

CHAPTER I

AUSTRALIA AND SOUTHEAST ASIAN REGIONAL CO-OPERATION: THE EMERGENCE OF ASEAN

1.1 There is widespread agreement in Australia that ASEAN has come to be an important focus for Australian policies towards Southeast Asia. The Department of Foreign Affairs' submission to the Committee stated:

'Australia recognises that the ASEAN grouping constitutes a fundamental and important force for stability in the region. Over the past fifteen years or so the Association has developed as a strong and viable organisation ... (We) recognise the long-term security of Asia depends on the development of productive relations between the countries of the region ... It is important for Australia to have as full an understanding as possible of the ASEAN countries, both individually and in association.'¹

1.2 As a prelude to a detailed examination of the Australia-ASEAN relationship, it is useful to consider the context in which ASEAN emerged and became of significance for Australia. This Chapter will accordingly consider briefly, (1) the imperatives for, and obstacles to, regional co-operation in Southeast Asia, (2) the formation and development of ASEAN, (3) the evolution of Australian policies towards Southeast Asia since World War II, and (4) the development of Australia's relations with ASEAN since 1967.

1. Imperatives for regional cooperation in Southeast Asia

1.3 Interest in regional cooperation in Southeast Asia has been a product of the dilemmas faced by the states of the region since the end of World War II. The prospects for stability and peaceful development in Southeast Asia after 1945 were inhibited by several major factors. With the sole exception of Thailand,

all of the states of the area had been subject to varying periods of colonial rule. The colonial period had seen substantial changes within the societies of Southeast Asia; traditional life was disrupted, new economic sectors were created (especially for the export of tropical products), extensive political change was stimulated. The geographic boundaries of some of the major states which emerged in the region were substantially the product of colonial initiatives and re-arrangements. Moreover, while the societies had experienced extensive and uneven economic and political change and development under colonial rule, they remained largely isolated from each other. In the later stages of colonial influence, communications and commerce expanded rapidly, but the economies of the area developed as competitive producers of much the same kind of agricultural, mineral and forest products. Commercial activities were largely controlled by, and oriented towards, the external colonial powers. There was little reason or scope for the development of intra-regional association or trade. Furthermore, Western influence was communicated in several different languages - an additional source of division among the peoples of the area, especially the emerging Western-influenced elites. ²

1.4 When the Southeast Asian peoples under colonial rule began to obtain political independence (beginning with the Philippines in 1946), they faced the problem of developing cooperative relations with unfamiliar neighbouring states with which they often shared colonial-drawn territorial boundaries. In the absence of any extensive background of communication and trust among the leaders of the newly independent states; regional disputes - incompatible border claims, personality clashes and economic rivalries - were a major source of tension. The states that were to form ASEAN also faced a series of pressing internal problems, including demands for economic development and opposition from Communist-led insurgency movements.³

1.5 Cooperation among neighbouring states offered one useful avenue for reducing the scope for conflict and instability. However, such cooperation took time to develop. The first attempts at cooperation were inspired largely by the major external powers, anxious to preserve their ongoing interests. The US-inspired South-East Asia Treaty Organisation initiated in 1954 was an attempt to establish an anti-communist regional association, but it attracted only two members from within the region (Thailand and the Philippines) and thus did little to promote cooperation in the area as a whole. The Asian Pacific Council (ASPAC), established in 1966, was a further attempt to develop a grouping of anti-communist states in the region at the height of the US involvement in Vietnam, but it too failed to develop widespread support of any significance and was allowed to lapse in 1972.⁴

1.6 In the early 1960s, two further notable attempts at regional cooperation were initiated; the Association of Southeast Asia (ASA, established by Malaysia, the Philippines and Thailand in 1961), and Maphilindo (a grouping of Malaysia, the Philippines and Indonesia which had a brief life in 1963). These groupings were significant because unlike SEATO and ASPAC their membership was purely regional. While neither survived, each influenced the establishment of ASEAN.

1.7 ASA was established at a time of increasing concern among some regional states about China's foreign policy intentions. ASA was formally non-ideological but it was seen as being politically too close to SEATO (to which two of its three members were parties) and it was unable to attract as a member Indonesia, the region's largest state. ASA planned a modest and inoffensive program of cooperation but its efforts were neutralised by the rising currents of discord in the region, notably the Philippines' claim to Sabah (in 1962) and the opposition of Indonesia to the attempted formation of Malaysia in 1963.⁵ Maphilindo was significant as the first indigenous

regional grouping with which Indonesia was prepared to associate, but it was rendered irrelevant by the hostilities aroused by Indonesian 'Confrontation' towards the new Federation of Malaysia from September 1963.⁶

2. The formation and development of ASEAN

1.8 The high degree of tension which arose during the period of 'Confrontation' illustrated both the obstacles in the way of meaningful regional cooperation and the desirability of continuing to pursue it. Moreover, a new source of inter-state tension emerged in August 1965, when Singapore separated from the Federation of Malaysia and faced an uncertain future as a small, predominantly Chinese city state. Several other factors encouraged renewed efforts towards regional cooperation. After the September 30 'coup' in Indonesia in 1965, the Indonesian government progressively abandoned the policy of 'Confrontation' and pursued an accommodation with neighbouring Malaysia. The Philippines moderated its stance on the Sabah claim. There were also some indications that the commitment to involvement in the region by the United States and Britain was becoming uncertain; the US faced substantial difficulties in Vietnam and Britain in 1966 had indicated its desire to withdraw its forces from the region.⁷

1.9 With the atmosphere now more conducive to cooperation, ASA was revived in 1966. Since Indonesia was unwilling to join the pre-existing grouping it was agreed that a new association would be formed which would not have ASA's 'aligned' image, but which would retain its informal and pragmatic operating style. The Association of Southeast Asian Nations was inaugurated on 8 August 1967 in Bangkok.⁸

1.10 At the time of ASEAN's formation, its precise role and possible directions were not entirely clear. Mr S. Rajaratnam, then Foreign Minister of Singapore, commented at a later ASEAN meeting in 1974 that,

'You may recollect at the first meeting in 1967, when we had to draft our communique, it was a very difficult problem of trying to say nothing in about ten pages, which we did. Because at that time, we ourselves having launched ASEAN, were not quite sure where it was going or whether it was going anywhere at all.'⁹

The Bangkok Declaration did largely confine itself to a generalised appeal to 'good understanding, good neighbourliness and meaningful cooperation' in economic, social and cultural fields. The Declaration, however, also gave an indication that the association had an underlying political purpose. The preamble to the Declaration stated that,

'...the countries of Southeast Asia share a primary responsibility for strengthening the economic and social stability of the region and ensuring their peaceful and progressive national development and ... they are determined to ensure their stability and security from external interference in accordance with the ideals and aspirations of their peoples.'

It also declared that foreign bases in member states were to be regarded as temporary in nature (a reflection of the 1963 Manila agreement on the formation of Maphilindo).¹⁰

1.11 In its first eight years of existence, ASEAN proceeded cautiously. ASEAN took over the organisational style of ASA. Its administrative machinery consisted of a standing committee at the ambassadorial level, small national secretariats, and permanent

and ad hoc committees responsible for studies and projects in various fields. A large number of meetings were held, but progress was slow partly because of the emphasis on achieving a unanimous consensus before any action should be taken.¹¹

1.12 In November 1971, ASEAN endorsed the concept of a 'zone of peace, freedom and neutrality' for the region in the Kuala Lumpur Declaration. The Declaration was important as an assertion of principle rather than as a plan for action; there was no consensus within the Association on exactly how neutralisation could be achieved.¹²

1.13 Up to 1975, ASEAN's achievements seemed on the surface to be very modest. Serious consideration of economic integration had been deferred to avoid potential disputes over the allocation of costs and benefits. Cooperation was pursued in what were seen as uncontroversial fields; tourism, meteorology, fisheries and cultural activities. This style of cooperation avoided the growth of unrealistic expectations for the new association. It also enabled the development of a most important prerequisite for lasting, long-term regional cooperation - familiarity and trust among leaders and senior officials.¹³

1.14 Below the surface, ASEAN's accomplishments up to 1975 can be considered in terms of conflicts avoided and militarisation resisted. Discussions on the Malacca Straits were conducted within the ASEAN framework and, on a non-ASEAN basis, bilateral military cooperation reduced border tensions among the members. Although the Philippines claim to Sabah was reactivated in 1968 and Malaysia-Philippines relations were disrupted, ASEAN continued to function. By helping to reduce the prospects for tension and conflict between its members, ASEAN made a positive contribution towards both internal stability and the expansion of the individual economies of the ASEAN region.¹⁴

1.15 The pattern of cautious and gradual development of ASEAN was replaced by a greater sense of urgency and greatly increased activity from early 1975. One major stimulus for action was widespread concern among the members at the possible regional implication of the collapse of the non-Communist regimes in Saigon and Phnom Penh. It seemed possible that a united Vietnam might be a destabilising influence, especially if it chose to direct some of its large surplus of captured US-made weapons to insurgent movements in ASEAN states. Stimulus had also been provided by the oil price rises (from 1973) and subsequent economic recession, which highlighted the ASEAN members' vulnerability to changes in the international economic environment and focused new attention on whether economic cooperation could help alleviate some of the members' problems.¹⁵

1.16 From mid-1975, a new phase in ASEAN's development began. Proposals for economic cooperation were re-evaluated; the economics ministers of the Association met for the first time in November 1975 to consider them. In February 1976 the first Heads of Government meeting was held in Bali. The Bali summit produced new and more concerted statements of ASEAN's goals as a regional body. The Declaration of ASEAN Concord called on the members to undertake to 'consolidate the achievements of ASEAN and expand ASEAN cooperation in the economic, social, cultural and political fields'. In the political sphere the Declaration stated that the stability of the ASEAN members individually and as a group '... is an essential contribution to international peace and security'. The members resolved to contain internal security threats and reiterated support for the Zone of Peace concept. A Treaty of Amity and Cooperation gave expression to the principle of peaceful settlement of disputes among the members; it was also open to accession by other states in the region. Much attention was also directed to economic cooperation and a detailed blueprint was laid out in the Declaration of Concord¹⁶ (for details see Ch. III, Part B).

1.17 For a brief period (of about two years) after the Bali summit, ASEAN's emphasis was heavily on bringing its economic cooperation policies into operation; a process fraught with problems. A second Heads of Government meeting was held in Kuala Lumpur in August 1977; economic issues predominated. In this period, (mid-1976 to mid-1978) prospects for the development of detente between ASEAN and the Indochina states (especially Vietnam) seemed favourable.¹⁷ However, as relations between Vietnam and Democratic Kampuchea deteriorated, as Sino-Vietnam tensions increased and as the outflow of people from Vietnam began to increase substantially (from early 1978) pressures developed in the region which shifted attention in ASEAN back to issues of regional security.

1.18 The refugee flows from Indochina were of substantial concern to the ASEAN region. The arrival of tens of thousands of refugees on the territory of ASEAN members imposed severe social and economic burdens, threatened to be politically disruptive, and challenged the ASEAN members' capacity to act in an effective and humanitarian way. The ASEAN states sought actively to direct international attention to the issue, for example, at their annual Foreign Ministers meeting in June 1979. In July 1979, at the conference on refugees in Geneva, most of ASEAN's demands were met when Vietnam imposed a 'moratorium' on outflows, and aid and resettlement commitments from major Western states increased substantially.¹⁸

1.19 The rising flow of refugee departures increased concerns in ASEAN members about Vietnam's regional policies. Tensions heightened when Vietnamese forces (with smaller numbers of anti-Khmer Rouge Cambodians) invaded Cambodia from 25 December 1978. The invasion, coming as it did after a series of visits to ASEAN states in late 1978 by Vietnam's Prime Minister Phan Van Dong during which Vietnam gave assurances that it would respect the principles of territorial sovereignty and non-interference in

states' internal affairs, appeared as a breach of faith to the ASEAN members. While Vietnam's action overthrew a regime in Cambodia which was highly unpopular both internally and internationally, the invasion indicated a willingness by Vietnam to use force and to enter en masse the territory of a neighbouring state which no ASEAN member was prepared to view with equanimity. Since 1979, ASEAN has played a leading role in developing and pursuing a policy towards the Cambodia conflict which has denied international acceptance to Vietnam's presence in Cambodia, without, as yet, inducing it to withdraw.¹⁹

1.20 While ASEAN's policies towards Indochina have dominated its discussions since 1979, the Association has continued to try to pursue economic cooperation programs and to expand its 'dialogues' on economic issues with its major trading partners. ASEAN has retained its decentralised style of organisation and a multiplicity of committees and groups has developed to coordinate its wide variety of activities. Considerable discussion has been directed towards the need for a review and rationalisation of ASEAN's organisation and of its economic co-operation schemes, a process which continues.

3. Evolution of Australia's involvement in the Southeast Asian region

1.21 A striking feature of Australia's relationships with the Southeast Asia region is the short space of time in which they have developed. Up to 1939, Australia had few political contacts with Southeast Asia. The territories of the region were viewed in the context of the policies of the major colonial powers who controlled them. By the end of the 1930s, Australian governments were beginning to develop the basis for a more independent structure of foreign policy-making (including the beginnings of a separate diplomatic service). The impact of the Japanese occupation of much of Southeast Asia dramatised the region's

importance to Australian security. After the war Australia faced the challenge of developing associations with newly-independent states in the region in a climate of pervasive ongoing security concerns.²⁰

1.22 Until the beginning of the 1970s, Australian policies towards the region were dominated by the desire to promote associations with major outside powers in security arrangements and to encourage economic development through Western economic assistance. Australia continued its traditional defence association with Britain in Malaya (later Malaysia) and Singapore. Australia signed the Manila Pact in 1954 and supported SEATO. Australian governments made a series of military commitments to Malaya (from 1955) to assist in the struggle against the Malayan Communist Party and later to support Malaysia during Confrontation. An air force squadron was deployed in Thailand in 1962 during the crisis over Laos. An extensive military commitment was made to Vietnam between 1962 and 1972. The emphasis was on the need to secure the region from externally-inspired Communist influence in the context of continuing Western military involvement.²¹

1.23 Along with emphasis on security, Australia encouraged economic assistance to the region primarily through the Colombo Plan. Australia itself provided aid and extensive educational and training assistance (beginning with a modest provision of 3 scholarships per year for Southeast Asians in 1947).²²

1.24 Australian associations with the individual countries in the region developed progressively after 1945, but not to a uniform degree. With Indonesia, Australia developed some close associations with the Indonesian Republic during its struggle against the Dutch up to 1949. In the 1950s and early 1960s, however, relations were less close as Australia (up to 1962) opposed Indonesia's attempted incorporation of West New Guinea (West Irian) and later extended support to Malaysia during

Confrontation. Relations with Malaya and Singapore were considerably closer, mainly because they developed under the aegis of British involvement. Australia had relatively fewer historical and economic associations with Thailand and the Philippines and there was less immediate scope for the development of close relations.²³

1.25 Australia expressed some initial interest in regional cooperation from the early Post-War period. For example Dr Evatt stated in 1947 that,

'Just as far as the peoples of South East Asia cease to be dependent upon the decisions of European Governments, so far do Australia's interests in the councils of South East Asia increase. We must work for a harmonious association of democratic states in the South East Asia area, and see in the development of their political maturity opportunity for greatly increased political, cultural and commercial cooperation.'²⁴

However, the accent in Australia on regional cooperation from the late 1940s was very largely on security association between the regional states and outside powers. These emphases continued until the late 1960s, but they came under review as the pattern of Western involvement in the region began to change, notably with Britain's withdrawal from east of Suez after 1967 and the beginnings of progressive US withdrawal from Vietnam from 1969. Sino-American rapprochement added a further stimulus for reconsideration of Australia's regional policies.

4. Australia and ASEAN since 1967

1.26 The emergence of ASEAN was viewed favourably by the Australian government, but since ASEAN itself deliberately sought a modest pace of development in its early years, there was initially little scope for any direct relationship with Australia. ASEAN became of more interest to Australia in the

early 1970s. In April 1974, Australia became the first country outside the ASEAN region to establish formal links with the Association. Under an agreement concluded in Canberra, Australia initiated aid to joint ASEAN projects and training assistance to ASEAN experts engaged on ASEAN projects. This initial multilateral aid commitment grew into the Australia-ASEAN Economic Cooperation Program (AAECP).²⁵

1.27 When the ASEAN members after 1975 moved to intensify the Association's pace and scope of activities, the relationship with Australia accordingly grew in relevance to both parties. The relationship since 1975 has moved through several phases. In the early phases attention focused heavily on economic relations and trade. ASEAN initiated a detailed dialogue on economic relations in 1976 when it issued a memorandum which outlined areas of Australian policy towards imports which ASEAN suggested affected their members' interests. The memorandum was given considerable attention by Australian media, which helped to publicise ASEAN as an emerging factor of significance for Australia's regional policies. Within government, a Standing Interdepartmental Committee on Relations with ASEAN was initiated in January 1977.²⁶

1.28 At the second ASEAN Heads of Government meeting in Kuala Lumpur in August 1977 Prime Minister Fraser held joint discussions with ASEAN leaders on a variety of issues of common interest including global economic problems and the need for stability in commodity prices and improved marketing facilities, Australian aid and consultative projects, and trade issues. Australia agreed to increase its overall aid commitment to the ASEAN countries and it offered to provide assistance to ASEAN's joint industrial projects. The discussions also resulted in agreement on a series of trade promotion meetings (including a trade fair and an industrial cooperation conference), a joint research project into the ASEAN-Australia economic relationship and an arrangement for regular consultation on trade matters.²⁷

1.29 Australia-ASEAN institutional relations proceeded along the lines set out at the Kuala Lumpur meeting. The Australia-ASEAN Economic Cooperation Program pursued a series of projects. The joint research project on economic relations was initiated in 1980. An Industrial Cooperation Conference was held in Melbourne in June 1978 and ASEAN Trade Fairs were mounted in Sydney (October 1978) and Melbourne (August 1980). In November 1978, agreement was reached on the ASEAN-Australia Consultative Meetings (AACM) between the ASEAN-Canberra Committee (comprising the ASEAN heads of mission in Canberra) and the Australian Interdepartmental Standing Committee. Private business links were also developed on a multilateral basis; the ASEAN-Australia Business Conference was inaugurated in Kuala-Lumpur in June 1980.²⁸

1.30 The potential significance of the developing framework of Australia-ASEAN relations was illustrated in 1978-1979 by the dispute which arose over Australia's International Civil Aviation Policy (ICAP). The policy changes introduced by ICAP were of significance mainly to Singapore, whose airline Singapore Airlines was far more involved in Australia-European traffic than any other ASEAN airline. Singapore, however, was able to gain effective ASEAN support for a joint criticism of the ICAP policy, despite the possible benefits which other ASEAN countries stood to gain from it, by portraying the policy as an example of the type of protectionist policies commonly practised by developed Western states in their relations with the Third World. By 1980 the dispute had been effectively resolved, in a way largely favourable to Singapore and her ASEAN partners. The dispute clearly underlined ASEAN's capacity as a joint negotiating group in relations with Australia²⁹ (see Chapter II, Section 8).

1.31 While some discord was experienced over ICAP, in other areas of Australia-ASEAN relations cooperation was extensive. The rising rate of outflow of refugees from Indochina from early 1978 was of substantial concern to Australia as well as ASEAN. The

arrival in Northern Australia of a number of boats carrying Vietnamese refugees in late 1977 had caused considerable disquiet in Australia; most boats had arrived with little prior warning. In 1978 and 1979 Australia cooperated extensively with ASEAN to support moves to 'internationalise' the refugee problem by gaining increased financial assistance and particularly increased resettlement commitments from Western states. Australia also itself accepted substantial numbers of refugees. Australia was able to lend valuable support to ASEAN on an issue of major concern throughout the region.³⁰

1.32 The Cambodia issue also became of substantial importance in the relationship from 1979. Australia offered its full diplomatic support to the ASEAN joint position on Cambodia. In 1981, Australian policy diverged with that of ASEAN on the question of recognition of the Democratic Kampuchean regime; Australia formally withdrew recognition on 14 February. The Australian Government's action drew a critical response from ASEAN leaders, especially Singapore. On the issue of Vietnam's presence in Cambodia and the desirability of withdrawal, Australia supported the ASEAN-sponsored resolution at the United Nations.³¹ From 1979, policies towards Indochina have continued to be of substantial importance in the relationship as the following Chapter will indicate.

ENDNOTES [Chapter 1]

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