Britain, Southeast Asia & the Impact of the Korean War

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For
Barry Gustafson

LIST OF ABBREVIATIONS

AFPFL	Anti-Fascist People's Freedom League [Burma]
ANZAM	Australia, New Zealand, Malaya [defence planning arrangement]
ANZUS	Australia, New Zealand, United States [treaty, 1951]
BCP	Burmese Communist Party
BDCC	British Defence Coordinating Committee
BSM	British Services Mission [Burma]
C-in-C	Commander-in-Chief
CAT	Civil Air Transport
CCP	Chinese Communist Party
CIA	Central Intelligence Agency [US]
CO	Colonial Office [UK]
COS	Chiefs of Staff [UK]
CPM	Commonwealth Prime Ministers' Meeting
CRO	Commonwealth Relations Office
CSO	Chief Staff Officer
DRVN	Democratic Republic of Vietnam
EDC	European Defence Community
FE	Far East
FO	Foreign Office
FM	Field Marshal
FPSA	Five Power Staff Agency
FU	French Union
GA	General Assembly [UN]
GOC	Good Offices Committee [UN] [on Indonesia]

HMG	His/Her Majesty's Government
JCOS	Joint Chiefs of Staff [US]
JIC	Joint Intelligence Committee [UK]
JPS	Joint Planning Staff [UK]
KMT	Kuomintang [Chinese Nationalist Party]
LOC	Lines of Communication
MCP	Malayan Communist Party
NATO	North Atlantic Treaty Organization
NEI	Netherlands East Indies
NSC	National Security Council [US]
OSS	Office of Strategic Services [US]
PKI	Indonesian Communist Party
POC	Peace Observation Commission [UN]
POW	prisoner of war
PRC	People's Republic of China
PUSC	Permanent Under-Secretary's Committee [Foreign Office, UK]
RAF	Royal Air Force
RUSI	Republic of the United States of Indonesia
SACEUR	Supreme Allied Commander in Europe
SC	Security Council [UN]
SEAD	South East Asia Department [Foreign Office, UK]
SEATO	South East Asia Treaty Organization
SU	Soviet Union
UN	United Nations
UNCI	United Nations Commission on Indonesia
WO	War Office [UK]

PREFACE

This book is the third in what has turned out to be a trilogy. *Britain, Southeast Asia and the Onset of the Pacific War* was published by Cambridge University Press in 1996, and *Britain, Southeast Asia and the Onset of the Cold War* in 1998. *Britain, Southeast Asia and the Impact of the Korean War* takes the reader up to the Geneva settlement, the creation of SEATO, and the Bandung conference of 1955. The Japanese interregnum is covered from a rather different perspective and in a rather different manner in the author's *A Sudden Rampage* [Hurst, 2001].

The books in the trilogy have certain common features. Seeking in each case to explore events in Southeast Asia from a wider perspective, and so to understand them better, they juxtapose, in a way not often attempted, accounts of them with accounts of events elsewhere, in Europe, Asia, and the world at large. This is done in a series of chapters which have temporal definitions, and the books thus appear in some measure in the form of a lattice. That seemed to the author the only way in which to expound so complicated a story.

One novelty in the series is the attempt to treat the region as a whole. Some parts of the story have, however, been well treated elsewhere, and it is for that reason that readers are invited to look to other works for a fuller account of Malaya and Singapore, important though they were. On the other hand, while there is quite a substantial literature on the Geneva conference, it was thought that it might be better understood within the regional approach that the book adopts. The Philippines rarely features, since Britain's involvement there was limited.

The focus of the trilogy is indeed on the making and execution of British policy and it relies substantially on the unpublished records of the British government. That no doubt risks imposing a particular view of events, and the author doubts whether he has always been able to sustain the objectivity he seeks to sustain. There is, however, a built-in counter to such disadvantages. Just because it was relatively weak and weakening, Britain drew on its diplomatic resources. As a result British

officials produced analyses and commentaries that are often full of insight into the attitudes and policies of others, and are worth reading on that account.

Though it is not a prime subject of the trilogy, for example, it does offer some account of the development of US policy. Throughout the period that was indeed of the utmost importance to the British, much of whose effort was designed to commit the US to the region without, it was hoped, prompting open conflict. Throughout the period, indeed, the Americans were reluctant to commit themselves. Southeast Asia was never high on their list of priorities. Their involvement in Vietnam in the period covered by the present volume — and indeed later — did not result from an interest in Vietnam for its own sake.

A second constant factor in Britain's policy was its relationship with India. That had become the basis of its power in Asia, and Indian soldiers played a large role in Southeast Asia in the Second World War and after. With Indian independence, and the establishment of two states on the sub-continent, it could be neither base nor source of manpower. India nevertheless played a role in Britain's diplomacy. It became in particular a means of moderating the policies of the Americans.

There was another constant in British policy. All the powers paid lip service to the concepts associated with a world of nations, signalled by the 14 Points and the creation of the League, taken up again with the founding of the UN. The propaganda for the Greater East Asia Co-Prosperity Sphere echoed the Atlantic Charter. The five principles of which Chou and Nehru agreed in 1954 echoed the UN Charter, if not also the statements Hull had made in 1937 and 1941. All envisaged a world of states, non-interference, non-aggression. Perhaps, however, the British were most dedicated to them in practice. The books in this trilogy, like the author's *The Fall of Imperial Britain in Southeast Asia* [Oxford University Press, 1993] and *Imperialism in Southeast Asia* [Routledge, 2001], suggest that the concept of the 'world of states' was the long-term foundation of Britain's policy in the days of its primacy and in the days of its decline. It certainly informed the policies it adopted in Southeast Asia.

Before the Pacific war, indeed, the creation of independent states in Southeast Asia seemed at the very least a long-term prospect, though it is easy to forget how far Burma had advanced toward Dominion status. The lesson learned from the war, the interregnum and the return was that it must be speeded up, and the success of the Communists in China provided only another argument, for nationalism would be the best counter to

communism. The other colonial powers were urged to adopt a similar view, and the date for Malaya's independence advanced.

Throughout the period covered by the trilogy and the rampage — and indeed throughout its history — Southeast Asia has been open to the intervention of other powers, even when they had no intrinsic interest in it. In the period covered by the present volume, that intervention was affected by the outbreak of the war in Korea, and indeed the experience of that war tended to shape the policy the US adopted in Vietnam. It is not surprising that Southeast Asian states, once they secured their independence, drew together in an association one of whose main purposes was to limit intervention on the part of outside powers. Nor is it surprising that the basis for ASEAN was mutual respect for the sovereignty of its members. It was a regional association in a world of states.

The author is pleased to acknowledge the help he has enjoyed over many years from the staff of the University of Auckland Library and over even more years from the staff of the Public Record Office [National Archives] in London; help, too, for this book from the University of Birmingham Library and the National Archives in Wellington; support he has had from the New Zealand Asia Institute at the University of Auckland; the interest in his work at the University of Hull; the ever-available kindness and critical encouragement of Dr Brook Barrington; and the wonderful kindness and hospitality of Fiona and Rupert Wheeler.

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CHAPTER 1

BEFORE THE KOREAN WAR

Britain and the United States

British policy in Southeast Asia is best understood, not only in a Southeast Asian context, but in the context of its policy in other parts of the world. That reflected its position in the world and its perceptions of the world. The aim of its policy was to serve its interests. That was indeed the proper aim of any state in a world of states. It did not necessarily mean a narrow policy. The interests of the state might well be served by liberal or generous policies towards others or by collaboration rather than competition.

How those interests were defined has been a matter of controversy. The main foci were the security and the prosperity of the state. Of the two security — as with any state — had to come first. That still left the problem of defining the measure of security that should be sought. It has been argued — notably by Correlli Barnett[1] — that in the years following the Second World War Britain tried to pursue a world-wide role at the expense of a longer-term prosperity. At the time, however, it was living in an insecure world. The onset of the Korean war was to emphasise the point. It put Britain back once more on something of a war-time footing, but taking part in it seemed a necessary measure of security.

The security of the homeland indeed came first. That put Britain's priority — after the war, as before and during the war — on Europe. There, with the onset of the cold war in 1947–8, the Soviet Union was the threat. In face of that threat Britain looked to the US, as it had when,

before and during the war, it had faced the threat of German predominance in Europe. Yet it wished to avoid complete dependence on the US, and indeed aspired to guide the US in the appropriate deployment of its vast economic and political power and potential. The idea of a 'third force' was dropped, but the idea of a 'special relationship' persisted.

So, too, did the concept of a world of states. It may be argued that, over two centuries, that had been the most consistent element in British policy towards the rest of the world. In Europe Britain had pursued a policy — often referred to as the balance of power — that recognised the independence, sovereignty and interests of other states, and it pursued a pragmatic, though not unprincipled, diplomacy towards them. It had not aimed at a political or formal dominance over its neighbours. It saw itself and believed it was seen as the upholder of the smaller states. What it sought was stability, and open opportunity for its commerce, which, at least in the early days of the industrial revolution, could meet the competition without the backing of state power or protection.

The policy was projected outside Europe as a world of states began to emerge there as well. 'It would ... be but natural that the power of a state supreme at sea should inspire universal jealousy and fear, and be ever exposed to the danger of being overthrown by a general combination of the world', Sir Eyre Crowe had written in 1907. '... The danger could in practice be averted ... on condition that the national policy of the insular and naval state is directed so as to harmonize with the general desires and ideals common to all mankind, and more particularly that it is closely identified with the primary and vital interest of all countries, which is the preservation of national independence.'[2] 'British diplomacy had kept that small island a world power for a long time', an American president wrote half a century later, 'and, as they were always acutely aware that today's enemy may be tomorrow's friend, this awareness had caused them to put much faith in the process of negotiation.'[3]

Even in the age of territorial empires Britain was a somewhat reluctant participant. 'The imperial metropolis of a far-flung economy' was, in Sir Keith Hancock's phrase, 'the commercial metropolis of a further-flung economy.'[4] Its trade was predominantly with states outside the empire. Within the empire, it was soon pushed, more than half-willingly, into devolution. The idea took hold that even non-settlement parts of the empire might attain the dominion status that Canada, Australia, New Zealand and South Africa secured before the first world war, while that status became in the 1920s one of virtual independence, of allies with a common sovereign.

With India's independence in the late 1940s, it was accepted that even republics could be members of the Commonwealth.

That was not seen by the British simply as a sign of weakness. In the days when it had held primacy among world powers, it had not used that position to create a vast empire. The attitudes and policies it had developed could serve its interests in the post-war world, when two super-powers had emerged to dominate world politics. Britain did not wish to be dependent on either of them, though it leant towards one more than the other. A policy based on a world of states countered their potential dominance, which was expressed in ideological as well as practical antagonism. It gave Britain an argument against international Communism. Less obviously, but significantly, it gave it some leverage with the United States.

The extension of the policy outside Europe had, of course, some distinctive features. One was the institution of the United Nations, joined initially only by allied and independent nations, including, therefore, many Latin American states, but not many Asian and still fewer African. For Britain the UN was, as the League had been, another channel of inter-state diplomacy. It was not to be neglected, but it was not seen either as a potential world government, nor as a substitute for 'old' diplomacy.

A second feature was the existence of the Commonwealth, the member-states of which were also to grow in numbers and diversity. Dealing with them required another kind of diplomacy. Their interests were never identical with those of the 'mother-country'. Rather, to a greater or lesser degree, they overlapped. The relationship of the older dominions was closer, on the whole, than the relationship with the new, India, Pakistan, Ceylon. But the parties had to be 'handled' through a diplomacy that sought to maximise what they had in common with the British, without forgetting that they might have interests of their own to pursue. If that congruence could be emphasised, it could help to challenge the communist ideology of one super-power and offer leverage with the other.

A third feature was the readiness to accept the passing of empire and the emergence of new nations in the Commonwealth and outside, and the belief that other imperial powers should follow the example that the British conceived they had set. India's independence was presented as the grandest example of statesmanship. In some ways, indeed, it was a disappointment. It had been accompanied by partition and followed by an endless dispute between India and Pakistan over Kashmir. Neither state could play a military role in Britain's post-war strategy. But India could, it was thought, play a

helpful diplomatic role, both because of its intrinsic importance, and because of its relationship with Britain.

With independence, as A. Martin Wainwright has put it, Congress 'acquired the ability to pursue a foreign policy that was markedly different from that of Britain or its allies'.[5] It was Britain's purpose to bring out the elements of agreement rather than the elements of difference. As the cold war developed Nehru was to articulate a 'neutralist' position, backed by an interpretation of Gandhian principle. That did not coincide with Britain's view of the world, but it had elements of congruence. Keeping India's view to the fore was a means by which Britain not only recognised its importance, but used its aspirations to moderate those of the super-powers. Another state sought to deny their complete hegemony.

Increasingly Nehru defined his principles with respect to another major Asian state. In October 1949 the Chinese Communists, triumphing on the mainland over their Nationalist rivals, who retreated on Formosa, proclaimed their new republic. In the medium and long term, perhaps even in the short term, that had the potential to affect all the states of South and Southeast Asia. 'We have no desire to interfere with China and don't want China to interfere with us', Nehru told Norman Cousins in 1950. '... We do not want to take any steps to raise hostilities between these two countries, which have a tremendous frontier.'[6] How was it to be handled?

That became the over-riding problem for India and also for Britain in Asia. In a measure they agreed. China should not be assumed to be Russia's subordinate, nor even its permanent ally, the British conceived. It should be accepted and recognised as a state in a world of states in the hope that it would behave like one, even though it would be wise to take steps to provide against the possibility that it might not. In this Britain differed from the US, and its Indian lever was brought into play.

The difference over China — substantial but not total — was emblematic of the Anglo-American relationship: the interests of the two powers overlapped but did not coincide, and Britain's task was again to bring out what was common and play down what was not. The nature of America's power differed from Britain's, and so did its policy. A super-power, it had more choices: it did not need to react to everything; it did not have to search for settlements and deals; its policy could sustain contradictions; it could pursue an ideological approach rather than a simply pragmatic one. While it accepted a world of states, it was aware of its special position among them.

It, too, had a legacy from the past. That had an isolationist component: how far did the US, dominant in its hemisphere, need to concern itself with the rest of the world? There was also a legacy of intervention outside the hemisphere, in particular in Europe. The combination prompted a preference for avoiding unilateral action and for seeking the support of other states. At the same time the US rather expected them to accept US policies and certainly did not expect its allies to determine the use of its power. Its pre-eminence also tended to prompt a high expectation of success if it deployed its power and a high level of disappointment if success were not attained. At the same time the lessons rightly or wrongly drawn from the 1930s, coupled with superiority in atomic weapons, encouraged the idea that opposition from other states could be 'deterred' if American positions were openly and clearly stated.

These attitudes were given wide expression by the dispersion of power within the US constitution and by the close attention its policy-makers paid to what was called public opinion. The conduct of foreign policy lay with the executive, the president and his administration, but the two-house congress insisted on a role in foreign policy, too. The vigorous media and the polling of the would-be voters set other parameters for the making of policy. They could be utilised — through press releases and conferences and broadcasts — but they could also set limits. What was public? what was secret? What was said, too, had a foreign, not merely a domestic, audience.

The disappointment of the Republicans over Truman's electoral victory, coupled with the successes of the communist powers in Europe and Asia, made these attitudes and the dispersion of power peculiarly problematic in the late 1940s. 'How can we account for our present situation unless we believe that men high in this government are concerting to deliver us to disaster?' Senator McCarthy asked. 'This must be the product of a great conspiracy on a scale so immense as to dwarf any previous venture in the history of man.'[7] Only too easily that explained the take-over of Czechoslovakia in 1948 and the 'loss' of China in 1949. 'So much pain and passion is evoked in "Who Lost China!" that the man from Mars would think that nothing less than a piece of American territory had been stolen', as the *Washington Post* put it.[8]

The focus of US policy outside the hemisphere was on Europe. That had been confirmed by the attempts of the Germans to dominate that continent and the recognition that Britain, which was thus challenged by them, had provided security for the US in the Atlantic. '[T]he Truman