitably some of the smaller territories, such as Afghanistan, Nepal, Burma and Korea, have had to be left out. Concerning divided Korea, certainly Labour in Britain has everything to gain by proclaiming outright support for a policy of reconciliation between the North and the South. For the ending of the cold war in this area can greatly assist the further improvement of relations between China and Japan and the scaling down of arms totals in the Far East.

Perceptive critics may enquire why, also, there is no reference to the USSR in Asia; in particular, it may be asked what is the Fabian attitude towards the Sino/Soviet dispute, along the eastern frontier of Asia? I was in China in August 1960 when the Soviet technicians aiding China were withdrawn in a way specifically designed to harm Mao's economic plans. Almost everything that has happened since then has confirmed my opinion that the greatest single likelihood of a major conflict in the last quarter of the 20th century lies in the field of Sino/Soviet relations. In the face of an impending battle of the juggernauts there is not much the rest of the world can do except, in every fashion, avoid the temptation of trying to play Moscow off against Peking. Labour in the Commonwealth, in Europe and in its relations with America can be the champion of those opposed to a cynical divide and rule policy. For if a nuclear war were to come on the roof of the world, then who knows which way the wind would blow? In this context, Fabians should express themselves clearly in backing the new Australasian Labour governments' condemnation of French nuclear testing in the Pacific.

The six separate chapters by six different authors inevitably vary in style and approach. Even in a pamphlet published by

the Fabian Society there has had to be a good deal of background information supplied! This comes out in a particularly valuable way in the papers on Japan and China, as does the need to retain the capacity to look through the other end of the telescope. As Richard Harris says "we cannot understand Britain's relations with China without first understanding China's relations with Britain." Then we have a fair measure of polemic in these papers. Fabians always need a little vitriol; we can sometimes be so reasonable as to send ourselves off to sleep! There is no danger of this in Michael Lipton's chapter on Labour and Economic Policy towards Asia. In diplomacy too I think he has invented a new phrase "court fig-leaf-makers."

policy recommendations

In this introduction there is no intention to try and "sum up"; the chapters on each territory or topic speak and argue for themselves. The following recommendations for Labour in Asia are simply based upon a quarter of a century of one person's moving and talking around the continent, starting from the time of Attlee's great triumph with the granting of independence to India (laying, as our government did then, the foundation of the modern Commonwealth).

First, we must never again repeat the kind of disastrous policy pursued by the Labour government between 1965 and 1970 in relation to Vietnam. At that time many of Labour's leaders completely misunderstood the nature of Ho Chi Minh's leadership in Hanoi. There will be Labour members of parliament who can remember meetings of the Parliamentary Labour Party when Michael Stewart seemed unwilling, or unable, to distinguish between the governments of East Germany and North Vietnam. A socialist administration in Britain appeared to many as Lyndon Johnson's "poodle." As Martin Bernal points out, Labour at the universities in Britain between 1965 and 1970 was torpedoed by number ten Downing Street. France could speak out against the atrocities of Vietnam, so could Sweden, but

the Labour government almost went out of its way to apologise for Washington's activities. All the talk about negotiations behind the scenes impressed precious few in Europe, Asia or America. The administration in Washington scarcely disguised what it thought of this policy. It is one of the tragedies of Labour in office, as it is with the Democrats, that they often have to appear more conservative than the Conservatives in order not to be smeared by the right as "soft on communism."

Then serious attention needs to be taken of the warning note issued by Michael Lipton in his chapter on Labour Economic Policy in Asia when he writes "if it matters to the Labour Party to persuade serious socialist academics to join the debate about its third world policies, it could start by ending the pretence, recognising that the period 1964 to 1970 was a developmental disaster, and outlining clear policies to do better next time, policies it can adhere to in office." It was encouraging, last September, to see Harold Wilson writing in the first edition of the Fabian Society's new monthly journal, *Third World*, that "there was a good deal of frustration, even disillusion with Labour's record on aid and development while in office between 1964 and 1970. This was more than shared by the cabinet and many Labour ministers."

There is also a lesson to be learned by the Fabian Society and the Labour Party, from the two chapters on China and Japan. Both Richard Harris and Wolf Mendl stress that Peking and Tokyo will be looking, in the 'seventies, at a Labour government in Britain as a part of Europe. China supports the EEC since it represents a balancing force between the USA and the Soviet Union. Wolf Mendl writing on Anglo-Japanese relations says "the principal point of contact between Britain and Japan during the next few years will be in economic relations, particularly through the EEC." It is for Fabians and socialists in the United Kingdom to note that, whatever individual members may think, a major portion of Asia is planning its relations with Britain in the next decade on the premise that the British Isles will be within and not without Europe.

In addition to these specific comments on Labour in Asia in the 'seventies in terms of areas and economics, there is a deep and more fundamental point that needs to be noted about the attitude of socialist Britain towards the two billion people of Asia. It seems that in many ways we are just not interested any more. We are in danger of becoming little Englanders, mainly concerned about meat prices in Europe. The Labour Party's horizons have contracted from India to Africa, and now for some they seem mainly concerned in keeping out of Europe. Left wingers in the past, like Kingsley Martin and Stafford Cripps, even pleasant old cynics like Malcolm Muggeridge, developed a passionate care for India and its people through the development of an intimate knowledge of that country and through enjoying lasting personal friendships with its leaders. Where are the present day equivalents of those personal ties? India and Pakistan were the only major Commonwealth countries that Harold Wilson failed to visit in his six years as prime minister. Between 1964 and 1970, the parliamentary party only became interested in Vietnam when US involvement in the war developed. For someone like myself with seven visits to that country in 20 years I found it irksome to be in the position of either being used by a few who just wanted to attack the Labour administration, or to be considered eccentric in my criticisms, coming as they did from someone thought to be "sound!" With honourable exceptions like Tam Dalyell in parliament, and Dorothy Woodman in the Fabian Society, our left wing in Britain knows little and seems to care slightly less about the aspiring hundred million people of Indonesia.

Surely now is the time, although very late in the day, for the Labour Party, and the Fabian Society in particular, to visit once more and learn in detail about half the peoples of the world. We have had some encouraging beginnings such as Roy Jenkins in Bangladesh, Tony Benn in China, and the National Executive Committee of the Labour Party deciding to visit North and South Vietnam. As a Society, however, we are not producing

2. Labour & British economic policy towards Asia

Michael Lipton

Asia, more than any other continent, is a geographical fiction. To treat as a homogeneous entity India, China, Japan and Kuwait would be absurd. This discussion concentrates on the less developed regions of South and South East Asia. West Asia, a wealthy, military unstable and highly inegalitarian region that naturally makes full bargaining use of its oil assets, in fact presents wholly different problems, whether to socialists or indeed to Britons.

By "economic policy" will be understood governmental actions which affect international movements of goods and services, and of factors of production: policies affecting foreign trade, aid, and the movement of private capital and of skilled and unskilled workers. Direct policies to affect such dealings between Britain and Asia will be emphasised. The historical record does not suggest that British governments can improve their economic relations with Asia by simply emphasising British growth or efficiency or equality, though improvements here are probably *necessary* conditions for a better climate in which aid and trade policies can operate. Indeed, the "balance of payments" excuse for Labour's record in this field can be easily disposed of. Exports to Asia were as neglected as imports from Asia; and when our balance of payments improved other excuses for the dismal aid performance took over.

If "economic policy towards Asia" can be fairly narrowly interpreted in some ways, "British" cannot. To consider British economic behaviour, recent or prospective, without reference to the European Economic Community (EEC) would be meaningless. In considering future options for a Labour government, it is assumed that we remain a full member.

The hardest word in the above title is "Labour." It is not too hard to define a UK economic policy towards the poor countries of Asia that would best serve British interests; or a democratic socialist one, that would best help in the relief of poverty and the advancement of self-reliant development. These two sorts of policy would conflict at some points, notably regarding Britain's tax treatment

of the less developmentally beneficial forms of private foreign investment; but they would overlap much more often, especially, for example, in the mutual freeing of trade and improved allocation of aid. It is in that large area of overlap between democratic socialist and British concerns that a Labour economic policy towards Asia should, in future, be sought.

past discredit: future vacuum

Unfortunately, the record of the Labour governments of 1964 to 1970, on foreign economic policy towards poor countries, and most especially towards those of Asia, makes it difficult to embark upon such a search with an easy conscience. It is not just the Labour Party's taste for pragmatism that has rendered it today, as never before, so short of serious ongoing policy research, and indeed policy. Serious scholars will not use up scarce time and professional capacity by knowingly producing for a party of opposition fig-leaves of international morality and rationality, that experience has proved to be discarded in office. It is because of the stark contrast between the years 1962 to 1964 (with their soft words and hard thought) and the unhappy policy record of 1964 to 1970 (a contrast followed by more soft soap since the 1970 election) that many socialist academics have stopped working seriously in or through the Labour Party. This applies to near as well as far left.

The two leading economists who, in the Ministry of Overseas Development (ODM), headed what was supposed to be the main thrust of Labour's research for action to improve relations between Britain and the third world, Paul Streeten and Dudley Seers, are as genuinely libertarian and democratic socialists as can be found. Their conclusion regarding Labour's actual and potential record towards poor countries makes sad reading; but it explains the reluctance of academics again to act as court fig-leaf-makers. "On the whole, Labour's record was discreditable. If the Conservatives . . . had won the 1964 election, they would [probably] have continued to expand [aid], because the cuts were due more to Labour political

priorities than to economic difficulties. [We doubt that, unless] Labour had . . . made the decisive move towards an immigration policy with racial and anti-developmental overtones . . . the Conservatives [would] have done so . . . One even wonders whether Smith would have tried his breakaway (or have succeeded so completely) if the Conservatives had been in power . . . Setting up an independent ministry is merely an empty gesture [unless there is real] support within the government for its policies . . . When it comes to the pinch, Labour is really very parochial." (Dudley Seers and Paul Streeten, "Overseas development policies," in William Beckerman (editor) *The Labour government's economic record: 1964-70*, Duckworth, 1972, pages 150 to 152. The whole piece is essential reading for socialists; a damning and disgusted indictment by two experts ideally placed to know the facts and deeply sympathetic to what had been presented, before the 1964 election, as being official Labour Party policy.)

Now a week is a short time in Academe, but even doddering dons can remember the period 1962 to 1964, the committees of the Labour Party and the Fabian Society, the pious statements of goodwill by political leaders, the decent resolutions and the detailed promises. They also remember the policies of 1964 to 1970: a 20 per cent fall in Britain's real aid; a trade policy which was restrictionist towards imports from poor countries and neglectful of exports to them; the active support for British uranium mining, by Rio Tinto Zinc, in Namibia (South West Africa) combined with Labour's stubborn persistence in double-taxing British capital in India which it was agreed was of mutual benefit; the dishonouring of British passports, held by "Kenyan Asians," on the socialist grounds that their bearers lacked white skins. The academics remember that the Labour leadership, which claimed to value their idealism (at least it sought their time on policy committees and recruited them into the civil service), in practice, preferred Concorde to aid; in practice preferred the short run interests of a handful of textile workers in marginal constituencies to the

common interests of poor British housewives and desperately poor Indian weavers; and in practice preferred to retreat before racists rather than to work out a reasoned immigration policy.

It must be emphasised that the academic left has no right to be upset because its advice was not taken; only because its ideals were exploited and ignored. Academic analysts (unlike party conferences, which the Labour government equally neglected) have no prescriptive right to help form policy; but both socialist academics and other party members can vote with their feet. If exploited and abused by the Labour leadership, they can simply withdraw. Massively, academics have done so; hence, in part, the policy vacuum. I am sorry if these harsh words give offence, but I should like to see a democratic socialist party in power in Britain (not just to improve British economic policy towards Asia) and these facts must be absorbed, if such a party is ever again to command the active interest of idealistic people with special expertise in the analysis of policy.

Labour in opposition

What can be done about this? It will not help for Labour in opposition to espouse policies, extremely favourable to the third world, diametrically opposed to its behaviour in office. On southern Africa, support for whisky-drinking-guerillas, from the safety of opposition, will not erase the memory of support for uranium mining and processing in Namibia, while in office. In opposition, Labour has argued, in terms of high moral indignation, that Britain should be represented at UNCTAD III by the Overseas Development Administration (ODA) and not by the Board of Trade; that ODA should be strengthened; that Indian democracy and Bangladeshi claims should be preferred to Punjabi military theocracy; and that firm commitments should be made to the Pearson aid targets. (Like its Conservative successor, the 1966 to 1970 Labour governments were prepared to accept the meaningless target of 1 per cent of Gross National Product (GNP) for "net flows of

financial resources from the UK to poor countries." The more meaningful Pearson target [0.7 per cent of GNP as net inter-governmental aid by 1975] was not accepted by Labour or Conservative governments, but only by Labour in opposition, if one believes them.) Alas, each of these policies flatly contradicts what Labour did in office. If it matters to the Labour Party to persuade serious socialist academics to join the debate about its third world policies, it could start by ending the pretence, recognising that the period 1964 to 1970 was a developmental disaster, and outlining clear policies to do better: policies it can adhere to in office.

Labour in office

Labour in office seemed eager to sacrifice a decent relationship between the UK and the third world to almost anything: to civil service preferences (the decision to suspend aid to one of the few clearly socialist recipients, Tanzania, because she refused to pay pensions to her former colonisers); to Labour "Greater Britainism" (Concorde before aid); to Labour "little Englandism" (textile voters in Dundee and Blackburn); even to the sheer "uncaring adhocery" of Wilson's hit-and-run attack on India in the "Lahore speech." (Harold Wilson now blames his one-sided off-the-cuff condemnation of India upon an unnamed civil servant. The interesting thing is that the prime minister did not feel, know or care enough about India to sense the bias or to discover the facts. His offensive cancellation [to meet some little local difficulty now long forgotten] of his proposed visit to this enormous socialist democracy is a further indication of the real situation.) Unless the past is at least partially recognised and better things made likely, academics with ideals will not again waste their time. Their talents, such as they are, are required not to form figleaf economic policy towards Asia, but to analyse how the Labour Party can be radically transformed into an anti-poverty party on a world scale; if it cannot be transformed, people to whom starvation and infant mortality matter will increasingly cease to work within it. Most of us have no

wish to participate in personal arguments within the party, but Roy Jenkins' speech at Musselburgh on 17 May, 1972 is so far the only serious step towards a decent Labour policy on development. Unfortunately, even this speech showed little regret over Labour's (including Roy Jenkins's) past record, and its concern for world poverty finds no echo on the front benches.

Even the Whig establishment is often more permeable by decency than the Labour "idealists" when in power. During the near-famine in Bihar in 1967, India's prospects of importing extra food depended critically upon Britain's preparedness to accept a delay in the repayment of a £19 million debt. At that time, I found that ten minutes spent in briefing a man before a television discussion, and five minutes with a Christian knight at the Treasury, were worth more than hours with our "sorry chaps there's the balance of payments" men of power in the Labour Party. Do they care? Of over a hundred members of the government, not one resigned over Mr. Callaghan's decision to invalidate Britain's pledges to the Kenyan Asians in 1968. Presumably the passports in *their* pockets had not been devalued. The party card in mine had.

Adequate economic performance is the key issue for the poor countries of South Asia, which dominate the continent in terms of population. Certainly it is critical for the prospects of Asian democracy. With progressive US withdrawal from the continent, Britain in EEC could play an important part. However, she will do so only with a policy and an ethic that look beyond next week. If Labour maintains the fiction that all was well from 1964 to 1970, and that more of the committees and talk-talk of 1962 to 1964 could help now, no such policy or ethic can emerge.

Asian economic performance

Analysis of British economic policy towards a region needs to consider that region's own performance, resources and national goals. As for resources, the massive populations of South Asia are still 70 to 80 per cent dependent upon agricul-

ture; some of them, notably in parts of India, are finding industrial jobs. National goals, in democratic and authoritarian states alike, invariably include more growth and less inequality. What of the performance? Overall economic "success" in Asia was apparently reflected in growth rates of real Gross Domestic Product (GDP) per person, which accelerated from 2.3 per cent per year during the 'fifties to 3.0 per cent during the 'sixties. During that period real GDP per head per year grew most rapidly in West Asia (5.3 per cent). Most of the big poor countries of South Asia did less well, however (India 1.5 per cent, Indonesia 0.8 per cent, Pakistan 2.5 per cent, Philippines 2.3 per cent, South Korea 6.5 per cent, Thailand 4.8 per cent and Turkey 2.8 per cent). Still, even a "poor" performer like India has raised *per capita* income by 40 per cent in the last two decades (probably more than in the previous two millennia) and, typically of the region, almost 90 per cent of the investment costs have been borne by Indian savings, as against foreign private or aid capital.

Yet frustration in the poor countries of South Asia has been increased, not decreased, by this rapid growth. This is not because their people have experienced a "revolution of rising expectations," but because the benefits of growth within Asia's less developed countries have gone overwhelmingly to the better off (often including the tiny minority of workers within the unionised modern industrial sector). With few exceptions (an odd group which includes Taiwan and mainland China) observation and statistics indicate that little if any increase in welfare has "rubbed off" onto the poor, notably the rural poor. The 70 per cent of the population dependent upon agriculture have normally got barely 20 per cent of development investment. Their job chances have sharply worsened, partly under the influence of inappropriate technologies from the West that replace labour rather than complement it. These technologies have come via trade (tractors before fertilisers), private investment, and even aid. The job situation has been worsened by misplaced imitation of western educational (or rather schooling) technology.

A jobless urban clerisy is matched by a growing mass of villagers both jobless and landless; the best of both groups are increasingly mobile towards the "great wens." Ceylon's abortive insurrection in April 1971 was merely the first sign of the incipient power of such a situation to generate violence, in the form of pointless anarchy rather than of social revolution.

The Indian sub-continent is, today, in a mood recalling Britain in 1963 or 1964 or (alarmingly) Ceylon in 1970, a mood of exaggerated radical euphoria. In India, Pakistan and Bangladesh, arguably democratic-socialist regimes have aroused high radical expectations, especially of land reform. Yet the ruling parties rely heavily upon cash from big landlords and industrialists. Indira Gandhi, Sheik Mujib and President Bhutto have at most five years (perhaps only two or three) to "deliver the goods," not as overall growth, but as substantial and sustained increases in mass living standards, especially via land reform. If they fail, they will be replaced, just possibly peacefully and democratically. It is in both British and socialist interests that they should succeed. Their main single problem is perhaps exemplified by the fact that in the period 1961 to 1971, while Asia's *per capita* income grew at the rate of 3 per cent per year, its food output per head grew not at all. While an enormous boon to large wheat farmers, the "green revolution" has in its total impact barely counterbalanced population explosion and land exhaustion.

Asian policy for a Labour Britain: trade and aid

Most of Asia has suffered "growth without jobs"; without much spread of extra welfare to the really poor. Given their great need (it is likely that many millions of Indian and Bangladeshi babies are now being irreversibly condemned to a lifetime of subnormality by undernutrition in their formative years) this is of basic human concern. What are the lessons for British economic policy towards the region? Much the most important are in the field of trade. A major cause of joblessness in most poor Asian countries is lack of foreign exchange to import raw

materials (cotton, ball-bearings, fertilisers) for their underemployed workers and equipment to use. We, as well as they, could gain by a big expansion in our purchases from them, thus providing the foreign exchange they need to buy inputs from us. For, despite occasional unemployment caused by mismanagement of domestic demand, both Britain and the EEC suffer from chronic labour shortage, likely to increase as people opt for more leisure and, incidentally, as the total of British public holidays edges up towards European levels. There will thus be enormous and growing gains to Britain and EEC from progressively freer entry for the labour-intensive products of Asia. In Lancashire, since 1951, the workers displaced by imports from poor countries have swiftly found much more productive jobs elsewhere. While long-term barter deals are a perfectly sensible way to increase trade, there are many areas where planned liberalisation is possible, and in these Labour should seek to free entry.

Given present EEC policy, the most formidable problem will be to persuade our partners to open the enlarged European market to less developed countries' agricultural surplus. The poor growth performance of Asian agriculture is partly due to the lack of just those incentives that improved access to a European market might provide; there are substantial food surplus countries in South Asia, both actual (rice from Burma and Thailand) and potential (wheat from Pakistan), which could earn plenty of foreign exchange by sales to the EEC. As a member, the UK should press hard for some version of the Mansholt plan to replace price support by income guarantees, and increasingly to persuade farm workers to change jobs—to obtain employment in those industries where the EEC is really competitive. With a policy of full employment, imaginative use of the European Social Fund, and a major expansion of purposive state action to re-employ farm workers, a community agricultural policy, liberalised (at least) towards the third world, is not a pipe-dream. European farm workers willing to rise at four o'clock on a January morning and milk the cows are, in the long run, far less credible.

The second area where trade liberalisation could assist South Asia is that of *processed foods*. The EEC has carefully excluded these from the so called "generalised" preferences extended in such grudging measure to some manufactured exports of some less developed countries. Now Great Britain has entered the EEC the smaller Commonwealth countries of Asia, in particular, will suffer as they find Commonwealth preferences in the British market progressively replaced by preferences *against* them—mainly in favour of high cost French and Italian food processors, and to some extent in favour of EEC companies operating in relatively wealthy states in Francophone Africa, especially French companies in Gabon, Senegal and the Ivory Coast. Against this proposed increase in discrimination against the really poor, there has been hardly a murmur from the Labour Party, either when negotiating entry or when repudiating it; both parties, however, have been sedulously concerned for British sugar-producing companies operating in less poor third-world mini-states.

The third area in which Britain, in or out of the EEC, could contribute at once to domestic efficiency and Asian development is that of *textiles*. In this most important field (jute and cotton textiles still dominate the Indian subcontinent's manufactured exports) Labour's policy was both restrictionist and perversely selective; thus Anthony Crosland announced a policy that effectively replaced one set of restrictive arrangements relatively favourable to poorer producers in South Asia (quotas and Commonwealth preference) by tariff arrangements favourable mainly to Portugal. This nearly destroyed the Indo-British trade treaty. In December 1971, however, the Tories reprieved it, at the last second, though only by tariff and quota arrangements seriously damaging *other* poor countries in order to protect inefficient British producers against the British housewife's search for cheaper clothing. If Britain tried now to liberalise textile imports, she would find powerful support, both in Brussels and in some sectors of European industry itself. Similar arguments apply in lesser degree to footwear and furniture.

The final area of possible trade freeing is perhaps a little more futuristic. By 1980, India, at least, will have begun to follow Japan, Taiwan and Hongkong into the export of *labour-intensive light electronic equipment*. By then EEC countries should be increasingly moving out of such fields, as the USA has already begun to do. Instead of absurdly begging Japan (and Taiwan and India?) not to sell us excellent cheap radiograms and television sets, we should welcome them, in exchange for freer access to Asian markets for exported machinery to produce them, which will for several decades be made more cheaply and efficiently in highly developed countries. The time to prepare for the domestic policies and international bargains of the 'eighties is now.

That brings us to the first of three points, relevant to rich/poor relations, and crucial for Labour's economic policy towards Asia. At the third United Nations Conference on Trade and Development (UNCTAD III), held in Santiago in Chile in May 1972, the Indians in particular grew visibly tired of champagne parties with rich delegates from poor countries, and the pseudo-concessions and flowery dishonesty of delegates from rich countries. Britain may actually have benefited from the British Conservative attitude, Ted Scrooge rather than Uriah Wilson. (Consider the truly Heepish balance-of-payments excuse for low aid repeatedly proffered from 1964 to 1970. "We are in the position of a man who has got into debt by overspending. He is still living comfortably, is exerting himself no more than he did, and expects his income and consumption to rise; but the fact is he is in debt. What a fortunate opportunity for reducing his modest annual subscription to Oxfam!" [T. Wilson, cited in Seers and Streeten, *loc cit*, page 127.]

Asian countries will increasingly abandon the search for verbal hypocrisies (such as, "generalised preferences for the less developed countries' manufactured exports") in exchange for hard bargaining for trade advantages. Labour should warmly encourage this bilateral process; a future Labour government could well do so, if it were prepared, as the last one was not, to

stamp on some of the thicker planks at the Board of Trade, and to point out that freer trade helps improve the use of British resources, transfers income from inefficient industrialists to poor housewives, and is not a "concession" to less developed countries but *an exchange of advantages with them*. Certainly deals between the EEC and poor countries need make no obeisance to the great god of universality. The USA, by its retreat into "fortress America" in its relations with the third world, has forfeited both the power and the right to press its objections to bilateral trading arrangements between the EEC and the less developed countries.

The recent Gadarene rush to protectionism by US labour shows that domestic policies of full employment are needed to get the trade unions to co-operate with measures liberalising imports-of-labour intensive products from poor countries. Any future Labour government must, sooner or later, persuade the unions to accept, in exchange for really substantial income redistribution, a genuine and, if necessary, compulsory incomes policy; no exchange rate ingenuities can validate, or morally justify, planning for everything except incomes. (Thomas Balogh, *Labour and inflation*, Fabian Tract number 403, October 1970, price 40p.) (This attitude towards economic planning might be described as "Labour Powellism," for Mr. Powell advocates "controls on nothing except blacks"). Such hard bargaining with the unions probably cannot be compounded by confrontations on Asian imports, *unless* trade unionists are reasonably sure they will gain from the employment/redistribution/liberalisation package. That should be easy to ensure, even within the EEC, for freer trade means an overall gain to the liberalising nation, or group, as its employed resources are switched to more efficient uses. The European Social Fund (ESF) was created specifically to re-locate workers and businesses damaged by freer trade, but it has, in practice, confined its mandate to cases where the freeing was caused by lower barriers *within* the EEC. If the ESF is to be more than a fairly rich man's fund within a very rich man's club, it must be extended to cover generous compensation,

retraining and resettlement for those damaged by freer trade with the really poor countries of Africa and South Asia (the oil-rich of West Asia and the semi-developed of Latin America have a far lower priority).

There is one final, political consideration regarding Labour's options for freeing trade within an enlarged EEC. Although the inward-looking, aid-tying, neo-colonising forces still prevail, British pressures towards radical liberalisation of the EEC's trade policy would not lack powerful allies. Dr. Ralf Dahrendorf, till recently the commissioner responsible, is a known supporter, and is particularly concerned with the community's lack of an Asian policy (a defect he expects the UK to remedy!) In May 1972 Dr. Sicco Mansholt, the then chairman of the European commission, was both moved and shocked, as a social democrat, by the rich world's selfish intransigence at Santiago. Nor is the impact of cheaper processed foods, or cheaper jute backings, on general living costs lost upon Europe's retailers and carpet makers, or housewives and politicians. A shrewd marriage of idealism and self-interest, with the British Labour Party as the broker, is quite possible.

The idealism of pre-electoral hypocrisy, and the self-interest of Dundee jute next week, will scarcely do. Tables I and II (see pages 11 and 12) show the truly shocking extent to which Labour in office allowed our trade relations with Asia (especially "non-oil Asia") to decay. The real value of British imports from India was almost halved between 1963 and 1970; exports fared even worse. This casts an odd light on the suggestion that British diplomats should concentrate in North West Europe and North America. In 1970 India, China, Pakistan and Indonesia, over 45 per cent of the world's people, supplied less than 2 per cent of British imports, and bought less than 3 per cent of her exports, considerably worse in both respects than when Labour took office. In the 'sixties Labour Europeanism meant neglect of trade with the wretched of the earth. In the 'seventies and 'eighties will it be Labour *anti-Europeanism* that blinds the party to their and our shared interests in freer world trade?

Trade is much more important than aid, especially to the poor countries of Asia, whose net aid receipts per person are far less than in Africa or Latin America, covering barely 10 per cent of investment. Characteristically, the 1964 to 1970 Labour governments left trade wholly to the myopic protectionism of the Board of Trade, putting only aid matters under the nominal control of the ODM with its 20 (initially) starry-eyed economists and statisticians. Even in the aid field, however, it soon became clear that their function was to legitimise a dwindling UK aid effort (see Table III on page 12). These figures once again present a dismal picture. The real value of net aid transfers from Britain to poor countries fell by over a fifth during Labour's term of office. On a continental basis Asia did rather better, but this disguises redistributions of British aid *within* the continent, away from India and Pakistan and towards the wealthier and more immediately "strategic" countries of South East Asia. The real value of net aid transfers from the UK to India and Pakistan (including the Indus basin scheme) fell by 19.7 per cent during Labour's term of office; and 1970 was a "good" year! The bias towards small countries is not confined to Asia (as Nigeria's low allocation in Table III shows), nor indeed to Britain's aid programme. On top of a drastic cut in real aid, however, and since Britain grew substantially richer during this period (once it had overcome a balance of payments problem *not* notably exacerbated by aid), this record was discreditable to Britain and most damaging to South Asia.

The aid performance was not wholly bad. After 1965 the Labour government considerably softened the terms of new *loans* to India, though it remains irrational that only Africa appears to qualify for substantial British *grant* aid. Some aspects of "double tying" of aid (to both specific purposes and to procurement in Britain) were also eased. The proportion of direct self-aid to donor dependencies, still over 30 per cent for France and over 10 per cent for Holland, was small and declining, and direct "aid" to donor companies (of the type exposed in Franco-Gabonais relations when the world-bank publicly

refused a loan in 1971) remained, in Britain's case, rather rare. Moreover, if in 1970 the grant element of British gross aid had fallen to only 0.36 per cent of her GNP, that was still more than the USA, West Germany, Japan or Italy, and more than the average for all western donors. A steady and substantial decline in British aid was, however, hardly what one had expected in 1964. Labour's verbal commit-

ments to Pearson targets, for aid plus private investment while in office but for real aid while in opposition, fail to persuade those who should know best that "at the first sight of another economic crisis . . . another George Brown [would not convince] the cabinet that a ceiling should be set to such electorally unprofitable expenditures." (Seers and Streeten, *loc cit*, page 133.)

TABLE I
UK IMPORTS FROM MAJOR ASIAN SUPPLIERS, 1962 TO 1970, IN £ MILLIONS

country	1962	1963	1964	1967	1970	1970*
India	136	142	141	126	106	83
Pakistan	29	28	27	33	35	27
Ceylon	42	42	42	40	37	29
Malaysia	38	33	} 53	28	47	37
Singapore	16	17		18	34	27
Hongkong	56	70	81	90	128	100
Israel	17	20	22	32	45	35
Iraq	53	62	80	24	19	15
Saudi Arabia	21	13	12	63	104	81
Iran	35	35	40	137	76	59
Japan	54	54	75	91	134	105
China	23	18	25	30	34	27
total UK imports	4628	4983	5696	6437	9052	7063
import price index	99	103	107	109	132	—

TABLE II
UK EXPORTS TO MAJOR ASIAN BUYERS, 1962 TO 1970, IN £ MILLIONS

country	1962	1963	1964	1967	1970	1970*
India	120	139	130	84	73	56
Pakistan	43	42	45	52	49	38
Ceylon	25	23	20	21	19	15
Malaysia	51	49	} 86	43	60	46
Singapore	36	39		36	62	47
Hongkong	49	56	58	63	99	76
Israel	37	46	54	50	96	73
Iraq	21	18	20	17	24	18
Saudi Arabia	9	10	14	16	35	27
Iran	29	28	28	43	66	50
Thailand	15	15	18	22	32	24
Japan	46	53	61	88	148	113
Philippines	10	12	12	26	25	96
China	9	13	18	39	45	34
total UK exports	4062	4365	4565	5230	8663	6166
export price index	101	104	106	114	136	—

Source: UK *Annual Abstract of Statistics 1971*, pages 243 and 247 to 250; prices: 1961 = 100. The last column is in 1963 prices but using a very crude deflator (1970 transactions times 1963 price index, divided by 1970 price index).

In aid above all, it seems almost frivolous to analyse the effects of alternative policy improvements by the Labour Party. As usual, the party generates decent, if imperfectly articulated, policies in opposition; the trouble is that it abandoned them in office. The task then becomes, if one is a realist, the design of an aid programme that the Labour leadership can be expected to keep to when the weather is rough. Such a programme could, with forethought, be better than last time; it would certainly be less good

than recent NEC statements or conference resolutions imply. Few things are more damaging to poor countries than high expectations of aid improvements that are dashed. Integrated plans are thrown into chaos; spare capacity mounts; confidence in planning (and in politicians) dwindles; and external relations are placed at the mercy of opportunist foreign moneylenders (or governments) who are prepared, at a price, to enable the governments that the US or Britain has let down to meet their international obligations.

TABLE III
BRITISH AID DISBURSEMENTS, 1964 TO 1970 IN MILLIONS OF POUNDS

country/region	1964		1965		1969		1970		1970 (1964 prices*)	
	gross aid	net transfer†	gross aid	net transfer	gross aid	net transfer	gross aid	net transfer	gross aid	net transfer
America: Cwlth	8.0	6.7	6.2	4.2	15.7	11.7	18.5	14.0	14.0	10.6
non-Cwlth	3.4	-0.7	2.7	-2.7	3.5	0.8	2.0	-2.2	1.5	-1.7
Africa: Cwlth	72.1	63.0	71.1	61.8	61.0	40.6	58.7	36.6	44.4	27.2
(Nigeria)	4.3	1.7	9.6	7.4	5.6	1.2	11.0	6.2	8.3	4.7
(Kenya)	14.3	12.7	16.7	14.7	10.8	6.5	11.1	6.4	8.4	4.8
(Malawi)	10.3	10.0	10.1	9.8	7.2	6.1	7.7	6.6	5.8	5.0
non-Cwlth	7.1	2.9	10.9	6.8	2.1	1.4	2.6	1.6	2.0	1.2
Asia: Cwlth	52.9	37.9	46.5	26.9	61.5	33.2	74.7	51.5	56.6	39.0
(India)	35.1	24.5	27.8	13.2	33.9	12.2	44.8	29.2	33.9	22.1
(Pakistan)	10.1	7.4	9.9	6.7	11.2	8.2	10.6	7.4	8.0	5.6
(Indian basin)	2.6	2.6	3.7	3.7	2.1	2.1	—	—	—	—
(Malaysia)	3.9	2.8	4.2	3.2	4.0	1.5	6.5	3.2	4.9	2.4
(Singapore)	0.1	0.1	0.5	0.3	5.5	5.0	7.9	7.6	6.0	5.8
non-Cwlth	2.5	2.5	2.6	2.6	6.3	6.2	6.3	5.4	4.8	4.1
Oceania: Cwlth	2.4	2.1	3.2	3.1	7.8	7.6	8.3	8.1	6.3	6.1
Europe, Middle East: Cwlth	13.3	12.8	17.0	16.4	4.9	4.2	8.8	8.0	6.7	6.1
Aden,										
South Arabia	6.0	5.6	9.4	9.0	0.1	0.1	0.1	0.1	0.1	0.1
Malta	6.7	6.6	5.6	5.4	4.0	3.5	7.4	6.7	5.6	5.1
non-Cwlth	7.1	2.9	10.9	6.8	6.6	5.1	7.8	5.7	5.9	4.3
total										
bilateral aid	175.5	136.1	176.2	126.2	179.1	123.6	193.9	142.5	146.8	107.9
total aid	191.3	154.9	194.9	144.9	210.8	155.4	213.8	162.4	161.9	123.0
manufactured export prices*	106		109		130		140			—

Sources: ODM, *British Aid Statistics 1964 to 1968*, HMSO, 1969, pages 14 and 24 to 33; FCO(ODA), *British Aid Statistics 1966 to 1970*, HMSO, 1971, pages 15 and 26 to 33; CSO, *Annual Abstract of Statistics*, 1971, page 243. Notes: † = gross aid minus capital repayments equals net aid; net aid minus interest repayments equals net transfer. * = prices of manufactured exports used as deflator, 1961 = 100.

Not all the aid disappointments of 1964 to 1970 were Labour's fault. In particular, on three issues (term of aid-loans, tying to procurement in the UK, and monetary reform linked to aid) British efforts at liberalisation were frustrated by others; but much can still be done, even unilaterally, by the UK on all three issues. If we cannot persuade other donors to agree multilaterally to untie aid, we can try, first, to incorporate built-in devices to prevent loss of export revenues by any of a group of donors untying jointly, as ingeniously suggested in the Pearson report (*Partners in development, op cit*, pages 191 to 193); second, introduce "price policing," as repeatedly suggested by the USA—the damage from aid tying lies in the fact that it raises the price of tied goods by about 20 per cent to the recipients (M. ul-Haq, "Tied credits: a quantitative analysis," in J. Adler [editor], *Capital movements and economic development*, IEA-Manhattan, 1968); and third, instruct aid negotiators about the real costs and benefits of tied aid, especially if it comprises loans rather than grants, when its true net value to the recipient can very easily become negative. (This fact seldom fails to surprise even experienced negotiators at the "study seminars" run by the Institute of Development Studies at Sussex University. If the commercial rate of interest is 10 per cent and aid is given in the form of a ten year credit at 8 per cent, the true aid is only the (discounted value of) the 2 per cent yearly interest rebate. This can easily be outweighed by, say, a 50 to 20 per cent excess charge on the imports; by not an unusually big excess for, say, Italy.)

All these policies could be adopted by all OECD donors, or by EEC donors alone, or (except for the first suggestion, and at a pinch) by the UK alone.

As for the terms of recent aid loans, notably interest rates and grace periods, both Labour and Conservative governments have been relatively liberal. The difficulty in going much further (in which there is a strong British self-interest, because our aid loans are at a greater risk of default than those of many countries) is that, if British aid loans are transferred

at lower interest rates while US or West German aid, or straight commercial credits, remain costly, then British generosity can be represented as making possible, and indeed financing, the meannesses of other rich donors or even the extortionate rates of commercial lenders.

One method, which has the advantage of leaving the choice to the recipient while reducing the risk of default, is to have a wide range of loan types, of which quite a number could be offered to any particular recipient, who would be able to "trade" softness against size of loan within the limits of credit-worthiness. For example, a high-risk recipient might be offered £10 million, at 2 per cent or £12 million at 2.5 per cent (or any combination); a low-risk recipient, £12 million at 3 per cent or £15 million at 4 per cent (or a combination, such as, £6 million at 3 per cent and £7.5 million at 4 per cent).

The increase of the poor country's *choice*, in the aid field, might seem to conflict with the most important of all aid goals for a Labour government; to raise the amount of UK and world aid that goes to help *really poor people* to help themselves. One the one hand, the UK (especially under Labour) should clearly seek to follow Sweden, Holland and Canada in switching aid massively away from heavy industry, where it creates few jobs and much capital, often providing profits to nationals of *rich* countries, towards small farming, population control, and improvement of urban slum conditions; on the other hand, surely this is the affair of the recipient government? Britain's policy here can be simply adumbrated. *We should judge the usefulness of projects and programmes before giving aid, not the moral worth of recipient nations afterwards.* "Performance criteria," by which further aid is showered on those who have been successful or lucky in attaining what donors view as the goals of development, are in practice arbitrary, paternal, unfair and probably unenforceable. The alternative method, developed at ODM during the Labour government, is the conversion of standard criteria of benefit/cost analysis into a manual to decide if a particular project, proposed for aid, passes the test.

While the latter may sound a bit mechanical, it is far better than any alternative so far devised. The really bad bits of UK aid (airports and half-empty hotels in countries without prospects for foreign tourism, giant and half-idle steel mills and heavy electricals concerns, tractors where they create not output but unemployment) are caused by prestige considerations, by the wish to help otherwise doomed regimes, or above all, by British lame ducks. These persuade the Department of Trade and Industry (DTI) to break their addled eggs upon the heads of poor countries. The DTI swings the noxious products into place with strings of "tied aid", threaded with little difficulty through the political near-vacuum at ODA. The manual (any manual) is a valuable safeguard against the generals, the hoteliers, the pseudo-politicians and the lame ducks; but any remotely socialist administration would want to see the manual so amended as to give heavy preference to projects whose benefits go to poor people, and whose local costs are borne by rich people. Such amendment is entirely possible. There is little doubt that "egalitarian" amendments to UK aid would benefit the big countries of South Asia. *Per capita* income is lower there than in most African countries receiving British aid, and the governments are more committed to equalisation.

A UK aid programme making benefits to poor people an explicit criterion for project aid (and, as would be implied, redefined the term "project" more widely, for instance to include crop storage schemes for numerous small farmers, or transitional cash to cover the foreign exchange requirements of food imports to replace *temporary* production losses during redistributive land reform) would certainly shift support to the Indian, Bangladeshi and Pakistani planners, away from the capital-city-builders of Malawi and the wealthy and ingenious naval landlords of Malta. The need to prevent UK aid from being diverted into disguised export promotion around the relatively wealthy and still largely anti-egalitarian dictatorships of South America, to the disadvantage of the poor of Asia and Africa alike, has been brought out clearly by Roy Jenkins.

British aid evaluators should judge projects and programmes, not countries; and by criteria that value the passage towards self-reliant, equalising and high-employment economies, not by ill-defined, short-term and changeable "ad hocery" about British interests. Certainly major increases in aid will be needed to achieve such aims against the forces of inertia. Certainly, too, one essential goal is the avoidance of aid diversion to *today's* European Development Fund (EDF); currently scheduled to gobble up some 12 to 15 per cent of our aid programme by 1980, largely in order to support French companies in French neo-colonies. Once again, a Labour government seeking radical change in EDF would have powerful allies, both on the commission and in the industries and governments of those EEC members who resent giving aid to France. All this needs to be set in the context of a socialist aid policy, however; one oriented towards helping poor people achieve adequate incomes and self-reliance. Neither ecological fears of growth, nor neuroses about being thought neo-colonialist, could divert a decent Labour Party from developing such a policy.

conclusions

Private capital flows are of relatively little importance between the UK and South Asia, though in Malaysia they play a major rôle. All four countries of "the subcontinent" have set out a fairly clear line: new overseas private capital is barred from some sectors, welcome in others but on generally unattractive terms, permitted to repatriate profits but not capital, and encouraged to combine with local private or public enterprise, preferably with a minority foreign stake, amounting in effect to a sale of technology plus initial managerial skills. Even at independence, in 1947, barely 5 per cent of Indian non-agricultural capital was in fact foreign owned; consequently, given this relatively advanced state of indigenous enterprise, these are natural preferences, especially in view of the substantial outflow of foreign exchange probably associated with the body of private foreign capital, old and new, in the region. The

effects of UK policy on these flows, and of the flows themselves, *on poor Asian countries* are probably marginal, with the possible exception of capital movements to "export processing zones" like those of Kerala, West Malaysia and Taiwan. Certainly Labour should negotiate agreements to remove double taxation arrangements that negate the efforts of poor Asian countries to attract certain types of capital from Great Britain, via tax incentives. Paul Streeten has argued persuasively for a "link" between monetary reform and aid, for example by issuing, in the first instance, most or all Special Drawing Rights (SDRs) to poor countries. I have doubts, not about the desirability of this, but about its priority. First, poor countries will buy in the cheapest market with their extra liquidity; that will not be the developed country with liquidity problems of its own, since these are caused largely by export uncompetitiveness. Second, both aid and unorthodox liquidity have powerful enemies; why unite them? Above all, monetary ingenuities, like ecological ones, divert scarce reforming zeal away from really vital issues, as the fate of Bryan and the US populists reveals. Should not UNCTAD, and those in rich and poor countries who wish to help "the wretched of the earth," concentrate on the issues of aid, trade and domestic and international income distribution that keep them wretched, rather than on the near-veil of near-money?

No discussion of the diversion of scarce reforming zeal could be complete without examining international migration. The unfortunate conduct of the Labour cabinet towards non-white holders of British passports, above all over the "Kenyan Asians" in 1968, has used up enormous quantities of diplomatic time and energy ever since 1965. ("Probably the most shameful measure that Labour members have ever been asked by their whips to support." *The Times* leader, 27 February, 1968.) Reginald Maudling (who spoke of "patrials," but who did admit "Kenyan Asians") and the courage of Edward Heath and Robert Carr on the issue of Ugandan Asians (tardily and half-heartedly backed by the Labour Party) have done something to repair the dam-

age (although the changes in immigration policy announced in January 1973 will probably put back the clock still farther). Nevertheless, it remains British policy to take from the poor countries only the workers that they need and have expensively trained: doctors not dustmen, despite our shortage of both. This not only constitutes anti-aid (a drain of some £5 million per year to Britain from India alone, in training costs, mainly of doctors) but, in addition, it worsens inequality *within* poor countries, by making doctors but not dustmen scarcer. A high priority in policy towards poor nations, not just for a Labour government but for any decent government, is to make British immigration policy genuinely colour blind again. Public racism in Britain has been a problem only when fanned by racist (or more often cowardly) political leadership. It is strongly arguable that Britain needs only a small number of immigrants yearly, but not that they should almost all come from Eire, or (if from Asia) be doctors or engineers and/or live in ghettos.

Labour's policy-making in 1962-4 was marked by great, overt and cheap goodwill towards poor countries. Many liberal, radical and socialist academics were taken in, and sucked in, first to policy research, then to the civil service. In practice UK trade policy neglected and damaged poor countries. The ODM, overtly created as a spokesman for the third world, was compelled, academics and all, to preside over the slashing of the aid programme because of balance-of-payments considerations that were largely pretexts. Immigration policy represented steady retreat before racists. The intellectual left will not go through that charade again. Serious and attainable goals, in a Labour Party committed to a real rather than a verbal war on world poverty, and honestly led, could restore the mood of 1964 with a sounder foundation. The party's "little Englanders" and "greater Britons" will be able to decide whether all those pointy-heads are worth a few Concordes, and colour television sets, and votes from racists, and smiles from inefficient, but ennobled, textile producers. Probably not; but no decency, no pointy-heads, and no pointy-heads, no policy.

3. Japan and Britain

Wolf Mendl

In 1945 General MacArthur referred to the Pacific Ocean as an "Anglo-Saxon lake." He would have done better to have called it an American lake. At the end of the second world war the British returned to their possessions in the region and apparently resumed their old position of influence while Japan was eliminated from the scene. However, appearances veiled the true state of affairs. British power was not restored to what was thought to have been its pre-war importance but continued to decline rapidly; a process which had begun before the first world war. Japan's disappearance from the international scene was only temporary. The energy and ambition of the Japanese people and the evolution of world politics combined to restore its importance in the region and the world at large. Today, Britain's influence in the Pacific area can only be marginal, whereas Japan is one of its four major states and has become an economic world power.

A similar gap between appearances and reality may be observed in popular attitudes since the war. The British public of 1945, fed on the horrors of war, had an image of the Japanese as monkey faced little people with protruding teeth, who were capable of unspeakable atrocities and inhumanities. This picture has gradually faded from popular memory, and with the passage of time Japan became a kind of blank in the public mind. Now the Japanese have returned to our consciousness: neat little men with spectacles, dressed in dark suits, carrying briefcases; ferocious competitors beneath their mild and well mannered exterior. The image is nourished by a popular press that repeats hoary legends about unfair competition from sweated labour, shoddy products and Japanese imitation of the West. In contrast, the Japanese image of Britain has been far more flattering. The Japanese have retained their traditional and respectful curiosity about our culture and their eagerness to learn about it. Some of the respect for Britain has gone in recent years and has been replaced by puzzlement, not unmixed with condescension, as to how we can manage to get ourselves repeatedly into such economic crises.

The task of the Labour Party must surely be to promote a better popular understanding of Japan, to dispel a series of myths and prejudice, and thus to lay the foundations on which a Labour government can pursue a realistic and constructive policy towards Japan. By itself, Britain may not be able to do much to influence Japanese policy, which will be governed by economic strategy and relations with the major powers in the Pacific. However, through membership of the European Economic Community we might exercise a significant though indirect influence upon Japan.

mainsprings and direction of Japan's foreign policy

In a period of rapid change, when it is impossible to predict accurately the new pattern of international relations which will emerge, Japan, like most countries, is forced to re-examine the premises of its foreign policy. The Japanese will find this a particularly difficult task for two reasons: in modern times their policy has been essentially reactive, constantly seeking to adjust to a changing environment; second, the process by which policy is made almost excludes clarity and decisiveness. Japan's basic interest has been to retain the cohesion and vigour of a national society which has regarded foreigners as embarrassing intruders and has rejected foreign influence unless it could be incorporated into the native culture. It can therefore be argued that the expansionist and militarist policies of the late nineteenth and early twentieth centuries were originally as much a response to pressures which seemed to threaten the national identity as were the seclusionist policies of the earlier Tokugawa period.

In attempting to adjust to the confrontation between the United States and the communist powers in the post-war world, successive Japanese governments have sought to preserve the nation by relying on the United States for protection against external threat and building a strong economy with sufficient police and military power to ensure internal stability and security. The Japanese never saw themselves as wholly passive partners of the

United States, indeed there is evidence that they deliberately worked their way towards a more or less equal partnership through the series of post-war treaties with America. (See Martin E. Weinstein, *Japan's postwar defense policy, 1947-1968*. New York, Columbia University Press, 1971; page 106.) Nevertheless, they did not think of themselves as playing an active and influential part in world affairs. This anti-power ideology has dominated Japanese thinking in the last 20 years.

Thus, with security assured by the American alliance, Japanese relations with other countries have been largely governed by economic interests. In the past ten years or so the Americans have urged the Japanese to play a rôle more appropriate to a wealthy and powerful country and, in particular, to assume greater responsibility for regional development and security. Although it has always been emphasised that this rôle meant the promotion of economic and social progress through substantial economic and technical assistance programmes, the promptings had strong political and even military undertones, given the American pre-occupation with the containment of communism. The Japanese shared American concern over the expansion of Chinese and Russian power in Asia and the Pacific but they were less enthusiastic about the ideological content of American policy and avoided too much identification with their anti-communist crusade.

Now that the United States is ceasing to stress ideology, the Japanese are, paradoxically, becoming uneasy about their relations with America. After having been told for so long that they must assume their international responsibilities, the Japanese are seriously thinking about it, but are no longer quite sure that the only or even the best way to do so is within the context of a close alliance with the United States. In spite of repeated official statements to the contrary, American actions, such as the unheralded approach to China or the abrupt postponement of Henry Kissinger's trip to Japan in April 1972, not to mention the economic measures (which affected Japan more than any other country), seem to indicate that

the United States is entering into a new game with the Soviet Union and China in which the alliance with Japan is only one element in the complex of trans-Pacific relations and no longer the cornerstone of American policy.

Given the competing and conflicting interests of Japan's élite groups, we are likely to see a continued hesitancy and caution in the general trend of Japan's foreign policy, in spite of the dramatic turnabout over China within less than seven months (from the statement by Takeo Fukuda, foreign minister in the Eisaku Sato government, before the budget committee of the House of Representatives on 6 March, 1972 to the publication of the Chou-Tanaka communiqué on 29 September, 1972). The bureaucrats of the Ministry of International Trade and Industry (MITI) and the foreign and finance ministers, the industrial and commercial interests linked to powerful politicians of the ruling Liberal Democratic Party, all have varying influence in shaping policy. So, for example, the leaders of big business played a major part and often took the initiative in negotiating the reparation agreements in South East Asia. (Chitoshi Yanaga, *Big business in Japanese politics*. New Haven and London, Yale University Press, 1968; pages 202 to 228.) On the other hand, the foreign ministry formulated China policy in the absence of any consensus within the Liberal Democratic Party, until Kakuei Tanaka over ruled the cautious bureaucrats in the summer of 1972. (Haruhiko Fukui, *Party in power: the Japanese Liberal Democrats and policy making*. Berkeley and Los Angeles, University of California Press, 1970; page 262.) Again, when it comes to trade with North Korea, the MITI and the foreign ministry may have diametrically opposed views. (*Mainichi Daily News* and *The Japan Times*, November 1971.)

Issues of foreign policy are used by the opposition parties and anti-mainstream factions of the Liberal Democratic Party as sticks with which to beat the government, but rarely are they the stuff with which elections are won. Yet public opinion plays an important part in setting the limits within which the policy makers

dare move. So far, Japan's economic success has been gratifying to the status conscious Japanese, but it has brought with it no substantial demands for an aggressive and independent foreign policy.

Even the opposition parties are abandoning their heavy and often ideologically slanted emphasis on foreign policy and turning more and more to domestic bread and butter issues to win the support of those who feel deprived of the benefits of the nation's prosperity. After failing to rouse the populace over the extension of the us/Japan mutual security treaty in 1970 and the Okinawa reversion agreement in 1971-72, the extreme radicals are concentrating their efforts upon the internal problems of the universities and the impact of industrial development on the rural districts.

In sum, the confused clash of conflicting interests and the requirements of consensus usually end in an attitude of procrastination. When there is a sudden and fundamental shift, as over relations with China, it is due both to the characteristics of Japanese decision making and to the need for speedy reaction to a changing international environment. The Japanese dithered for many years between the desire to develop relations with the People's Republic of China independently of the United States and the wish not to disturb their close alliance with the Americans.

Under the impact of Nixon's China and economic policies, the strong current of public opinion which had been running for some time in favour of improved relations with Peking became a torrent and enabled Kakuei Tanaka to pull off a coup that satisfied the feelings of most Japanese. It enhanced his personal reputation and appeared to solve a pressing problem in foreign policy. Once the euphoria has passed, the problems and friction stemming from the new relationship with China will revive the conflicting pulls among the power groups. Within this setting, Japan's foreign policy is likely to remain an enigma to the Japanese as well as to the rest of us. Nonetheless, two basic elements in Japan's contemporary position offer clues about policy directions.

First, Japan belongs to the highly industrialised and technologically advanced group of countries and greatly influences their mutual relationships. The Japanese have a considerable share of responsibility for the present instability in the international monetary system because they have managed their economy without due regard for its impact on the international system. This is not to deny that the crisis originated in the American balance of payments deficit; a direct consequence of stresses and strains within the American economy. However, the Japanese failure to think in a wider international context was demonstrated by the decision to impose tight fiscal and monetary measures in 1969. The measures were taken out of fear of unfettered inflation and its impact on exports, even though they had been increasing at a significant rate for some years. The effect was to produce even more substantial increases in the Japanese balance of payments surplus with its attendant disruptive impact upon the international monetary system. Similarly, the protectionist policies of the government have invited the kind of retaliation elsewhere which is threatening Japanese exports. Hence, the world wide importance of Japan's economy will either increase the friction between Japan and other countries or will lead Japan to assume a more positive international rôle.

The other basic element is provided by Japan's special relationship with her more immediate neighbours. Relations with each of the two communist giants pose their attractions and dangers. The rivalry between them and the triangular relationship that is developing between them and the United States tempts each to court Japan and offers it the opportunity to play off one against the other. Russia tempts Japan with economic bait in the form of Siberia's natural resources. The Chinese, too, are interested in Japanese technology and may, one day, want to have a share of Japan's capital and technical resources for their own development.

These flirtations might flatter the Japanese but there are considerable obstacles in the way before they can be expected to yield results. With Russia there is the vexed

question of the northern territories and the long history of friction and hostility between the two countries, to which must be added earlier unfortunate experiences with attempts at economic co-operation. (*The Japan Times*, 12 November, 1971.) With China, the legacy of the past and the potential for economic rivalry in South East Asia, including the exploitation of oil and natural gas in the East China Sea, create problems which could inhibit the development of closer relations. Taiwan, which was always assumed to be the major problem in Sino-Japanese relations, has ceased to be an issue by the stroke of a pen; at least for the time being. The Japanese economic stake in the island might well become a source of friction between Taipei and Tokyo as well as between Peking and Tokyo. However, it represents only a very small proportion of Japanese overseas investments. (The two way trade with Taiwan accounts for about 2.5 per cent of Japan's total foreign trade; roughly the same proportion as Japan's trade with mainland China. Japanese investments in Taiwan total between \$150 and \$200 million out of an estimated total overseas investment of about \$3,500 million.)

It is the clash of interests on China's periphery that raises the greatest dangers. Nor are Japanese interests confined to the non-communist states, as recent official moves in establishing contact with Mongolia and North Vietnam and unofficial moves towards better relations with North Korea have shown. Since the 'sixties there has been substantial Japanese economic penetration of most of the non-communist states of South East Asia. Some countries of the region are major sources of raw material. For instance, in 1970 more than 37 per cent of Indonesia's exports went to Japan with timber and petroleum making up 85 per cent of the total.

Others are valuable markets and offer investment opportunities for industries which are driven from Japan by high labour costs and environmental problems. Finally, the fact that more than 85 per cent of Japan's oil comes from the Middle East and passes through the Straits of Malacca gives the region a major strategic

importance, so that it can be maintained that "of the great powers, only Japan has vital interests there." (*Strategic Survey, 1971*. London, International Institute for Strategic Studies, 1972; pages 59 and 60.) All this is not to ignore the substantial and increasing scale of economic and technical assistance provided by Japan; much of it, however, has been geared in the past to the needs of Japan's economy.

Perhaps the most thorny problem concerns South Korea, for the Japanese have not only substantial economic stakes here but this is the area where they are most sensitive over the requirements of their security. Such defence thinking as there has been since the mid-'fifties has focused upon contingency planning in the event of the outbreak of hostilities in the peninsula. A complete American withdrawal from Korea might unloose great pressure in Japan to assume a more positive stance over the defence of South Korea. These considerations may seem academic in the light of the contemporary easing of relationships between the two rival governments. Moreover, Japan might want to further the *rapprochement* by taking various diplomatic initiatives. Nevertheless, its ties with the Republic of Korea are such that any sudden increase of tension would force it to support the government in Seoul.

Taking into account Japan's world wide economic interests, its stakes in the smaller countries of South East Asia, important as they may be, are not such as to make it likely that Japan would want to intervene politically (not to mention militarily) in that region during the next few years.

What is more difficult to assess is the effect on some of these countries, particularly Taiwan and the Republic of Korea, of their economic dependence on Japan. (The United States is the principal trading partner of Taiwan and South Korea, but Japan has by far the largest share of their imports. Thus, 38.1 per cent of Taiwan's imports came from Japan in 1970 as compared with 30.3 per cent from the us. Korea took 43 per cent of its imports from Japan in the same year, as compared with 21 per cent from the us.

Given the basic features of Japan's position *vis-à-vis* the world economy and its neighbours, several factors are likely to influence its policy in the next few years. First, there is the attempt to come to terms with a new sense of "aleness." The feeling of neglect and isolation has been very marked recently as a result of the ham handed way in which the Americans managed their relations with Japan. It may be exaggerated and certainly there have been loud protestations that passing irritations will not interfere with a policy firmly anchored in the American alliance; but things will never be the same again. The Americans will not be wholly trusted. National security policy, with its dependence on American strategic power, is unlikely to be changed in the near future, if only because of domestic inhibitions in the way of nuclear armament. A policy of neutrality might have some appeal but is less meaningful in a world where the pattern of rigid alliance structures and the confrontation of blocs is dissolving. It is even less likely that Japan would be prepared to or could enter into a new alliance relationship with either Russia or China. Thus, while operating under the cover of the formal association with the United States, Japan will probe cautiously in all directions and generally seek to keep its options open. Neither the political structure, which makes it almost impossible for a leader of the vision and drive of an Adenauer or a de Gaulle to appear, nor the policy making process, nor the state of public opinion provide the mainspring for a dynamic foreign policy today or in the foreseeable future.

economic interests

Japan's chief concern will be to safeguard its economic interests. This is the second factor and it provides the key to the direction of Japanese policy. How far will the Japanese be successful in controlling their phenomenal rate of growth? A start has been made but the momentum behind the giant economy is so great that it will require a determined, systematic and sustained effort to restructure it. There is some hope that this may come about. For instance, one notices a marked

shift from heavy to knowledge intensive industry. In the meanwhile, the impact of the economy on external relations will be felt in the need to meet an expanding demand for energy and raw materials. A major emphasis here is on the diversification of sources of supply, and investment policy will be governed by the wish to avoid excessive dependence on one or two suppliers. In trade the problem of rising tariff walls is going to be met by a far more determined investment policy in European countries as well as in the third world, so that Japanese industry may slip behind the barriers.

The appalling cost of economic expansion in terms of pollution, of social injustice and the deteriorating quality of life is all too obvious. Pressure is mounting for substantial investment in social overhead capital. It could be that a less desirable pressure may make itself felt to spend an increasing amount of the national product on defence. That will depend upon the evolution of the international environment. Perhaps the most hopeful sign is that an increasing number of people (not only the young and the radical) are asking what is the point of this drive for economic growth and expansion and whether it is right for a country of Japan's size to gobble up such a large proportion of the world's limited resources. Whether this questioning will be translated into positive policies by Japan's bureaucrats, business leaders and politicians is a moot point. Moreover, disenchantment with the value of amassing economic wealth raises the question what new values will take its place, and here the field is wide open. To the political and economic factors one must add the strong and peculiarly Japanese concern with the country's image and status in the world. This national self consciousness has its origins in the cultural homogeneity of Japanese society and in the tradition of group conformity and thinking. In the post-war period the Japanese have been content to be regarded as a sort of economic miracle nation. Now that the image has become somewhat tarnished, national sensitivity could become acute, especially if China involves itself more and more actively in the international system. Attitudes towards

China have long been ambivalent. Profound admiration for the home of East Asian culture and civilisation has been mixed with contempt for China's weakness and incapacity in the face of the western onslaught. Historically, the Japanese have never fully accepted the superiority of the Chinese emperor and in the late nineteenth and early twentieth century they reversed the Chinese order of things and regarded themselves as China's "elder brother," determined to rescue his "junior" from the domination of the western powers. Since the end of the second world war, guilt and shame have been added to these sentiments.

The post-war generation is not encumbered by such sentimental baggage and can afford to be more strictly pragmatic and detached, an attitude made easier by very little direct contact with China. Nevertheless, a concern with the image of their country is still an important element in Japanese thinking and it manifests itself in various forms; public opinion polls in foreign countries to measure the rate of Japan's popularity, talk about a permanent seat on the UN security council, tremendous emphasis on prestige events like the Olympic Games and Expo' 70. It is easy to exaggerate the importance of the psychological factor but it is significant in such a status conscious people.

Anglo-Japanese relations

The principal point of contact between Britain and Japan during the next few years will be in economic relations, particularly through EEC. In addition, there are a number of specific areas where British and Japanese interests overlap. One is Japan's considerable commercial interests in Britain's colony, Hongkong. (In 1970, Japan was fourth in the list of countries receiving exports from Hong Kong, coming after the United States, the UK and West Germany, and taking only 4 per cent of the total. However, it topped the list for re-exports, taking 20 per cent. Japan also headed the list of countries from which the colony took its imports, accounting for 24 per cent of the total. China came next with 16 per cent.) Both

compete in the world's markets but they also have some interests in common, such as ensuring the uninterrupted supply of oil from the Middle East and preserving the freedom of the seas for international commerce. Taken as a whole, this is not very promising material for the prescription of a coherent policy for Labour. In thinking about relations with Japan, the party must first decide on its policy in two crucial areas: the third world and the European Community. The issues involving the first are discussed by Michael Lipton in chapter 2. The issues involving the EEC concern the external economic policy which Labour wants the community to pursue. Once these guidelines are defined, then it is likely that policy specifically directed towards Japan will fall into place. Nonetheless, it may be useful to make some specific comments about Anglo-Japanese relationships.

In the light of Japan's great economic power and of the terrible lessons of the past, the main emphasis of a Labour government's policy towards Japan should be to encourage and strengthen a slowly awakening sense of international responsibility among the Japanese and, correspondingly, to make sure that they do not feel deliberately isolated and discriminated against by the rest of the world and therefore are not drawn too deeply into national introspection. It might find a new responsiveness to such a policy among the more international minded and pragmatic post-war generation, which is beginning to occupy key positions in Japanese society. There are many ways in which this policy could be implemented in the economic field. Perhaps the most important area of concern should be the development of a sound pattern of relationships between Japan and the EEC at a time when they are frustrated in their relations with the US.

Japanese investment in European manufacturing industries is growing rapidly and will bring with it increasing co-operation with multi-national enterprises. This raises the question whether the large Japanese concerns may eventually turn into multi-national corporations. The traditional objectives of Japanese man-

agement stand in the way of such a development. On the other hand, it could be an important step towards integrating Japanese economic activities into the world economy. While the development of genuine multi-national co-operation and partnership is to be welcomed as a counter to an excessively nationalistic emphasis in the economic sphere, it brings with it the dangers of activities on a world scale, regardless of the public interest, that may serve to strengthen the undesirable division of the world into rich and poor camps. The British Labour and trade union movement should pay more attention to the problem of controlling the operations of giant international corporations. Eventually, its interests in this field may coincide with those of the Japanese labour movement. Therefore, greater efforts should be made to establish links with the Japanese left in preparation for effective co-operation in the future.

Any attempt to work more closely with Japanese socialists and trade unionists presents particular difficulties. One has the choice of three parties that claim to be "socialist." Of these, the Japanese Socialist Party (JSP) is by far the largest. In the recent election it has made up some of the ground lost in 1969, but it is still far from being a credible alternative to the ruling Liberal Democratic Party (LDP) (see Table IV opposite). The Japan Communist Party (JCP) made the most spectacular advance in December 1972 and almost tripled its representation in the lower house of the Diet in which it is now the third largest party. The success of the communists may be attributed to the muting of their ideological position and the presentation of a more "Japanese face," that is concern with bread and butter issues and the acceptance of some degree of armament in pursuit of an independent national policy. The Democratic Socialist Party (DSP), although originally a breakaway group from the JSP, has become a centre party. In addition, there are two major trade union federations: The general council of trade unions (Sohyo) and the all Japan labour federation (Domei). Sohyo is the most important and supports the JSP. Domei backs the DSP.

Normally, one would probably rule out any co-operation with the JCP, but recent trends in local and national politics may point to an eventual JSP/JCP alliance not unlike the socialist/communist alliance in France. On the other hand, the DSP is probably too far to the right for many Labour supporters. That leaves the JSP as the most likely "partner" in international collaboration. There are several problems in working effectively with it. The party has no experience of office other than one disastrous year in a coalition government from 1947 to 1948. Its position hitherto has been marked by a doctrinaire Marxism which does not appeal greatly to the pragmatic Japanese electorate. However, things may be changing in this respect and there are some indications of a toning down of the emphasis on ideological purity. Like all Japanese parties, the JSP is faction ridden and the balance between the factions largely determines the party's policy. Finally, in spite of the profession of lofty principles, it has shown little grasp of the problems of international politics. In this the socialists reflect the general difficulty that most Japanese have of "thinking internationally." (For an interesting study of the foreign policy of the JSP, see J. A. A. Stockwin, *The Japanese Socialist Party and neutralism*. Melbourne University Press, 1968.)

All in all, it is reasonable to assume that Labour in office within the next few years will have to deal with a government formed by the Liberal Democratic Party. Given this limitation and those imposed upon a Labour government operating within the EEC, efforts should be made to develop a significant relationship with Japan in the field of aid to the third world. Such a policy would have two facets; economic and technical assistance and the restructuring of the world trade system so as to favour the developing countries. The Japanese government is seeking ways in which to convert surplus foreign exchange balances so that they may not merely increase Japan's prosperity but enhance its prestige and influence. Generous aid policies are one method by which to achieve this end. Fairer and more liberal trading policies are another. Japanese national self interest

would thus be linked to humanitarian considerations which take into account the interests of the world at large. Could a Labour government take the initiative in fostering a relationship with Japan which would be of benefit to the third world by encouraging it to support new and more generous policies in UNCTAD and GATT? Michael Lipton's chapter throws doubts on its capacity to do so in view of Labour's appalling record in the past. Such a policy would require a determination on the part of the British government to hammer out concrete ways in which to make real the professions of noble ideals and aspirations. It also calls for determination in persuading Japan to co-operate in this endeavour.

In other areas there is probably little or nothing that we can do to encourage Japan to play a full part in world affairs which would also satisfy Japanese *amour-propre*. The obvious status symbol which it might be tempted to acquire is a nuclear armoury. The decision to take up the option will be dictated by domestic pressures, the assessment of the needs of national security and, possibly most important, the answer to the question whether Japan can occupy a respected place in the world without them. It is likely that on balance the Japanese may decide that the most rational course would be to remain a potential nuclear weapons state. Whatever the ultimate decision, history does not repeat itself and a great deal of talk about the revival of Japanese militarism has no foundation in facts. It

is fanned by Japan's enemies, partly out of genuine fear born from bitter experience in the past, and partly to create difficulties for Japan abroad and foster dissension at home. The structure of the pre-war Japanese state has disappeared and it is most unlikely that the military could ever regain their ascendancy over national policy-making or harness a fanatical loyalty to the emperor's person as head of a family state. Moreover, it is inconceivable that the type of military expansion that marked the 'thirties and 'forties could take place in today's world.

This is not to say that Japan has now become a liberal democracy in the western sense. The abolition of the emperor system has not been replaced by an inner directed individualism. Instead, fragmented social groups have become the focus of the Japanese search for identification. (See Takeshi Ishida, *Japanese society*. New York, Random House, 1971; pages 30 and 31.) The three diamonds of Mitsubishi rather than the rising sun may satisfy that need today, but one wonders for how long. Japan is still very much a closed society. Outwardly it could hardly be more open and welcoming; but once the stranger tries to become a part of it he will meet incredulity if not opposition. For most Japanese it simply cannot be done. Language and lack of familiarity with the cultural background are obvious hurdles; but even when they are overcome, as in the case of Koreans long resident in Japan, the barriers are still there. The Japanese may feel more com-

TABLE IV
RELATIVE STRENGTH OF THE PARTIES IN THE LOWER HOUSE 1960-1972

party	Nov. 1960	Nov. 1963	Jan. 1967	Dec. 1969	Dec. 1972
LDP	296	283	277	288	271
JSP	145	144	140	90	118
JCP	3	5	5	14	38
Komeito*	—	—	25	47	29
DSP	17	23	30	31	19
Indep.†	6	12	9	16	16

* Did not stand in the elections of 1960 and 1963. † The Independents usually align themselves with the LDP. (Source: *Le Monde*, 12 December, 1972). It should be noted, however, that the LDP's share of the popular vote has declined steadily in every election since 1960 and that in 1972 the combined total vote for all the opposition parties exceeded that for the LDP. (*The Japan Times Weekly*, 6 January, 1973.)

fortable that way, but this attitude corresponds ill with the extent of their involvement with the rest of the world. It shows itself in the single minded economic drive and the total exclusiveness of the Japanese abroad that arouse suspicion and hostility among people wherever they operate. Japan's constructive participation in the international system will depend largely upon the success with which the gap can be bridged.

One way of meeting the challenge is to do something about the abysmal ignorance of Japan in this country. Knowledge is presently confined to some businessmen, a handful of academics, a few journalists and those who have immersed themselves in one or other of the more exotic aspects of traditional Japanese culture. Because of the distance which separates our two countries and the great differences in language and patterns of social behaviour, a more determined effort is needed in establishing contact between ordinary people than when doing the same thing with Americans and Europeans. The objective should be to spread a much wider and genuine interest and critical appreciation of our respective countries than can be achieved through the glossy handouts of embassy information departments, tourism, or satisfying cultural curiosity.

More money should be spent on promoting relations between the young, students, trade unionists and professional people from both countries. British Council scholarships are greatly coveted in Japan but there are too few of them. The scheme is usually available to mature people who are already established in their field. Such persons are often too set in their habits and ways of thinking to benefit greatly from an exchange other than in their narrow professional sphere. Given the prosperity of their country, Japanese experts should be able to find money for studying abroad. Indeed, the government has recently set up a fund for cultural exchange programmes, but it is mainly intended for the United States and South East Asia. The young would find it less easy to tap such resources in a country where age and status still count for a great deal. Public funds should therefore

be used for bringing people in their late teens to this country for a couple of years in a school or college. At that age they have greater flexibility, are not wedded to a career and are not so concerned with personal status and success. They also have more open minds. The experience of their stay in Britain might help them to become nationally less self-conscious and exclusive.

When there is a shortage of immediate issues in formulating policy towards another country, it is easy to fall back on the general need to promote mutual understanding. In the case of Britain and Japan this may be a preliminary to more concrete co-operation. It is worth the effort.

4. a Labour Britain and China

Richard Harris

We cannot understand Britain's relations with China without first understanding China's present and past view of her own relations with Britain. Of all countries in the world China is the most exceptional case in having lived for a thousand years or more in one world and having the adjustment to a different world imposed upon her. "Yes, yes," some will say, "but this is surely now an old story, of little relevance to the Marxist revolutionaries who are governing China today;" but this is not so. Britain's relations with China over the past century are much more vividly present in the minds of China's current rulers than they have been in those of any post-war British government, Labour or Conservative.

The men who emerged from 22 years of intermittent civil war in the hinterland of China to take over the country in 1949 had no experience of international relations, with comparatively rare exceptions such as Chou En-lai who represented the communists in Chungking and Nanking during the unstable periods of truce between the two parties during that intermittent civil war. Moreover, Chiang Kai-shek's Kuomintang Party was scarcely any more experienced in the world of diplomacy, since the only governments that had mattered to them among the few with which they had had diplomatic relations in the 'thirties were the United States, Britain, France and others against whom they were agitating to restore China's sovereign rights. China had no diplomatic relations with her neighbours, since, in all Asia, only Japan and Thailand were free to have such relations; all the rest were under colonial rule, or were at the very least dominated in their international ties by one or other of the major powers.

Japan had begun her aggressive moves against China with the 21 demands of 1915, while Thailand refused to have any relations with China at all, lest the presence of a Chinese diplomatic mission should stir up her large overseas Chinese community. In a very precise sense, therefore, 1949 brought China into a new world of diplomatic relations after the final sloughing off of a semi-colonial period.

Long before the revolution a view of this period of domination by imperialism had been formulated, which was shared by all Chinese. China had suffered at the hands of western imperialists and it was the task of a new government of China to liberate the country, unify it, advance its economy and its technology to equal its western intruders, to rebuild its military strength (so that the country could never again be despoiled) and to face the world once again with pride and confidence. These aims had persisted for half a century. They were as much the objective of the communists as they had been of Chiang Kai-shek's government; indeed, the communists would never have come to power had they not seemed *as nationalists* to be the more determined and the more capable of the two parties. Powerful emotions were aroused by that century from which China was recovering. It was a century graphically accounted for. China had lost control over many parts of her territory; had had to cede other large areas to neighbouring powers, notably Russia; had lost the more or less equitable tributary relations that had marked the old Chinese world; and had had to suffer adjustments to her frontiers wherever the colonial authorities butted on to the outer fringes of Chinese authority, whether this was exercised directly from Peking or through a government, such as Tibet's, which was answerable on major constitutional questions to the imperial court.

This era of China's weakness had been a cause of the utmost humiliation for a proud culture, believing itself to be supreme, and for so many centuries inviolate in that belief. The resentment that had built up in China towards the end of the nineteenth century had fuelled Chinese nationalism. Only a figure in many ways as unrepresentative of Chinese emotions as Sun Yat-sen could have led countries like Britain to form a view of Chinese nationalism that under rated its real potency to such an extent. The British, and others, were far too slow in acknowledging its force, and often tended to be only patronising in their response. Such feelings dominated the Chiang Kai-shek government and led to the tardy cession (while they were all under

Japanese occupation during the war) of the foreign, though in great part British, rights in the treaty ports. Not until 1947, when the legation quarter in Peking was handed back to Chinese administration, was the last act performed in this return of sovereign rights over her own territory.

The communists marched into Peking two years later with a strong nationalist resentment reinforced by their doctrine of anti-imperialism. If anything, their claims to territory were rather more modest than their angry pride might have suggested. At that time the immediate priorities were the recovery of territories regarded as part of China, but not yet under their control. Tibet was brought back into the family by a mixture of force and bargaining; Hongkong could wait until Chinese relations with Britain had become clear; Taiwan was the outstanding issue in an incomplete civil war, not only because Chiang Kai-shek and his government had sought refuge there, but because the cession of the island to Japan in 1895 still rankled in Chinese minds. Calculations about particular territories are less important, however, than a proper understanding of the Chinese attitude, then and now. Many countries that have recognised the Peking government have misread this attitude. In essence it is one of starting afresh, of obliterating the past, not by writing it off but by renegotiation. Territory may be written off but not the fact of an unequal treaty. Witness the *impasse* between China and Russia where the Chinese have said that there is no question of reclaiming the territory north of the Amur River that was ceded in 1858 and 1860, but insist that they want to re-establish a new frontier by substituting an equal for an unequal treaty. What the Chinese want, in effect, is some kind of admission that they were wronged and that a new basis of equality can only be arrived at by a new agreement. Much could be said about the springs of this Chinese attitude and its divergence from western ideas of international law. In explaining China's attitude one must not be always taken as trying to justify it; but this concept of renegotiation, as a means of obliterating past shame, is relevant for our dealings with the Chinese.

There is no doubt that the restoration of lost territories and the attainment of a unified, independent China loomed far more in Chinese minds in 1949 than any relations beyond their own borders. The one, indeed, should ideally precede the other, so that a new era in China's international relations might have been launched only by a China unified and absolutely independent. Only a few months might have been necessary to complete the task of unifying China after the new government was set up in Peking on 1 October, 1949. An attack on Taiwan planned for the spring of 1950 had to be postponed when the troops training in the use of landing craft on Wusih Lake near Shanghai contracted schistosomiasis in such number that it was impossible to go on. The assault was postponed until the autumn. Meanwhile the Korean War intervened in June in circumstances quite unforeseen by the Chinese. President Truman's action of putting the American Seventh Fleet into the Formosa Strait to oppose any Chinese landing on the island was both a surprise and a shock to the momentum of the new government. It immediately aroused their latent fears of counter-revolutionary military action, confirmed their beliefs about the nature of imperialism, and transformed their expectations of facing the world as an unchallengeably unified country.

Communist achievement internationally

It would be difficult to over estimate the diversionary effect of President Truman's action on Chinese thinking about the outside world. Ever since 1950 the goal of a unified China has been frustrated. The restoration of Taiwan to Chinese rule has been the outstanding unfulfilled task of China's revolutionary nationalism. Instead of glorying in a united and independent China, facing the world with satisfaction and with pride in achievement, the leaders in Peking have had to suffer the continued humiliation of a rival government, no less proclaiming itself to be China, and, until 1971, with its claims ratified by a seat in the UN security council. Of course, time has worn away the first smarting disappointment of 1950.

Yet the question of the legitimacy of a new regime runs so insistently through Chinese history that we should not underestimate by how much China's purposes have been diverted and thwarted by what happened in 1950. Taiwan has been a motive in the background of all China's international action since that date, and remains so today. For 20 years the Chinese have given unremitting thought to circumventing the unassailable American power thrust in 1950 into their uncompleted and entirely Chinese civil war. President Nixon's recent visit to Peking was, from Chairman Mao's point of view, the culmination of those years of wrestling with a solution for the Taiwan issue. Taiwan remains the most tangible, the most painful to China, of all problems raised by the American relationship; concessions of some kind over Taiwan had to be foreseen even before President Nixon could be invited.

Many people, and rightly so, think of China as a revolutionary power, carrying its anti-imperialism, its anti-revisionism among communists, its endless battle against reaction into all its international attitudes. Such doctrines have certainly dominated Mao Tse-tung's thinking. Yet even he is first and foremost a Chinese nationalist, as sensitive as any of his countrymen to the injustices that China suffered at the hands of western powers in the past, and which China has not always escaped since the present government came to power. Did John Foster Dulles's refusal to shake hands with Chou En-lai at Geneva in 1954 not rankle? Has not the hypocritical morality of the United Nations motion declaring China to be an aggressor in Korea not left a scar, when China recalls how often in the past the western countries most concerned have found their national security threatened when a small neighbour was embroiled in war? Are not the opinions freely expressed on all sides as to how Taiwan should be settled, a matter we should regard as insulting if some part of British territory were similarly subject to international comment? The simplest prescription for any soundly based relations with China must be for Britain to understand the Chinese outlook, even if it does

not always find it well founded. The sense of ill treatment, the wish to expunge the past, the emphasis on the ideas of reciprocity and renegotiation, still colour her thinking about international relations, especially with a power such as Britain.

There has never been any mystery about China's first priority in international relations. This has been her own security. It seems necessary to emphasise this, since so many people have been easily misled by China's public statements of support for this or that revolutionary cause. At all times over the Vietnam war, for example, China's first concern has been for her own security lest the war should spill over into an attack upon China. Korea left a mark that will not soon disappear from China's view of any conflicts in contiguous countries. After all, at the time of Korea, China had a real intimation of possible American intervention aimed at the overthrow of the new regime. Though that fear has been diffused, and almost demolished, since Richard Nixon's visit to Peking, it still governs Chinese caution. If one recalls how, in the early 'fifties, American policy makers thought of the Peking government as entirely unrepresentative, even as a regime foisted upon China by Soviet power, China's behaviour in retrospect looks exceptionally restrained. By now perhaps the acceptable view in Washington is that China is most anxious to avoid war in any circumstances.

China's conscious reflections on her international relations with the world (beyond the American imperialist threat, on the one hand, and her dubious Russian ties, on the other) may not therefore have begun until 1953 when Stalin's death and the Korean armistice gave them more elbow room. It was then that peaceful co-existence was adopted as a slogan and the possibilities of settlements by negotiation were gratifyingly discovered to be possible at the Geneva conference of 1954. Britain and France were then prepared to stand out against Foster Dulles. How much more might have been gained, and how much stronger Britain's influence might have been in China, if we had only been equally resolute in rejecting the con-

tainment of China inaugurated and implied by the SEATO treaty. Unfortunately there tended then, and perhaps still today, to be two views of China in the foreign office; what one might call the Peking view in contrast to the South East Asian view fixed, in the 'fifties, on the commissioner general's office in Singapore. Until recently this South East Asian view was always the stronger, with the placard labelled "subversion" always on display.

The Chinese, however, pursued their co-existence theme despite SEATO, and at Bandung in 1955 Chou En-lai won over several Asian leaders. By 1958, however, the Chinese emphasis had swung away from co-existence to a prime interest in world revolution. Thereafter the Sino-Soviet dispute began to dominate Chinese behaviour and all China's accumulated resentment over Russian behaviour was vented upon Khrushchev. The failure to acknowledge Mao as the leading political thinker of the communist world after Stalin's death led to embittered ideological battles. For ten years China's international relations were clouded by the atmosphere of struggle engendered between an anti-imperialist and hopefully anti-American third world, with the no less despicable revisionists in Russia as competitors with China for the leadership of that world. The turbulence of the cultural revolution in China prolonged these difficulties. It brought out displays of Chinese xenophobia that recalled the nineteenth century. Although international opinion had slowly been moving towards admitting China's claims to a rightful international status, in particular over the Chinese seat in the UN security council, it was not until the cultural revolution had ended that co-existence could once again be pressed. However, this time it was from China's side that a much more experienced and tolerant view of the world was expressed. The revolutionary hopes of the third world were quietly jettisoned, except for some individual cases. Now China could concentrate upon her relations with governments and if, to promote these, it was necessary to admit past excesses, then China would do so; witness Chou En-lai's apology and reparation for the assault upon the UK diplomatic mission in 1967.

The Chinese have not foregone an ideological view of the world in which they pursue their policy of co-existence; but it is noticeable that relations of power have more often than in the past taken precedence over ideology. Much of this change followed the Soviet invasion of Czechoslovakia in 1968; for one thing such an attack opened up the possibility of some similar assault or pre-emptive strike against China, and it made the East European scene more than ever one in which crushed or repressed nationalism was subject to the priority of Soviet interest. Where the Americans had been the worst of the two super powers in their intervention against revolutionary movements, now it was the Russians who seemed to the Chinese to be even more guilty of interference with governments whose independence should be respected. After a dangerous moment of crisis in China's relations with the Soviet Union had passed, in 1969 talks between the two governments were started and nominally still continue. The tension has not lessened by much, especially when the Chinese perceived the steady Russian reinforcement of their border throughout 1970 and 1971; but the Chinese have gone a long way towards securing their position by their opening to the United States. Richard Nixon's visit to Peking in February 1972 was not arrived at without deep thought by the Chinese from the time of the new president's election. Once the Chinese were convinced that American withdrawal from Vietnam was in progress and would be irrevocable, they were prepared to encourage approaches.

Their world position was also much enhanced by their election to the UN in October 1971, on terms acceptable to them. Furthermore, the election of Kakuei Tanaka, rather than his opponent Takeo Fukuda, to the leadership of the Japanese governing Liberal Democratic Party, in July 1972, gave the Chinese an opening which they took with great speed. Within three months Kakuei Tanaka had visited Peking and signed a joint communiqué, over recognition and Taiwan, that was much more comforting to both sides than the one Richard Nixon had signed in Shanghai in February. These

international changes brought China fully into a quadrilateral of power in which any future move by any one power would necessarily influence the relations of the rest to some degree. Russia, China, Japan and the United States had their meeting point in North East Asia and China would now be absorbed into this new situation.

Over the past year we have seen by how much China's interest in developing relations with America has made a peace in Vietnam more urgent and desirable. For all Richard Nixon's twists and turns over Vietnam, and for all China's backing for their age old neighbour, the Chinese, nevertheless, showed no signs of allowing events in Vietnam to force them off their course in relations with the Americans. On the one hand, this made the Chinese look upon South East Asia as an area of no great urgency until the Vietnam war was finally ended and a settlement worked out; on the other, it made the Chinese look to see what pressures exist to restrain Russian power at the other end of the Eurasian land mass. This is the context in which the Chinese now see their relations with western Europe, and consequently with Britain.

Britain's relations with China

There is no doubt that Britain alone could not have the importance for China that she briefly had in the first few years of the new regime. That Britain should have had a diplomatic mission (albeit on sufferance, as a mission "negotiating" diplomatic relations with China) in Peking at the time the Korean War broke out, and should have kept it there throughout, even though British troops were included in the UN forces in Korea, gave Britain, at that time, a modifying rôle at a period of great tension. At Geneva in 1954, agreement would never have been reached but for Anthony Eden's determination and his refusal to accept the outright hostility to China of John Foster Dulles. Thus Britain acquired a reputation among the Chinese as the major western power in direct contact with them. Despite our acquiescence in the SEATO treaty the Chinese continued for some time to regard Britain as a force

for peaceful co-existence and as a potential mediator between China and America. In 1958 this hope was rejected when Britain joined the Americans in intervening to prevent changes of government in Jordan and Lebanon. China, at that time, was moving away from co-existence as a priority to an interest in revolution in the third world and in the developing Sino-Soviet dispute. Britain began to be written off by the Chinese as a country too readily beholden to the Americans to take a firm line on anything that concerned China; and with De Gaulle's return to power in France a new European champion of independence from the American line began to emerge.

In recent years Britain's uncomplaining acceptance of American policy in Vietnam finally severed any remaining respect that survived from the earlier period. Moreover, in the new period of direct global dealings with major powers, backed by the fact that she is now a permanent member of the security council, China no longer needs a friend such as Britain promised to be in the 'fifties. Nevertheless, Britain's past in China, good or bad, is such that it remains fixed in the Chinese mind; and China's current view of Europe has given Britain a renewed importance. The current official doctrine in Peking sees the world as divided between the domination of the two super powers, the US and the USSR, and the revolutionary third world. Hitherto, western European countries have been occupying a doubtful intermediate position in this formulation; but with the growth of the EEC and the adherence of Great Britain and others, the Chinese see emerging a power bloc strong enough to be independent of the super powers, and likely to follow its own policy.

As a member of the EEC, therefore, Britain has acquired a new importance to China. She will now be in a partnership likely to resist US influence; and within the partnership, the Chinese estimate, Britain will be of greater importance as a power. However, it is as well to remember the reasons for her importance to China. The events that seemed significant to China in the development of their relations with Britain were, first,

Edward Heath's victory in June 1970, since a Conservative government promised to be rather more independent of the Americans than Labour had been in the preceding six years; and, second, the dismissal of 105 Soviet officials from Britain on charges of spying in September 1971, a confirmation that in standing up to the Russians a Conservative government had also shown itself to be the more firm and thus the more welcome to China. In particular, Edward Heath's determination to take Britain into the EEC would, in China's view, give that body a stiffening that it had seemed to be losing, especially with French moves towards a *détente* with the Soviet Union marked by exchange visits between Pompidou and Brezhnev.

In this perspective the Chinese have been happy to improve their relations with Britain. The agreement to exchange ambassadors was at last reached 22 years after Britain's original recognition of the new government. A visit by Sir Alec Douglas-Home, in October 1972, was a reminder of how very rare had been any previous visit to China by any British ministers whatsoever in this century. The visit by Denis Healey followed appropriately from the Labour side. In return badminton teams, students from China and China's trade minister have led the way in a flow of visitors to Britain. There may be limits to such mutual exchanges. China is more accessible and more interested now than four or five years ago. So long as we accept the importance China now accords to Britain as being an aspect of China's view of the European scene, relations are likely to be friendly. Can much more than that now be forecast? It is hard to say. The era of Chairman Mao Tse-tung is coming to its end and we do not know what changes we shall see when that time comes. One might point, however, to China's record at the UN as a mark of China's involvement in the rôle of peace making. Though firm in its principles, the Chinese attitude is by no means obstructive. This is an area where Britain and her EEC partners, might look sympathetically in the future to China's instincts for peaceful change, despite the past record of support for guerrilla and revolutionary movements.

The moment is not one when any striking British initiative towards China can be urged. The recent initiatives have been Chinese and they are likely to remain so while Chinese concern with Russia and Chinese hopes of improved relations with America dominate their thinking. One should not, of course, forget cultural exchanges in a year when a Chinese exhibition is to be held at Burlington House and there is talk of a visit to China by a British orchestra. Such exchanges are often the meaningless false coin of communiqués between communist and non-communist countries. At this stage in China's evolution this may be much less true. The Chinese have taken up the study of English again to a degree not known since the present government came to power in 1949. Some kind of encouragement and interest in this development might include help with teachers and teaching methods. Beyond this Britain can make no dramatic moves.

Hongkong and Taiwan

At the United Nations, in March 1972, the Chinese delegation asked for Hongkong and Macao to be removed from the list of colonial territories whose freedom was a matter of concern to the UN. The territories were not colonies, said the Chinese, but were both part of China. The Chinese explained that they would deal with the problem these territories presented in an appropriate way when conditions were ripe. When might this time come and what way might be appropriate? The probability is that Hongkong will remain secondary in Chinese eyes to Taiwan. That island is of much more concern to Chinese nationalism while, by contrast, Hongkong under British administration has been something of an asset to China, not merely economically but politically too, during periods of tension in the region provoked by the Korean and Vietnamese wars.

The political asset of a neutral Hongkong could now decline and the economic advantages to China of the British presence there would not stand in the way of its return once Taiwan has been restored in

some form to Peking's sovereignty. That process may take some time. A tenuous process of negotiation might follow the death of Chiang Kai-shek and end in some kind of autonomy for the island in which Peking's sovereign status would be acknowledged. After that had happened Hongkong's status might seem open to question by China, and the likelihood would be that they would demand its retrocession by Britain. It would be foolish for Britain to oppose this (and, one imagines, very difficult too) in face of a world opinion that would find Hongkong's survival under a colonial government an anachronism. If such a request from China had not been made before the lease on the "new territories" is due to fall in, in 1997, it is obvious that Hongkong could then not survive separately, without that part of the hinterland on which the greater part of its modern industry is now sited. Indeed, if the end of Hongkong under British rule were envisaged in 1997 the probability is that a sharp decline in investment would so severely damage the capitalist forces that sustain Hongkong that a negotiated return of the territory to China would come some time before 1997. For the moment, neither of these possibilities is imminent.

This does not mean that a Labour government should not look closely into Hongkong's administration. There is much that could be improved in ways that would make its Chinese population much less resentful of their condition. This is not so much a matter of changes in some democratic process as better communication between government and people; a more effective representation of Chinese opinion, real Chinese opinion rather than the opinion of superannuated and unrepresentative figures in executive and advisory bodies. Over and above this, there is need for an improvement in labour relations and social conditions.

Britain's stated position over Taiwan is the only sensible one; that the island is China's business and must be settled between Peking and any government that exists in Taiwan. The people of the island are Chinese. Their economy has been booming in the last decade or more. The

government in Peking seems likely to take such factors into account in their policy. Nor are they likely to be in any hurry to reach a final settlement now that they are seated in the UN and now that the number of countries recognising the government in Taiwan as the government of China have dwindled to a handful. The contentious issues are gradually being drained away. It would be foolish for any British government to look to anything other than a peacefully negotiated settlement when circumstances are ripe.

trade

The China trade has been a mirage for almost two centuries, and it still attracts attention by virtue of the country's size and potential. The fact must be faced, nevertheless, that China has never been a great trading nation and shows few signs as yet of ever becoming one. The advocacy of self reliance in economic development is not likely to be reversed, although it may be modified in a post-Maoist era. The Chinese have not gone all out to expand their exports, nor do they look like being larger importers. British aircraft for China are a good thing, but they are not enough to bring Britain's trade with China far from its low place on the list of Britain's trading partners. The plan this year for the exhibition of British industrial technology and other ways of keeping before interested Chinese Britain's capacity as an exporter are all to the good; there is a past reputation to be built on and kept burnished. Another move, however, could be to press for the removal of restrictions on trade with China. There is no longer any excuse for imposing more restraint on China's imports from us than those we impose on the Russians; since China is no threat to Britain it would, if anything, be proper to give China the greater advantage.

5. Labour and South Asia

Roderick MacFarquhar

The peaceful handover of power to independent governments in India, Pakistan and Ceylon remains one of the great achievements of the first post-war Labour government, a triumph of good sense and moderation on both sides. No Briton can be complacent about the division of the Indian sub-continent which led immediately to massive movements of populations and hundreds of thousands of deaths in communal rioting. Kashmir became the scene of fighting, remained an open sore and was the cause of the Indo-Pakistani war of 1965. In 1971, the East Pakistani uprising and renewed warfare led to the dismemberment of Pakistan. The Mountbatten settlement had not survived a quarter of a century. In fact, from the start no-one was happy about the settlement. Yet this did not prevent the post-war Labour government establishing cordial relations with Indian and Pakistani leaders. The Labour Party's long record of support for the independence movement helped, and there were personal ties between leaders on both sides. Mutual sympathy was strong enough for both India and Pakistan, followed in 1948 by newly independent Ceylon, to decide to remain in the Commonwealth. These three countries became the cornerstone of the multi-racial Commonwealth; indeed without their adherence it is doubtful if there would have been any non-white members.

second Labour government

The second post-war Labour government came to power four months after the death of Jawaharlal Nehru. Had he lived for another few years, Labour's relations with the most important country of South Asia might have been happier. Nehru could have educated the new Labour leaders, most of whom were ignorant of the affairs of the sub-continent. His successor, Lal Shastri, was un-westernised and the Labour front bench were unable to appreciate his qualities. Harold Wilson did show that he recognised the importance of India by sending his friend John Freeman there as high commissioner and the British premier was helped by Arthur Bottomley to play a useful rôle in mediating the Rann of Kutch crisis in the first

half of 1965; but when full scale war broke out in August, Harold Wilson's prompt assignment of blame to India lost Britain its neutral status, and the Soviet Union was able to assume the rôle of honest broker. Harold Wilson's intervention did not even gain Britain any particular advantage with Pakistan which looked for support to America and China. Wider developments also affected Britain's relations with South Asia during the 1964 to 1970 Labour administration. The decisions to withdraw from East of Suez and to seek entry into the EEC, while sensible in themselves, inevitably diminished British interest in the Asian members of the Commonwealth. The merger of the Foreign Office and the Commonwealth Relations Office in 1968 symbolised the psychological changes taking place. It was hardly surprising that as Britain was struck by successive economic crises it was the Labour Party's idealistic objectives in the field of aid to the third world that were sacrificed first. By the end of its term of office, the Labour government's relations with South Asia were in the doldrums.

third Labour government

When the third post-war Labour government comes to office, Britain will be a member of the EEC. If we assume that, whatever renegotiation may take place, Britain remains a member, should Labour simply accept our deepening commitment to Europe and allow our interest in the non-white Commonwealth to continue to decline? Clearly not. It should be Labour's objective to help divert a significant portion of the immense wealth of the enlarged EEC towards reducing the gap between rich and poor nations. We should attempt to win for Commonwealth countries the kind of advantages secured by France for her ex-colonies; and to persuade the EEC to do better than that. South Asia contains not only the most populous area of the Commonwealth, but also some of the poorest people in the world. In any rethinking of and recommitment to enlightened trade and aid policies towards the third world (and this applies whether Britain is in or out of the EEC) South Asia must be the focus of our attention.

There is a second good reason for Labour to pay particular attention to South Asia. For the first time since the end of the Raj, all the independent governments of the region have been democratically elected and are (in some sense of the word) socialist. The men and women who lead those governments first learnt about democracy and socialism under the British and in greater or lesser degree from the British Labour movement. They have maintained their commitment to those ideals under conditions of immense difficulty. Some of them may not survive in office until another Labour government is in power; but the Labour Party, in or out of office, surely ought to do whatever little it can to help preserve a democratic socialist option in South Asia.

India today

In India today, the prospects for democratic socialism are stronger than at any time since independence. Indira Gandhi has managed to divest herself of the older, conservative Congress party leaders and though the party divided in the process, her section of it has emerged dominant. Indeed, Indira Gandhi's personal power is greater than that of her father at the height of his premiership. Her victories in a number of state elections in 1972, coming after (and helped by) India's defeat of Pakistan, mean that she is in a position to press forward with "socialistic" policies without much fear of domestic opposition or foreign distraction. After the year of the refugees (during which it seemed that she would be unable to translate her 1971 election victory into action) she is now expected to deliver.

the green revolution

The mood of national self confidence induced by victory in war was briefly buttressed by the favourable food situation. India had had five good agricultural years and one of the world's leading experts, Wolf Ladejinsky, declared she was "on the threshold of self sufficiency at current levels of consumption and purchasing power." However, India, like China,

Russia and many other countries, had a bad year in 1972. Drought brought the danger of starvation to 25 or 30 million people; the crops of some 50 or 60 million people were affected. Clearly, it may still take time to step over the threshold. The "green revolution" is not only far from complete; it has also further polarised the Indian countryside. Only a small number of rich farmers contribute to and benefit from the rise in productivity. The rectification of this imbalance is Mrs. Gandhi's gravest problem. However, the more immediate threat to her government may lie in the cities, among the millions of unemployed. Even if the industrial sector of the economy can be got moving faster, the unemployed will remain in substantial numbers for years and could be stirred up by her opponents. The Calcutta Congress youth leader, who organised the electoral rout of the left communists in West Bengal, in 1972, gave Indira Gandhi five years to solve the problem of youth unemployment; if she fails, he and his "red guards" will take matters into their own hands. This may be the rhetoric of radical youth, but the pressure is surely on.

Pakistan today

The situation in Pakistan will not be clear for some time yet. President Bhutto was the overwhelming choice of West Pakistani electors in 1970, but he still has to manoeuvre carefully to maintain popular support while coming to terms with defeat. He has stumped the country, urging realism about Bangladesh, but has met with scant success. He clearly wishes to prevent the army playing politics again and arrested Yahya Khan; but he felt obliged to appoint as his chief of staff, General Tikka Khan (who was most notorious for his ruthless policies in East Pakistan in the early months of 1971) presumably to reduce the possibility of a coup by the discredited generals. Another major problem is the preservation of national unity against possible attempts by Baluchis or Pathans to emulate the Bengalis. President Bhutto has made a number of concessions to them, including a compromise on the new constitution, but he has still not won them over.

Finally, he has to satisfy the demands of his supporters for a more just and egalitarian society; under Ayub, Pakistan went for growth with some success, but the proceeds were not shared out among the population in general and this failure was largely responsible for Ayub's fall. President Bhutto has declared war on the richest 22 families (of which his, contrary to popular misconception, is not one) as a dramatic symbol of his determination to reduce the disparities between rich and poor. In practice, however, his measures have been less radical than many expected.

sub-continental relations

The president's blend of rhetoric and realism has carried him through his first year in office, and may continue to sustain him if he can provide an acceptable post-war settlement. At his summit conference with Indira Gandhi in Simla in June and July 1972, President Bhutto took the first steps. The agreement to renounce force was plain good sense for a truncated Pakistan, even if it effectively ended the dream of taking Indian Kashmir. The cease fire line in Kashmir was finally agreed in December and this opened the way for the mutual withdrawal of forces across international boundaries that was agreed at Simla. The delay may have been caused in part by President Bhutto's inability, due to domestic opposition, to follow up the Simla breakthrough by recognising Bangladesh. This in turn meant that the major point of contention between India and Pakistan (the 93,000 Pakistani prisoners of war in Indian hands) could not be resolved. The three countries of the sub-continent are caught in a vicious circle. Until President Bhutto recognises Bangladesh, India will not return the prisoners of war. Until India returns the prisoners of war, President Bhutto will not allow the several hundred thousand Bengalis marooned in Pakistan a chance to return home; those Bengalis include a significant number of civil servants who would be of great use in the reconstruction of Bangladesh. Moreover, until the prisoners are returned, Pakistan, with China's help, will continue to block Bangladesh's entry into the UN.

There are two further complicating factors; war crimes trials and the Biharis. In the autumn of 1972, Bangladesh held its first trials at which a former governor of East Pakistan was sentenced to life imprisonment; Sheikh Mujibur Rahman may well ask India to extradite other Pakistani prisoners for trial. If war crimes trials are held on a large scale, President Bhutto may find it even more difficult to obtain popular agreement for the recognition of Bangladesh; while if he does not recognise the new state, Sheikh Mujib may find it necessary to satisfy his people's demands for retribution. The Biharis are in a sense outside this whole complicated inter-relationship; everyone would probably like to forget about them. The Bangladeshis want to get rid of these Pakistani sympathisers; but President Bhutto would find it very difficult to get his people to accept an influx of over half a million refugees with no real links with Pakistan, other than shared hostility to the Bengalis. What is certain is that the Bihari problem is only soluble in a climate of reconciliation between Islamabad and Dacca. This might enable a significant proportion of the Biharis to stay on in Bangladesh with Pakistan accepting the remainder over a period of time.

Bangladesh today

Although President Bhutto is the South Asian leader who is most visibly on the hot seat, in fact the problems of the Bangladeshi prime minister are even greater. At least in Pakistan the fabric of the pre-war state remains; in Bangladesh, Sheikh Mujib is struggling to create a new nation and rebuild a devastated economy.

A high proportion of the trained men who might have helped him do this are either dead or in Pakistan. His Awami League is experienced in opposition, but not in administration, and in their first year in office many of his colleagues proved themselves both inefficient and corrupt. Sheikh Mujib's most important asset is his personal charisma, his national rôle as father figure; but it is a wasting commodity. Expectations have been aroused, but cannot be swiftly satisfied.

His extreme left wing opponents will try to exploit the mounting frustration, some of them by contesting Bangladesh's first election, scheduled for March 1973, others by opposing the government guerrilla style. The major problems of Bangladesh, rural poverty and urban unemployment, are replicas of those elsewhere on the sub-continent. The difference is that they will have to be solved more rapidly than elsewhere because Bengalis assume liberation should bring tangible benefits and many of them still retain the weapons with which to act if the benefits are not forthcoming. Wholesale nationalisation has been very popular, but, as in Pakistan, it will not by itself quiet demands.

Ceylon today

The kind of situation which could conceivably confront Sheikh Mujib is shown by the example of Ceylon. Mrs. Bandaranaike's United Front was elected to office in May 1970 on a thoroughly radical programme and an impressive parliamentary majority with which to carry it out. She initiated steps (now completed) to change the dominion of Ceylon into the independent republic of Sri Lanka. Senior civil servants were replaced with UF supporters. Workers councils were started, worker directors were appointed, Radicalism in foreign affairs was displayed by such moves as expulsion of the peace corps and the recognition of North Korea and North Vietnam. Despite these measures, the Bandaranaike United Front (embracing Trotskyists and Moscow oriented communists) was almost overthrown within a year by a youthful "Ché Guevarist style" insurgency. It was only saved by foreign military assistance, and one outcome was the expulsion of the newly arrived North Korean mission who supplied the insurgents with arms. The Guevarist hard core did not believe in parliamentary democracy to start with, but it obtained wider support because of the government's failure to provide employment and control the cost of living. The suppression of the rebellion has given Mrs. Bandaranaike breathing space, but as elsewhere in South Asia, time is short.

Unemployment, rising prices, large disparities in incomes, slow economic growth; the problems have a familiar ring and it seems presumptuous for us to think we might be able to help the nations of South Asia. That we can is due in part to the disparities in wealth between Britain and South Asia, and Michael Lipton discusses (elsewhere in chapter 2) how we should use our relative riches to benefit the third world as well as ourselves.

a role for British Labour

Without doubt Bangladesh is, economically, the country in the area most desperately in need of help. Appropriate spokesmen from the Parliamentary Labour Party and experts from Transport House should sit down with Bangladeshi diplomats and work out a long range assistance programme that this country could realistically embark upon. Comments should be invited from informed people, such as Oxfam officials, who have worked in Bangladesh. The final document should be the basis of sustained parliamentary action while we are in opposition and resolute government action when we are returned to power. Second, all the governments in the area should be consulted on the precise aid, trade and domestic economic policies they would like to see Britain pursuing so as to help their development. This would supplement the calculations we can make for ourselves, and it would introduce an element of co-operation and commitment to help ensure that the policies would be implemented.

I believe that Britain has a rôle to play in South Asia for reasons other than our greater wealth. Our long involvement in the area has meant that a great deal of mutual affection persists, despite the many disagreements between us. Virtually all the members of the élites in all four countries of South Asia, who are over the age of 40, are familiar with the British and things British. English is still the *lingua franca* between these four countries and even within them, among the educated. None of these factors should lead us to assume a special relationship; it was a thoroughly British educated

élite that concluded the Indo-Soviet treaty to give Indira Gandhi the diplomatic backing to pursue her policies on the sub-continent in 1971. Yet ties do exist that South Asians do not have with other countries; the trouble is that their leaders know more about us than we know about them. Even lack of knowledge is not our main failing; that can easily be remedied by intelligent reading. What is required is a renewal of perception. We have to re-discover South Asia or else we shall always be lumbered with our nostalgia. This could best be achieved by the despatch to South Asia of a group of parliamentary front benchers and trade union leaders on the lines of the 1954 Labour Party mission to China. It should spend about five weeks in the area, two in India and one each in the other three countries; more time in all four countries would be desirable, but it is unlikely that it would be spared. The mission, apart from making an on the spot appraisal, would underline to South Asian governments the commitment of the Labour movement to "third world policy" in general and the relief of poverty in South Asia in particular. It would emphasise, too, the common interests of all five governments in creating social democratic societies, and seek to find out if this link could be the basis of even closer co-operation.

Such a mission could, first, explore the possibility of Pakistan rejoining the Commonwealth. If and when President Bhutto recognises Bangladesh, there would be no diplomatic problems to prevent a future Labour government inviting Pakistan to rejoin the Commonwealth. The object would be to reforge an important link in a new context of rekindled Labour interest in South Asia. Second, it could explore Indian thinking on signing treaties like the Indo-Soviet one with the UK and USA. Indira Gandhi is clearly concerned to preserve the appearance, as well as the actuality, of Indian diplomatic independence; the Indo-Soviet treaty had been on offer for a couple of years before India's worries about Sino-American backing for Pakistan during the 1971 crisis led the Indian premier to agree to sign it. Mrs. Gandhi might welcome the opportunity formally to demonstrate India's desire to maintain

a neutral stance between blocs. There are some indications that the Soviet Union would welcome other countries signing such treaties with India as part of a general move towards the elimination of force in international relations in Asia, even though Moscow was well aware that such would not be the effect of the signature of the Indo-Soviet treaty. It should perhaps be emphasised that Labour policy would not be to eradicate Soviet influence in India and Bangladesh; such an effort would be unlikely to succeed and anyway Soviet economic aid to the area is to be welcomed. However, the Labour Party does surely have an interest in helping the growth of democratic socialism in Asia.

Fourth, it could explore with the sheikh how a future Labour government might help him demonstrate his diplomatic independence. The sheikh is already being accused of substituting the domination of New Delhi for that of Islamabad. The Indians are well aware of the dangers to the sheikh of appearing to be their puppet and are endeavouring to avoid lending substance to such charges; but inevitably Bangladesh will rely heavily upon India for economic and technical assistance. The sheikh might therefore welcome some formal treaty relationship with the UK to prove his independence; a long range aid programme would also help in this regard. Finally, it could explore with Mrs. Bandaranaike the question of the nationalisation of British owned tea estates. There is strong feeling within the United Front coalition that nationalisation is desirable, but would be economically harmful. The Labour mission could examine whether a Labour government could facilitate nationalisation without loss of efficiency.

A future Labour government should offer to subsidise the despatch of teachers of English in large numbers to any country in South Asia that would be interested. The Labour movement should encourage the development of links between British unions and Labour controlled municipalities or districts with their opposite numbers in South Asia. A future Labour government should offer to subsidise a greater number of visits to this country by South Asians in various walks of life.

6. south east Asia

John Tusa

To a Fabian eye, the political landscape of South East Asia scarcely offers a heart warming view, one to which Labour readers would react with instinctive sympathy. Reading from the north downwards it includes (for the purposes of this survey) Thailand, run by a right wing military *junta*; Malaysia, where multi-racialism has given way to enlightened communalism; Singapore, where the posture is socialist but the practice authoritarian; and Indonesia, where the democracy is guided by the military. A glance east only adds to the discomfort, for in the Philippines a raucous but reasonably free local version of American "pork barrel" politics has been taken over by its leading exponent, President Marcos, in the unlikely name of reform.

The immediate reaction may be one of distaste, combined with the calculation that since the Labour voice will find it hard to make itself heard in such company, it should devote itself to more fruitful pastures, co-operating with governments whose goals are shared and with whom common action is at least possible; but there are serious objections to this. In the first place it ignores the sheer complexity and variety of the region, which has forced different governments to produce such a variety of political solutions. If the solutions are not socialist, the least the outsider can do is to try and find out why, before dismissing them as invalid ideologically and therefore unworthy of his support. Second, however "reformed" the next Labour government is as a result of the experience of the 'sixties, it will not abandon either the tradition of bi-partisanship in foreign policy, or the basic approach of a "country oriented" policy that bi-partisanship implies; it may be shifted towards "ideologically oriented" or "development oriented" policies, but the traditional approach of forming relations with actual governments will not vanish. It is as well to know what those governments are like and where co-operation is possible. Third, if a future Labour government were to set its priorities strictly according to the criterion of supporting those countries with approved development goals, it would invite the charge of neo-colonialism, even if its in-

attention was only to introduce principle into foreign relations. Last, a reaction of distaste overlooks the realities of international life; South East Asia will not be a stable area in the coming years and its instability will often command the attention of the world. The issues raised (whether communal in Malaysia, strategic in Thailand and Singapore, developmental in Indonesia) will be more than local. Any British government will need a set of policies for such contingencies. What a Labour government needs to do is to ask how far its reactions would vary from the orthodox line in this area. To suggest those orthodox lines, however, requires a brief sketch of the situation in each of the countries under discussion.

Malaysia

Since Malaysia returned to parliamentary rule in February 1971, after a period of parliamentary suspension following the racial riots of May 1969, the country has enjoyed a degree of stability that few predicted. The price of that stability has been restriction of speech on so called "sensitive issues" relating to the rights of the various races making up Malaysia. These rights were previously entrenched in the constitution, but even that had failed to place them beyond public questioning; indeed, they were at the centre of political debate, and a highly inflammatory centre it turned out to be. The decision to restrict discussion of "sensitive issues" was finally accepted by parliament in February 1971, partly because it was a condition of continued parliamentary activity, but also because Chinese and Malays realised that years of harping on them had produced only tension, and not resolution. The second main change of direction in February 1971 involved a frank acceptance that Malaysia's problems were communal, and that satisfaction of the needs of each community was the only way to get communal harmony.

Prior to the 1969 riots, political discussion in Malaysia had been shaped, or distorted, by a subtle hypocrisy. Every party claimed that its appeal was a multi-racial one. Yet the ruling alliance was composed

of three allied communal parties, which left it open to the repeated opposition charge that it could hardly be multi-racial since its foundations were communal. Its own freedom of action was in turn limited by its insistence on multi-racialism; for it could never openly meet the demands of one community, however justified or necessary, without appearing to betray its own principles. The opposition parties, especially those like the socialist Democratic Action Party which attracted mainly Chinese support, would then be accused by the alliance of being racially chauvinistic, regardless of their stated socialist and multi-racial principles. The upshot of these exchanges was to prevent either effective multi-racialism, because anyone claiming to pursue it was accused of hypocrisy, or the proper protection of the interests of the racial communities, yet this was probably the only basis for effective political action which could ultimately lead to genuine multi-racialism.

To accept that the terms of political discussion, which had been common for over a decade, were no longer valid was a bold decision, and it says a great deal for the realism and maturity of both the government of Tun Abdul Razak and the leading opposition figures that they understood the need for the change. As a result, special economic provisions for the advancement of Malays in the new five year plan have been accepted as in the interests of the nation as a whole. The Chinese in turn have been assured that Malay advancement will not take place at their expense. In this new atmosphere too, the long argument about the speed at which Malay will be introduced into schools and universities as the medium of instruction has died away. When the use of Malay as the national language could be interpreted as a method of introducing Malay domination, it was understandably feared and fought by the Chinese. Now that the relative backwardness of the Malays has been accepted as a political fact, a measure like increasing the use of Malay, which helps Malays without seriously hindering Chinese (for whom Malay is a simple language to master) seems just, even though, on the surface, it seems to favour one race in a multiracial society.

Compromise has spread into the field of parliamentary politics. The leading Malay party, the United Malay National Organisation (UMNO), has formed a series of coalitions with opposition parties which have demonstrated their strength in particular areas, or with particular racial groups. The most striking example of this was the decision to ally itself with the orthodox Muslim Malay Party, which had greater Malay backing at the last election even than UMNO itself, and UMNO is the leading element in the ruling Alliance Party. These moves can be interpreted in various ways. UMNO may be looking for allies, in particular areas and in all the communities, who are more effective than its traditional partners in the alliance. It may be part of a positive feeling that a party strong enough to rule in a state as important as Penang should not be denied a share in the federal government. However, it may be an opportunist move to stifle criticism by enveloping critics in the blanket of the government coalition, and so reduce debate over the new political bargain struck between the communities in 1971. If this is undesirable in itself, it only emphasises the genuine difficulties facing the Razak government in a situation where the Chinese are fewer in numbers than Malays but superior in wealth.

Most British governments would support the Razak government, or any like minded successor, on grounds of sentiment and history; a Labour government might also wish to do so as part of its pro-Commonwealth reaction against Europe. It could argue that economics (the size of the British investment in tin and rubber) and humanitarianism (the fear of another racial cataclysm) point in the same direction. The Labour reaction must be that any government honestly attempting to provide justice for all the races in Malaysia deserves support. At the present time, the Razak government can argue that its policy is aiming to do exactly that. British technical aid could have a useful part to play in helping the government in Kuala Lumpur in its baffling task of raising the living standard of the Malays and their general capacity to meet the modern world without uprooting them from the environment in which

all their cultural values flourish. The clash between culture and economics, between a sense of community and the capacity for enterprise, between tradition and modernity, exists particularly sharply in Malaysia, but not only in Malaysia. Any socialist must want to see it resolved in such a way that the human values are not sacrificed. To find a solution and to avoid racial conflict on the way is a policy that any Labour government should endorse.

Tun Abdul Razak's foreign policy is also soundly based. Immediately after becoming prime minister in 1970, he put forward a plan for the neutralisation of South East Asia, insisting that China must be a guarantor of any such project. It was an abrupt change of direction for a government which under his predecessor, the amiable Tunku Abdul Rahman, had followed foreign policies of the most conventional, pro-western, anti-communist kind. It began a policy of growing contacts with China which have benefitted Malaysia and promoted the hope of peace in the region after final American withdrawal. Some contacts have been more symbolic than anything else, such as the visit of a Hongkong communist Chinese dance troop to raise funds for flood relief. Others have been of practical help to Malaysia, such as substantial Chinese purchases of rubber. Tun Abdul Razak has pressed ahead with his neutralisation plans in discussions with his immediate neighbours in the Association of South East Asian Nations (ASEAN). The reactions of Singapore, Thailand, Indonesia and the Philippines to a neutralisation, with China as one of its guarantors, have been as varied as the politics of the countries themselves. It has not stopped them from discussing the proposal, however; and they have done so without prompting from great outsiders. They are realistic enough, especially Lee Kuan Yew, to understand the need to recognise the legitimate rights of great powers in the area; but these rights should not become more important than the interests of the region. The discussions are a long way from a "regional solution to a regional problem"; they can only go further in the aftermath of the Vietnam war. The fact that they have got as far as they

have is due to Tun Abdul Razak, and it is an initiative which deserves British encouragement.

Singapore

As far as relations with China are concerned, Malaysia's neighbour and former partner in federation, Singapore, is content to follow a passive policy. Bearing in mind the tensions between Malays and Chinese, for Singapore to form close ties with Peking (supposing Lee Kuan Yew thought it desirable) might be taken as racially and politically provocative by its Malay neighbours. Once the way has been trodden by either Kuala Lumpur or Jakarta or both, then Singapore will follow, but not until then. This prudent decision is one of the few occasions that Lee Kuan Yew has chosen to acknowledge the sensitivities of his neighbours rather than argue breezily that they ought not to exist. This trait in his character is familiar to his many friends and admirers in the Labour Party. Due to that familiarity, Lee Kuan Yew has had an immunity from criticism, within the party, which his actions hardly warrant. Would, for instance, a less accepted socialist have been able to treat the unions, press, students and parliamentary opposition in the way they have been treated in Singapore without attracting hostile notice? Lee Kuan Yew's counter to criticism is trenchant and forthright. The opposition have played into his hands by acting and speaking in an irresponsible way. The incontestable perils of Singapore's situation, Lee would argue, cannot be handled with kid gloves.

Lee's difficulties are centred upon the creation and maintenance of economic and political independence for quite a small, overcrowded, friendless island state, whose only resource is the driving ingenuity and determination of its people. Confrontation by Indonesia in the early 'sixties decimated the traditional barter trade; separation from Malaysia threatened equally vital trading links with southern Malaysia; Britain's decision to withdraw its bases from east of Suez hurt Singapore more than anyone else, and the face-saving Tory defence policy has in no way

altered Singapore's task of having to replace the quarter of its total GNP that British military and associated spending provided. Despite financial assistance from Britain to help with the transition, the main credit for passing through it successfully must be Singapore's. The rapid expansion of industrial activity to the point that labour has to be imported is a result of well applied governmental energy.

Do these exceptional circumstances and the government's success in overcoming them justify the benevolent and incorrupt paternalism of Lee Kuan Yew and his cabinet? Domestically, they can point to substantial achievements in housing, education, and the creation of job opportunities for a population kept in check by an effective birth control programme. Agriculture is obviously not a major economic contributor given the island's size and its overcrowding; nor can industrialisation ever provide the answer given the small actual size of the population. Lee Kuan Yew has chosen to develop Singapore as a regional service and ideas centre, as the only economic way out. It requires emphasis on technological skills, solutions, orthodoxy and reliability. Experiments and deviation are unwelcome. The solution is logical and understandable in the circumstances. Its emphasis on self help, its hard headedness, its large streak of puritanism, to say nothing of its success, may commend it to large sections of the Labour Party. If that is the case, a future Labour government will feel that it wants to help its fellow socialist by encouraging more private British investment in the island than there has been in the past.

However, British interests coincide with Singapore's very directly at another level. The Malacca Straits which run chaotically and narrowly between Malaysia, Singapore and Indonesia are an international waterway of the greatest strategic and commercial significance. Lately a combination of nationalism (all three states' territorial waters converge there) and the increasing size of super tankers, some of which only just scrape through the channel, have turned the question of responsibility for the channel into an international one. Indonesia and Malaysia

have suggested the straits are territorial waters, a claim merely noted by Singapore who could hardly concede it if it were actively pressed. Nor could any nation with commercial maritime interests, such as Britain, concede the claim without the most stringent guarantees of free passage. In this, British and Singaporean interests stand side by side; but, more important, the British should try to ensure that the controversy never reaches the stage of a crisis. Indonesian and Malaysian fears about the dangers of overcrowding in the straits and the possible environmental damage caused by a large oil leak from a super tanker collision are perfectly justified. It should be a British interest to see that the technical problems arising from safe and regulated passage through a major waterway should be solved amicably among those involved.

This potential confrontation in the Malacca Straits is only a symptom of a wider political one, concerning Singapore's sometimes most uneasy links with its Malay neighbours, Malaysia and Indonesia. With Malaysia, the suspicion and tension is so overt and paranoid, and fortunately so seldom translated into threatening action, that it can be largely discounted. With Indonesia, relations are outwardly good if hardly enthusiastic; but Indonesia feels no special obligation to Singapore, its historic trading position, its economic difficulties, or to past sentiment. Already its plans for bonded warehouse ports, and for a large refining *entrepot* and tourist complex on an island in the archipelago facing Singapore show scant concern for her interests. Malaysia's recent decision to route all trade with China through its own state trading agency rather than through merchants in Singapore is another blow to the island's prosperity. There are two dangers here: one, that simple economic self interest in both Malaysia and Indonesia will steadily undercut Singapore's economic position; two, that this unconscious anti-Singaporean activity will become conscious, with one Malay neighbour reinforcing the economic deprivations of the other and leading to serious regional conflict of a racial kind, a kind that Lee Kuan Yew has often speculated about, with the Sin-

gaporeans cast in the rôle of the Israelis and the Malays as the Arabs. Britain's greatest contribution to Singapore's future could be an awareness of this danger and a readiness to act as honest broker in any emergency between the three neighbours.

Indonesia

Playing this rôle would only be possible if Britain at the time commanded the confidence of all three governments, notably the Indonesians. Fortunately, this is less difficult than it might sound. Under President Suharto, memories of confrontation have vanished, and relations between Britain and Indonesia are expressed by the statistic that Indonesia is the largest non-Commonwealth recipient of British aid.

Domestically, the five year plan, which ends in 1973-4, aims to lay a solid base for economic progress, relying on reconstruction of agriculture, both peasant and estates, before branching out into anything more ambitious. It is a cautious approach, earning increasing dividends. Indonesia's expansion of oil production may have attracted the world's attention but the real sign of its economic priorities is its concentration upon agriculture. The Suharto government's sense of priorities in other directions are also remarkably balanced. Although a government of generals, it is not a simple military government. The key economic ministries are held by civilians, whose policy recommendations have the president's support.

The elections held recently, for national and regional assemblies, were the first in 17 years. Though firmly "guided" by the government to reach the approved result, Indonesians themselves are said to feel that the link between government and governed is stronger and more legitimate than it has ever been before. Finally, the military are unusual in their reluctance, either to build up the armed forces, or to commit themselves to large equipment programmes, which, it could be argued, are vital now that the irrelevantly sophisticated equipment sold to President Sukarno by the Soviet Union has deteriorated to the point of total collapse.

In sum, the Suharto regime shows itself to be moderately nationalistic, gradualist in politics, and pragmatic in economics. While accepting American aid, it has not sold out to American policies. Indonesia's caution in its contacts with China reflect the legacy of the attempted 1965 communist coup rather than American inspired hostility. Indonesians now believe that their great natural resources and their population will make them the dominant nation in the region in the 'eighties. If that is the case, can Britain afford to neglect it? Politically, socialists will feel uneasy in the company of the Suharto government so long as up to 60,000 (the number could be far larger) political prisoners remain gaoled in the aftermath of the attempted 1965 communist coup. Politically too, the evolution of the representative structures, from ones whose character is determined by the military *junta* to ones with real independence, will be watched with close attention. Within these bounds, however, a Labour government could reasonably decide that two areas of Indonesian development, in particular, would repay British interest. First, for a country chronically short of trained administrators, the biggest bottle neck exists in the knowledge of English; foreign university places cannot be taken up because of language deficiencies. British aid for language teaching throughout the education system could prove invaluable. Second, British agricultural equipment suitable for small farmers would strengthen that sector of the economy on which the government has realistically placed most emphasis. Help of this kind endorses sectors of Indonesia's development strategy, without tying the donor to the government's political strategy.

Thailand

Thailand is the problem child of the region, a country ruled by military men with military minds and military solutions for most problems. These solutions have proved largely ineffective with the result that Thailand is a strong candidate for the next victim of externally inspired insurgency. If this turns out to be the case, it will not be because of some unstop-

pable communist wave originating from Hanoi (though there are ripples) but far more because of the inadequate policies of the Thai government. Excluding the short lived experiment with limited parliamentary government, which the generals terminated in November 1971, the Thai government has been dominated in spirit and reality by military men for well over a decade. During that time, they deliberately abandoned Thailand's traditional policy of trimming and accommodating to the prevailing forces in the region. They chose to commit the country wholeheartedly to the American view of events in Indo-China, sending troops to fight in South Vietnam and allowing a network of US air bases to be set up from which B-52s regularly attacked targets in Laos and the two Vietnams. Inevitably, this attracted a degree of hostility from North Vietnam and China which ideological differences alone would scarcely have generated.

For centuries the Thais and Vietnamese have accepted a mutual stand off line down the Mekong valley, each respecting the other's sensitivities about penetration of the regions beyond. The American bombing of Indo-China from Thailand can only be seen as a gross violation of a tacit but vital historical understanding. North Vietnamese encouragement of the Lao speaking insurgents in North East Thailand can scarcely be wondered at. If nothing else it is understandable as an attempt, totally unsuccessful, to restrict the utility of the American bases. Thailand, its vulnerable Mekong border notwithstanding, could have lived with these consequences of its dangerously unbalanced foreign policy had its domestic policies been more imaginative. The country's strength (its unity based on the centralising appeal of the monarchy) is also its weakness; the government is incredibly Bangkok oriented. Regional disaffection can easily be fomented by communist agitation. Both in the North and the North East, scenes of the two major communist insurrections, the government's lack of imagination, its failure to guide development or military programmes in a sensitive political form have been directly attributable to the short-

comings of the Bangkok based view. In Indonesia, political and economic development have occurred side by side in an indigenous way. In Thailand, the economic boom was the unhealthy by-product of the attachment to the United States, while the tentative return to representative government was cut off before it could achieve anything. Consequently, Thailand faces growing insurrection, economic slowdown, and poor relations with her powerful neighbours, China and North Vietnam. It is a high price to pay for loyalty to America.

Apart from the curious occasion of the royal visit to Thailand in February 1972, ties between Britain and the South East Asian monarchy are limited. Whether Britain has any rôle to play in Thai foreign policies in the future depends on Thai reaction to the ending of the Indo-China war. There are two theories as to what may happen. One holds that Thailand is being built up as the real American bastion in Asia. Evidence in its favour includes the sudden reversal of the previous slow American withdrawal from Thailand in the middle of 1972, and the fact that as air units were withdrawn from South Vietnam they were transferred round the corner to Thailand. It would be endorsed both by the present Thai leaders and by Lee Kuan Yew, who regards the five power defence force in Singapore as only a "long stop" (his words) should the American wicket keeper in Thailand decide to go back to the pavilion. The alternative view (held it seems by Dr. Kissinger) sees the US presence in Thailand as an insurance for the observance of the ceasefire agreement elsewhere and as re-assurance for the Thais that their reward for loyalty will not be abrupt desertion. In the event of the former, then Thailand can only expect increased tension within and without. With a process of steady American disengagement, then the Thais can be expected to return to their traditional policies of accommodation with their neighbours, that others (such as Burma, Malaysia and Pakistan) have all shown is possible. Whatever happens, the most important duty for a British Labour government is not to be misled about the causes of insurgency in Thailand nor to

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adopt a mistaken policy of support for the *junta* because they are pro-western. Their interests lie first and last with themselves, and British reaction to them should be formulated on that assumption.

conclusions

Britain no longer has great influence in the area; but historical and commercial ties give it a position where it has interests and where its voice can be heard. That voice should back the main drift of policies already defined by some of the countries concerned; a policy of regional independence from great power intervention, with due acknowledgement of the interests of the great powers; a policy that might end in neutralisation by common consent. It should also be in a position to act where Britain is directly involved. This may not sound a glamorous policy; but it would be in Britain's interest; and it is a practical alternative to a policy of passively waiting for inevitable dominoes to fall. For a Labour government, in particular, the region may continue to fall short of the best socialist deals. However, socialism varies as the traditions in which it develops vary, and here are enough good governmental intentions in the area to deserve attention and support. In the last analysis, it will occupy an important part of the international stage for some years to come; it cannot be overlooked.

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7. Labour, Indo-China and the US war

Martin Bernal

Should the Labour Party or even a Labour government have a policy on Indo-China? The region has a population of less than 50 million, its short term economic potential is small and what external trade it may have after the war is likely to be with its traditional partner, France. Politically, however, Indo-China has a symbolic significance which forces even second rank powers to take up positions on it. From 1964 to 1970 the Labour government did this by giving full moral support to the American military effort there. This stance is widely known and must be taken into account when considering any future policy. Naturally, any new policy must be largely shaped by the situation in Indo-China itself, and to understand this some analysis of the past is necessary. There is now general agreement in liberal and left wing circles that America's initial commitment of military force to Vietnam was a mistake and that her direct involvement in Indo-China should have ended long ago. However, major differences still exist in these circles as to the nature of President Nixon's policies in the area and hence on what attitude the Labour Party should take towards them.

In the autumn of 1968 President Johnson agreed to stop bombing the Democratic Republic of Vietnam (DRV or North Vietnam) and to begin four party negotiations in Paris. At this point leaders of the DRV and the National Liberation Front (NLF) came to the conclusion that the withdrawal of American troops was inevitable. They estimated that negotiations to end the war would shatter the morale of the US army, which was already demoralised, and that US public opinion would not tolerate American casualties for much longer. Believing that it was not worth fighting forces that would soon be gone, the Vietnamese leaders decided to withdraw most of their regular troops from South Vietnam and to demobilise many of their local forces. (Averell Hariman, the chief US negotiator at the time, has repeatedly stated that mainforce units were withdrawn north of the 17th parallel in the autumn of 1968. See, for instance, the article by his assistant, Daniel Davidson, *New York Times*, 6 May, 1972.)

As a consequence of this withdrawal, between 1969 and 1971, American forces were able to extend their military control to almost the whole of South Vietnam. Taking advantage of this situation, Americans and officials of the Republic of Vietnam (South Vietnam) tried to destroy the political organisation of the National Liberation Front. According to figures issued in Saigon, over 40,000 people were killed and many more were arrested in police action under the "phoenix programme." (See, *Vietnam 1967 to 1971: towards peace and prosperity*. The figures should be compared with the two or three thousand killed during the notorious "blood bath" over land reform in North Vietnam in 1956. See D. Gareth Porter, *The myth of the blood bath: North Vietnam's land reform reconsidered*, Cornell. This figure of 40,000 does not include the tens of thousands killed by American bombardment in the "speedy express" campaign that took place over the same period. See the article by Kevin Buckley in *Newsweek*, 19 June, 1972). This programme was set up and financed by American officials, on the basis of their analysis that the essence of revolutionary guerrilla warfare in South Vietnam was organisation. (Douglas Pike, *Vietcong: the organisation and techniques of the National Liberation Front of South Vietnam*: Cambridge, Mass., 1966.) Thus, if one destroyed the "Vietcong infrastructure" the movement would die. In fact, though organisation is important, if the whole rural population is mobilised, as it is in Vietnam, it is relatively easy to rebuild an organisation in a very short period. (For a description of this process of rapid organisation after a period of harsh persecution, see Jeffrey Race, *War comes to Long An: revolutionary conflict in a Vietnamese province*; Berkeley, 1972.)

However, given the fundamental optimism and faith in technology of the American middle class and the resilience of its public relations, the military and police "successes" indeed allowed the US government to believe that "the Tet offensive had been a political victory for the Vietcong, but a military disaster for them." (A cliché current in Saigon during 1971). The exposure of its forces had

allowed American fire power to destroy them, and the urbanisation caused by fire power had deprived them of a political or recruiting base. According to this analysis, there was no longer any internal threat to South Vietnam. Thus, where it had previously been impossible to win with American ground forces, it now became possible to win without them; but American troops had to be withdrawn as slowly as they and US public opinion would allow, in order to "buy time" for "Vietnamisation." It was also to "buy time" and to stop any outside threat to South Vietnam that the Central Information Agency (CIA) helped to overthrow the government of Cambodia, and US and South Vietnamese troops invaded it, to wipe out NLF bases and to stop supplies. For detailed evidence on this, see the articles by T. D. Allman in *The Guardian*, 14 and 18 August and 18 September, 1971. See also Daniel Roy in *Le Monde Diplomatique*, April 1970.) This move was a military and political disaster for Nixon. The NLF gave their weapons and provided training for the Cambodian front, against the new pro-American regime under Lon Nol. The Front was thus able to prevent the regime from gaining control of the North and East and the Central South of the country and South Vietnamese and American troops had to be diverted to defend those few areas it could hold. Political reaction to the invasion inside America forced Nixon to withdraw the US troops from Cambodia and to begin withdrawal from Vietnam.

Despite these set backs and the bloody diasos of the South Vietnamese invasion of Laos, in early 1971, President Nixon seems to have been confident in his policy of "Vietnamisation." This concept was much more limited than has sometimes been supposed. It was that, given superb weapons, communications and transport, with American advisers at every level, South Vietnamese forces could stand up to every attack for an hour or so before American air power arrived. (A South Vietnamese colonel describing a battle after the ceasefire, said that without American air cover, "I am like a man fighting with only one arm." His forces were overwhelmed. *The Daily Telegraph*,

31 January, 1973). It was for this reason that administration spokesmen talked of the US "retaining a residual force of 40 to 60,000 men, even after American troops had been withdrawn. (See, for instance the statement by Melvin Laird reported in the *New York Times*, 14 April, 1971). In this way, although the "enemy" could never be beaten, their actions could be severely limited and Vietnam could become what successive US administrations have wanted it to become ever since 1962, a "forgotten war."

In the summer of 1971, in this state of confidence, President Nixon tried to make the Vietnamese recognise the strength of his position. Disregarding the formal machinery in Paris, he used Henry Kissinger to transmit his terms, which were for a "two track" military and political settlement. The first part of the plan was for a "ceasefire in place" and an exchange of prisoners. After this a political settlement could be negotiated between the Vietnamese parties. The only concession offered was that President Thieu should resign some time before the election and the military and civil apparatus of Vietnam would remain intact. Furthermore, since 1969, large numbers of South Vietnamese soldiers had been transferred to the police and there was no doubt that police activity against Thieu's opponents would continue after a ceasefire. As the area militarily controlled by the Provisional Revolutionary Government (PRG) was negligible a "ceasefire in place" at this time simply meant surrender. Thus the Vietnamese maintained their previous negotiating positions, arguing that military and political problems could only be solved simultaneously by the formation of a provisional coalition government, composed of the National Liberation Front, supporters of President Thieu, and neutrals, to supervise elections.

After Easter 1972, the US position and the administration's view of it were shattered by the revolutionary offensive. The proto-type of the automatic battlefield was overrun in 72 hours, while major attacks were launched at Loc Ninh and in the Central Highlands. With the main South Vietnamese forces drawn away, the

NLF was able to re-organise, and uprisings took place throughout the country. "Vietnamisation" had failed. South Vietnamese forces were unable to hold for the requisite time. (Thieu himself has admitted that without American air support, his troops could not have resisted the enemy offensive. See his interview with Oriana Fallaci in the *New Republic*, quoted in *Le Monde*, 16 January, 1973.)

However, the US airforce remained capable of bombing any town, village or hamlet held by the NLF. It was for this reason that thousands of peasants fled to the cities. (During the summer of 1972, the whole province of Quang Tri was declared a "free fire zone." Thus any sign of life in an area containing more than 100,000 inhabitants was liable to be bombarded.) As capture of a town meant its obliteration, the NLF generally avoided doing so. Instead, they preferred to seize parts of a town besieging the South Vietnamese garrison and creating a situation in which the confusion of battle lines made it difficult to use air power effectively. This strategy had the additional advantage of encouraging relief forces to set out for the town on predictable routes along which ambushes had been prepared. Their goal was not to capture the cities but to tie down and destroy the South Vietnamese army and in this they had considerable success, heavily damaging six divisions and demoralising the whole army. (See Elliott, *op cit*, pages 20 and 21.) For a time it even seemed possible that Saigon itself could fall. In this situation, on 25 May, Nixon repeated his negotiating terms of the previous year. With the PRG occupying large areas of South Vietnam the "ceasefire in place" was now a very different proposition. Pressure from the Democrats made some diplomatic initiative essential, but it is unlikely that the consequences of its acceptance cannot have been worked out, for it seemed very unlikely that the PRG would accept, when strong, the terms refused when weak.

President Nixon's other reaction to the Easter offensive was to extend and intensify the bombing of North Vietnam and to mine its harbours. (Bombing of the North was first resumed in May 1970. It

was heavy in March 1971 when the writer was in the country. In November the Lavelle raids began.) In 1969 the US government agencies concerned had been asked what the military effects of such actions would be. (Despite the need for many contingency plans this would have been a strange question to ask if the US had really been determined to withdraw from Indo-China. See, "National security study memorandum, number 1," as reprinted in *The New York Review of Books*; 1 June, 1972; pages 16 to 17.) The state and defence departments had answered that they would have no short term effects on the military capacity of North Vietnam, but that in the long run it might weaken it. The CIA reported that the moves would have no short or long term military effect at all (*ibid*). Ruling out pique, if Nixon's purpose was not military it can only have been political, to warn and punish North Vietnam for its involvement in the offensive, and more important, to demonstrate to the Vietnamese that their allies, Russia and China, could not or would not do anything to help them. In this there is no doubt that Nixon was successful. By playing the Soviets and Chinese off against each other, both appear to have been brought to a state in which they wanted to believe in America's peaceful intentions. They became prepared to accept Henry Kissinger's assurances that Nixon's only desire was to save face by leaving Thieu in power for a decent interval after the US withdrawal. After that the Vietnamese could settle their own differences. The message was certainly passed on to Hanoi. (Hence North Vietnam's concern about "American perfidy" when talking to the Chinese. Edgar Snow, *The long revolution*, London 1972, page 185.)

In September 1972 this diplomatic situation, and the military stalemate brought about by the American capacity to obliterate any centre of population held by the NLF, made a new initiative necessary. On 3 October, the Vietnamese completely changed their negotiating terms. Giving up their demand for the immediate establishment of a coalition government, they now accepted Nixon's "two track" position of a ceasefire and exchange of

prisoners followed by a political settlement. However, the huge territorial gains made during the offensive had completely changed the nature of a ceasefire, from surrender to a partition of power. Furthermore, the heavy casualties inflicted over the summer had punctured "Vietnamisation" and the South Vietnamese army was back where it had been in 1968. Despite Richard Nixon's huge electoral lead, the verbal similarities between his previous proposals and the new terms, coupled with the possibility that the Vietnamese might follow his example and publicise secret talks, made this an offer that it was impossible to refuse. Furthermore, the fact that the Vietnamese had changed their terms made him believe that it was his bombing and mining that had made them do so. (See the statement by William Sullivan, the state department man on Henry Kissinger's staff, *International Herald Tribune*, 30 January 1973.) Thus, although he believed that the new terms might provide the basis for a satisfactory settlement, that is, one that would leave Thieu in power indefinitely, he clearly believed that drawing out the negotiations beyond the elections and exerting more pressure on Hanoi would be necessary to achieve this. (See his repeated statement, "we will not be stampeeded into the wrong settlement." *New York Times*, 30 October, 1972.)

There were two further reasons for delay. The first was that the negotiations had made it clear that the release of American prisoners depended on the abandonment of the plans for a "residual force" of Americans giving logistic and tactical air support to the South Vietnamese army. Therefore, there had to be a crash programme to build up the South's airforce, an effort to replace it. In material terms the build up has been extraordinary and the South Vietnamese airforce is now the third largest in the world. To maintain this it has been necessary to replace US servicemen with American civilians working on private contract. (*Time*, 5 February, 1973; pages 13 to 15.) The second reason for delay was to allow Thieu to consolidate his political position. Since May 1972, the South Vietnamese police had intensified their policy of arresting

anyone suspected of being opposed to Thieu. Those taken into custody were mainly neutralist; supporters of the NLF would be unknown to the authorities or dead. After October arrests became even more frequent until between 100,000 and 300,000 prisoners were held, often in horrible conditions. (*Newsweek*, gives the figure as 145,000. Amnesty International has mentioned a much higher total.)

Thus, though negotiations progressed rapidly, Nixon postponed signature of the agreement. On 26 October, 1972, frustrated by his procrastination, the government of the Democratic Republic of Vietnam (DRV) made the negotiations and the terms of the new agreement public. Although Nixon did not create this situation, he was prepared to use it; and the belief that "peace was at hand," as Henry Kissinger put it, certainly helped Nixon to his massive election victory. The published terms, accepted by Dr. Kissinger as substantially correct, can be summarised under the following nine heads. (1) Recognition of the unity and independence of Vietnam. (2) A ceasefire in place, withdrawal of all American and allied troops within 60 days and no further introduction of troops or military supplies (other than replacements) into the two zones of South Vietnam. (3) Release of all prisoners. (4) Elections to be held throughout South Vietnam, to be organised by an administrative structure composed of officials of the Provisional Revolutionary Government (PRG), the Thieu government (RVN) and neutrals; these structures would exist on all levels (province district and village). (5) The re-unification of Vietnam would be carried out peacefully and gradually. (6) There would be four party (DRV, PRG, RVN and US) joint military commissioners to supervise the ceasefire throughout South Vietnam. A two party (PRG, RVN) commission would also be set up. An international commission consisting of Canada, Poland, Indonesia and Hungary would be set up, and an international conference would be convened in 30 days. (7) Laos and Cambodia would settle their problems without outside interference. (8) There would be US aid for Indo-China after the war. (9) The agreement should be strictly implemented.

After his election, Richard Nixon tried to gain better terms. In this he was helped by Thieu. The latter, closer to the ground than Nixon, had some idea of his political and military weakness. (See his interview with Oriana Fallaci, quoted in *Newsweek*, 22 January, 1973; page 11.) He objected to any limitation of his military power in South Vietnam, and throughout the autumn he reiterated his desire to kill every communist in the South. (*New York Times*, October 1972. His rhetoric contrasts strongly with that of the NLF, which stressed harmony and reconciliation.) During the next two months the revisions which were pressed, with more or less insistence, were the following (under the original heads). (1) That the demilitarised zone below the 17th parallel be recognised. (2) That at least some "North Vietnamese" troops be withdrawn as the foreign troops leave. (3) That only American prisoners be released. (4) That the tripartite administrative structure should only exist in one place, and that it should be made ineffective. (6) That the Vietnamese joint military commission should be played down and the international central commission should be enlarged and strengthened. (7) That there should be a simultaneous ceasefire in Laos and Cambodia.

Some of these suggested revisions (such as the last) were simply introduced as delaying tactics. Others were probably maximum demands over which the US administration was prepared to haggle. Nevertheless, the intention seems to have been to transform the original agreement. In late November, in order to gain some or all of these revisions, Nixon instructed Henry Kissinger to threaten to bomb the cities of North Vietnam, if the DRV refused to "negotiate seriously." The Vietnamese response was to evacuate women and children from Hanoi and Haiphong. (*Time*, 1 January, 1973.) On 18 December, 1972, bombing north of the 20th parallel was resumed and for the first time B52's were used to "carpet bomb" sections of Hanoi and Haiphong. Because of the evacuation, however, casualties were relatively low, with just over 2,000 killed. (This is approximately the number killed in the North Vietnamese "bloodbath," reports of which so terrified Mr. Nixon.)

Richard Nixon prefers striking at Christmas, when Congress is not in session; students are not at college, the media are particularly trivial and most people are concerned with their families. (In 1971 he bombed between Christmas and the new year.) Mr. Nixon also seems to have borrowed many techniques from behavioural psychology, in particular, that of dazing your subjects by sudden changes of positive and negative stimuli.

For a while, protest in the US was muted. (After Vice-President Agnew's attacks on them, the media in the US have paid far less attention to anti-war demonstrations and strikes. For instance, there were very nearly as many campus movements against the mining of Haiphong as there had been against the invasion of Cambodia two years earlier; but, while the sensational press stressed the former, it neglected the latter for fear of being charged with irresponsibility. Thus, reports of muted reaction should be treated with caution.) World opinion was less restrained. Many heads of government and hundreds of political and religious leaders joined a chorus of condemnation. Some of this must have been anticipated and discounted, though its extent must have been surprising. Less expected, and more important, was the loss during the ten days of bombing of 80 aircraft, including more than 30 B52's, about a fifth of the fleet available. (The North Vietnamese figures are used here because the *Pentagon Papers* have revealed that in the past these have been closer to reality than those issued at the time by the US.) North Vietnamese officials now estimate that a further 30 B52's crashed outside their territory or have been rendered unusable (personal communication). In this case, two fifths of the 159 serviceable B52's in South East Asia were out of action. Apart from their immediate effect, these losses appear to have begun a period of doubt and questioning within the airforce, the last effective US service. (See, for example, *Newsweek*, 22 January, 1973, page 33.)

Nixon's intention in ordering the bombing had been to impress the Vietnamese with his ability to disregard the "moral" forces inhibiting him and to bomb them

to "talking seriously;" that is, into accepting his revisions of the October agreement. (Dr. Kissinger has denied that this was their intention. See his CBS interview with Marvin Kalb on BBC, 2 February, 1973. However, the repeated statements from North Vietnam calling on the US to sign the agreement as it stood, and the direction of the revisions actually made, make it clear that he was lying.) The un-anticipated loss of planes and the extent of world protest limited the effectiveness of this message, and Nixon's cessation of the bombing at the end of December was inevitable, although there is no reason to suppose that it had ever been planned for anything longer than a short term operation. Nevertheless, its lack of success forced Nixon into an agreement more or less along the lines set out in October. The only significant points gained were the following (under the original headings). (1) Reference to the demilitarised zone, which had not been mentioned in October. However, as at Geneva, it was made clear that it was in no way to be considered as a political or territorial boundary and that it was merely a provisional military demarcation line and that Vietnam was one nation, with sovereignty, unity and territorial integrity. (2) All American military and civilian prisoners to be released but only the military NLF prisoners to go free. Unlike the October agreement, it did not call for the liberation of hundreds of thousands of political prisoners in the South. Changes on this article are obscured by the fact that, according to Henry Kissinger's version of the October agreement, these prisoners were not to be released.)

On 25 January the settlement was signed and a ceasefire was proclaimed for 27 January. However, the NLF, whose only fear had been the destruction of any area gained, took advantage of the last 24 hours before the truce to seize large and significant areas, particularly along roads, knowing that they could not all be bombed. Apart from gaining more population, their aim seems to have been to put the Thieu forces into a position where they needed to pass through PRG areas, thus forcing him to accept at least partial freedom of movement between the

two zones. (The protocol to article 3A specifically enjoined this.) This is a concession that Thieu's government is extremely unwilling to grant. One theme running through its statements and actions is its fear of contact with the enemy. There is the refusal to allow refugees to return to their homes in the other zone, fear of a joint military commission and the hermetic sealing off of the DRV and PRG representatives in the major cities. Therefore, the South Vietnamese army finds these obstacles along its lines of communication intolerable and in the days after the "ceasefire" attacks upon them have continued and there is little reason to suppose that they will cease. (See *The Times*, 30 January, 1973, for what its correspondent considers a "typical case.") However, they have and will have no backing from the Americans in this. One of the ways in which the DRV's diplomatic efforts have been successful is that it has raised American public hopes for the release of US prisoners so high that any further delay would be intolerable. It is therefore politically imperative for Nixon to extract them, and to do this the ceasefire must be in some sort of working order for the 60 days specified for their release. This leads to extremely correct relations between the North and the US, as opposed to those between the South and the PRG.

Without the Americans there are limits to what the South Vietnamese army can achieve militarily. However, as military control is necessary for the Thieu regime and any relaxation is a threat to it, it seems likely that it will continue to bomb and shell the villages beyond its control. Despite these breaches of the ceasefire, it is probable that the DRV and the PRG will feel constrained to work within the agreement. Their motives for this will be their belief in the corrosive effects of "peace" upon the Thieu government and that the passage of time and the involvement of the powers at the international conference will make it more difficult for the US to resume the use of air power in Vietnam. Thus it is likely that the American prisoners will be released within the 60 days prescribed. It is after that, that the war is likely to flare up; but any predictions on this depend upon an analysis of motives.

Economic and political power holders in the United States have been deeply divided about the Vietnam issue, ever since 1968. In very crude terms it can be said that Wall Street and the East Coast establishment have been for a withdrawal, while the newer, industrial groups in the South West and Florida have been for a continuation of the war and the high "defence" spending associated with it.

The balance between the two forces is so fine, that even a change of view by the president could result in a fundamental shift of policy. There are two basic interpretations of Richard Nixon's character: one that he is a complete opportunist; the other that he is a man of conservative principle. As far as Indo-China was concerned, the distinction was relatively unimportant until last Easter. It seems clear that he believed that he could withdraw American troops as opportunity dictated, and, at the same time, with Vietnamisation and American air power he could stand by his ally in a principled way. As Averell Harriman put it last May: "this administration has never accepted the concept of a neutral non-aligned South, nor has it given up its futile attempt to maintain a pro-American government in Saigon." (Quoted in *The Guardian*, 10 May, 1972.)

Since then the divergence between opportunism and principle has become wider. However, with his superb political skill, especially his technique of making simultaneous moves in opposite directions, he has managed to blur the two lines. Thus, it is possible to construct two plausible explanations for his policies. The first is that he is trying to withdraw and that his bellicose words and deeds are merely attempts to save face and thus create a "credible" America, capable of playing a constructive rôle in a stable world. The second explanation is that, as he sees US "honour" vitally involved in the war, he intends to maintain US power in Indo-China and that withdrawals and conciliatory gestures are merely admissions of necessary constraints, such as the inability to use US ground forces or the need to extricate US prisoners. In American terms the two policy lines are described as, first,

giving a "decent interval" between the US departure and the fall of Thieu; and, second, giving him a "decent chance" of survival, that is keeping him in power.

The second explanation of his policies seems more convincing. If Richard Nixon had been a mere opportunist he would have signed the agreement before the election. The backlash would have been negligible, and the gains would almost certainly have given him a Republican Congress. The huge gifts of American aircraft to South Vietnam, and the provision of at least 5,000 US civilian advisers, are difficult to explain as mere face savers, even though Thieu's protests might have been embarrassing. Furthermore, there has been the massive re-introduction of the Vietnamese speaking employees of the state department and of the CIA. (*New York Times*, 1 November, 1972, and personal communication from Frances Fitzgerald.) Other CIA agents have been trying to persuade Vietnamese abroad to **work with them** in a post-ceasefire situation. There have even been reports of plans for the reintroduction of the Green Berets "for humanitarian purposes."

These indications suggest that the US is trying to turn the clock back to the early 'sixties and recreate "special warfare" or "counter-insurgency." This policy resulted in the death of thousands, but militarily and politically it was a disaster, and it is certain to fail if tried again, and it is probable that US officials admit this possibility. It is for this contingency (that is, if it looks as if Thieu were going to fall because of political or military pressure) that the extraordinary concentration of American military power in South East Asia is available.

Looked at in this way, one can make sense of a series of otherwise inexplicable statements made this year. Both President Nixon and Dr. Kissinger have said that the US would be legally allowed to resume bombing if there were "blatant violations" of the ceasefire. Still more frightening was the statement by Uwe Clemens, the new under secretary of defence, that the US "could not rule out the use of nuclear weapons in Vietnam." (*The Daily Tele-*

raph, January 1973.) Furthermore, the Christmas bombing can be seen not merely as an attempt to get better terms but also as a "signal" to "the other side" that the US is prepared to brave world disapproval if her interests in Indo-China are seriously threatened.

If one accepts this interpretation of Nixon's aims, one can make some general predictions. First, that, while US prisoners are being released, America will try to make the South Vietnamese government abide by the terms of the agreement, and will play down what it believes to be violations by the NLF. After that, it will be more tolerant of the South's breaches of the truce and will be loud in condemning those of "the other side." If large scale fighting were to break out, and the South Vietnamese army were losing as it would be almost certain to do), there is a very real danger that American bombing would resume, either covertly on a small scale or overtly in heavy but brief strikes, which would be over before world opinion had time to condemn them. The likelihood of this sequence of events would be sufficient to stop any rejoicing over talk of the end of the war.

Labour's policies

Any consideration of the Labour Party's present or future policies must take the East into account. The Labour government's uncritical support for the Americans in Vietnam has been harmful to Britain and disastrous for the Labour Party. In Asia (including Japan) and the rest of the third world, the politically aware see the war in Indo-China as the epitome of the conflict between rich and powerful white powers and poor non-white ones. For them, it is a struggle between men and machines or between moral and material forces. The governments of South Korea, Thailand and the Philippines were induced to give some help to the US effort, and there was some political support for it from the rulers of Malaysia and Singapore. However, in these countries the official line on the issue was not stressed and it appears to have been unpopular.

In the rest of the third world, governments and public opinion appear to have been united against US policies in Indo-China. The pitch of this opposition varies with the intensity of the fighting, and there is no reason to suppose that it will disappear before the end of the war.

Thus, the British government's close association with the American war effort has re-inforced the view of Britain as an irremediably colonialist and racist country, an image from which the French, Dutch and Italians have been able to escape, despite their continued economic influence in their former colonies. It is not suggested that disassociation by the Labour Party or even a Labour government would transform this situation, but it would clearly be a step in the right direction. For the Labour Party the disadvantage of the policy of support for the Americans has been still more important. First, it was a constant reminder of the parliamentary leadership's disregard for conference decisions. In 1970, though not an issue on which votes were won or lost, it was a significant factor in the disillusion of party workers. However, the chief damage the policy has done to the party has been the destruction of its youth movement, particularly in the universities.

It is now difficult to remember that during the 'fifties and early 'sixties, Labour clubs were a major force on the student left, and that radical groups like CND saw their movements as within the Labour Party. The destruction of the Labour youth movement took place between 1965 and 1968 when Vietnam was *the* issue. Since then it has been replaced by other causes, but the leadership's failure to turn sharply away from the Stewart/Brown line is still an extremely effective deterrent to the large number of young socialists who might well join a "decent" Labour Party. For eight years it has not been respectable for students on the left to be active in university Labour clubs, let alone move on into national politics. Those who do are despised as careerists. There is no evidence on this, but one strongly suspects that the quality of graduates moving into Labour politics dropped disastrously after 1965.

Recent statements by party leaders, especially since the Christmas bombing, have helped the situation to some extent but not nearly enough. Roy Jenkins' splendid open letter to Edward Heath, and Harold Wilson's more equivocal letter, make it appear that they are now in a position reached by Peregrine Worsthorn in 1968; that is, they believe that the original aim of saving South Vietnam was a noble one taken on out of altruism by the United States. However, the means needed to achieve this have been disproportionate and that it is wrong "to save" people by destroying them. This analysis does not come to grips with the essential nature of the situation, that the basic aims were wrong. It was wrong to prop up the French fighting a colonialist war. It was wrong to create a client state made up of men who had collaborated with the Japanese and French. It was wrong to arm them and train them in warfare, police work and torture. It was wrong to prevent the elections called for by the Geneva agreements . . . Until the Labour leadership realise this there is no hope of their appeasing left wing criticism. If, when Nixon resumes the bombing of Vietnam (as seems very likely), Labour leaders protest against it, they will have the backing of the whole movement. To generate enthusiastic support from young people, however, they will have to make a clear cut break with the past. To do this the Labour Party should pledge that a future Labour government would make the following amendments to earlier policy. (1) Recognise the Democratic Republic of Vietnam, thus bringing Britain into line with Australia, Denmark, Norway, Sweden and Switzerland. (2) Treat South Vietnam along the lines set out in the Paris agreement, as a territory divided into two zones of equal legitimacy. (3) Support efforts to achieve and maintain an effective ceasefire. (4) Support attempts to reach a ceasefire in Laos. (5) Follow France and Sweden in minimising diplomatic representation in Phnom Penh. (6) Be prepared to give government aid to any of the five territories in Indo-China, but only after the cessation of fighting. (7) Firmly condemn any further bombing by the United States, regardless of any ostensible provocation.

These pledges would represent a major break with previous Labour policies, and they would be greeted with horror by the American administration. However, the risk they would entail for any future Labour government would be relatively slight. Looked at in retrospect, it now seems that from 1965 to 1968 the dangers following from US disapproval were exaggerated. There is every reason to suppose that, had Britain defied the US on this issue, the latter would still have backed sterling or helped maintain sanctions against Rhodesia, because it was in her interest to do so. During this period France and Sweden withstood President Johnson's rage. There is no doubt that President Nixon is even more vindictive. On the other hand, the United States is now far weaker economically and morally. Furthermore, there is safety in numbers. The United States cannot concentrate her fury upon Sweden, Norway, Denmark, Australia, New Zealand, India, France and Britain. For Britain, and for the Labour Party in particular, the disadvantages of American hostility would be far outweighed by the advantages of making a clean break with the disastrous policies of the past.

Fabian society the authors

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Cover design by Dick Leadbetter. Printed by Civic Press Limited (TU), Civic Street, Glasgow G4 9RH.

BN 7163 0420 1

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