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## Our Dilemma in Asia

## EXTENSION OF REMARKS

OR

HON. JOHN SHERMAN COOPER  
OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

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Mr. COOPER. Madam President, on May 17, 1966, Mr. John D. Rockefeller III, spoke to the Far East American Council in New York City on the subject "Our Dilemma in Asia." In his speech, Mr. Rockefeller pointed out the necessity for American participation in the economic growth of Asia but suggests that our "over presence" works against the effectiveness of our relationship with the Asian people.

Mr. Rockefeller, drawing from his long experience and interest in Asian affairs, suggests an effective economic growth program and emphasizes that the United States seek to assist in the development of regional programs which would be cooperatively initiated and supported by the Asian governments. He calls attention to the recent establishment of the Asian Development Bank as a helpful initiative.

I am sure the speech of Mr. Rockefeller will be interesting and helpful to the Members of the Congress, to the administration, and to the people of our country. I ask unanimous consent that it be printed in the Appendix of the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

## OUR DILEMMA IN ASIA

(NOTE.—The following is the text of a talk by Mr. John D. Rockefeller, 3d, before the Far East-America Council, to be delivered at a luncheon meeting in the Waldorf-Astoria Hotel on Tuesday, May 17, 1966.)

It is a pleasure to meet again with members and guests of the Far East-America Council. I am also glad to have this opportunity to talk with you about United States policies in Asia, and particularly about a dilemma which Americans and Asians together have only recently begun to recognize and cope with.

This dilemma, expressed simply, is that the overwhelming American involvement in Asia today, which is so necessary to Asian security and economic development, could in the long run become self-defeating. It is not that we have used our power arrogantly. It is rather that the relative weight of our involvement—compared with what Asians have so far been able to do by themselves—constitutes an American "overpresence" which often depresses Asian initiative, disrupts Asian traditions, and irritates Asian sensitivities.

We are expending billions of dollars annually—and the lives of our young men—in order to contain Communist expansionism and promote the growth of viable economies and free societies that can live at peace with each other and with the rest of the world. Yet, unless this sense of American "overpresence" is corrected by fresh Asian and American initiatives, it may engender so much misunderstanding and antagonism that it jeopardizes the high purposes which engaged us in Asia's problems in the first place.

We have assumed far-reaching responsibilities and risks in Asia because we were asked to do so and because there was no one else to do so. As William P. Bundy, our able Assistant Secretary of State for Far Eastern Affairs has pointed out, "today there cannot be an effective deterrent military force,

and thus a balance of power around China's frontiers without major and direct military contributions by the United States." Similarly, the United States is so far the only nation both able and willing to provide the substantial share of Asia's needs in economic aid.

This necessity for heavy American participation is, I believe, widely understood in Asia. What is more difficult for Asians to understand and accept are some of the side effects of our participation. In South Vietnam, for example, the presence of so many Americans—while vital to the preservation of the country—has contributed to inflation, has had a corrosive social effect, and has aroused a good deal of resentment. In India, where American food and other assistance—including military aid—are welcomed, the proposed India-America Foundation was instantly attacked in Parliament and the press as a possible threat to the integrity of Indian education—or even a cover for the CIA. In Japan, whose economy prospers in trade with the United States, legislative debates and the press echo widespread fears that the country may be dragged into a major Asian war through its security ties to the United States.

The problem, in other words, is the overpowering impact of America on Asians. Our presence supports their self-preservation, but it bothers their self-respect. It is an imbalanced relationship of receiver and donor, of protege and protector. It is a lopsided relationship that breeds suspicion and resentment among ancient, proud and sensitive peoples, most of whom have just emerged from centuries of colonial rule and are struggling to establish their own national identities.

The answer to this dilemma lies, I believe, in policies—both Asian and American—which will help strengthen Asian initiative and responsibility, in national development efforts and in regional cooperation on common problems.

We must all understand that the expenditure of American lives and dollars cannot guarantee peace, stability and economic progress in Vietnam or anywhere else in Asia. The American military shield can hold the line while the Vietnamese and other free Asians evolve their own stable political institutions, and assume greater responsibility for their own security. Foreign aid from the United States and other capital-exporting countries is fuel, not the vehicle, for improving Asian societies. The fundamental creative tasks can only be performed by Asians themselves, mobilizing their own human and material resources to develop their economies and satisfy popular aspirations for a better life.

Furthermore, this growth process can be speeded by the pooling of scarce resources throughout Asia, the sharing of skills and experience, the practical division of labor among complementary economies, and the opening up of wider regional markets.

A regional approach to development offers the promise of more rapid and more efficient growth. It is also our best hope for redressing the imbalance and overdependence which now characterize American relations with most free Asian nations. There are, I believe, new approaches that both Americans and Asians can take to mobilize Asian resources more efficiently, to promote greater Asian cooperation and solidarity and, in the long run, to create an effective Asian counterweight to the American "overpresence."

Let us look at the Asian side of the situation first.

There are encouraging signs of initiative and cooperation emerging in Asia which, if fully appreciated and intelligently supported, could begin to balance and improve our relations with our Asian friends.

On the political front, the treaty of normalization between Japan and the Republic of Korea is an extremely significant development. This treaty, which came into effect last December, after 14 years of difficult negotiations, established normal relations between Japan and its former colony for the

first time in 55 years.<sup>6</sup> It also provided for a 20-year program of \$800 million public and private Japanese investment in modernizing Korea's agriculture, diversifying its industry, creating a modern transportation system, and expanding Korean exports. As a result of this political accommodation and economic cooperation, Korea will become a better customer for Japanese exports, a more important supplier to Japan, and correspondingly less dependent on American aid. Thus, 16 years of American "overpresence" in Korea are now being alleviated by closer Korean-Japanese cooperation.

I was in Seoul when the treaty negotiations were nearing completion, and I saw the hostile demonstrations when Japanese Foreign Minister Shiina arrived. The demonstrations, however, could not frustrate the statesmanship on both sides which successfully resolved a bitter, seemingly intractable problem. In contrast, when Japan's first Ambassador arrived in Seoul to present his credentials, he was received with public as well as official respect.

Perhaps the Japan-Korea achievement will suggest to other nations in Asia and elsewhere that they have far more to gain in the long run by resolving than by perpetuating their disputes. I earnestly hope that similar creative statesmanship will eventually lead to the peaceful resolution of other conflicts, such as that between India and Pakistan.

We can also take encouragement from some recent events in Southeast Asia. Malaysia and the Philippines are moving rapidly toward the restoration of normal relations. These two countries, together with Thailand, have recently revitalized the cultural and educational Association of Southeast Asia—whose initials ASA stand for "hope" in the Thai and Malay languages. At a working-party session in Bangkok two and a half weeks ago, these three governments earmarked for "priority implementation" numerous cooperative projects in economic, technical and cultural fields. Indonesia, a fourth important nation in that area, has taken several cautious steps this last month toward more normal relations with its near neighbors.

In the economic field, the emerging pattern of Asian cooperation is even more pronounced.

The establishment of the Asian Development Bank, in my judgment, may well be a historic step comparable to the founding of the Organization for European Economic Cooperation in the Marshall Plan era. The Bank is the product of Asian initiative—not a response to an American proposal. It was conceived and developed by Asian leadership through the United Nations Commission for Asia and the Far East (ECAFE). In fact, the United States withheld support until it became clear that the Asians were going to establish the Bank by themselves.

The Bank is a genuine Asian institution—supported by a majority of Asian capital; directed and staffed primarily by Asians; and structured to encourage the adoption of regional, rather than purely national, priorities in the planning, scheduling and financing of development activities.

For the first time in history, all interested Asian governments have their own mechanism, with substantial pooled capital of \$1 billion, to attack their common economic problems. The Bank's charter is flexible. It allows for the creation of various forms and levels of consultative and planning bodies, including someday perhaps a high-level coordination group to evaluate country requests for external funds and to determine in which countries and which sectors foreign public investment can be most efficiently used.

Such a regional approach could, for example, further the coherent development of national and regional transportation and communications systems, which would be a major contribution to the economic development of the entire area.

The establishment of the Bank has also stimulated a fresh momentum toward other forms of Asian consultation and cooperation.

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A succession of Asian conferences has been going on since last December. First there was the education ministers meeting in Manila, then the Ministerial Conference for Economic Development of Southeast Asia in Tokyo in April. This was followed by the Asian and Pacific regional conference in Bangkok, which in turn has prepared the way for a 10-nation ministerial economic conference in Seoul next month.

The Tokyo meeting was the first significant non-European economic conference, since World War II, where the United States was not a participant, and where the main objective of the participants was not to obtain more American aid. In fact, one of the principal objectives of the participants was to obtain more Japanese aid. The Tokyo meeting was also significant because all the Southeast Asian countries except Burma responded to Japan's economic initiative.

The Japanese Government announced to the Conference that it would raise the level of its aid to the developing countries to one percent of its national income—to some \$870 million a year, or a three-fold increase—and that a significant portion of this aid would be channeled to Southeast Asia. A Japanese 3-year credit of \$20 million a year has already been proposed for Thailand, and a \$6-7 million credit for Cambodia.

The Conference agreed that there are considerable areas in economic development where cooperation among Southeast Asian countries is possible, and these opportunities will be examined in greater detail when the ministers reconvene in Manila next year. The importance of agriculture was emphasized, especially the urgent need to increase food production, and steps were taken toward a conference on agricultural development. Special attention was given to the promotion of fisheries, and it was proposed that with the cooperation of Japan a marine fisheries and development center should be established in Southeast Asia.

Attention was also given to the role of private enterprise in promoting industrialization, and the need therefore to improve the investment climate in Southeast Asian countries. In this connection, the ministers also agreed to study the establishment of a Southeast Asian economic promotion and development center.

I do not mean to exaggerate the progress that has been attained in the settlement of old political disputes and the development of new forms of cooperation among Asian nations. I do want to point out that the attitudes for greater Asian cohesion are emerging, and that the framework for more effective regional cooperation is gradually being erected. Asians are demonstrating their readiness to assume greater joint responsibility for Asian development.

Continuing progress in this direction depends fundamentally on strengthened Asian initiative and cooperation. But it will also be affected by what the United States does or does not do, in coming months and years, to recognize and encourage these developments.

The principal challenge and opportunity facing the United States, in my judgment, is to adapt our policies and our aid strategy more closely to the emerging pattern of Asian cooperation. This means redirecting and managing our aid in ways that will encourage—not inhibit—greater Asian initiative and self-help; that will accelerate—not impede—Asian moves toward regional cooperation. There are three ways I would like to suggest in which the United States can do this. We have already made some impressive starts but we need to do much more, much faster.

First, the United States should give top priority to development projects of the greatest regional utility. We should use our aid selectively to promote the planning and carrying out of major projects that promise the greatest benefits to the peoples and nations of the area—and these will be mostly, although not exclusively, multi-national projects. This means assigning first call in the disposition of American aid, and the most favorable terms, to those projects that can make the most significant contribution to overall regional development.

I am thinking, for example, of multipurpose projects of multinational value such as the Mekong Valley and Indus River developments, and a possible Ganges-Brahmaputra project—where the benefits of flood control, irrigation and electric power can provide a major, and perhaps decisive, stimulus to economic development of important regions.

I am thinking also of education, where scarce research and training resources could be pooled to create a few adequately staffed institutions of higher learning, postgraduate studies, and technical studies to serve specialists from all of Asia. The benefits, in terms of more efficient research, as well as more effective sharing of knowledge, can be substantial. An especially important need is for agricultural research, experimentation and training in the development and use of hardy seeds and strains suitable for various Asian soils and climates. The International Rice Research Institute in the Philippines is one example of the multinational benefits that can be achieved through this cross-fertilization of ideas and technology.

Long-term and far-reaching commitments such as these, which place a premium on regional utility, will encourage greater cooperation in planning and carrying out multinational development projects. Thus this approach can also lessen the side effects of the American presence.

Second, the United States should encourage and support much higher levels of mutual assistance among Asian countries. We should encourage a greater flow of capital, through grants, loans and credit, among Asian countries. We should also foster greater sharing of Asian technical skills and experience by proposing and helping to finance the local training and broader regional exchange of specialists in agriculture, industry, health, education, commerce and civil administration.

The Asian Development Bank is now 65 percent Asian-financed. Japan plans to triple its annual foreign aid outlay. Asian nations are contributing to regional development consortia and to their own Point Four programs, in Asia and elsewhere in the developing world, and should be encouraged to do more.

There are also many forms of technical assistance that Asian countries can exchange with each other to better effect than Western technical assistance. Some of these are Asian-developed technologies in labor-intensive agriculture, in fisheries, construction and other fields. Others are Asian adaptations of Western technology, such as the tractor for wet rice farming that is being developed in Thailand, and will be more suitable for Southeast Asian rice culture than any Western or even Japanese tractor. This technological sharing among Asians should be broadened, partly because Asian peoples have more in common with each other in environmental conditions and cultural experience than they do with the West, and partly because Asians are best-equipped to determine how to take advantage of available Western technologies, and how to adapt these technologies to special Asian conditions.

Third, the United States should adopt a declared national policy of phasing economic aid to Asia into multilateral channels as rapidly as possible. We should reverse our present emphasis on bilateral aid, with the objective of achieving the highest possible proportion of multilateralism in our foreign aid mix, at the same time recognizing there will always be sound reasons for significant bilateral projects.

The United States has shown increasing willingness, in recent years, to work through multilateral institutions such as the UN Development Program, the Pakistan and India consortia, the Mekong project, and the Asian Development Bank. But we need to accelerate this process by making full use of the administrative machinery and the Special Funds provision of the Asian Development Bank, encouraging Asian planners to set priorities, to establish standards of performance, and to accept joint responsibility for administering and auditing the projects.

A primarily multilateral aid emphasis—which has been advocated by Eugene Black,

Senator Fulbright, George Woods and others—is the best, and perhaps the only satisfactory, way to implement the regional-utility approach to Asian development and to raise the level of mutual assistance among Asian countries. These are basically multinational activities, and they require multinational machinery.

This three-point aid strategy offers a way out of our dilemma. By pursuing it we will, I am convinced, be taking an important step in redressing the imbalance which is the cause of the American "overpresence" in Asia today.

This strategy can insure that Asian leaders and experts will have a greater voice and larger stake in managing regional development for common benefit.

Further, this strategy will facilitate Asian mobilization of Asian resources, and speed the modernization of the region.

Faster economic progress and closer political cooperation could, in turn, gradually alleviate the serious security problems in Asia. For the development of viable economies and stable and responsive political institutions, within an effective framework of regional cooperation, is in the long run the best insurance against Communist subversion and aggression.

Whether this rate of progress is actually achieved depends on the scale as well as the efficiency of the effort. As President Perkins of Cornell pointed out, in a recent article on "Challenge and Response in Foreign Aid:"

"A cardinal principle of statecraft holds that a nation's response to a problem should be on the same scale as the problem itself."

Both Americans and Asians need to think and act on a scale that is commensurate with Asia's problems and needs. Unless the Asians do, our aid efforts will be relatively ineffective. Unless we do, the Asians will lack the tools to maximize their efforts.

This kind of all-out approach would have unlimited possibilities for Asia. It might well require higher levels of American aid in the future. And it certainly would require greater Asian initiative and self-help now.

If both Asians and Americans accept this challenge, it is possible that most of Asia, with its great human and material resources, could be standing on its own feet in another generation, or by the end of this century. Our aim is not to dominate Asian development patterns, or to make Asia dependent upon us. Our aim is to help nourish Asian growth and freedom, and to encourage our Asian friends to take charge of their own destiny, in equal partnership with the rest of the world.