U.S. POLICY IN MAINLAND SOUTHEAST ASIA

1. The next item on today's agenda is the Section of NSC 5209, U.S. POLICY IN MAINLAND SOUTHEAST ASIA which deals with Singapore.

(Call on the Director of Central Intelligence to brief the Council on the new NSC on Singapore)

Because it is a Section of a larger paper, it consists only of policy guidance; there are no separate GENERAL CONSIDERATIONS. There were no disagreements in the Planning Board on the paper, but I would like to review some of the most salient points.

2. The decision to review the Singapore Section was made in the light of the OCS Report of August 12, 1959, which recommended a review of policy, in view of the new situation which had developed with the granting of partial self-government to Singapore on internal matters, and the victory of the Leftist People's Action Party on May 30, 1959.

3. The Planning Board especially kept in mind Singapore's strategic importance as a Free World base and the special role of the British who have retained responsibility for foreign affairs, defense and a strong voice in internal security matters. To a lesser degree, the interests of the Federation of Malaya and Australia were considered and are reflected in the up-dated paragraphs.

4. In view of the serious swing to the left in Singapore politics, paragraph 57 provides for U.S. overt activity "to strengthen moderate political forces in order to counteract as much as possible the extreme..."
left's pull on the government." The new language provides for consultation with the British on these matters, but does not hamper independent U.S. initiatives. There also is a limited distribution" covert annex to paragraph 67 which reads:

"The provisions in paragraph 67 of NSC 5809 for consultation with the United Kingdom are not intended to prohibit the conduct of unilateral covert action as provided for in basic NSC directives."

(I would like to ask the Director of Central Intelligence if he desires to comment on the covert annex.)

5. On internal security matters, our new policy recognizes the tripartite responsibility of the UK, Singapore and Malaya. The earlier paper addressed itself only to the UK and "local authorities". Paragraph 66 of the new version also offers policy guidance in the event of a successful internal takeover by the Communists or the extreme leftists. The earlier version did not deal with this problem. In view of the dangerous swing to the left in Singapore politics, new paragraph 66 provides the U.S. with the necessary flexibility either to take concerted action with the UK, Malaya and other interested parties or to act independently in accordance with paragraph 20.

(Paragraph 20, page 6 of the SRA Paper reads:

"In case of an imminent or actual Communist attempt to seize control from within, and assuming some manifest local desire for U.S. assistance, take all feasible measures to thwart the attempt, including even military action after appropriate Congressional action."

* Council and F.B.I. members.
6. In the event of overt Communist aggression the new version, (para. 62) is updated to provide that the U.S. will place initial reliance on resources of Singapore, the UK and Malaysia. The provisions for U.S. action are unchanged: that is to say, invoking the UN Charter or the SEATO Treaty or both and, subject to local request for assistance, taking necessary military and any other action. *

7. In Paragraph 626 the Planning Board believed the political and economic health of the area would not be helped under present conditions by encouraging Singapore, with its political and economic problems, to merge with the Federation at the risk of upsetting the stability of the entire peninsula.

8. Paragraph 626. takes cognizance of the strong presence of the British in Singapore, and reads as follows:

"626. Encourage efforts by the Government of Singapore to solve its political and economic problems in ways consistent with U.S. objectives. To the extent feasible, rely on the United Kingdom to provide external financial support to Singapore and, to the extent desired by the United Kingdom, support the utilization of Free World international financial institutions in the promotion of economic development and economic reforms in Singapore. Be prepared, however, to provide U.S. technical and economic development assistance when such assistance would be of special significance in achieving U.S. objectives."

9. As noted on page 4, the United States has only small educational exchange and information programs in Singapore; no economic or technical assistance programs are now in existence and none are contemplated.

* Ref. para. 62 SEA Paper.
10. The Joint Chiefs of Staff have reviewed and recommended approval of the new paragraphs and the covert annex.

11. I think that it might be noted that this paper is an example of the difficult problems the U.S. will face in dealing with new states which are achieving complete or partial autonomy. In this case, free elections have resulted in a political trend not favorable to U.S. interests.

(Inquire the Secretary of State to comment on the new paragraphs.)