

**Economic, Political, and Security  
Issues in Southeast Asia in the 1980s**

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**Economic, Political,  
and Security Issues  
in Southeast Asia  
in the 1980s**

EDITED BY

**Robert A. Scalapino**

and

**Jusuf Wanandi**

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# Introduction

Robert A. Scalapino

It is symbolic of the distance we have traveled in the past three or four decades that scholars and officials from the five states comprising ASEAN (Association of Southeast Asian Nations) came together with their American counterparts to discuss certain economic, political, and security issues confronting Southeast Asia in the 1980s. In this single fact, a justification for ASEAN is apparent. Emerging from separate colonial experiences (Thailand partly excepted), the societies of Southeast Asia had scant communication with one another in the years immediately after World War II. Indeed, friction among them was a more prominent feature than cooperation. Wars—hot and cold—periodically erupted, with sustained, productive dialogue virtually impossible.

A signal achievement of ASEAN has been to bring both the leaders and portions of the citizenry of the five states comprising that association into increasingly regular contact. Discussion obviously does not signify agreement. In the contributions that follow, a diversity of perspectives and points of view are to be found, even among the ASEAN participants. Yet the impressive fact is the degree of unity exhibited, especially when the issue is one of a regional nature. Of course, no one can predict the future of each nation in this area or of the still-youthful ASEAN structure. However compelling the reasons for strong regional ties in Southeast Asia, the obstacles remain formidable as the slow progress in the arena of economic cooperation testifies. Nevertheless, consultation among leaders is being regularized, bilateral ties are being strengthened within the ASEAN framework, and the will to common policies is evidenced despite differences that stem from diverse domestic settings.

The presence of American scholars and officials at this conference is also symbolic, underscoring the continuing interest of the United States in a region of importance to it—economically, politically, and in terms of the overall Pacific-Asian strategic equilibrium. Today, few knowledgeable Americans adhere to the thesis voiced during the controversy over the Vietnam War that Southeast Asia is an unimportant, peripheral area. It is widely recognized that both in its promise and its problems, this region is of vital concern to each of the major states, witnessed by their active presence there in one form or another.

Rather than introducing the chapters that follow or seeking to present a digest of their principal themes, I would prefer to draw up my own balance sheet on the basic issues discussed, making it clear at the outset that this is one American's perspective and not necessarily reflective of the views of other Americans nor of a conference consensus.

First, however, it would seem appropriate to place the issues confronting the ASEAN community in a global context by seeking to outline in very brief form certain broad developments that characterize our times. In the recent past, I have argued that seven basic trends are underway which affect attitudes and policies on a worldwide front. One can commence with the fact that this is a time of mounting interdependence, whether the measurement be economic, political, or strategic. Even the most autarkic economies, for example, are now being reoriented, with the premium upon turning outward to take advantage of more advanced technology and at the same time expand beyond the narrow domestic market. Yet it is also clear that this trend has made many societies far more vulnerable to international crises and less in control of their own destinies. As one reaction, therefore, we are witnessing the revitalization of nationalism, not merely in the so-called developing societies where it has been a more or less continuous elitist expression since World War II but also among the so-called advanced industrial nations—West Europe, the United States, and Japan.

A second trend relates to economic development in our times. The most pessimistic Malthusian predictions have thus far proven wrong or, at a minimum, greatly exaggerated. While population has increased, in some cases by alarming amounts, so has the production of necessities, including food. The promise, moreover, is that science, technology, and human capacities will combine to push productivity ahead in future years. But in all probability, the slowing growth rate currently characteristic of the industrial societies will continue, with its attendant psychological and political impact. Many people of the “advanced world” will have to learn to live at the same, or even a reduced, level, and that phenomena known as “relative deprivation” will play an increased role in political affairs as individuals fail to realize their material expectations.

Yet the overwhelming majority of individuals living in advanced societies will have a vastly higher standard of life than hundreds of millions of their fellow humans in the so-called developing world. Indeed, the gap between “rich” and “poor” societies is destined to grow in the decades ahead, albeit, not necessarily along the fault line supposedly separating the Third World from others. Economic growth will move additional states into the “newly industrialized” and “modern agricultural” categories, but there will also be continuing instances of economic basket cases, and even within a given society, the distance between advanced and desperately poor regions will lengthen.

In this context, the quest for an effective economic model will accelerate. Today, both the mixed economies characteristic of the advanced West and the Socialist economies of states like the Soviet Union and the People’s Republic of China are in trouble. Even the export-oriented economies, pioneered by Japan and successfully emulated by South Korea and Taiwan, face growing challenges in the years ahead. What structure and policies will work best during the final years of the twentieth century and beyond? The question is a compelling one; the answer is by no means clear.

A similar search is underway in the political sphere. Few problems have proven more difficult for those societies which emerged as independent entities after World

War II than that of creating and maintaining effective political institutions. In the absence of such institutions, the role of personal leadership in politics is greatly heightened. As a given individual or small group acquires power and holds it over a long period, moreover, access to leadership is gradually constricted, and power becomes ever more absolute. Generally when the leader goes, therefore, a succession crisis in some form ensues, yielding instability, sometimes bloodshed.

At present, the issue of political institutionalization is not confined to recently emerged societies. A growing uncertainty surrounds the older polities. Neither Western-style parliamentarism nor Soviet-style one-party dictatorship has an assured future. Once again, therefore, ours is a time when the quest is for a model, one in the political realm sufficiently flexible to be capable of adjustment to the realities of this era, sufficiently durable to surmount recurrent crises, and sufficiently satisfying to the citizenry to induce their allegiance.

Perhaps the task of institutionalizing politics has been made all the more difficult because of yet another trend, namely, the decline of secular ideology. Such a decline has cut across all political systems. It has been no less pronounced in Socialist societies than in those adhering to liberalism. As one by-product of this phenomenon, a development largely ignored by social scientists until it was well advanced has emerged—the return of religion as a significant political force. Fundamental Islam, fundamental Christianity, fundamental Judaism—even Buddhism in certain forms—have reestablished or strengthened themselves in the political arena. Mankind still demands beliefs and values; hence, a decline in the capacity or will of secular authorities to provide such values has left a vacuum, which is being partly filled by an older force.

A fifth attribute of this age is to be found in the fragile nature of regionalism and internationalism. Despite the hopes that flourished in the years immediately after 1945 that a new world order could be constructed, the task has proven to be beyond the present talents of our leaders and people. Certain regional organizations have emerged, to be sure, and their achievements must not be denigrated, as I indicated at the outset. The United Nations, moreover, has performed some functions to the benefit of many peoples. Yet even the most effective regional organization, the European Economic Community, is presently beset with rising strains. And no one would claim that the United Nations, however useful, serves as an effective peace-keeping institution. We continue to live in an essentially lawless world dominated by rival nation-states.

It follows, therefore, that we shall have to endure a very considerable quotient of violence in the period ahead. The chances of avoiding a major power nuclear conflict seem to me good because it is obvious that in such a war there would be no winners. The balance of terror still serves as a critical deterrent. But there is a wide spectrum of violence short of nuclear war to which we are almost certain to be subjected, ranging from terrorism to those combined civil-international conflicts that have been the hallmark of our times. And one task of supreme importance will be to contain such conflicts, limiting their escalation to the extent possible.

Perhaps a final trend is the most significant, at least in immediate terms,

namely, the movement from alliance to alignment. In the immediate post-1945 period, as the so-called cold war unfolded, both the United States and the Soviet Union became the center of alliances at once exclusive and all-encompassing. On the part of the primary power, commitments of an economic and strategic nature were firm and extensive; on the part of the secondary powers, the obligations were those of loyalty and allegiance in partial compensation for the risks and sacrifices of the major party. Today, all such relationships are more porous, flexible, and permitting of greater independence on each side. The obligations of the primary power are more tentative and less absolute. Those of the secondary power are less exclusive, with opportunity for differences, sometimes of great import. These facts have far-reaching political significance. It is entirely possible that the nation handling its alignments better will enjoy advantages in the global balance of power, which military weapons alone cannot bring.

Against this background, how should one assess the issues confronting the ASEAN region today and their implications both for domestic stability and for regional security? First, as was indicated in our sessions, the economic future of the ASEAN community appears relatively bright. There are good reasons to project growth rates substantially higher than those likely for most developing regions, in line with trends of the recent past. This region is blessed with substantial resources, a growing pool of trained managers and skilled or semiskilled workers, and, of equal significance, a second-generation political leadership that for the most part has turned away from political posturing and adventurism to make economic development a concern of highest priority. Mistakes in economic planning have been made, and there is clearly no guarantee that current or future policies will be free of serious defects, but, in general, the mixed economies of the ASEAN states are performing reasonably well.

As recent events have illustrated, however, the future of these economies depends in very considerable measure upon global conditions, both economic and political. The health of the industrial economies—and their policies with respect both to trade and to assistance—will have a very great impact upon the economic future of this region. As with other areas, interdependence is a rising force with which each of the ASEAN states must reckon.

At the same time, regional variations *within* each state are likely to grow rather than diminish, and the issue of relative deprivation, signaled earlier, may well become a more serious problem, especially when combined with ethnic divisions. In this regard, the pervasive influence of overseas Chinese on the domestic economies of the ASEAN states will become an even more explosive issue in some societies, with the likelihood of actions similar to those pioneered by Malaysia, namely, the enactment of policies requiring the participation of an increased number of “indigenous” personnel in the commercial-industrial structure.

There seems little chance that any states of the ASEAN community will move toward the Communist-style Socialist model. Past experimentation with extensive state controls has generally produced poor results, and the commitment everywhere is to a mixed economy. Yet the degree of this mixture—the precise role of the state

and the private sector—will be subject to challenge and change, depending upon both domestic and international circumstances. There are no specific economic policies to which these states owe unswerving allegiance.

In the political sphere, continued experimentation is also likely to be the order of the day. For this region, neither Western-style parliamentarism nor Soviet-style communism has proven to be highly successful—or broadly appealing, except in theory. The nation-states of the ASEAN area are still being formed, a completely understandable fact considering their brief history as independent actors on the modern world stage. A majority of them came into being, moreover, handicapped by being artificial entities in some degree, products of the exigencies of colonialism. Few of these states reflect natural boundaries based on topography, race, language, or religion. Diversity of the most extensive type dominates the region. And, unfortunately, progress in race relations is limited at best. In fact, some observers would argue that there remains serious threat of retrogression in this vital field in certain states.

Thus, the full freedom implicit in Western-style parliamentarism can easily heighten ethnic, sectional, and religious divisions, disrupting the fragile social structure. And, indeed, that has been the experience of many of these states during the period when the government was committed to parliamentarism. As a result, various forms of “guided democracy” or dominant party systems have emerged, sometimes under the aegis of military rule. What distinguishes these experiments from the Socialist state à la Russia or China is the fact, first, that the society itself remains strongly pluralist, and the commitment of the leadership is generally to a political system that allows at least limited political competition, not to a permanent one-party dictatorship. Thus, the evolutionary potentials of these polities would seem to be considerable. Will it be in the direction of greater political freedom and the use of elections as genuine measurements of the satisfaction or dissatisfaction of the citizenry under classic utilitarian principles? Or can we anticipate that over time a “third way” will unfold—neither wholly “liberal” in the Western sense nor “Socialist” in the Communist sense—in accordance with some of the political structures currently in operation in the region? One thing seems clear: the ASEAN community is still in the process of experimenting with political institutions, and that process will probably continue for a considerable period of time.

Perhaps such experimentation is abetted by the fact that ASEAN leaders today are not wedded to any firm ideological precepts, rhetoric that would seem to indicate otherwise notwithstanding. Pragmatism is the governing force. What will work, not what is “true,” is the operative principle. This has its advantages, particularly in removing barriers or strictures that might inhibit change. On the other hand, it encourages certain ideological or religious forces to contest the government’s legitimacy. Fundamental Islam, for example, was defeated in Indonesia—at least for the time being—with the demise of Darul Islam more than a decade ago, but it remains a force with which to reckon in Malaysia, and it underwrites the Islamic revolt in the Philippines, granting the powerful economic and social factors sustaining it in both of these societies.

In comparison with earlier times, the other ideological challenge, that of communism, is at a relatively low ebb today. Once, the Communist guerrilla movement, adhering largely to Maoist tactics and principles, represented a threat or, at a minimum, a substantial problem in Burma, Thailand, Malaysia, and the Philippines. In Indonesia, meanwhile, a legal Communist party—aligned with Sukarno—came closer than any of the guerrilla movements to achieving power. There, the Communists were crushed in the aftermath of the abortive September 1965 coup, and no recovery has yet taken place. Within the other ASEAN communities, it is only in the Philippines that the Communists—in the form of the New People's Army—continue to cause the government significant problems, and even there the movement does not pose an imminent challenge. Elsewhere, while underground Communist activities continue, with periodic armed clashes and certain enclaves of guerrilla authority, Communist power has perceptively weakened.

Why? To some extent, economic progress has dimmed Communist appeal. For this and other reasons, there has been a growing acceptance of the legitimacy of most governments. At the same time, with limited results over a protracted period of time, Communist hopes of victory have faded, leaving only a hard core of true believers or desperate individuals fighting on. The reduction of external assistance, notably by the People's Republic of China, has also been a factor of significance in some situations.

One unanswerable question, however, is whether Indochina—and more precisely, Vietnam, the dominant actor there—will play a subversive role in neighboring societies in the future. Communism has now been implanted in the region as a state force, and a hot war appears likely to continue into the indefinite future, spilling over periodically into Thailand. Vietnamese leaders insist that their objectives do not include aggression against their neighbors, but, clearly, they intend to dominate Kampuchea and Laos, and this fact alone is likely to bring them into unending conflict with China, with Thailand among others serving as a conduit for aid to anti-Vietnamese forces.

In sum, as the strictly internal aspects of the Communist movement in Southeast Asia have diminished, its interstate aspects have risen, with Vietnam, China, and the U.S.S.R. all active in the region, each pursuing its perceived national interests—with varying impacts upon ASEAN.

The continuing Indochina conflict, however, has had one striking effect upon ASEAN as an organization; namely, it has served to enhance its political-strategic dimensions. ASEAN was formed essentially to be an economic association and one for the most part eschewing political or military activities. In point of fact, however, the economic accomplishments of the association have been sparse up to date, reflective of the varied stages of development and needs of the member states. ASEAN has thus been most successful as a vehicle for consultation among political leaders, and, in this connection, the Indochina crisis has served as a catalyst, causing ASEAN to hammer out consensus positions, present a united front on the international stage, and engage in negotiations at least partly as a unit. Differences of opinion pertaining to the Indochina issue clearly exist within ASEAN, as the chapters in this volume signal, but up to date, it has been possible to preserve unity despite those differences.

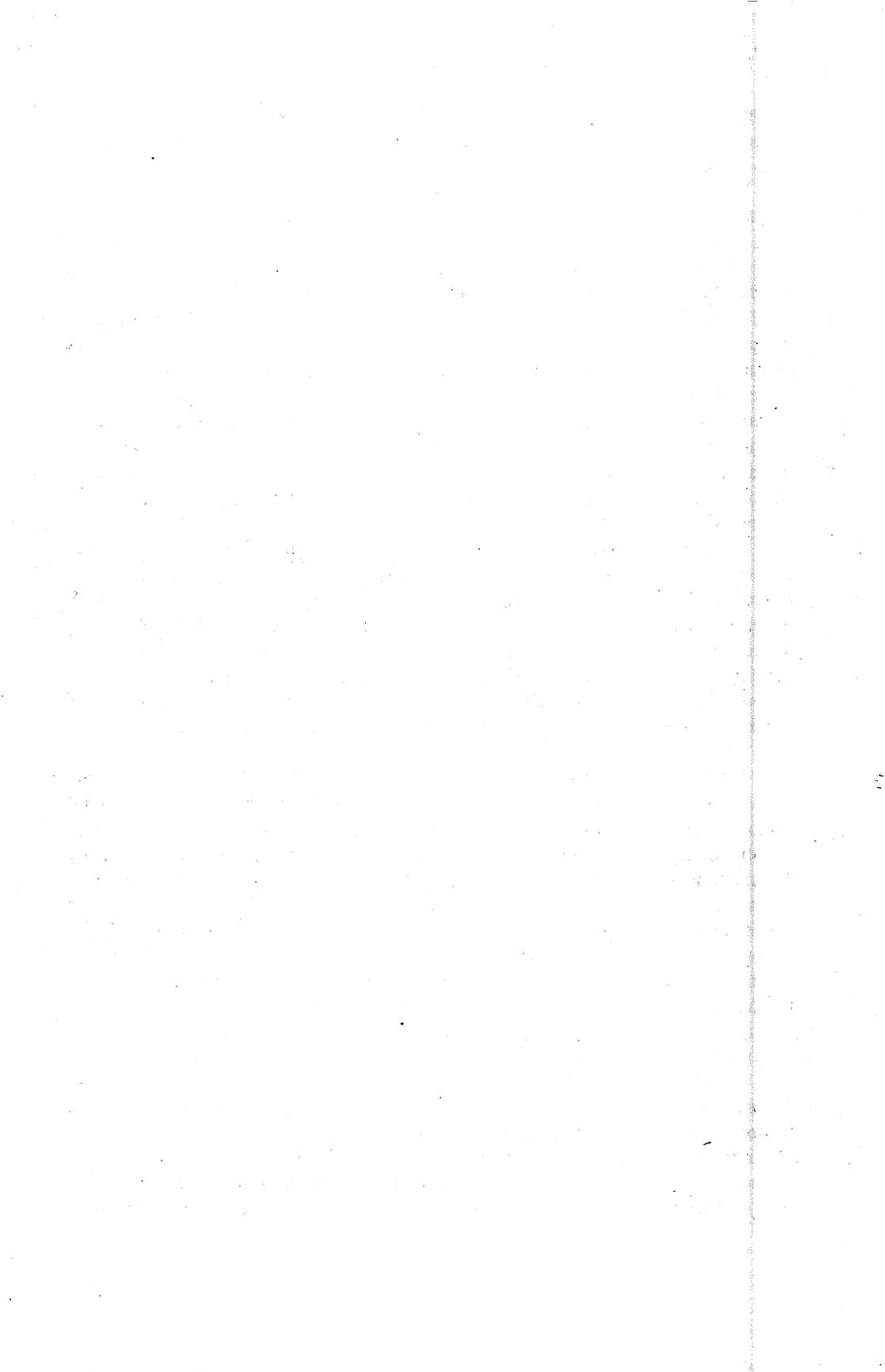
Meanwhile, at the bilateral level, various ASEAN states have agreed to measures reducing tension among themselves and fashioning security measures against internal subversion.

Perhaps it is ironic that conflict within the region and the heightening presence of the major outside nations should have shifted the emphasis within ASEAN, at least temporarily. It is also testimony to the fragile nature of international relations at present. Neither the United Nations nor major power negotiations seems likely to resolve the issues centering upon Kampuchea. Indeed, there is scant reason at present for optimism concerning the cessation of hostilities there. Hanoi gives every indication of backing its hegemony over Indochina with long-term military commitments if necessary, relying upon Soviet support. China shows no intention of retreating from its tough stance against Vietnamese expansion partly because Hanoi is now regarded as an integral part of Soviet encirclement policies directed toward the PRC, and both the U.S.S.R. and the PRC give every indication of regarding Southeast Asia as an important component in their overall strategic policies, despite the fact that for the Soviet Union, this area has long been a region of secondary significance.

Thus, the ASEAN community is currently confronted with the prospects of a long-lived, close-in, and potentially dangerous major power confrontation within its region. As noted earlier, ASEAN opinions with respect to this situation are not uniform. Indonesia and, to a considerable extent, Malaysia, continue to regard China as the long-term threat, reflective in part of their domestic Chinese "problem." They have shown some interest, therefore, in accommodation with Hanoi, hoping that it can serve as a buffer against Chinese expansion. Thailand and Singapore, on the other hand, see Vietnam as an immediate threat and one that must be countered via firm resistance.

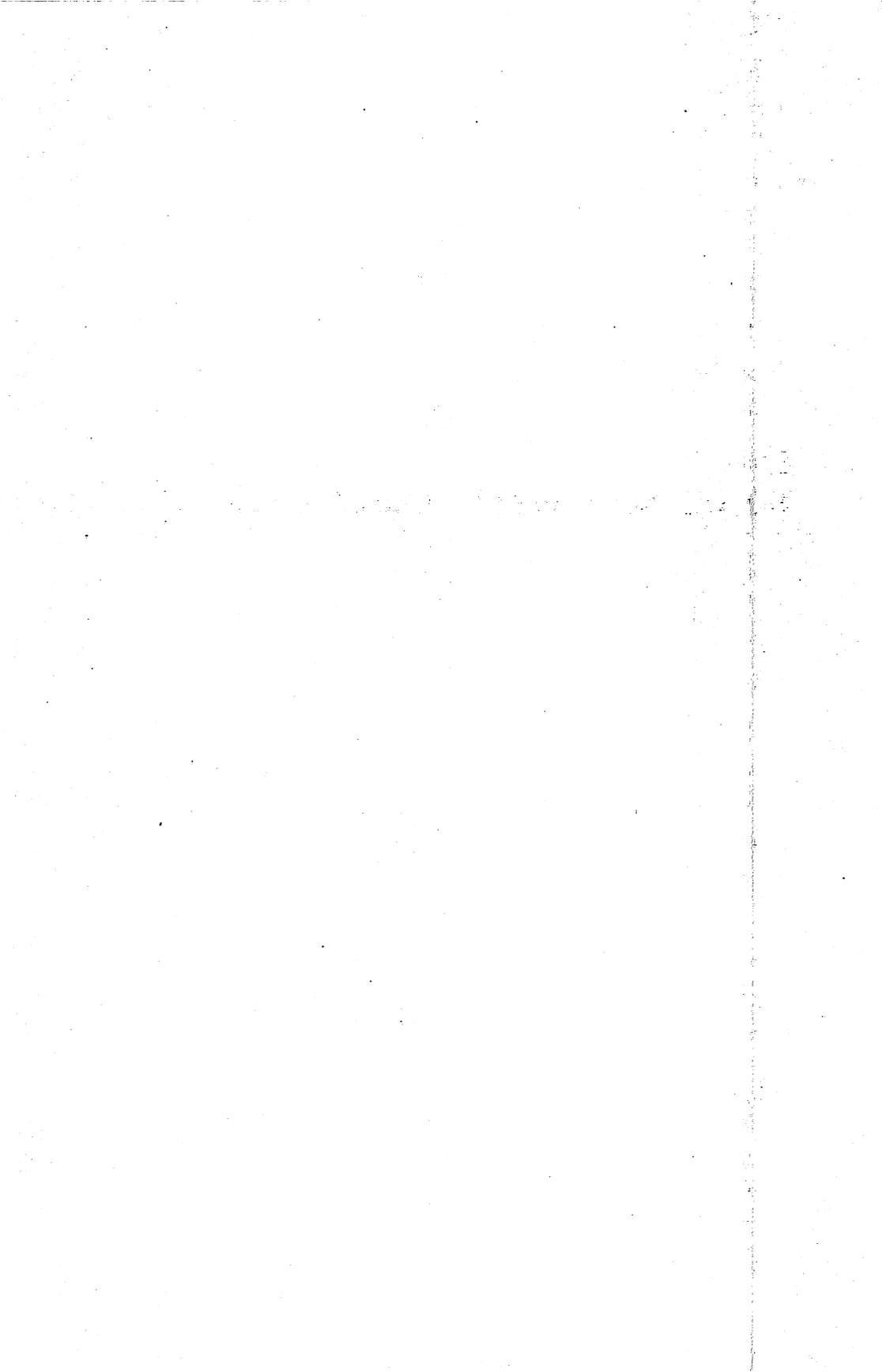
Meanwhile, as a general goal, the ASEAN community has hoisted banners labeled a Zone of Peace, Freedom, and Neutrality. Ideally, of course, most Southeast Asian leaders would prefer a minimal political and military presence of the major powers in their region. They realize, however, that this is not possible under present circumstances. In point of fact, therefore, ASEAN is not neutral in the strict sense of this term. It tilts toward the West and Japan—economically, politically, and strategically. The relationship is one of alignment, not alliance—but as long as the Soviet Union and the People's Republic of China play their current roles, that alignment is likely to continue. It is thus all the more important that the United States and the ASEAN community consult closely not merely on matters of a strategic nature but upon those economic and political concerns which must underwrite any meaningful security, domestic or regional.

The current policy of the United States is to support ASEAN, hoping that it can maintain and advance its present degree of unity. Such a policy is correct in so far as it goes. What remains to be accomplished, however, is to fashion broader, multilateral programs of economic interaction, with serious attention to the developmental issues of the region. In the long run, these may well be the decisive factor in determining ASEAN stability, hence, the contribution which the ASEAN states can make to peace.



**I.**

**Internal Security in Southeast Asia in the 1980s**



# **1. Internal Security in Southeast Asia in the 1980s**

**Abdulrahim bin Thamby Chik**

## **Introduction**

Security issues are uppermost in the minds of the developing nations of Southeast Asia in view of the swift political changes that have taken place in this region during the last decade. Security issues become even more pertinent as some of the problems which emerged in the 1970s remain unsolved and defy amicable settlement because of the interplay of various factors that are beyond the ability of the smaller nations in the peripheral area to control or neutralize effectively.

It is perhaps most appropriate to start by drawing attention to the significant trends that prevail in major issues affecting security in the region, as well as future trends that are likely to emerge. It is also pertinent to make a very quick survey, initially, of the international situation since the international environment has a major influence on regional and national developments. On this score, the significant factors are the nature of relations between the United States and the Soviet Union, between the Soviet Union and China, and between China and Indochina.

Of primary significance is the still unresolved Kampuchean issue. The catastrophic finale of the Vietnam War in 1975 brought a change in the Southeast Asian scene. The establishment of the first Communist regime in Southeast Asia, which acquired the reputation of having defeated the strongest nation in the world, introduced a new dimension in the pattern of international relations in the region.

In the beginning there were hopes that the Southeast Asian countries would settle down to a lifestyle of peaceful and cooperative co-existence with their newly installed neighbor. The three-year lull (1975-1978) almost confirmed these hopes. The visit of Pham Van Dong to the ASEAN countries in 1978 gave further cause for optimism.

But events took a sudden turn in December 1978 when Vietnamese forces in Kampuchea overturned the Pol Pot regime. Since then, events seemed to have created a life of their own, and among the non-Communist states of Southeast Asia there has arisen a common concern that the region will again be disturbed by destabilizing influences.

The issue that confronts ASEAN today is how to cope with the developments as they unfold without compromising sovereignty, independence, territorial integrity, and other national values. It is of fundamental importance that ASEAN, because of geographical considerations, should seriously think of a strategic policy that will ensure continued well-being. ASEAN embarked on a nonaligned policy as far back

as 1971 and proposed the neutralization of Southeast Asia the following year, but it is clear that neutrality without defense is worthless.

It would not be out of place here also to discuss briefly the security situation in Malaysia since the long-standing threats to security posed by the Communist Party of Malaya are to a great extent dependent on the tides prevailing in Southeast Asia. Finally, I will examine a few options that may provoke some thought toward shaping a realistic security policy for this region.

### **The International Scenario**

To all intents and purposes, the much-heralded spirit of détente between the United States and the Soviet Union, which was deemed to presage a new era of lessening tensions—at least in the relations between the world's two largest superpowers—is now dead. The Soviet Union is perceived as the principal military competitor and the most dangerous potential adversary of the United States, the only power capable of posing a real strategic threat to the United States as well as to American interests throughout the world.

Indeed, the breakdown of détente and the revival of the cold war will certainly have destabilizing effects in the global context. This could well increase the danger of drawing the developing nations into the vortex of a superpower conflict with grave ramifications for their peace, security, and economic well-being. These are legitimate fears and concerns.

Bold solutions are called for. Suggestions have been made for a return to détente. But the détente of the 1960s and 1970s, which essentially sought to stabilize East-West relations in Europe through a policy of mutual restraint and accommodation, failed to regulate the behavior of the major powers in the Third World countries.

Herein lies the weakness of détente, a concept so varied in meaning and objective that it limits its applicability to only a narrow part of the globe, leaving the other parts open to unrestrained political and ideological pressure. Détente or peaceful co-existence as a method is continuously being deployed to further ideological aims, resulting in disaffection and rebellion to overthrow legitimate governments.

The nations of Southeast Asia not only have to reckon with such problems that drain their resources and energy, but they also face a rather bizarre situation: their hands are shaken by governments in the name of friendship at the same time that the political parties from which these governments are formed—as though there were a real dichotomy—declare openly their commitments to support morally and politically illegal and terrorist groups striving to overthrow by violent means their respective governments. Such blatant declarations and unashamed admissions are done in the name of honesty and ideological rivalry as though Southeast Asians were all nincompoops.

The strategic balance between the United States and the Soviet Union continues to improve in favor of the Soviets, whose global outlook has been accompanied by a steady increase in military strength. The Soviet military intervention in Afghanistan

is regarded as a very ominous portent of profound significance, reflecting as it does the employment of Soviet combat forces outside the Soviet bloc for the first time since the end of World War II.

The Soviet military intervention in Afghanistan has given rise to various questions such as: were the Soviets influenced by the perception that their attainment of strategic parity with the United States has diminished considerably the American ability to counter such interventions? Does the Soviet intervention portend greater risks of military confrontation in the decade of the 1980s and so on?

In the Middle East and Persian Gulf region, political changes in Iran have altered drastically the military balance. With the overthrow of the Shah of Iran, the United States feels it has to take on the burden of preserving stability and protecting vital sources of oil in the oil-producing friendly states in that area. The Middle East situation is also influenced by a number of contradictions, which the Soviet Union can obviously exploit to its advantage. These arise from Arab relations with Israel, the continued Israeli occupation of Arab lands, and the failure of the United States and other Western powers to compel Israel to adopt a more conciliatory attitude. Soviet involvement in Yemen and in the Horn of Africa has also been increasing and is seen as another destabilizing factor.

In Latin America, Cuban involvement in the Caribbean coupled with the overthrow of the governments in Nicaragua and El Salvador are also seen as factors threatening the stability of a number of non-Communist countries.

In the Far East, the normalization of relations between the United States and the People's Republic of China has led to an improvement in the regional security situation because it has lessened the likelihood of Sino-American confrontations, which had been a long-standing feature since the Korean War. This improvement, however, has been offset by other factors, such as the emergence of Vietnam as the strongest military power in the Southeast Asian region, the estrangement between Vietnam and China leading to military confrontation between these two countries, the growing Soviet involvement in affairs of the region, the development of the special relationship between the Soviet Union and Vietnam, and Vietnam's military intervention in Kampuchea.

The history of Southeast Asian nations is such that for decades they were subjected and had to respond to the pressures and influence of larger nations from outside the region. As the European colonial powers receded into the background with the ending of the decolonization process by the early 1960s, the Southeast Asian countries were left to cope with the rival policies of three major powers—the United States, the Soviet Union, and China. Each Southeast Asian country adopted a policy that suited its national interests best or that enabled it to pursue peace, preserve its stability, and maintain its independence. They were influenced not only by the need to respond to the policies of the major powers but also by rivalries and differences among the newly emerging nations themselves. Some countries opted for military alliances with a major power, some joined the nonaligned movement, and others hoped for neutralization or a system of balance of power.

There is no doubt that most of these Southeast Asian nations experienced at one time or another a sense of frustration and disenchantment with regard to their special relationships with outside powers. Such relationships were sometimes inadequate to meet national interests, sometimes invited foreign involvement in the internal affairs of the smaller nation, or even attracted the hostility of the other major powers. Eventually, they opted for regional groupings among themselves, such as ASEAN.

The ending of the Vietnam War appeared to indicate the withdrawal of any formal U.S. commitment to Southeast Asia. Prior to 1975, however, ASEAN members had already decided to press for the creation of a Zone of Peace, Freedom, and Neutrality (ZOPFAN) as a means of keeping out superpower rivalry and involvement in the region. Malaysia adopted a policy of equidistance in her relations with other countries and established diplomatic relations with China.

In considering the future security and stability of the Southeast Asian region, one needs to find the answer to one major question: what are the long-term objectives of the United States, the Soviet Union, and China with regard to this region? This is, of course, a difficult question to answer, but one needs some understanding of their long-term objectives if one is to be in a position to consider the various policy options that will favor the preservation of peace, security, and stability in the region. At the same time, the smaller nations cannot hope for security and stability unless the major powers themselves are prepared to play a supporting role.

So long as U.S.-Vietnam relations are not normalized, U.S. military presence in any of the ASEAN states will provoke a hostile response from Vietnam, particularly toward the country where U.S. forces are based. At the same time, the development of Sino-American relations will also have a significant bearing upon the perceptions of ASEAN countries as well as Vietnam with regard to U.S. motives and interests. Would, for example, U.S. military aid to China in the context of maintaining a balance with regard to the Soviet-Vietnamese alliance be in the best interests of ASEAN states, given the close ties which have existed between Beijing and the various Communist insurgent movements in the ASEAN states?

## **The Indochina Factor**

In analyzing ASEAN's security for the eighties, one sees the developments in Indochina as central. First, the extent of Vietnamese intention vis-à-vis its relations with Southeast Asian countries is yet to be fathomed. Second, the full implications of Vietnam's behavior along the Thai-Kampuchean border and within Kampuchea itself, where China has more than ordinary interest, are still unclear. If these two factors continue to remain vague, the countries of Southeast Asia cannot escape entertaining a certain apprehension about their future security. Malaysia's concern in these matters is obvious, for among other Southeast Asian countries, it is located immediately south of the front-line state of Thailand.

Aside from these problems, ASEAN security interests will also be affected by adverse changes in individual national relationships with other countries of Southeast Asia. ASEAN countries accept the prerequisite of a cohesive, friendly, and mutually supportive Southeast Asia to assure enduring peace and security. There is a need to

examine the problem of Kampuchea, which occupies the attention of nations far and near because of its obvious security implications.

Indeed, the conflict in Indochina is a lucid illustration of the relative ease with which the great powers are given the legitimacy, the *locus standi*, to involve themselves, directly or indirectly, in Southeast Asian affairs. It goes without saying that being drawn into the quarrels between superpowers will have grave ramifications for Southeast Asia's peace, security, and economic well-being.

To some extent, Indochina and the larger Southeast Asian region may now be acquiring new importance to the Soviet Union. Soviet interest in this region has to do with Moscow's larger global ambitions and its objectives vis-à-vis the United States and China. Both the Sino-Soviet and Sino-Vietnamese rivalries are deep-rooted, and the Soviets and the Vietnamese have a common interest in containing China. The rivalry between the Soviet Union and the United States is also deep-rooted. The Soviets will therefore have an increasingly larger stake in having access to Da Nang and Cam Ranh Bay, which will enable them to project their power throughout the Pacific and into the Indian Ocean.

Vietnam, in serious economic difficulties, would have been unable to mount its invasion of Kampuchea or sustain its presence there or in Laos without Soviet aid. Soviet aims in this regard are fairly clear, namely, (1) to extend a policy of containment against China on China's southern flank, (2) to expand their own influence throughout Southeast Asia, and (3) to continue to play the role of banker and supplier of the most powerful military machine in Southeast Asia.

Under the present circumstance, the Soviets can be expected to press for aid and naval facilities in Kampuchea although no formal military bases have been granted to Moscow by Phnom Penh and Vientiane. Given the rights that the Soviets enjoy in Vietnam and Laos, a Soviet presence in the port of Kompong Som would allow them to dominate not only the Gulf of Thailand but also the approaches from the Pacific to the Indian Ocean. If the Heng Samrin regime were to grant such base rights to the Soviets, facilities in Kompong Som could be expanded to accommodate a significant Soviet naval presence.

The implications of a larger Soviet presence are obvious. When Soviet military power in the region is added to that of the Vietnamese, it represents a formidable combination, which the Soviets may exploit and use as political leverage and psychological pressure on all states in the region.

If the Soviet presence and level of activity grow, China can be expected to increase the diplomatic pace in dealing with Southeast Asia. As the Soviet Union and China vie for influence, ASEAN can be expected to come under greater political pressure from both sides and thus find itself a battleground of the Sino-Soviet dispute. Such a development would seriously hamper ASEAN's efforts and hopes of exempting this region from the effects of great power rivalry. The zone of peace concept would be steadily eroded by growing Soviet political and military presence and Chinese countermeasures.

ASEAN has always adhered to the belief that the present tension over Kampuchea will ultimately be overcome with the help of peace-loving nations and

the United Nations continuing to work on an arrangement acceptable to all parties.

ASEAN has shown its conviction by its espousal of the concept that regional peace and security are best assured by recognizing the legitimate interests of all major power to conduct peaceful relations with countries of this region. It is within this framework that ASEAN is pursuing its efforts to ensure peace and stability in Southeast Asia.

The international conference on Kampuchea—held in July 1981 at the initiative of the member states of ASEAN in order to pave the way for a comprehensive political solution of the Kampuchean situation—represents a collective effort on the part of the five Southeast Asian states to contribute to regional peace and security according to the principles of the U.N. Charter. The declaration and resolution adopted by the conference sought neither to punish nor to ostracize any state. On the contrary, the conference wished to ensure that the fears and threats, real or imagined, that led to the events in Kampuchea are removed so that the situation in that country could return to normal.

The declaration and decision adopted by the conference represent a consensus that Vietnam cannot ignore. This provides a basis for further negotiations that could obviate the concern of all. In the context of finding an early solution to the problem, one is encouraged by the meeting in September 1981 in Singapore of Son Sann, Prince Sihanouk, and Khieu Samphan, who have declared their intention to form a coalition government.

If ASEAN has taken a strong lead in the search for a solution to the Kampuchean problem, it is because it sees the issue in the context of the zone of peace concept as central to the larger issue of peace and security in the region. The escalation of the conflict in Kampuchea and, in particular, its spillover to neighboring countries, can have grave ramifications for international peace and security. A divided Southeast Asia is an unstable Southeast Asia, for it will continue to be an open invitation to external interference and manipulations. The removal of seeds of discord and suspicion is uppermost in the minds of Southeast Asians.

Progress toward overcoming the present tension over Kampuchea appears to be sluggish. Certain quarters hold that an impasse has developed over the Kampuchean issue. This will certainly help to entrench Vietnamese presence in Indochina. The consequence of this development will certainly result in further Chinese and Soviet involvement and interference in our affairs. Finally, there is the common ASEAN perception that China remains the main threat to its security. ASEAN faces a rather ludicrous situation in its relations with China as a result of its double-faced relationship with the ASEAN governments and its illegal insurgency movements.

All the states within ASEAN are being kept busy by the activities of these groups—diverting vital finances, manpower, and energy essential for their internal development priorities. With the Khmer Rouge, Beijing collaboration remains dominant in Kampuchea. What is there to prevent Beijing's collaboration with the Communist parties in Thailand, Malaysia, Indonesia, or the Philippines from surfacing in the ASEAN countries, but with more vigor and determination to envelop them?

## The Internal Security Situation

The illegal Communist Party of Malaya (CPM) will continue to remain a permanent, long-term threat to the security of Malaysia. The nature and intensity of that threat will, of course, vary from time to time, influenced by various external and internal factors.

The party embarked on armed struggle as the main means of seizing power on two occasions—first in 1948, only to experience complete defeat by 1960, and again in 1968. This second armed struggle has reached the stage of almost total defeat, with only a few isolated groups scattered about in the deep jungles. These groups, however, are determined to eke out a precarious existence solely for the purpose of maintaining the fiction that the CPM is still engaged in a war of national liberation. The underground organizations, which operated in the populated areas and were intended to complement the armed struggle waged from the jungle by the Communist terrorist units, have also been decimated. Faced with these reverses, the CPM has done what every Communist party does in a similar situation, that is, revert to United Front methods of struggle in order to overcome its isolation and, in Communist parlance, “to return to the masses.”

For most of its history, the CPM has been essentially a Chinese-led and Chinese-based organization looking to the Communist Party of China (CCP) for inspiration, guidance, and support. It was strong enough to launch its armed struggle in 1948 because it was able to capitalize on the patriotic and anti-Japanese sentiments of a sizable section of the local Chinese population, who before and during World War II regarded themselves as overseas Chinese with strong emotional and physical ties to China. Again, soon after it had launched its second armed struggle in 1968, it continued to rely upon the communal sentiments of a section of the Chinese population and thus secured a large number of adherents to its cause.

In the period of build-up prior to the launching of the second armed struggle, there were a number of external factors which operated in the CPM's favor. The intensification of the Vietnam War and the strongly belligerent line adopted by China in its foreign policy, particularly during the period of the Cultural Revolution, provided the necessary stimulus to the party's aims. The growing successes of the Communist forces in Vietnam, coupled with Beijing's advocacy of a “people's war” for the non-Communist countries of Southeast Asia, led to armed struggles started not only by the CPM and the North Kalimantan Communist Party (NKCP) in Malaysia but also by the Communist Party of Thailand (CPT), as well as by the New People's Army of the Communist party of the Philippines.

Subsequent international developments, however, did not all work to the advantage of these insurgent movements. The victory for the Communist forces in Vietnam did not act as a spur to insurgent efforts in Thailand and Malaysia. Instead, the estrangement between Vietnam and China resulted in the CPT's losing its bases and sanctuaries in Laos. The CPM was deprived of the training facilities in Vietnam. Earlier, the failure of the Indonesian Communist Party (PKI) coup in Indonesia, followed by the ending of confrontation, deprived the NKCP of its facilities in the

Sarawak/Kalimantan border area and also deprived the CPM of the supporting role which the PKI could have played in winning Malay support for the CPM.

As China felt threatened by the Soviet-Vietnamese alliance, new instructions went out from the CCP to its subservient parties in the ASEAN states. The United States was no longer regarded as the chief implacable foe of Communist forces. Instead, Soviet social imperialism and Soviet-Vietnamese hegemonism were regarded as the chief threats to peace. These new instructions were reflected in the directives sent out by the CPT and the CPM, and they form the basis of the united front work undertaken by these two parties. The issuance of the new instructions from Beijing also coincided with the CPM's own reappraisal of the reverses suffered by its armed struggle. Obviously, the CPM could not continue to talk loudly about armed struggle and setting up a Communist republic when it was clearly evident to the public that its armed struggle had been crippled.

The Vietnamese invasion of Kampuchea and the subsequent threat to Thailand's security provided the CPM with a face-saving exit and enabled it to assume a mask of "patriotism" and "nationalism." It then began to proclaim that Soviet-Vietnamese hegemonism threatened the security of Thailand and its neighbor, Malaysia, and that it was the patriotic duty of everyone to rally round to defend the sovereignty and territorial integrity of the threatened countries. But in order to enable the so-called patriotic forces led by the CPM to perform their patriotic duty, it was necessary for the government to cease its "antidemocratic" actions against these patriotic forces.

The real aim of the CPM in agitating for the repeal of "antidemocratic" laws or the abandonment of "antidemocratic" measures is to secure the freedom to maneuver its cadres and sympathizers so that they can, under the guise of mobilizing the people to meet the Soviet-Vietnamese threat, carry out organizational work within non-Communist organizations and thus build up the strength of and support for the party. In short, the CPM's propaganda about the imminence of the Soviet-Vietnamese threat is only a red herring intended to fool the government and the people with regard to the covert and subversive nature of the activities which it actually proposes to carry out.

In the face of the obvious reversals and stalemate in the armed struggle program of the CPM in the peninsula, the party is currently shifting its emphasis to a subversive and united front campaign as a tactical expedient to overcome the setbacks suffered in recent years. This, however, does not distract it from its firm committal to armed struggle as the chief means of achieving power. It can be expected, therefore, that the United Front will gear itself to promoting the necessary conditions in the country for the armed struggle to play a more dominant role in the revolution at a later date when the situation is more favorable. There is, as yet, no indication that the united front has taken any positive steps to fulfill its tasks.

Whether the precedence of the united front over the armed struggle as seen in Malaysia today has been dictated by the damages caused to the armed struggle or is part of a common future strategy to be adopted by Communist parties in the Southeast Asian region is a matter for consideration.

## **Conclusion and Options Examined**

This final question remains: how should ASEAN maneuver itself amidst the complexities of the prevailing security situation arising from the Indochina problem? ASEAN must not rest on its laurels, basking in the confidence that ASEAN as a Southeast Asian system is strong enough to resist external power interference directly or indirectly or through subversion. The zone of peace concept is close to our hearts and is aimed at preventing the hegemonism of Moscow, Beijing, and Hanoi from turning Southeast Asia into an ideological arena or, worse, a battleground.

Beijing, Moscow, and, in particular, Hanoi should be persuaded that it would be in the interest of all concerned to live in peace and harmony with one another, despite differences in ideology and systems of government. This respect for each country's choice of way of life would entail upholding the principle of noninterference in each country's affairs.

As the instability of the Southeast Asian region is likely to continue in this decade, manifesting itself in security weaknesses, it is imperative in order to ensure continued peace, progress, and well-being in the eighties that the Southeast Asian countries think seriously of a realistic policy. Three possible options are advanced for consideration.

### ***Neutralization of Southeast Asia***

The Kuala Lumpur declaration of November 27, 1971, subscribed to by all ASEAN partners, called for the creation of a Zone of Peace, Freedom, and Neutrality in Southeast Asia, free from any form of interference by outside powers. The crux of the proposal is the commitment to refrain from involvement in major power conflicts and simultaneously to deny to the big powers opportunities to involve themselves in the political and military affairs of the region. It is almost a decade since this concept made its international debut. So far only China has given its support. The U.S.S.R. has been silent. If no further international guarantees are obtained, then the policy is a nonstarter. Neutrality must be accompanied by favorable political and military conditions, which certainly do not exist now and are not likely to exist in this decade in Southeast Asia. Under the circumstances, the proposal of neutralization will remain only as an article of faith rather than as a living policy for Malaysia and its other proponents unless it is fully supported by the superpowers. The Malaysian government is fully committed to the zone of peace concept.

### ***Self-Reliance—Large Conventional Force***

ASEAN governments have also entertained some thoughts on the idea of "self-reliance" in defense in order to fight their own wars. A question in this exercise is whether or not the countries can afford it in the short run without jeopardizing the competing claims of other government responsibilities, like social services and economic development. The problem of having a large force is that it never will be large enough. Each threat will demand new forms of response, and the momentum for expansion will be difficult to check. For these reasons it is difficult to create and maintain a self-reliant armed force.

### ***Regional Security Pact***

As has been alluded to earlier, the most likely threat to Southeast Asian security in the eighties will originate from the north, either from an externally supported Communist insurgency or from a direct attack by Vietnam. In both cases, Communist forces will be the enemies. They also bring with them the possibility of external intervention. A regional security alliance of ASEAN countries may seem to be an attractive proposition. At least the existing circumstances indicate that such a system may have some chance of success.

First, the common ground that unites ASEAN is its strong attitude against Communist ideology. Any attempt by the Communists to impose their ideology through the use of force will elicit strong resistance. However, such resistance will be successful only if ASEAN itself acts in unison militarily. If an ASEAN country tries to fight alone, it is bound to fail, particularly if the Communist threat is supported by an external power. The loss of any one ASEAN country may see the fall of others. Therefore, it is each member's obligation to fight for the common good. That Indonesia and Malaysia have indicated their willingness to support Thailand proves that there is already acceptance of this obligation. It is only a matter of expressing it on a more formal basis.

Second, ASEAN, since the Kampuchean crisis, has consistently shown a united political stand. But strong political unity alone cannot prove that ASEAN has the resolve unless it is backed by a credible strategic power. An ASEAN security pact will therefore provide a strong leg to support its political posture. The major obstacle to the formation of an ASEAN security system is purely an ideological one. Malaysia's stand up to now is that it is opposed to any ASEAN defense pact because it regards such a pact as jeopardizing the realization of the creation of the Zone of Peace, Freedom, and Neutrality in Southeast Asia.

## 2. Kampuchea and Laos— Critical Issues for ASEAN

Michael Leifer

Contention over Kampuchea (formerly Cambodia) has served as the catalytic element in a regional conflict that has encompassed Laos. The struggle over who is to rule in Phnom Penh is not just the expression of a fractured fraternal relationship between the Vietnamese and Kampuchean Communist parties but represents the central feature of a wider conflict over the balance—or, more accurately, distribution—of power in Indochina, which has its source in Sino-Vietnamese antagonisms. Indeed, the entangling nature of that conflict, distinguished by the attraction and engagement of external interests, has sustained a pattern that has been characteristic of mainland Southeast Asia since the end of the Pacific War.

Because the conflict over the political identity and external affiliations of Kampuchea involves a fundamental issue of principle, it is possible to draw a distinction between the circumstances of Kampuchea and those of Laos. Yet that issue of principle cannot be separated for practical political purposes from the issue of the appropriate or acceptable balance of power in Indochina and hence in Southeast Asia. Accordingly, any discussion of Laos becomes incorporated within a wider ambit. In addition, it should be understood that in considering the separate and related circumstances of Kampuchea and Laos, we deal with objects rather than with subjects of international relations. Their roles in regional conflict are those of battlegrounds rather than independent actors. To discuss the issues which have arisen in the course of contention over Kampuchea and Laos, one must deal primarily with the interests of those parties to that contention which possess the capability to shape its outcome.

As indicated, two related issues were raised by the onset of a conflict which assumed critical form with the Vietnamese invasion of Kampuchea and the consequent installation in Phnom Penh of a client government conveyed there in the baggage train of the occupying army. The first issue—which does not apply to Laos—is one of principle. It arises from the mode of assumption of office by the People's Revolutionary Council established in Phnom Penh on January 8, 1979. Governments opposed to such acquisition of office have argued that through its invasion across an international boundary and by overthrowing an incumbent administration and replacing it with one of its own making, Vietnam violated the cardinal rule of the international system. Repugnance at the bestial nature of the ousted Pol Pot regime was set aside in the concern expressed over Vietnam's action because of a well-founded conviction that the Politburo in Hanoi had not been motivated by humanitarian considerations. That concern was reinforced by the

significance attributed to the treaty relationship between Hanoi and Moscow.

Among regional governments most disturbed by Vietnam's occupation of Kampuchea, those of ASEAN expressed a common public response impelled by the imperative of intramural solidarity and by an appreciation of the implications of allowing Vietnam's military action to go unchallenged. Its invasion of Kampuchea has infringed the fundamental canons of regional order embodied in the Treaty of Amity and Friendship concluded between the governments of ASEAN in February 1976. Their position has been reiterated on many occasions and was well expressed by Carlos Romulo, the Philippine foreign minister, who pointed out: "ASEAN cannot build regional stability and peace based on an acceptance of the violation of principles, which, in its perception form the only bases for a system of sound, orderly, and peaceful relations among the member states of the international community."<sup>1</sup>

It has been on the basis of canvassing successfully for the defense of a principle which underpins the fragile integrity of many postcolonial states that ASEAN governments have secured a strong measure of international endorsement of their common position. In order to uphold that position, the five governments have continued to accord recognition to the ousted government of democratic Kampuchea and have refused to recognize the Vietnamese-installed government of the People's Republic of Kampuchea. To the extent that the governments of ASEAN have forged a consensus on Kampuchea over the issue of principle, they are committed to securing a political settlement that acknowledges its violation and contains sufficient measure of redress to uphold it. As Indonesia's Jusuf Wanandi, has argued: "ASEAN cannot legitimize Vietnam's violation of Kampuchea's sovereignty and integrity, however tempting this course of action may be."<sup>2</sup>

Commitment to an issue of principle in politics makes for special difficulty in promoting a political settlement. In the case of Kampuchea, Vietnam has not shown any willingness to accept that it has been guilty of a violation of principle. On the contrary, its government represents its intervention as an act of international public service, which is not entirely incorrect. In addition, it maintains that the Kampuchean situation is absolutely irreversible. Indeed, it has charged that the convening of an international conference on Kampuchea in July 1981 under the terms of a U.N. General Assembly resolution constituted a gross violation of the independence and sovereignty of the People's Republic of Kampuchea.

Vietnam's refusal to concede the issue of principle over Kampuchea arises from its government's conception of and insistence on the appropriate balance of power in Indochina. Unless subjected to force majeure or faced with virtual economic collapse, its government would not seem disposed to concede a principle that would entail an unacceptable measure of revision of the status quo established by force of arms from January 1979. Accordingly, we are obliged to join the second issue to our

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1. He spoke on March 25, 1981, in his capacity as chairman of ASEAN's Standing Committee.

2. Jusuf Wanandi, head of Jakarta's Centre for Strategic and International Studies, *Far Eastern Economic Review*, May 15-21, 1981.

discussion of the first and to incorporate consideration of Laos, where the transfer of power in 1975 was not the subject of international dispute. The second issue is whether or not Indochina should be subject to a pattern of political conformity governed exclusively by Vietnamese interests and priorities. Such a pattern would confirm the position of Vietnam as the dominant power in the peninsula.

Perhaps the most significant feature of the conflict that pivots on Kampuchea and affects Laos is that it has reopened the question of what should be the appropriate pattern of political identities and corresponding external affiliations in the whole of Indochina. At the end of the Second Indochina War, the political identities of Kampuchea and Laos (as well as South Vietnam) were transformed through the successes of revolutionary communism. Against some expectations, a uniform pattern indicative of a monolithic Indochinese communism did not emerge. A cooperative association between a united assertive Vietnam and a compliant Laos stood in contrast to the less than harmonious association between an obdurately independent Kampuchea and a Vietnam evidently frustrated in forging a complementary special relationship.

Apart from the Politburo in Hanoi, which contemplated Kampuchea as an integral part of a security zone that required a friendly government at the very least, the pattern of political nonconformity in Indochina evident even before the end of 1975 was tolerable to those regional and extraregional states most concerned with the condition of the local balance. Indeed, the political independence of Kampuchea was welcomed not only by the governments of Thailand and China but also by regional governments which did not perceive Vietnam as their principal source of external threat. Such independence expressed in distance from Vietnam made more acceptable the nature of political change in Laos, whose Communist movement has been continuously a subordinate wing of its Vietnamese counterpart from its advent in the interregnum at the end of the Japanese occupation.

In the case of Laos, the relationship of dominance and dependence between Hanoi and Vientiane appeared inevitable in the absence of any credible internal opposition, which with external support might pose a challenge to the ruling People's Revolutionary party. There was no practical alternative but acquiescence for those governments most disturbed by the nature of political change in Laos, especially for that in Thailand, which resented the termination of monarchy in Luang Prabang. Nonetheless, the political identity of Laos was made somewhat tolerable by its initial quasi-neutrality in Sino-Vietnamese relations, which had begun to deteriorate visibly with the onset of Sino-American rapprochement. The special position established by Vietnam in Laos, which was expressed in treaty form in July 1977, did not interpose totally between the new rulers in Vientiane and the government in Beijing, at least at the outset. Thus, although the Laotian government articulated initially a common hostility with its counterpart in Hanoi toward ASEAN and its regional priorities, it appeared to make a considered attempt to contain friction with China, attendant on the conspicuous deterioration of Sino-Vietnamese relations during the course of 1978.

Whether this policy was inspired by Vietnam for practical reasons or was solely the outcome of internal differences within the Laotian Politburo, the government

of Laos did not display an unequivocal antagonism toward China until its military act of punishment against Vietnam was well under way in March 1979. Correspondingly, as Sino-Vietnamese relations moved toward and passed the breaking point over Kampuchea, the government of Beijing appeared to go out of its way to make a distinction between the administration in Hanoi and that in Vientiane until the latter became explicit in its condemnation of China and also suspended the latter's road-building program.

The secondary significance of Laos, arising in part from its geographic situation, was evident also from the attitude of the Thai government, for whom the Vietnamese invasion of Kampuchea represented a violation of strategic environment. Ideally, the Thai government would have preferred a different kind of administration in Vientiane but was obliged to come to terms with it as a political *fait accompli*. If bilateral relations were strained by the international outlook of Prime Minister Thanin Kraivichien, they were placed progressively on a more cordial footing after General Kriangsak Chamanan assumed power in October 1977. Indeed, shortly after the Vietnamese invasion of Kampuchea and only three days before the fall of Phnom Penh, the Thai prime minister was in the Laotian capital, where he concluded a nonaggression-cum-nonsubversion agreement.

It has been pointed out that Lao policy toward Thailand during 1978 was not out of line with that of Vietnam and that in respect of General Kriangsak's visit, "it was certainly in the interests of Vietnam to distract Thai attention from, and to calm any Thai fears raised by, Hanoi's invasion of Kampuchea."<sup>3</sup> Although it would be a gross exaggeration to suggest that the Thai government had its attention distracted from the dramatic events in Kampuchea by the inspired benign attitude of the Lao government, a *modus vivendi* was established and sustained for eighteen months until an armed clash on the Mekong River in June 1980 assumed major significance in the light of a subsequent Vietnamese military incursion into Thailand from Kampuchea. From the following month, Chinese sources began to report resistance activities within Laos beginning with mention of a Lao National Liberation Front. Whether by coincidence or not, from that juncture Laos was drawn more directly into regional conflict, with China beginning to play the Laotian card against a Vietnam committed militarily along its northern border and in Kampuchea and facing increasing domestic economic and administrative difficulties. In other words, Laos became an additional pressure point in an extensive strategy of attrition designed to strain the resources and influence the political will of the Vietnamese government. If a secondary theater of regional conflict in which externally supported internal challenge has been less than critical so far, Laos has been joined to the primary theater in Kampuchea, which is pivotal in the struggle over the balance of power in Indochina.

In Kampuchea, the direct military struggle is between the insurgent Khmer Rouge whose armed strength in the middle of 1981 has been estimated at between

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3. Martin Stuart-Fox, "Laos: The Vietnamese Connection," *Southeast Asian Affairs*, Institute of Southeast Asian Studies (Heinemann Asia), (Singapore, 1980), p. 203.

30,000–40,000 with a population base of around 100,000<sup>4</sup> and a Vietnamese expeditionary force of some 200,000 stiffened by local recruits serving the administration in Phnom Penh. Despite a demonstration of an increasing ability to harass the Vietnamese, the Khmer Rouge do not threaten their position as an occupying force. Nonetheless, they have been able to sustain a physical conflict, which the Politburo in Hanoi almost certainly did not anticipate would assume such protracted form. Despite the element of stalemate, there would not appear to be any apparent short-term prospect of compromise of a practical kind between the contending forces. The Vietnamese invaded Kampuchea in order to overthrow and replace a regime regarded as intolerable in terms of its political outlook, military conduct, and external affiliations. It is the guerrilla remnant of that regime which represents the principal internal obstacle to the consolidation of its client government in Phnom Penh. It is also the only credible political alternative; other resistance groups do not command the military capability and organization, which is the greatest asset of the Khmer Rouge. In the circumstances, the Vietnamese government faces a stark set of alternatives. It can either sustain its military expedition in Kampuchea despite the variety of costs involved or contemplate the return to power of the very regime ousted in January 1979, now even more embittered in attitude toward Vietnam and even more entrenched in association with China, which is perceived as determined to put it in its place.

In one sense, the issue raised for Vietnam by the conflict over Kampuchea is quite simple. Strategic imperative requires that Kampuchea be incorporated within a special relationship complementary to that established with Laos. The only acceptable political format is that which comprises a compliant government that will conduct itself virtually as a provincial administration. For the time being, the Vietnamese are not willing to contemplate a compromise arrangement, which might meet a minimal priority of precluding the establishment of a hostile government in Phnom Penh. The nominal alternatives to the Khmer Rouge are not regarded as reliable components to be included within a coalition. The Khmer People's National Liberation Front led by Son Sann and the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia led by Prince Sihanouk have been viewed with suspicion as instruments of a hostile Western purpose, especially since their engagement in negotiations with the Khmer Rouge from September 1981.

In addition, the idea of a coalition has never been conceived of by the Vietnamese Communists as a solution in itself to a political conflict. It has been contemplated only as a stage along a path to a solution, in which the unwavering object has been the exercise of total power. Furthermore, any political settlement based on a compromise arrangement over Kampuchea contingent on a Vietnamese military withdrawal could not be established on the basis of trust and would require a system of guarantees, which is easier to advocate than to set up. From the perspective of the Vietnamese government given its priorities, the eternal question of who will guarantee the guarantees is unanswerable. In consequence, despite the prospect of

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4. Agence-France Press, July 8, 1981, in *BBC Summary of World Broadcasts* FE/6771/A3/5.

facing the perpetual unrelenting hostility of China, the Politburo in Hanoi remains determined to effect a resolution of the conflict by the application of military means in Kampuchea, at least as long as the Soviet Union is willing and able to sustain the Vietnamese war effort and to aid its ailing economy.

Vietnam's adamant refusal to concede the issue of principle, in the interests of its unilateral revision of the balance of power in Indochina, has posed a fundamental problem for the governments of ASEAN. As a diplomatic community, ASEAN has enjoyed conspicuous success in denying political fulfillment to Vietnam in Kampuchea without being able to command and deploy military capability to uphold the principle, which serves as a fulcrum for the association's consensus. Diplomatic effort on its own has not been sufficient to reverse the course of Vietnamese policy, exemplified by the boycott and outcome of the international conference on Kampuchea in July 1981. Indeed, the strategy of attrition designed to impose breaking strain on Vietnam as a government and as a society has been inspired, above all, by Chinese policy and priorities, a matter of concern for all ASEAN governments. None of the governments of ASEAN wishes to see Vietnamese dominance in Indochina replaced by Chinese dominance in that peninsula. And although dominance by either Vietnam or China would be objectionable to some ASEAN governments, others would regard dominance by the former as tolerable if exercised within certain constraints and free of dependence on the Soviet Union. Nonetheless, if the ASEAN states are not of one mind on the issue of the appropriate balance of power in Indochina, they share a common interest, namely, that China should not become the beneficiary of a failure by Vietnam to impose its will in Kampuchea.

The difference in priorities between the ASEAN states, on the one hand, and China, on the other, was demonstrated during the international conference on Kampuchea held under U.N. auspices. Despite the fact that the conference could not provide an occasion for practical negotiation because of the boycott by Vietnam and its supporters, the ASEAN governments wished to promote a proposal for a comprehensive political settlement designed to cater for legitimate Vietnamese concerns about the political identity of any successor government in Phnom Penh. To this end, an attempt was made to secure endorsement by the conference that all Khmer factions be disarmed immediately after the completion of the withdrawal of all foreign—that is, Vietnamese—forces from Kampuchea. Complementary to this was a suggestion that an interim administration be set up before the holding of free general elections under U.N. supervision. The point of the exercise was to offer some reassurance to the Vietnamese government that participation in a political settlement over Kampuchea would not mean the resumption of power by the Khmer Rouge.

These proposals were rejected by the Chinese government ostensibly on the ground that they constituted interference in Kampuchea's internal affairs. It was argued that "the approach also confounds the forces of justice and those of reaction, putting on a par the resistance forces against Vietnamese aggression and the forces of the Heng Samrin regime, the pawn of that aggression." More to the point, it was maintained that "the democratic Kampuchean government has expressed in its political program willingness to hold a free election 'without threat

from any armed forces or other forces.' This means that if there's no threat from any other armed forces than that led by the Kampuchean government, the proposed election will be a free one.'<sup>5</sup> Such logic, if not unfamiliar to the Politburo in Hanoi, was not reassuring. In any event, ASEAN's proposals did not find a place in the declaration of the conference. In their place was included a bland provision for "appropriate arrangements to ensure that armed Khmer factions will not be able to prevent or disrupt the holding of free elections."

The issue of the resumption of power by the Khmer Rouge separates China from the states of ASEAN despite their common opposition to the Vietnamese military occupation of Kampuchea. In addition, the ASEAN states are concerned lest the expression of that common opposition drive an already debilitated if stoic Vietnam into a blind alley. Two objectionable outcomes are contemplated: either the subjection of Vietnam to the dominance of China or the maintenance of Vietnam's position in Indochina through the medium of an undue dependence on the Soviet Union entrenched in its operational use of military facilities.

The problem for ASEAN as a corporate entity is more complicated because of internal differences of strategic perspective. Thus, although Thailand shares the general view about the undesirability of Chinese dominance in Indochina, its government has to cope with the more immediate and acute problem of denying Vietnamese dominance. For this reason, Thailand has been an active party to a strategy of attrition designed to reverse the course of Vietnamese policy in Kampuchea. This strategy has been encouraged by a conviction about the nature of Vietnamese communism and what is required to induce compromise. Added to that is probably a measure of skepticism about the likelihood of the Vietnamese leadership permitting the course of conflict to undermine the viability of their state. In other words, if, as some ASEAN governments maintain, the Vietnamese are more nationalist than Communist, their leadership should possess a sufficiently well-developed sense of interest to know when to compromise over Kampuchea in face of the prospect of subjection to China or total dependence on the Soviet Union.

Thailand has been a principal party to the strategy of attrition in an attempt to restore an interposing buffer between itself and an historical enemy. Foreign Minister Siddhi Sawetsila has made explicit the view that "at the root of the Indochina problem today is the issue of power balance."<sup>6</sup> Thailand has been able to refuse to accept the *fait accompli* imposed by Vietnamese force of arms because the balance of strategic and tactical advantage has been judged to be in its favor. The principal strategic factor is the geopolitical relationship between China and Vietnam, which expresses a traditional antagonism reinforced and made acute because of the nature of Sino-Soviet relationships. Decisive in the position of Thailand has been the adamant refusal of the Chinese government to become reconciled to the transfer of power in Kampuchea. It has been encouraged further in this position by the

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5. *New China News Agency*, July 16, 1981.

6. Khien Theeravit and MacAlister Brown, eds., *Indochina and Problems of Security and Stability in Southeast Asia* (Bangkok: Chulalongkorn University Press, 1981), p. vi.

progressive convergence of Sino-American global interests, whose regional expression in Southeast Asia is based on a shared hostility to the Soviet Union. Evidence of the extent of that convergence in respect to Indochina was demonstrated by the attitudes adopted by U.S. Secretary of State Alexander Haig (and his Republican party) during his tour of East Asia in June 1981 and by his speech before the international conference on Kampuchea the following month.

Access to sources of countervailing power, including the availability of an effective military instrument through which to challenge the Vietnamese in Kampuchea and the flow of arms from the United States, has enabled the practice of a flawed neutrality. Formal noninvolvement in conflict within Kampuchea has been married with provision for sanctuary and material support for the Khmer Rouge across a porous border, which the Vietnamese cannot control. This policy is not without risks, as some of Thailand's regional partners have pointed out. And yet there has not been any compelling reason to alter course because the costs of engaging in the strategy of attrition have been readily acceptable. Above all, the Vietnamese army deployed in western Kampuchea has not been able to impose a penal price on Thailand in return for its practice of flawed neutrality. For example, its military incursion in June 1980 in response to so-called "voluntary repatriation" of Khmer refugees was of very limited effect, although its timing just prior to the meeting of ASEAN foreign ministers in Kuala Lumpur was inept.

One possible way in which an aggrieved Vietnam could attempt to put up the price of Thai policy would be to launch a major cross-border, armed penetration from Kampuchea designed to confront and humiliate a reputable Thai military formation. The object of the exercise would be to inspire a change of political leadership and course in Bangkok by demonstrating that accommodation to the transfer of power in Kampuchea represented the only practical course. However, the Vietnamese have not indicated that they possess the capability to embark on such an expedition. Their military resources are stretched because of the pressures imposed by China, which has long held out the prospect of engaging in a second "act of punishment." In addition, the Thai military reinforced by arms transfers from the United States has become more confident of coping unaided with any Vietnamese cross-border intimidation, and there is always the prospect of recourse to American air strike power.

A strong sense of the acceptability of costs has encouraged the government of Thailand to engage in a strategy of attrition designed to affect the political will of a Vietnamese Communist leadership, who are presumed to respect only strength when negotiating. This strategy is attractive because of the limited price entailed in seeking to repair the security environment of the Thai state.

Yet that strategy is possible primarily because the government of China has set its face against a Vietnamese-imposed pattern of political conformity in Indochina. In consequence, Thailand has become a party to a Chinese-inspired strategy that possesses an efficacy which cannot be matched by the diplomatic endeavors of ASEAN even though they contribute to the international isolation of Vietnam. This de facto alliance is a source of tension within ASEAN in terms of worst-possible-case

consequences of the strategy of attrition, even though any measure of collective accommodation by the association toward Vietnam would not reconcile China to the transfer of power in Kampuchea.

In the conflict over Kampuchea and Laos, ASEAN has become engaged as a corporate entity in a diplomatic role which is subject to evident limitations. Consensus within ASEAN, which has sustained that engagement, has been based on an issue of principle and on deference to the security interests of Thailand as the front-line state in an association which all of its members value as a viable instrument of intergovernmental and interbureaucratic consultation. The conflict over the pattern of political conformity in Indochina has strained that consensus because of differing interpretations within ASEAN of the appropriate balance of power in Indochina and more immediately by adverse views of the utility of undertaking a strategy of attrition against Vietnam whose leading exponent and likely beneficiary is China.

In their joint engagement in the most recent phase of conflict in Indochina, the ASEAN states are beset by a paradox. They have forged a consensus in great part over an issue of principle in the pivotal case of Kampuchea. Yet, among themselves, they do not dispose of requisite capability to deny Vietnam's political purpose in Kampuchea and so uphold the principle on which consensus is based. Ironically, both the denial of Vietnamese dominance and the upholding of principle have been the consequence of the engagement of external interests, above all, those of China. Indeed, without that engagement, it is most likely that the issue of principle associated with the conflict which pivots on Kampuchea would have been relegated to the waste bin of history. And yet that competitive engagement of Chinese interests that enables ASEAN to sustain consensus over an issue of principle has been a major source of strain within the association because of evident differences of priority in assessing the prime source of external threat.

Furthermore, the problem of reconciling differences and overcoming strains within ASEAN is made acute because the interlocking pattern of conflict in Kampuchea in particular makes the early prospect of a political settlement most unlikely. An ideal settlement would take the form of the reconstitution of the government of Kampuchea in such a manner that it would be acceptable both to Vietnam and China, whose mutual antagonism and mistrust serve as the engine of the Third Indochina War. Yet despite the continued bloodletting and material costs of that war, the internal parties to it and their external patrons have continued to envisage a positive relationship between the application of military means and the attainment of political goals and refuse to contemplate a settlement except on their own maximalist terms.

In any conflict expressed in military confrontation, a diplomatic movement toward political settlement may be expected to come about in the event of one of two sets of circumstances. Obviously, if one side prevails conclusively in battle, then a political settlement may be imposed even if undertaken through negotiations. A corresponding, if not exact, situation obtained in the case of the First Indochina War with a settlement reached at the Geneva conference in July 1954. Alternatively, if a

military stalemate persists and imposes unacceptable costs on one or other warring parties, then an incentive for a political settlement arises. Such a situation served as the context for the Paris Peace Agreements of January 1973 whereby the United States negotiated its exit from the Second Indochina War. Neither of these two sets of circumstances would seem to apply to the Third Indochina War, which centers on Kampuchea and which has encompassed Laos. The prospect of a solution to the conflict would seem to depend on a prior decisive change in the balance of contending forces within Kampuchea. Until such a prospect arises, ASEAN will be obliged to cope with the paradox of its position, whereby a consensus over principle is sustained by external intervention, which in turn serves to test the cohesion of the association.

### 3. Political Developments in the Philippines: Short-Term Stability, Long-Term Risks

Lela G. Noble

Two articles on recent political developments in Indonesia—one by Ben Anderson in the *Southeast Asia Chronicle* and another by Ulf Sundhaussen in *Asian Survey*—suggest that policies which have had the short-term effect of stabilizing the Suharto regime may in the long term be counterproductive to Indonesian political stability.<sup>1</sup> The data from which Anderson and Sundhaussen derive their conclusions are controversial. Moreover, whether or not their conclusions are valid for Indonesia, they are—when expressed in general terms—not new as a comment about other regimes and do not necessarily justify condemnation of those regimes. Political leaders understandably focus on their short-term interests because, as other writers have reminded us, in the long term they are even more likely to be dead than the rest of us.

Nevertheless, Anderson and Sundhaussen do pose a possible cause for concern about Indonesian policies, a concern which seems justified also by recent political developments in the Philippines. Let me pose it as a question: to what extent are policies which have the short-run effect of stabilizing the Marcos regime conducive to or counterproductive of long-term political stability in the Philippines?

I should tell you at the outset that I have no final conclusion. I do, however, have an opinion that contrasts with one I gave over a year ago when someone associated with the New York market research firm of Frost and Sullivan was collecting educated guesses about the prospects of the Marcos regime. The result of their efforts at political-risk forecasting was a prediction of a 35 percent chance of regime change in the next eighteen months.<sup>2</sup> The 35 percent figure was much too high. There was no regime change by Christmas 1981, and I would not expect one by the end of 1983. And 1985 seems a long time away—long enough for anything to happen.

#### Short-Term Stability

Three things have been conducive to short-term political stabilization: preemptive moves taken by Marcos, changes in the U.S. administration, and the continued disarray of the opposition. They should be discussed separately as background for further speculation about the regime's long-term prospects.

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1. Ben Anderson, "Last Days of Indonesia's Suharto?" *Southeast Asia Chronicle*, no. 63, July-Aug. 1978, pp. 2-17; and Ulf Sundhaussen, "Regime Crisis in Indonesia: Facts, Fictions, Predictions," 21 (August 1981): 815-37.

2. For a summary of the July 1980 "World Political Risk Forecast" on the Philippines, see *Christian Science Monitor*, Sept. 18, 1980. Neither the end of martial law nor the inauguration of Marcos as President of the "New Republic" would seem to constitute "regime change," as defined by the survey instrument.

### *Preemptive Moves*

On January 17, 1981, President Marcos announced the ending of eight years of martial law. The right of habeas corpus was restored, except in two regions in Mindanao; military trials and military detention of civilian offenders were phased out; some prisoners were released; and legislative powers were formally transferred to the Interim National Assembly. Marcos retained, however, the right to issue decrees, and all decrees issued under martial law remained in effect.<sup>3</sup>

The timing of the announcement seemed significant—three days before President Reagan’s inauguration and exactly a month before Pope John Paul II’s visit to the Philippines. Twelve days later Marcos made another announcement: because of popular dissatisfaction with the parliamentary system adopted in the 1973 constitution, the Assembly would be asked to consider constitutional amendments that would establish a French-style presidential-parliamentary system.

The Assembly ratified the amendments, as expected (169 of 185 members belong to Marcos’s New Society Party—KBL); the national electorate also gave their approval in a plebiscite in April. Then Marcos scheduled a presidential election for June 16, 1981. Having won that, he approved KBL’s suggestion for prime minister, Cesar Virata, a respected “technocrat” with no independent political base; consolidated his cabinet; and named Generals Fabian Ver and Fidel Ramos to head the armed forces as chief and vice-chief, respectively. General Ver had headed the Presidential Security Command and the National Intelligence and Security Agency; General Ramos had been the Constabulary and Police commander. Although sometimes regarded as rivals, both Ver and Ramos are Ilocano and related to Marcos. The “New Republic” was under way.

### *U.S. Policy*

The shift in U.S. policy, following the change of administration in Washington in 1980, was indicated by comments made by Secretary of State Alexander Haig and Vice-President George Bush after the Philippine election in June. Haig, in Manila for an ASEAN meeting, congratulated Marcos for a “wonderful victory.”<sup>4</sup> Bush, in Manila for the inauguration, said: “We love your adherence to democratic principles and democratic processes.”<sup>5</sup> Subsequent reports indicate that Marcos has been invited for a state visit to the United States in 1982. Other news stories suggest that the Reagan administration will be more sympathetic to Philippine requests for military aid, particularly during renegotiations of the U.S.-Philippine bases agreement.

The Carter administration’s emphasis on human rights, reinforced by congressional critics of the martial law regime, had undoubtedly been significant in holding down the level of U.S. military aid, though both American and Filipino critics had argued for even greater cuts. The human rights emphasis had also been considered

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3. For a fuller account, see the Jan. 23 and 30 issues of the *Far Eastern Economic Review* (hereafter cited as *FEER*), and Carl R. Landé, “Philippine Prospects Under Martial Law,” paper presented at the Second International Philippine Studies Conference, June 27-30, 1981, and published in *Foreign Affairs*, Summer 1981.

4. *FEER*, June 26, 1981, p. 17.

5. *FEER*, July 10, 1981, p. 13.

influential in the Marcos regime's decision to release some political prisoners and to liberalize some of its policies. The Carter administration, like other administrations since the declaration of martial law in 1972, had not been willing to arrange a state visit for Marcos. The change in policies, then, was abrupt, and from Marcos's perspective reassuring.

### *The Disarray of the Opposition*

The Philippine opposition can, for analytical purposes, be divided into six groupings: the premartial law political elite; the "Third Force"; the Communist party of the Philippines; the Catholic church; students, workers, and urban squatters; and Muslim insurgents.<sup>6</sup>

This list suggests some of the reasons for their disarray. The groups are divided by personal ambitions and loyalties, political base, ideology, and tactics. Although they have coalesced on certain issues—most of the opposition groups agreed to boycott the June 1981 elections, for example—their unity is superficial and negative: they are opposed to Marcos.

Since mid-1980, most of the premartial law politicians opposed to Marcos have been affiliated with the United Democratic Opposition (UNIDO). Favoring an end to martial law on terms providing for a restoration of full democratic rights, they opposed the plebiscite in April, refused to nominate a candidate to run against Marcos in the presidential poll, and urged a boycott of the election. They have had limited success. The national vote on the constitutional amendments (which included provisions granting presidents and those acting on presidential orders immunity from suits for their official acts during or after their terms of office, and setting the minimum age for presidential candidates at fifty) yielded an 80 percent majority. Yet in particular areas where component units of UNIDO were strong—Mindanao, Cebu, the Bicol area—"no" votes constituted a majority or a significant minority. The Commission on Elections reported that of the 14,000 voters who failed to vote, about 11,000 were from Makati—a wealthy suburb of Manila.<sup>7</sup>

The decision to boycott the election was made because UNIDO members did not believe that Marcos would meet their conditions for participation: revamping the Commission on Elections, purging the voters' lists of names of dead and unqualified people, extending the campaign period for 120 days, and accrediting UNIDO as the minority party. Their tactic meant that Marcos won a new six-year term with a resounding 88 percent majority—against someone from a faction of his old Nacionalists party, whom he had allegedly persuaded to run, and another candidate urging that the Philippines join the United States as the fifty-first state. Official (and contested) figures claimed a voting rate of 80 percent.

The boycott suggested that the traditional opposition no longer believed that adhering to constitutional processes would allow them to participate effectively in shaping or changing national policies. That conclusion had been reached earlier by

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6. Larry Niksch and Marjorie Niehaus, *The Internal Situation in the Philippines: Current Trends and Future Prospects*, Congressional Research Service, Library of Congress, Jan. 20, 1981, p. CRS-X. Their list also includes the armed forces as a potential source of opposition.

7. *FEER*, July 31, 1981, p. 79.

members of the “Third Force,” which the Congressional Research Services’ report on the Philippines describes as a “movement of affluent, urban non-Communists organized with the objective of ending the martial law system.”<sup>8</sup> Characterized by their willingness to use violence, they are divided into at least three groups, which may or may not have links to U.S.-based exiles. The “Light a Fire” movement was a Manila-based group led by a prominent business man, Eduardo Olaguer; it was implicated in an anti-Marcos plot uncovered in late 1979. The United Party of Democratic Socialists of the Philippines (“Soc Dems”) has a military arm, which seems to refer to itself variously as the “Sandigan” or the “April 6 Liberation Movement.” They claimed responsibility for the wave of bombings in Manila in August-October 1980 and are reportedly also active in the Davao area. Their relationship to a third group, the Christian Social Revolutionary Forces, is not clear.

The Communist Party of the Philippines (CPP) shares with the Third Force a conviction that the use of violence is necessary if the Marcos regime is to be replaced but bases its strategy on a combination of a “people’s war” in rural areas and the formation of a national united front and defines its goal as a revolution leading to the formation of a radical, Communist society. Estimates of the strength of the New People’s Army—the party’s military wing—vary: the NPA claims an armed strength of 10,000, of whom 2,500 are “hard-core regulars”; Defense Secretary Juan Ponce Enrile says there are approximately 3,600 armed rebels, with about 50,000 unarmed sympathizers; U.S. Embassy numbers are lower still.<sup>9</sup> The NPA, however, has not only survived but grown since the arrests of its leaders in the early years of the martial law regime and has spread north and south from its original areas of strength in central and southern Luzon. Government moves to counter this spread have been both direct (the augmentation of Civilian Home Defense Forces and the transfer to regular army units) and indirect (economic development policies and allegedly also the support of such anti-Communist groups as the Rural Reformist Movement and the Rock Christ sect). The resulting confrontations have created a kind of reign of terror, particularly on Samar and in areas of Mindanao.

In addition to military operations, the Communist party has been involved in various kinds of political action. Land tenure and poverty seem to have been the primary focus in rural areas. In cities and towns, National Democratic Front affiliates—at least some of which are allegedly controlled by the CPP—direct their attention to urban problems like inflation, the ban on strikes, and low wages.

The position of the Catholic church in regard to the regime has been characterized by Cardinal Jaime Sin’s policy of “critical collaboration.” The balance between criticism and collaboration has, however, varied among Catholic groups from issue to issue and over time. Because of deteriorating living conditions among sectors of the population, continuing abuses of human rights, and the lack or inadequacy of regular channels for obtaining representation or redress, the trend of opinion among the Catholic leadership seems to be toward increased criticism. Nevertheless, there is continued opposition to the use of violence to overthrow the

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8. Nicksch and Niehaus, *Internal Situation*, p. CRS-73.

9. *FEER*, Aug. 21, 1981, p. 22.

regime, and those Catholics who see no alternative to armed resistance remain a small, though perhaps growing, minority, divided between Third Force and National Democratic Front affiliations.

Students, workers, and urban squatters have been significant because of their concentration in the Manila area and because of their willingness to demonstrate to protest particular grievances. Thus far, there has been little evidence of sustained political organization and activity either within or among groups. Still the potential for mobilization remains high and could be encouraged by declining real wages, increased unemployment, nonimplementation of agreements, or repression. The Ministry of Labor reported a total of 138 strikes in the period between January 17 and May 28, 1981; it also revealed that of 358 firms it inspected in 1980, 93 percent were found to be violating labor laws.<sup>10</sup> The connection between the two statistics is obviously not coincidental.

Finally, Muslim insurgents continue their operations in provinces in central and western Mindanao, Basilan, and the Sulu Archipelago. For several reasons their numbers are down markedly from the early years of the martial law regime (from approximately 30,000 armed men to somewhere between 15,000 and 20,000): governmental incentives to surrender, a decrease in external support, battlefield fatigue, shifts in tactics. The scope and intensity of the fighting have decreased correspondingly. Yet the government has not succeeded in bringing peace to the area. Muslims remain generally disaffected from the regime, even when they accept its bounties. In many areas fissures among Muslims and between Muslims and Christians have deepened, sometimes as a direct result of government policies. Because of defections of some groups and realignments among others, those still "in the field" seem more unified under the leadership of the Moro National Liberation Front and its chairman, Nur Misuari, than they have been at other periods, though some remain unaffiliated and undisciplined. The MNLF maintains the support of the Islamic Conference. Perhaps of more importance, it seems to have growing contacts with representatives of other Philippine opposition groups.

It remains true, however, that the opposition to Marcos is divided, and the division contributes in the short term to the stability of the regime.

### **Long-Term Risks**

If the regime has—through its own efforts, the support of the Reagan administration, and the disarray of its opponents—stabilized now, the question of its continuing stability must still be dealt with. Three kinds of possibilities seem conceivable after 1984, none of them having appropriately Orwellian characteristics. The current regime may continue with essentially the same power base and policies, though Marcos might be replaced by technocratic and/or military leadership. The opposition may coalesce around a nationalist revolutionary strategy, which would result in widespread fighting. The country may simply dissolve into chaos as the regime becomes increasingly ineffectual and a variety of opposition groups vie for ascendancy.

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10. *FEER*, June 5, 1981, pp. 64-65.

### ***A Continuation of the Current Regime***

Since the beginning of martial law in 1972, decision making in Manila has been dominated by President and Mrs. Marcos's family and friends and by a group of planners and negotiators identified as "technocrats," though disagreements among them have allowed "outside" individuals or interest groups to exert significant influence on particular issues.<sup>11</sup> Outside of Manila, the military and vestiges of the old clientelist networks have been predominant. These groups are the constituent elements of KBL, the "New Society Party," which in turn provides the personnel for a hierarchy of "representative" bodies. The structure of government has changed frequently through presidential decrees, assembly actions, or plebiscites; the changes, however, have had little effect on the distribution of power.

Economic policies also have remained essentially the same, though emphases have changed. In the early years of martial law, agrarian reform was a much publicized program. Attention subsequently shifted to export-oriented projects with a high component of foreign aid and/or investment and to the development of alternative sources of energy. Since the advent of the "New Republic" in 1981, Marcos has promoted a "national livelihood and progress movement" with the goal of improving income distribution. Government involvement in the economy has increased throughout the period; agricultural and industrial production has also increased; foreign aid and investments continue to flow.

It is possible, then, that the preemptive strategies thus far used so successfully will continue to work. Changes in political structures and policy emphases will satisfy the "public" and/or neutralize the opposition; economic development and foreign subsidies will support the system. The system may even be sufficiently established to survive Marcos's death; a technocrat or, probably more likely, a military figure could simply replace him. Imelda Marcos seems an unlikely successor: she has offended too many people, for too many reasons.

### ***Nationalist Revolution***

It is also possible, as a recent cover story in the *Far Eastern Economic Review* argued, that a "drift to the Left" is underway.<sup>12</sup> Marcos's moderate opponents, according to the argument, are losing credibility "because of their inability to rally anti-Marcos forces to beat the sixty-three-year-old president at his own game." Marcos has ensconced himself in power through manipulating both constitutional and electoral machinery. He now has the full support of the U.S. government. The traditional opposition lacks young leaders and grass-roots support.

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11. A controversy over government policy toward the coconut industry has been suggested as indicative of growing "pluralism." Accounts of the controversy, which was most intense during the last quarter of 1981, seem, however, to substantiate the dominance of decision making by those listed. Differences of opinion among family and friends of the Marcoses and between some of them and Prime Minister Virata were certainly intense and unusually public, but the debate was waged primarily among them. Marcos himself ended the public discussion of the issue. For full coverage, see Manila newspapers Sept.-Dec. 1981; accounts are also found in the *Far Eastern Economic Review* (cf. Jan. 8, 1982, pp. 42-48) and the *Wall Street Journal* (cf. Dec. 7, 1981, p. 30).

12. *FEER*, Aug. 21, 1981, pp. 17-24.

Hence, the argument continues, there seems no alternative to violence if Marcos is to be replaced. Other than the Muslim separatists, only the New People's Army has successfully built a fighting force. With the National Democratic Front providing a less rigid ideology (nationalist and socialist rather than explicitly Communist) and with young, trained leaders, the Left is a logical option—particularly if the economy continues to deteriorate. Unemployment grew from 6.5 percent in 1979 to 14.6 percent in 1980. The trade and current account deficits are widening; the external debt is close to \$14 billion; the value of the peso continues to decline.<sup>13</sup> Recent crises in the financial system—set off when a businessman named Dewey Dee disappeared leaving approximately \$77 million in debts but reflective of more fundamental problems in conglomerates controlled by people associated with Marcos—have caused significant transfers of government funds in an effort to restore solvency and confidence.

### *Chaos*

The same economic and political circumstances could also lead to chaos if the opposition fails to coalesce. In Muslim areas of the southern Philippines, rival structures of “government” already coexist, producing a situation most accurately described as anarchy. To the extent that the regime has succeeded in undermining the MNLF, it may also have reduced the likelihood of a settlement to the conflict since the MNLF has been the most cohesive force in the area. Violence is endemic, random, and vicious.

Violence is increasingly prevalent in non-Muslim areas of Mindanao and in Samar as well. There the “Muslim” and “Christian” categories used to define the contestants in the southwest are replaced by NPA and anti-Communist designations. Nonviolent opposition to the regime has also been most successful in the south. In Cebu, Cagayan de Oro, and Zamboanga anti-Marcos candidates and positions have won majority votes. The Mindanao Alliance has been the most effective of UNIDO's constituent groups, though its comparative success may be less reflective of the lack of strength of oppositionist sentiment elsewhere than of the efficiency of the regime's electoral machine in areas closer to Manila.

These facts may suggest that if oppositionist forces do unite, they will do so on regional rather than ideological lines: to the south rather than to the Left; a separatist war rather than a revolution. Regionalism, however, has not yet proved to be a cohesive basis for a political movement in the Philippines. By late 1981 two of the leaders of the Mindanao Alliance had left that party to form two other “national” parties, one with a “social democratic” orientation, the other influenced by “Christian socialism.” In the north, anti-Marcos, anti-Ilocano, and antiauthoritarian sentiments coexist with opposition based more solidly in economics, which itself is a phenomenon crossing class lines.

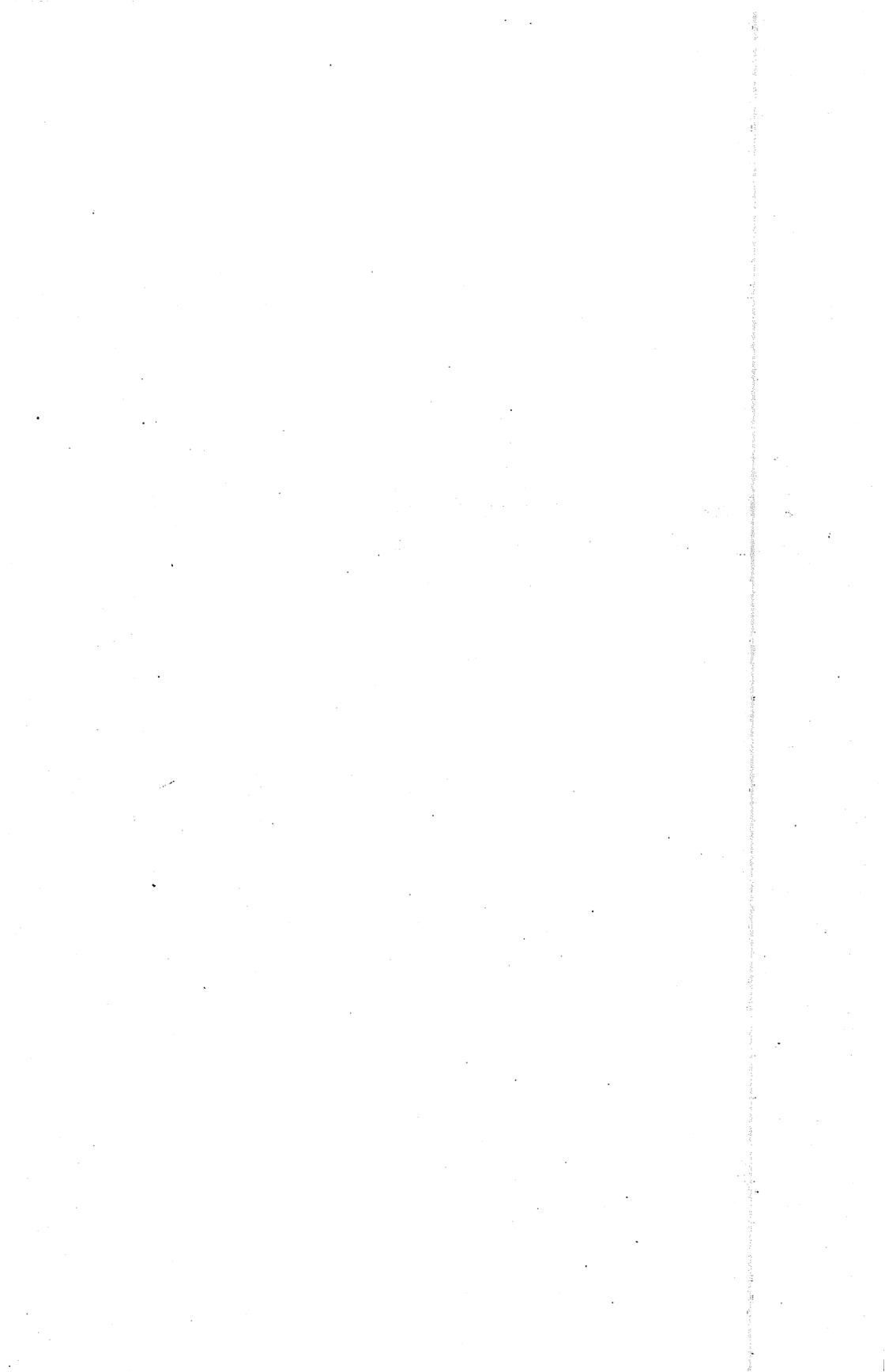
Philippine data, then, yield no clear conclusions. Like Anderson's and Sundhaussen's Indonesian data, they do suggest cause for concern. By attempting to maintain its domination of political processes and economic policies by tactics

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13. *Ibid.*, p. 20; and *FEER*, Jan. 15, 1982, p. 46.

aimed at co-opting, frustrating, or defeating any opponents, the Philippine regime may have succeeded only in encouraging either a revolution or chaos—from which a new and more fundamentally stable regime might, in time, emerge. Alternatively, it may have bought the time necessary to trickle down both stability and prosperity. The outcome is partially dependent on external factors—on international economic factors and U.S. policies certainly. More importantly, it seems dependent on the extent to which Marcos and his supporters are willing to work toward the goals they have enunciated and to abide by the rules they have institutionalized while opening the political process to others. The behavior of the “others” matters also: the limits of their tolerance, their willingness to subordinate personalistic to broader interests and loyalties, their ability to focus clearly on realistic goals and to organize accordingly.

## **II. Economic Dimensions of Southeast Asian Security**



# 4. Southeast Asia: Economic Problems and Prospects

Bruce Glassburner

The Southeast Asian region—defined here to comprise the five ASEAN countries of the Philippines, Indonesia, Singapore, Malaysia, and Thailand, the three Indochinese nations of Vietnam, Laos, and Kampuchea, plus Burma—is a vast region with an aggregate population of 316 million and with a great variety of resources. The economic potential of this huge population and resource base is also great, and, indeed, in recent decades the region as a whole has been moving at a very encouraging pace toward realization of that potential. The primary concern of this chapter is with the prospects of maintaining (and broadening geographically) high rates of economic progress for the remainder of the twentieth century.\*

## An Economic Profile of the Region

Perusal of Table 1 brings to light a good deal about Southeast Asia. It becomes very clear, first, that the nations of the region are not all of a single description. Kampuchea is assessed by the World Bank to be the poorest nation in the world (the meaning of its number one ranking in Table 1, as determined by the bank's estimates of per capita GNP). At the opposite extreme, Singapore ranks eighty-eighth by this criterion. Although Indonesia is a vast archipelago, with a total land area in excess of 2 million square kilometers, Singapore is a tiny city-state of less than 600 square kilometers. Comparable variety also appears in many other dimensions, most notably population growth rates and densities, rates of inflation, and even rates of growth in GNP per capita.

Because of Burma's virtual self-isolation since the accession of General Ne Win and the dreadful events of the past thirty years in Indochina, most discussions of Southeast Asian economic affairs exclude those troubled nations and concentrate on the relatively open, rapid-growing countries of ASEAN. Over the fourteen years of that organization's existence, the five member nations have performed extremely well by world standards. Singapore and Malaysia are clearly the stars of this scenario, having raised their per capita GNP figures well up into the higher regions of the World Bank's middle-income category of nations. It has become an important question (for example, in East-West trade and aid negotiations) whether Singapore is properly classified as a less-developed country any longer and how long it will be meaningful to refer to Malaysia in those terms. Indonesia's performance over the span of years since the signing of the Bangkok Declaration (which created ASEAN

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\* I wish to thank Syed Khalid Wajid for his assistance in preparation of this chapter.

# BASIC DATA ON THE SOUTHEAST ASIAN REGION

Country	World Bank Ranking (1)	Population- in Millions (1979 mid-year ests.)		Area (thousands of sq. km.) (3)	Population- Density (persons/ sq. km.) (4)	Population- Growth: 1970-79 (% per annum) (5)		1979 GNP Per Capita (U.S. \$) (6)	GNP Per Capita Annual Growth Rate (%) (7)		Inflation Rate Annual (%) (8)	Average Literacy Rates (%) (9)		Life Expectancy at Birth (years) 1978 (10)	Average Index of Per Capita Food Production: 1976-78 (1969-71 = 100) (11)
		(2)	(1)			(1960-70)	(1970-79)		(1960-70)	(1970-79)					
Indonesia	38	148.47	2027	73.2	2.2	364 (387)*	4.36 (4.55)**	18.99 (19.85)**	62	47	100				
Thailand	47	46.14	514	89.8	2.7	506 (532)*	3.79 (3.83)**	8.82 (9.32)**	84	61	122				
Philippines	49	47.72	300	159.1	2.9	526 (549)*	3.99 (4.02)**	12.92 (13.31)**	87	60	115				
Malaysia	67	13.30	330	40.3	2.8	1156	5.27	6.92	60	67	110				
Singapore	88	2.36	1	2360.0	1.5	3558	7.12	5.0	75	70	112				
ASEAN	47	257.99	3172	81.3	2.9	490	4.26	13.5	70.7	54.4	107.3				
United States	105	220.1	9363	23.5	0.8	9811	2.2	6.8	99	73	114				
Kampuchea	1	8.4(77)	181	46.4	—	—	—	—	—	—	57				
Laos	2	3.3+	237	13.9	1.3+	90 (1978)	—	—	—	42	96				
Vietnam	14	51.7+	330	156.7	2.9+	170 (1978)	—	—	87	62	102				
Burma	12	32.91	677	48.6	2.2	150	1.0 (60-78)	13.7	67	53	96				

**Sources:**

- (1) International Bank for Reconstruction and Development, *World Development Report, 1980* (Oxford, 1980).
- (2) International Monetary Fund, *International Financial Statistics*, June 1980.
- (3) *World Development Report, 1980*.
- (4) Computed using data from (2) and (3).
- (5) Computed from data from (2).
- (6) Computed using data from (1) and (2). First 1978-79 real GNP per capita % change in local currency units was obtained using /FS data; this % change was then applied to the GNP capita in U.S. dollars for the year 1978 to arrive at the figures presented.

(7) Base year 1960 was imputed using 1980 *World Development Report* data; 1970 and 1979 data was obtained from (2).

(8) 1960 to 1970 figures are a direct quote from 1980 *World Development Report*. Figures for 1970 to 1979 were obtained by splicing the Implicit GDP Deflator Series from the World Tables (1980) base adjusted to 1975 with GDP deflator computations for most recent years from /FS. Sources: *World Tables*, 2nd ed. 1980, published for the World Bank by Johns Hopkins Univ. Press, Baltimore & London and *International Financial Statistics*, IMF, 1980 and previous issues.

(9) *World Development Report, 1980*.

(10) *World Development Report, 1980*.

(11) *World Development Report, 1980*.

\* Figures in parentheses are for the year 1980 where available.

\*\* Figures in parentheses are for the years 1970-80 where 1980 data is available.

+ Mid-year 1978.

Table 1

in 1967) must also be described as outstanding, despite obvious specific weaknesses. Clearly, economic success within the association requires good performance from Indonesia if only because of the fact that two-thirds of the association's population reside in that nation.

If ASEAN, like its predecessor, Maphilindo, had been founded a few years earlier, when Indonesia remained mired in the economic hopelessness of its "old order," it is extremely doubtful that it would have survived either as an economic or as a political entity. Without suggesting that ASEAN is primarily an economic association (for it has not yet demonstrated very much in the way of economic effectiveness as an association), it seems reasonable to argue that the 75 percent increase in real per capita incomes in Indonesia over the past fourteen years has been a major contributing factor to the strength and confidence the association has shown. In the early 1960s, Indonesia was variously described as a "chronic dropout" or as an "international basket case" and, indeed, seemed to show little capacity for formulating and implementing economic policies which were compatible with the building of a healthy and vigorous economy. Of course it remains true today that Indonesia is an extremely poor nation, and millions of Indonesians still live in grinding poverty little distinguishable from that suffered before the economic turnaround of the middle 1960s was achieved and before OPEC oil prices created large balance of payments surpluses. It is also probably fair to say that in the future ASEAN is not likely to retain the political cohesion it has displayed in international affairs nor to make progress with its hopeful plans for economic cooperation unless Indonesia sustains her high rate of growth for a sufficient period of time to have major impact on the masses of the poverty-stricken.<sup>1</sup>

Although they are smaller nations, much the same thing can be said about Thailand and the Philippines, that is, that they have, in broad aggregate terms, performed quite well over the past decade and a half but have, nevertheless, failed to broaden the growth experience sufficiently among the populace. Hence, poor (or even deteriorating) distribution of income has become characteristic of the ASEAN region in general. Efforts to rectify this situation are underway in all of the five member nations, but with (perhaps) the exception of Singapore, the response has been painfully slow and appears likely to remain so for most of the 1980s.

### **Maintaining Economic Dynamism**

As Table 1 shows, growth in the ASEAN region was very good in the 1970s. For the association as a whole, per capita GNP rose by a weighted average of 4.3 percent per annum, 1970-1979. This rate, if sustained, doubles income per capita in only 16.5 years, well within a generation's time. While again emphasizing that this experience of rising incomes has been unevenly spread both among the countries themselves (the range of growth rates is from 3.8 for Thailand to 7.1 for Singapore) as well as

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1. Policy orientations which lead to more balance in the growth pattern would enhance the rate at which the lower 30 percent of the population gain a larger share of the growing pie. Nevertheless, sustained high growth rates are the *sine qua non* of poverty alleviation in any large, very poor, nation.

within these countries, such substantial growth rates must improve general economic welfare and, given reasonably successful efforts to improve the distributional effects of growth, could contribute much more in that regard. What is the likelihood that the next two decades can be equally successful?

The main obstacles to sustained growth in the region are the prospect of energy shortages and food shortages, as well as the balance of payments problems that could emerge because of these shortages. Guy Pauker has recently written very pessimistically about these problems, indicating that it is highly unlikely that the resources and policies of the ASEAN area will be sufficient to cope with the very rapid rates of increase in demand for energy and food generated by the rapid rates of per capita income of the 1970s.<sup>2</sup>

### **The Energy Constraint**

These problems are perhaps nowhere better observed than in Indonesia, the region's principal oil producer, where consumption of petroleum products is growing at an annual rate of 12 percent in physical terms. Only radical OPEC price increases have prevented Indonesia's oil export earnings from falling, as petroleum production has remained virtually constant in real terms for several years. The physical export surplus is thus being squeezed at a very rapid rate. Despite the current glut of oil on world markets, it is only a question of time before growth of world consumption will push prices further upward; but price increases, though valuable now to Indonesia and to Malaysia (which is also a net petroleum exporter), will become disadvantageous once they become net importers of petroleum. Of course, petroleum is not the only source of energy available to ASEAN countries. Natural gas in large quantities is being found throughout the region, and Indonesia is rapidly becoming the world's largest exporter of liquified natural gas. Coal is also relatively abundant, and there are moderately good prospects for geothermal energy in the volcanic areas, most notably in Indonesia and the Philippines. As Table 2 shows, ASEAN rates of growth of energy production in the aggregate far exceed the average rates of either the middle-income countries or of the industrialized countries of the world; and in all of the ASEAN countries except Indonesia, the rate of growth of energy production has exceeded the rate of growth of energy consumption in the 1960s and 1970s. However, because of the heavy weight which Indonesia carries in these averages, the rate of growth of energy production for ASEAN as a whole was only marginally above the rate of total energy consumption. And although in terms of the immediate situation in the region, there is relatively little cause for concern, balance of payments pressures on the Philippines and Thailand (brought on by the rising cost of oil imports) have already caused some difficulty.

Of more concern is the longer-term perspective on energy. Again, with reference to Table 2, energy consumption per capita in the ASEAN region is only 44 percent of that of the weighted average of the World Bank's middle income category of countries—a category to which all ASEAN states but Indonesia belong. This implies

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2. Guy J. Pauker, "ASEAN Trends and Problems in the 1980's," Rand Corporation, Jan. 1981.

## ASEAN ENERGY PRODUCTION AND CONSUMPTION

Country	Growth Rates of Energy Production (% per annum)		Growth Rates of Energy Consumption (% per annum)		Energy Consumption Per Capita (kg. of coal equivalent) 1960	Energy Imports as % of Exports 1960	1977
	1960-74	1974-78	1960-74	1974-78			
Indonesia	8.5	11.3	4.2	21.4	129	3	7
Malaysia	37.4	27.1	11.1	4.7	242	2	10
Philippines	5.6	12.4	9.6	6.3	147	9	33
Singapore	--	--	16.8	9.3	372	17	32
Thailand	28.0	11.4	16.9	7.6	64	12	29
ASEAN (weighted avg.)	9.1*	12.8*	7.5**	12.4**	129**	9+	19+
Middle-Income Countries (avg.)	6.0	1.7	7.9	6.2	395	11	20
Industrialized Countries (avg.)	3.2	0.8	4.9	1.5	4,462	11	23

**Source:** International Bank for Reconstruction and Development, *World Development Report, 1980* (Oxford, 1980).

\* Weighted by petroleum and LNG production. Both Singapore and the Philippines are excluded because of zero or negligible production.

\*\* Weighted by total energy consumption.

+ Weighted by export values.

a high rate of elasticity of demand for energy with reference to GNP growth. The balance of payments implications of such a high elasticity are indicated in the last column of Table 2. For three of the member nations, nearly one-third of export earnings are used up in energy imports and, for the region as a whole, nearly one-fifth. If, as seems likely to occur some time within the next decade, the overall consumption growth rate rises above that of production, the entire association will begin to feel the pinch and before the end of the century may well be in crisis. Physical production totals of crude petroleum and natural gas for ASEAN in 1970 and 1976 are given in Table 3.

It would be possible for an economist to sketch an ideal scenario which involves a high degree of flexibility in substitution relationships and precise pricing of various energy sources relative to their scarcities which (along with sustained increases in the productivity of nonenergy inputs) would avoid much, if not all, of the energy deficiency problem. I would argue that such a pleasant outcome is not outside the realm of possibility, but it will involve either policy shifts either in the direction of much greater reliance on market forces than has been characteristic of the region in the past or much more sophisticated planning to achieve the desired effects (or some combination of both). The market solution requires that energy and its sources be sold to business, government, and household users at prices at least equal to those on the world market in order to provide a stimulus for conservation and production as well as for the search for alternative technologies that are less energy-intensive in both production and consumption. Such pricing will also make the development of alternative energy sources more attractive.

The present practice, widespread in the area, is to keep prices of energy sources depressed in the interest of consumers of energy, thereby stimulating consumption growth and creating a fiscal burden. Similarly, attempts at fostering development of alternative sources are being undertaken using implicit and explicit subsidization rather than by relying on firms and government agencies (and households) to make decisions on production and consumption of these forms of energy in terms of their relative scarcity values. These policies are not suitable to long-run avoidance of the "energy crunch."

### **The Food Constraint**

Pauker also emphasizes the likelihood that food demand in the region will outpace production and eventually contribute in a substantial way to a foreign exchange crisis, which would, in turn, inhibit economic growth. Table 4 presents some summary statistics on the food and agriculture situation in ASEAN countries in the 1970s. The general picture is one of production maintaining pace with population growth and a little more (much more, in Thailand). Indonesia's struggle to maintain pace would appear from this table to be "touch and go," but the index of food production per capita used here understates substantially the overall performance of Indonesian food production in the 1970s.<sup>3</sup> The association's agricultural

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3. The food production component of Indonesia's national accounts shows food production measured in constant prices rising at 3.74 percent per annum over the period 1969-71 to 1976-78. This compares with population growth 1970-78 of 1.8 percent (International Bank for Reconstruction and Development, *World Development Report, 1980* (Oxford, 1980), p. 142). Thus, implicitly, food production per capita grew at about 1.94 percent per annum, and the per capita index for the years concerned should be about 114 rather than 100.

**SOUTHEAST ASIAN CRUDE PETROLEUM AND LIQUID NATURAL GAS PRODUCTION**  
**(in millions of metric tons)**

Country	1970	1976
Indonesia	42.371	74.245
Malaysia	0.859	8.026
Philippines	--	--
Thailand	0.01	0.008
Singapore	--	--
Brunei	6.736	11.042
Totals		
Excluding Brunei	43.186	82.279
Including Brunei	49.922	93.321

**Source:** United Nations, *World Energy Supplies, 1950-74 and 1973-78.*

## ASEAN FOOD AND AGRICULTURE

Country	Index of Food Production Per Capita*	Agricultural Production— Rate of Growth		Daily Calorie Supply Per Capita As % of Requirement	
		1960-70	1970-78	Total 1977	1977**
Indonesia	100	2.5	4.0	2,272	105
Malaysia	110	n.a.	5.0	2,610	117
Philippines	115	4.3	4.9	2,189	97
Singapore	112	5.0	1.5	3,074	134
Thailand	122	5.5	5.6	1,929	105

**Source:** International Bank for Reconstruction and Development, *World Development Report, 1980* (Oxford, 1980).

\* 1976-78 as percentages of 1969-71 production. But see my text n. 3.

\*\* "The daily calorie requirement per capita refers to the calories needed to sustain a person at normal levels of activity and health, taking into account age and sex distributions, average body weights, and environmental temperatures" (*World Development Report, 1980*, p. 165).

production as a whole has clearly outpaced population growth, as shown by the second and third columns in Table 4.

Nevertheless, all of these nations excepting Thailand are net importers of staple foods. Indonesia, in particular, has become heavily dependent on imports of cereals (rice, predominantly).<sup>4</sup> It is the largest of the world's rice importers, having taken nearly one-third of all rice sold on international markets in recent years, despite a successful program of rice intensification. Indonesia's failure (at least until recently; see my note 4) to keep even with food demand has not been due to stagnation in production; it is rather a reflection of starting from minimal levels of consumption (see the final two columns in Table 4) and experiencing rising per capita incomes. This leads to a rate of demand increase well in advance of the rate of population growth. The same phenomenon, to a greater or lesser extent, is being experienced in all of these nations, except Singapore, where calorie intakes are well above minimum levels. This high rate of demand growth will be likely to continue for a good many years although the region can expect some deceleration in that growth rate over the life span of the present generation, provided calorie consumption standards can be raised well above minimums and provided population growth rates decelerate. Both of these are likely prospects. Thus, per capita food demand is likely to rise steeply through the 1980s and then flatten out toward the end of the decade. During this acceleration period, the food deficit in the area will almost certainly grow at a fairly high rate (a fair guess might be at 1.5 percent per annum). But even this projection is based on the assumption that food production growth rates can be sustained at levels approximating those of the 1970s. Most observers do not expect any *acceleration* of food production growth and, indeed, fear that a deceleration is the more likely prospect, inasmuch as the easiest fruits of the "Green Revolution" have already been plucked. If such a deceleration should eventuate, the rate of growth of the food gap would increase, and any closing of the gap might ensue in the latter part of the century (as demand growth slackens) would be thereby prevented.<sup>5</sup>

In general, the pessimism of the Pauker energy and food scenario must be taken seriously, however much we may soften or qualify it with respect to improved economic flexibility and sensitivity to scarcities and technological alternatives. In short, it would appear that the region must be prepared to find additional means of softening the prospective growth-inhibiting effects of rising import costs of energy sources and food. One possible approach is to attempt to reduce, relatively, the region's dependence on export revenues earned outside the region and dependence on foreign sources for essential imported goods. Given the rapid rate of economic growth in the region, this might be feasible provided an environment conducive to rapid expansion of intra-regional trade can be created. We will look at this matter in some greater detail below.

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4. Indonesia has enjoyed two very good crop years in 1980 and 1981 and is, for the time being at least, *oversupplied* with rice stocks. This discussion assumes that these good years represent an aberration due to good weather and the abatement of pest problems. If, however, Indonesia has achieved a genuine production breakthrough, the largest part of the region's food stringency problem will have been solved.

5. Normalization of political and economic conditions in Burma and Indochina could eventually contribute to alleviation of the food gap, but prospects are obviously not bright for such relief.

## Economic Integration: Liberalization of Intra-regional Trade

ASEAN, and the Southeast Asian region as a whole, ought to be able to gain a great deal from increasing commonality of economic effort. Unfortunately, there is much opposition to this view, based on the conviction that the economies of the region are structurally competitive in trade rather than complementary. The flaw in this latter argument is that it is a *truism* that economic agents with identical resource endowments, identical production techniques, and identical tastes will not trade, but such is not the case with the nations of the real world, and certainly not Southeast Asia. No two nations in the region have identical resource endowments or production functions, and taste patterns are widely various over this immense region. Moreover, trade is possible among economic agents of broadly similar circumstances, as is readily evident in villages in peasant economies, where trading activity is one of the most important economic activities. It is also evident in the fact that the vast bulk of the world's trade is *not* that between the primary producers and the manufacturers among nations but rather among the members of the latter group, where economies resemble each other *much more* than do those of ASEAN. The wealthier nations of the world sell vast quantities of *both* primary and secondary goods to one another. Moreover, in any economic system *internal* trade is greater than external trade—excepting only special cases such as a city-state that is a port, for example, Hong Kong or Singapore. Extension of the borders of an economic entity, through integration, is thus all but certain to expand trade within that entity both through trade creation and trade diversion.

To some extent this line of argument is being given explicit recognition in the ASEAN industrial project schemes and in the promotion of “complementation” arrangements. Indonesia, well endowed with petroleum and natural gas, is eminently qualified to become a supplier of chemical fertilizers to its neighbor countries. This arrangement would probably develop in time even without the explicit treatment of the Indonesian fertilizer industry as an ASEAN industrial project. The ASEAN automobile complementation scheme, similarly, recognizes that the several nations are likely to have comparative advantages in producing automobile components so that if these comparative advantages can be identified, and responsibilities assigned, an ASEAN car can be produced.

These efforts at planning comparative advantage have not worked out very well so far, and, indeed, Singapore has objected to the complementation arrangements because of their protectionist nature,<sup>6</sup> that is, the granting to the nation assigned to produce, say, brake assemblies, exclusive rights to sale of its product within the ASEAN automotive industry. Although one might argue that it is better to attempt to plan specialization than to plan to prevent it (as in the case of import substitution strategies), it is very much a second-best sort of strategy. It is evident that major gains in trade creation and trade diversion within the ASEAN region (and by possible eventual extension to Southeast Asia as a whole) require the fairly rapid and continuous scaling down of trade barriers among the nations of the region so that comparative

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6. *Far Eastern Economic Review*, 1981 Yearbook.

advantage can assert itself through market channels. This is not merely the preaching of classroom neoclassical economic theory. The historical examples are there to see, namely, the vast expansion of trade within the European Economic Community (EEC) as liberalization of trade has progressed and the almost complete failure of other regional groupings which have failed to scale down internal barriers to trade (Latin American Free Trade Association [LAFTA], the Andean Group, etc.).

It is true that the ASEAN organization has already developed an internal preferential trading system, involving some 7,500 items by the end of 1980.<sup>7</sup> Thus far, most of the effort has been more apparent than real. Of the roughly 7,500 items on preferential trading lists at the end of 1980, 6,000 were goods involving \$50,000 or less (each) in trade at the time placed on the list. However, the list is scheduled to grow by 500 items every quarter, and we should, fairly soon, begin to come up against items which are truly significant in aggregate intraregional trade. The true test of political will must then be faced as vested interests in heavily protected production areas can be counted on to raise increasingly heavy opposition to the threat of competition from within the region. And while it is encouraging to learn that the Philippines recently proposed a target of ten years hence for the creation of an ASEAN free trade area, it is discouraging that the proposal was defeated.<sup>8</sup>

That ASEAN's overall trade potential is great is strongly suggested by the fact that total trade by the five nations has grown rapidly in recent years despite continued high protection. As Table 5 shows, all five of them enjoyed double-digit growth rates in export earnings over the decade of the 1970s, and all but Thailand exceeded 20 percent per annum. All of these rates exceed the world rate of price inflation by a wide margin;<sup>9</sup> hence these figures imply rapid *real* export capability in the (approximate) range of 5 to 20 percent per annum, Thailand, again, being the slowest growing of the five in this respect, and Indonesia the fastest. Oil, of course, played a major role in this growth, particularly for Indonesia and Malaysia. But nonoil export earnings have also grown rapidly for all of the five, most notably for Singapore.

The vast bulk of this trade, however (roughly 85 percent), is with nations outside ASEAN. Japan, the United States, and the EEC, in that order, are the major trading partners for the region. About 40 percent of intraregional trade, furthermore, is with Singapore, and much of that is merely entrepôt trade.<sup>10</sup> Thus, true intraregional trade, while significant in a few commodities such as rice, is very modest overall. Whereas (in the aggregate) ASEAN nations exported \$64.1 billion worth of goods in 1980 (see Table 6), not more than \$7 billion, or about 11 percent, was undertaken among them in nonentrepôt trade.

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7. Ibid. Russell H. Fifield, *National and Regional Interests in ASEAN: Competition and Cooperation in International Politics*, Institute of Southeast Asian Studies, Singapore, Occasional Paper No. 57, 1979.

8. The proposal was offered at the meeting of the ASEAN economic ministers in Jakarta in May 1981 (*Asia Record*, July 1981).

9. The International Monetary Fund's index of world import unit values showed an annual rate of increase of 14.3 percent, 1974-1980; calculated from *International Trade Statistics*, June 1981, p. 49.

10. John Wong, *ASEAN Economies in Perspective* (Philadelphia: Institute for the Study of Human Issues, 1979).

# ASEAN EXPORT EARNINGS AND IMPORT PAYMENTS, RATES OF CHANGE

Country	Export Earnings Average Annual Increase (%)			Payments for Imports Average Annual Increase (%)		
	1964-70	1970-79	1964-79	1964-70	1970-79	1964-79
Indonesia	8.08*	33.46	22.66	8.03*	24.5	17.63
Malaysia	7.2	18.74	14.02	5.11	16.55	11.84
Philippines	15.50	20.63	18.55	13.60	23.50	19.44
Singapore**	16.01*	23.14	20.90	24.38*	19.82	21.20
Thailand	3.04	24.76	15.57	11.30	20.69	16.84

**Source:** John Wong, *ASEAN Economies in Perspective* (Philadelphia: Institute for the Study of Human Issues, 1979).

\* Base year 1964 figures were imputed from Wong Table 2.14; and from IMF-IFS.

\*\* Base year for Singapore is 1966.

Table 5

## ASEAN EXPORTS, 1979-80 (\$ billions)

Country	1979	1980
Indonesia	15.6	19.6*
Malaysia	11.1	12.9
Singapore	14.2	19.4
Thailand	5.3	6.5
Philippines	4.5	5.7
Totals	50.7	64.1

**Source:** International Monetary Fund, *International Financial Statistics*, June 1981.

\* Projection based on fiscal year balance of payments data from D. T. Healey, "Survey of Recent Developments," *Bulletin of Indonesian Economic Studies*, March 1981, Table 7, p. 12.

It is inconceivable that such a small percentage of intra-ASEAN trade would persist if trade barriers were removed. An integrated ASEAN would become an immense economic entity, and it is a general rule that the larger the size of the nation or trading group, the greater the proportion of total trade that is internal. In terms of population, a fully integrated ASEAN would be the fourth largest trading entity in the world (after China, India, and the U.S.S.R.; fifth if the EEC is counted as an entity); in terms of aggregate GNP, ASEAN would rank fourteenth, as shown in Table 7, which also shows that the proportion of exports is much more closely related to population than to GNP.<sup>11</sup> This is also borne out in Figures 1 and 2. At present, as separate trading entities with high protection, ASEAN trade with nations outside ASEAN amounts to about 27 percent of aggregate GNP whereas, based on aggregate population size, ASEAN "ought" to be exporting a much smaller proportion of total product—perhaps 6 to 7 percent of GNP if nations of comparable demographic size can be used as a guide. Of course I do *not* mean by this that extra-ASEAN trade would or should be curtailed in absolute terms; rather, with integration and sustained rapid economic growth (as well as continued relatively high population growth) the region, if integrated, would become much more efficient economically, more *regionally* interdependent, and *relatively* speaking, much less dependent on the more developed countries for markets.

Although the above argument has been applied only to ASEAN, it applies with greater force to the entire Southeast Asian region. For if Burma and the three nations of Indochina were added to ASEAN, an additional 96 million would be added to the total population of the grouping of nations, and roughly another \$15 billion in aggregate production potential (at 1979 levels).<sup>12</sup> Moreover, these nations, retarded by isolationism and wars, are now far below their potentialities economically. As already noted, these were once food surplus areas and conceivably could be again, given fair circumstances, and they represent a sizable potential market at close geographic range. On the other hand, however, their political circumstances are such that it is very hard to envisage their embracing the principles of liberalized regional trade in the foreseeable future. Improved trade relations between them and ASEAN might be hoped for, which, given peace in the region for a decade or two, could contribute considerably to the expansion of intraregional trade.

## Integration Problems

It is a good deal easier to treat the potential benefit from integration speculatively than it is to implement integration. The history of efforts at regional groupings, including that of ASEAN, clearly demonstrates the point. ASEAN has a number of special problems. I do not propose to dwell on these for long, but it would be inappropriate to conclude this chapter without acknowledgment of some of the most difficult of these. We have already alluded to the special role that

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11. The rank correlation coefficient between population size and the export-GNP ratio is .76 ( $r^2 = .58$ ) whereas that between GNP size and the export-GNP ratio is .45 ( $r^2 = .20$ ).

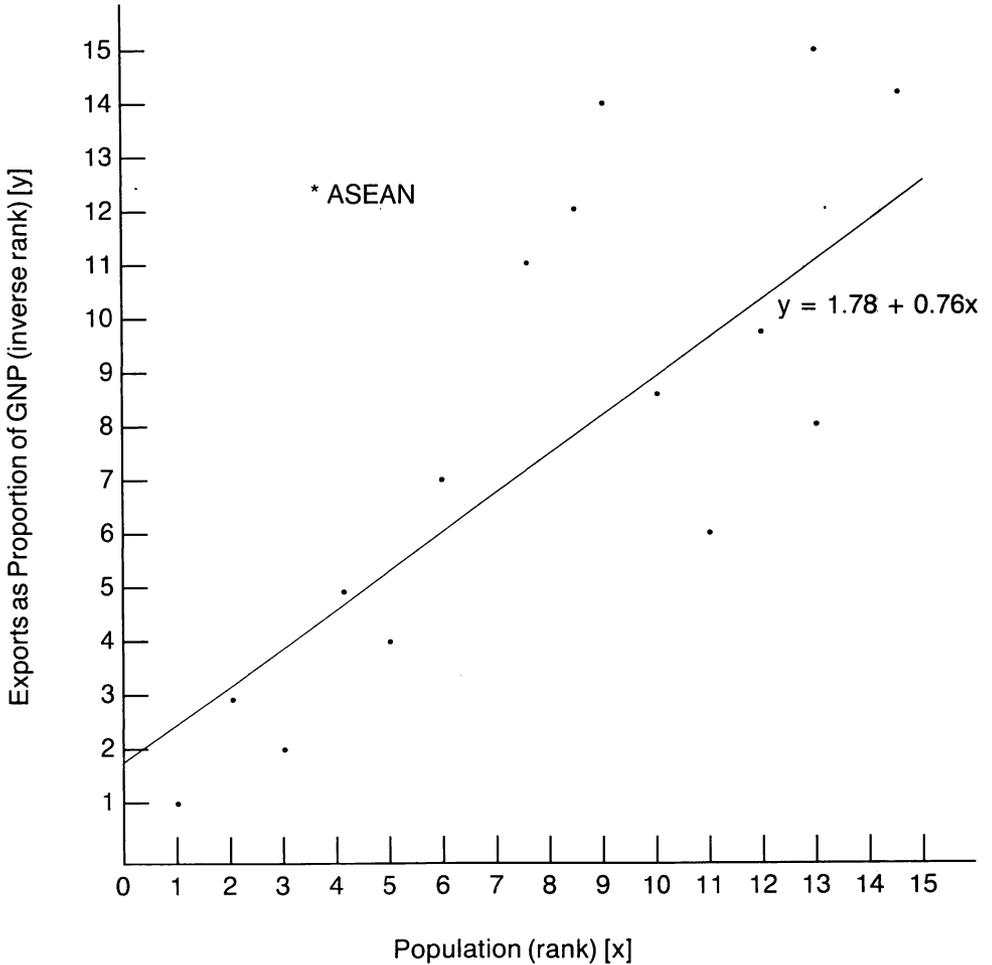
12. *World Development Report, 1980*, Table 1.

**COMPARISON OF THE WORLD'S FOURTEEN LARGEST ECONOMIES  
WITH ASEAN AS TO POPULATION AND EXPORT RATIOS,  
1978**

Country	GNP (\$ billions)	GNP Rank	Population (millions)	Population Rank	Exports (\$ billions)	Exports ÷ GNP (%)	Rank, Exports as % GNP
United States	2128.0	1	221.9	4	143.7	6.8	5
U.S.S.R.	965.7	2	261.0	3	52.2	5.4	2
Japan	836.5	3	114.9	6	98.4	11.8	7
F.R. Germany	587.2	4	61.3	7	142.4	24.2	11
France	440.3	5	53.3	10	79.4	18.0	9
China	219.0	6	952.2	1	10.7	4.8	1
Italy	218.3	7	56.7	8	56.1	25.7	12
Canada	215.7	8	23.5	12	48.4	22.4	10
United Kingdom	200.7	9	55.8	9	71.7	35.7	13
Brazil	187.6	10	119.5	5	12.6	6.7	4
Spain	128.7	11	37.1	11	13.1	10.2	6
Netherlands	116.9	12	13.9	14	50.1	42.8	14
India	115.9	13	643.9	2	6.6	5.7	3
Australia	113.5	14	14.2	13	14.4	12.8	8
ASEAN	116.1	--	241.7	--	36.6	31.5	--

**Source:** International Bank for Reconstruction and Development, *World Development Report, 1980*, Annex Tables 1 and 8.

# EXPORT ACTIVITY IN RELATION TO POPULATION SIZE, 1978

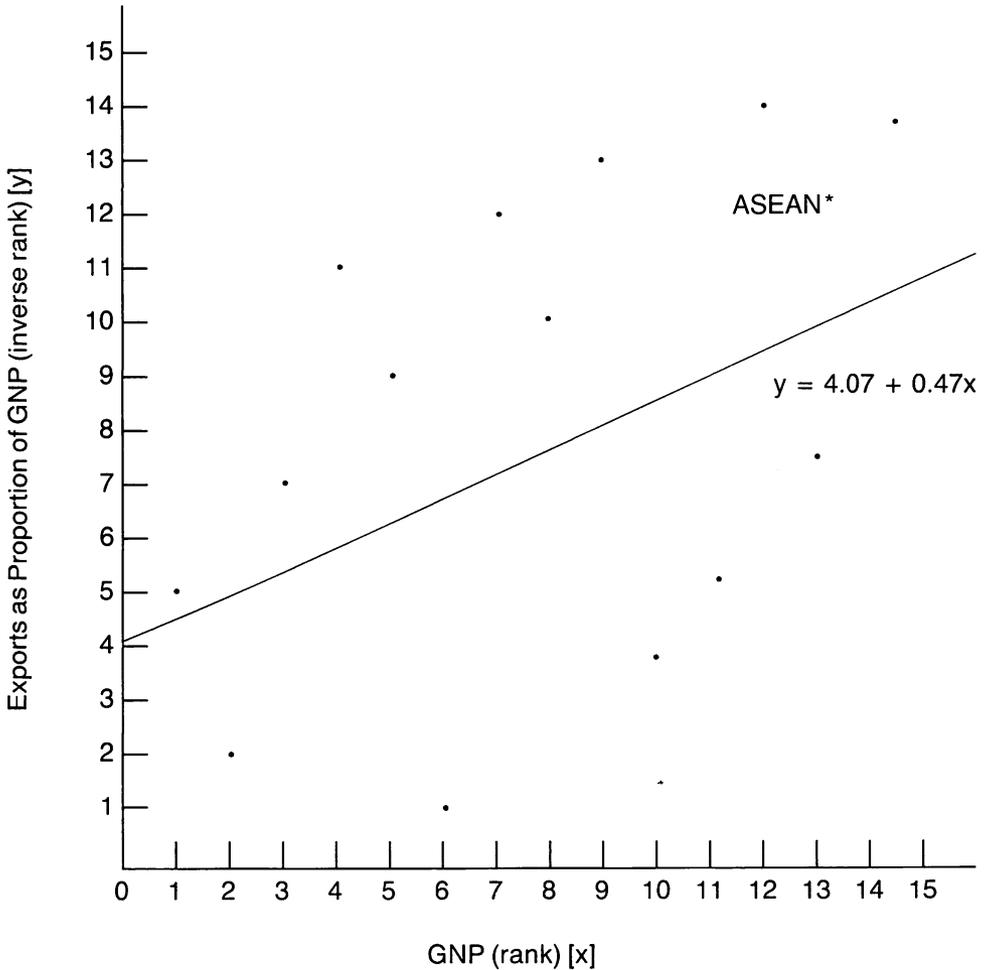


Source: Table 7.

\* Indicates position of ASEAN.

Figure 1

# EXPORT ACTIVITY IN RELATION TO AGGREGATE OUTPUT, 1978



Source: Table 7.

\* Indicates position of ASEAN.

Figure 2

Singapore plays in the Southeast Asian region. Whereas the nations of the EEC and the members of the General Agreement on Tariffs and Trade (GATT) started liberalization negotiations from quite comparable footings as far as levels of protection were concerned, Singapore, being essentially a free port, has little or nothing in the way of trade concessions to make. What Singapore has to offer the region is an abundant supply of capital, excellent trading infrastructure, both physical and financial, a well-developed industrial sector, and a large supply of entrepreneurship. These important resources are already being taken advantage of in very large measure, but at the same time there is a great deal of fear of this economic potency. Each of the other four nations has built its own industrial complex behind protective walls, has developed its own financial infrastructure and its own port and trading facilities, and is attempting to foster indigenous entrepreneurship. All of the "other four," therefore, can be expected to approach greater freedom for Singaporean capital and entrepreneurship very cautiously. National economic sovereignty will be guarded jealously. They will all be willing to forego some potential improvements in economic efficiency in order to defend domestic economic interests.

Interwoven with the Singapore issue is the sensitive issue of the overseas Chinese in general. Singapore's population is nearly 80 percent Chinese. Each of the "other four" has an economically powerful Chinese minority, which is not entirely trusted to guard the "national interest" vis-à-vis the larger Chinese community. Given the perceived general shortage of entrepreneurship in the region, policies inhibiting the activities of the Chinese are very costly in terms of economic efficiency; but, here again, all of these communities are clearly willing to pay, with lowered efficiency, for the curbing of the feared power of their Chinese minorities.<sup>13</sup>

An additional consideration is not special to ASEAN, but it is of particular concern. The most intractable form of protection is not the tariff barrier, durable and tough as tariff walls may be; but rather it is the "nontariff barriers," or NTB's. These range all the way from import and export quotas and bans to paper processing at ports of entry and egress. Even if ASEAN's efforts at tariff reduction should be as successful over the next decade as those of the EEC and GATT in the 1950s and 1960s, ASEAN will still find, at the end of that period (as EEC and GATT have found), that a vast network of administrative blocks and rules stand in the way of more complete economic integration. Casual observation suggests that this problem is much more serious among ASEAN's "other four" than it is among members of EEC and GATT. It is to be hoped that an attempt will be made at the outset to make parallel progress with reduction of NTB's so that the frustrating experience of EEC and GATT in finding, at the end of successful tariff liberalization, that a very hard core of protection remains, is not repeated.

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13. I suspect that the perception of innate entrepreneurial Chinese superiority and the deficiencies of non-Chinese entrepreneurs is exaggerated. The Chinese are, in large measure, *forced* to cope against odds in the private sector, and non-Chinese are given special privileges in the public sector as well as various protections and subsidies in the private sector. These institutional arrangements cultivate double standards and a duality of entrepreneurial performance patterns.

Finally, resource mobility and its implications need to be mentioned. True integration requires that labor, financial capital, and physical capital be free to move without hindrance across national boundaries. We have already commented on the difficulties that will be involved with liberalization of capital movement. Singapore's capability as a supplier of capital and entrepreneurship is of an entirely different order from that of the "other four" and is almost certain to continue to be markedly curtailed. Labor mobility also poses serious problems, although perhaps not as serious as those of capital mobility. The laboring classes of Singapore, Malaysia, Thailand, and the Philippines will surely resist, with some vehemence, the threat of any large-scale importation of labor from the most plentiful source in the area, Indonesia. Clearly, it will not be possible to lower the barriers to migration with a stroke; it will have to be phased in and handled with a good deal of political finesse.

All in all, I view the region with guarded optimism. While I am well aware of the obstacles to sustained economic growth that loom over the horizon in the later 1980s and beyond, I am much impressed with what has been accomplished in the region since the mid-1960s. It will take a great deal of sustained political will for the full economic potential of Southeast Asia to be realized between now and the end of the century.

## 5. Economic Dimensions of Security in the ASEAN Region

A. R. Soehoed

When entering the eighties, the governments and peoples of the ASEAN countries had reason to be thankful for the progress attained during the seventies, reflected among others by the fact that the region had experienced the highest rate of GDP growth not only in their history but also compared with other countries in recent years. Apart from communal flare-ups conspicuous by their rarity rather than their frequency, such as during Tanaka's ASEAN tour in 1974, the region was by and large one of relative stability during the past decade, when in many other parts of the world, north and south, volatile crises were escalating into hot conflicts.

True—as some candid observers are wont to remark—ASEAN's internal operations seem to be characterized by very frequent meetings and discussions at various levels, from ministers down to second echelon officials, not to say of the rounds of meetings by the private sector. The impact of ASEAN has been felt in the political, diplomatic, and economic spheres.

Nevertheless, ASEAN should view the eighties with concern as the decade will be fraught with serious challenges in a multitude of areas: the race between energy supply and energy demand; the mounting pressure for restructuring of industries in the advanced countries as a pre-condition for restructuring of industries in the advanced countries as a pre-condition for restructuring of north-south trade patterns, which again is a sine qua non for the attainment of a more equitable distribution of consumption of the world's resources; and in the military sphere, the challenges emanating from the determined efforts by the United States to redress the balance of military power vis-à-vis the Soviet Union and also to counter the latter's incursions in Africa, the Middle East, and South and Southeast Asia, which is of particular concern to ASEAN since the means deployed by the United States in this power struggle will decisively affect the association's performance in the eighties.

Although created in far-sighted anticipation of the day when the United States withdrew from Vietnam, ASEAN is basically an association for economic cooperation. I should like to say a few words on the implication behind the terms "economic association," on the one hand, and "economic cooperation," on the other.

On the one hand, unlike the various alliances which interlock the United States, New Zealand, and Australia with some non-Communist Southeast Asian countries through a series of security links,<sup>1</sup> ASEAN was not conceived as a security bulwark

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1. Such as the Manila Pact, which gave rise to SEATO, ANZUS, and the bilateral defense agreements the United States concluded with Thailand and the Philippines.

against external or military aggression. Thus, within the perspectives of the association's operations, security-related matters are viewed in economic, non-military terms.

On the other hand, the objective of ASEAN—at least as I perceive current majority thinking—is not economic integration or anything like a customs union but regional economic cooperation, albeit a very close cooperation. Thus, the criticism often leveled that the progress toward achieving the objectives of ASEAN is too sluggish in comparison with, say, the European Economic Community (EEC) is in fact measuring with the wrong yardstick.

Economic cooperation, however close, is distinct from economic integration not only in its institutional setting but also in its function. The former can be a loose arrangement and does not require a formal institutional framework whereas the latter depends on it. Economic cooperation includes various measures designed to harmonize economic policies and to minimize discrimination; the process leading toward economic integration entails the unification of economic policies and the complete abolition of discrimination. More importantly, under economic integration, policies and measures are to be subordinated to a generalized market integration strategy. But within the framework of economic cooperation, market integration is a means that may be applied selectively. Viewed in this perspective, much has already been accomplished through the ASEAN Industrial Projects (AIP) and the Preferential Trading Arrangement (PTA), and the ASEAN complementation program with two packages already agreed is ready for implementation. Through regular and institutionalized dialogues with the EEC as a grouping and separately with Japan, Canada, the United States, New Zealand, and Australia, the members of ASEAN are also harmonizing economic cooperation with these advanced countries.

It should be noted that ASEAN also has important aspirations on the social and cultural plane. Considerable progress has been logged towards the realization of a telecommunication grid covering the whole ASEAN region by satellite and undersea cable. On the international political and diplomatic level ASEAN has succeeded in formulating and effectively implementing common approaches and common actions, as evidenced, among others, in the handling of the Kampuchean problem in various international forums and the ICAP negotiations with Australia.

The high-water mark in the as yet short history of ASEAN was undoubtedly the Bali Summit of 1976, which produced the Declaration of ASEAN Concord, the Treaty of Amity and Cooperation in Southeast Asia, and the Agreement on the Establishment of the ASEAN Secretariat. It contributed significantly to the progress achieved in the last decade. The declaration provides, among others, a framework for cooperation on basic commodities, particularly food and energy, on industry and trade, and joint approaches to international problems. In the political sphere ASEAN countries commit themselves to work for the recognition of Southeast Asia as a Zone of Peace, Freedom, and Neutrality, which aims to prevent the area from being used as a theater for great power rivalry. The Treaty of Amity provides specific guidelines for the peaceful settlement of disputes among member states.

## **ASEAN: A Socioeconomic Basis for Regional Security**

The U.S. withdrawal from Vietnam and the Vietnamese occupation of Kampuchea have led to a tight closing of ranks among members of ASEAN as no other event probably could. Differences in perception among members of the association as regards the degree and nature of the Vietnamese threat, of the possible security implications of détente between the People's Republic of China (PRC) and the United States, not to say of the economically powerful ethnic Chinese minorities (including the Huachiao or Chinese citizens overseas) in at least three ASEAN member states—all these are currently being overshadowed by the primary need to pose a common stand on the Kampuchean questions.

What should be noted is that even in dealing with the Indochina conflict, which is in fact a regional fallout of a wider and global conflict embroiling the United States, the Soviet Union, and the PRC, ASEAN is consistently seeking a political solution and emphasizing the economic dimensions of regional stability, resilience, and security. It is commonly recognized, of course, that security involves military as well as economic and energy parameters. But U.S. and ASEAN perceptions are often at variance as to the most critical threats to security and the most effective approaches for dealing with those threats. When we call for security cooperation among ASEAN countries, for example, the emphasis is not so much on military cooperation but rather cooperation in economic and social areas with the objective of defusing or alleviating potential sources of discontent that might feed subversive elements. This is the economic and social approach to enhance a region's prospects for security. The agreement to share energy resources in times of crisis, the creation of a regional stockpile of rice to deal with temporary emergencies, and the launching of ASEAN fertilizer projects to achieve regional self-sufficiency are recent examples of the importance of economic measures to improve ASEAN security.

But the areas of economic cooperation which can affect the security of the ASEAN region are obviously vastly larger than is connoted by these examples. They include not only intraregional cooperation, but also—and perhaps more significantly—economic cooperation, with the advanced industrial economies. The private sector can play a decisive role here although the experience over the last decade has been one of mixed blessings when viewed from the need to develop regional economic resilience and stability.

Business and trade relations with the advanced countries are one major area of concern. The problem is common to the ASEAN members, and the constraints faced by Indonesia are faced equally by the others. But in the Indonesian case the difficulties are greater in degree since its manufacturing sector is still much weaker than in any of the other ASEAN countries (as measured by its contribution to GDP).

Indonesia has just started on its drive to export manufactured goods, which is a major plank in its development policy platform. With its own rising energy consumption (at an estimated annual rate of over 12 percent), the late eighties will be a critical period for its balance of payments. Thus, a considerable expansion of

nonoil exports, of which manufactures must comprise a significant proportion, is a pre-condition for its sustained development.

Hence we are all concerned about the barriers placed against market access in the industrialized countries. Timber is a classic example. Timber processing into finished wood products such as plywood, veneer, and chipboard is a fairly labor-intensive operation, requiring relatively unsophisticated technology. It raises value added by more than 60 to 70 percent over round logs. By all accounts, the development of wood-processing industries in Indonesia and the other timber-rich ASEAN countries makes sound economics. Yet in Indonesia this development has been severely stultified for more than a decade since the country became a principal nonconiferous log producer in the late sixties. One major barrier is the very high duty placed in the industrially advanced countries on finished products such as plywood, which carries a 20 percent duty in Japan. The tariff in the United States is also very high.

Pure private entrepreneurial decisions and reasonable economic incentives extended by the Indonesian government were apparently insufficient to seed the growth of a domestic wood-processing industry as until 1979 almost 95 percent of Indonesia's timber exports still consisted of untreated logs. This was the reason why the government resorted to administrative measures to phase down log exports.

Other manufactures are also facing similar if not more serious barriers. Restrictions are imposed by the EEC on garment imports from ASEAN and other developing countries. The European community is also taking measures to restrict Indonesia's export of tapioca pellets for cattle feed. These restrictions create a great deal of concern since there are indications that these restrictions will be expanded to other Indonesian products.

The argument put forward by governments of industrialized countries is that restrictions must be imposed on the importation of textiles and garments from developing countries because developing countries produce at unreasonably low cost since the wages of the workforce are unfairly low and not in conformity with normal labor standards. This argument is difficult to accept. In fact, the wages in the textile sector in Indonesia as in other developing countries are not below the level prevailing in the other sectors in these countries. As a matter of fact, wages in the textile industry in Indonesia are not low if compared with the average income of the population. And relative to the level of per capita income, wages in the textile industry are proportionately comparable with those in industrialized countries. Thus, by restricting textile and garment imports from Indonesia for the reason that labor costs are unfairly low, the industrialized countries are in fact penalizing Indonesia for being poor.

The inability of ASEAN and Indonesia in particular to gain market access in industrialized countries certainly retards their economic development and may exert a sufficiently potent destabilizing influence on the regional security setup.

### **Security-Related Problems—The Indonesian Case**

Indonesia's population (75 percent of it concentrated on Java, the smallest of the main islands) is by far the largest among ASEAN countries, but its per capita

national income is the lowest. These facts, combined with its extensive geography, seem to warrant a separate discussion of some of Indonesia's security-related problems. In any case, most of these would in varying degrees of intensity also be encountered in the other member countries, with the singular exception perhaps of Singapore. It is also a fact that Indonesia's internal stability, national resilience, and economic growth performance are dominant factors in the ASEAN security equation as a whole.

Most of the likely security threats are internal rather than outright aggression by external forces. The latter may also be assumed to operate by subtle infiltration and by manipulating potential domestic pockets of discontent to create disturbances. Internal security threats are partly a function of the government's ability to meet the rising demands of the population, particularly the large urban and rural masses. The government television broadcasts, which now reach even the remotest townships and a growing number of villages, are also a factor creating new demands, which if remain unaccommodated over the long term could breed discontent.

Indonesia's development strategy clearly reflects this concern. Although the first two Development Plans (1969-1979), which focused on agricultural development combined with rehabilitation and expansion of industrial production, gave priority to GDP growth, the Third Plan currently still in progress places primary emphasis on the equitable distribution of development gains.

Having been subjected to a very long period of deprivation, the population had very high expectations of the New Order government when it began to exercise effective administration in 1966. Particularly in the urban centers where the infrastructure enables the people to be more vocal in expressing their demands, this was a matter requiring decisive policies. Thus, the government introduced three measures in quick succession to stimulate production: the foreign trade regime was liberalized, including the dismantling of the complex multiple exchange rate system; the preferential treatment previously given to state enterprises was reduced; and, third, a foreign investment law was drafted, followed by a domestic investment law. The result was that for the first time since independence a broadly based industrial growth began, capable of meeting the sudden release of consumer demand. Throughout the First and Second Plan the Indonesian manufacturing sector was growing rapidly at an average annual rate of 12 to 13 percent.

Rice production was also being tackled intensively through a constantly improved extension service system. The constraints are vastly more serious, the timing and coordination problems more complex; and the subjects (the farmers) demand constant perseverance on the part of extension officers. But the effort was rewarded, and the latest reports indicate that the record of current rice production places the country at the threshold of rice self-sufficiency. Although imports would still be needed for stock-building, the reduced volume would greatly relieve the pressure on the balance of payments.

The progress achieved by the manufacturing sector conceals some very serious structural weaknesses as a result of the policy to expand consumer goods production capacity as rapidly as possible. This meant in effect an import substitution policy,

which the other ASEAN countries except Singapore has also pursued at some stage of their industrialization process. Import substitution has resulted in a widening of the manufacturing sector, producing consumer goods generally by final stage assembly operations with little value added rather than by deepening the industrial structure with a high degree of forward and backward linkages.

These weaknesses are now being eliminated under the Third Plan. The Third Plan also gives priority to equitable distribution in order to eliminate the disparities in growth and income which may become potential sources of instability. Eight major channels for effecting equitable distribution of development gains are identified and are now being implemented by the government; they include among others the distribution of employment, opportunities to develop private business (especially small-scale), education, health care, cheap housing, and security.

The government has also identified a number of major growth centers, where a cluster of basic industries will attract the development of other manufacturing industries. Such a growth center is, for example, North Sumatra, where hydrocarbon-based industries (fertilizers and olefins) at Lhok Seumawe and the aluminum smelter at Asahan function as the primer for growth. Other examples are West Sumatra with coal-mining and cement manufacture as the basic cluster and Banten (the western part of West Java) with the Cilegon steel complex as cluster.

Recognizing the strategic importance of Eastern Indonesia for future maritime traffic, the government has identified other growth centers. South Sulawesi, with its clusters of basic chemical industries already in operation (cement and paper), is a major growth center, which includes the Maluku archipelago in Eastern Indonesia. Nickel-mining operations are already in progress and being expanded within the radius of this growth center, and deep-sea fishing industries are already established. The government is promoting the development of maritime-related industries to provide the region with the economic resilience and infrastructure to back up the Eastern Passage as an important sea lane in the future.

The other growth center is East Kalimantan (covering also the area of Central and East Java) with the Bontang fertilizer complex and other hydrocarbon-based industries around Balikpapan as the priming cluster. East Java has at present already the heaviest concentration of industries in Indonesia. East Kalimantan and South Sulawesi straddles the third alternative passage, the Strait of Sulawesi. The Sunda Strait, which is adjacent to the site of a large integrated steel mill, and the link between Java and Sumatra, will surely also be a factor of strategic importance in this concept of open sea lanes.

Besides priming industrial growth, these growth centers are also instruments for equitable distribution or dispersal of the manufacturing sector and should at the same time stimulate transmigration from overpopulated Java to the outer islands. They will thus eliminate some of the destabilizing tensions which would aggravate from continued disparities between Java and the other islands.

Although the national family planning program is making great strides and internationally acclaimed as being the most successful in the Third World, its effect in arresting population growth will be evident only in the long term. Hence, the

transmigration program is now one of the major national efforts to deal with the population pressure on Java. This program is integrated with government measures to develop the sparsely populated areas on the outer islands and the extensification of agriculture by growing staple foods as well as industrial crops. There is now an intensive drive to expand smallholder cash crop plantations under the so-called Nucleus Estate Program. Under this program a large plantation enterprise would be designated as the "nucleus estate" and given responsibility and financing sources to develop smallholder crops in the adjacent districts. The "nucleus estate," by virtue of its experience, agronomic know-how, and processing facilities, can supply the smallholders with high-yield strains, extension services, and other necessary inputs and also render services to process their harvest, including marketing. This program is implemented not only for the replanting and improvement of existing smallholder plantation belts but also for the opening up of new lands in the outer islands in tandem with the execution of transmigration.

A serious social problem with security implications is the number of job applicants entering the employment market, estimated at around 1.5 million every year. This also is another side of the issue of equitable distribution. In the manufacturing sector, which has to achieve both high growth rates as well as equity in distribution, this problem has called for two specific policies: intensive promotion of small-scale industries (including handicraft) and the creation of maximum employment in the sector, particularly through the small-scale industries and handicraft, which are projected to absorb 1.4 million workers over the Third Plan period. The schemes and measures introduced under these policies include the requirement to purchase products and services of small-scale businesses for government-financed procurements up to a certain amount; the extensive development of foster relationships or other subcontracting arrangement between large- and small-scale industries; the development of industrial estates and production centers for small-scale operations; and the application of a "reservation scheme" whereby specified types of industries are reserved for small-scale operations.

It goes without saying that the large reservoir of labor in Indonesia creates implications on social stability and thus becomes a security-sensitive issue. In at least two other ASEAN countries (Malaysia and Singapore) the problem is rather a shortage of labor although the skill-grade composition of the shortage is not the same in these two countries. This fact has to be taken into consideration when evaluating the progress of economic cooperation under the ASEAN framework.

## **Conclusion**

There are two main types of threats to ASEAN security. The first is those threats which may develop internally within each member country, emanating from popular discontent as a consequence of governments failing to meet rising demands. This is an economic problem, which present ASEAN governments seem capable and stable enough to handle. But to be able to rise to the people's economic and social aspirations, these governments need to be able to convince the industrialized states—especially Japan and the United States—that it is now time for an equitable

restructuring of trade and business relationships. In short, this type of threat can be countered by equitable distribution, which must be achieved by domestic as well as international measures.

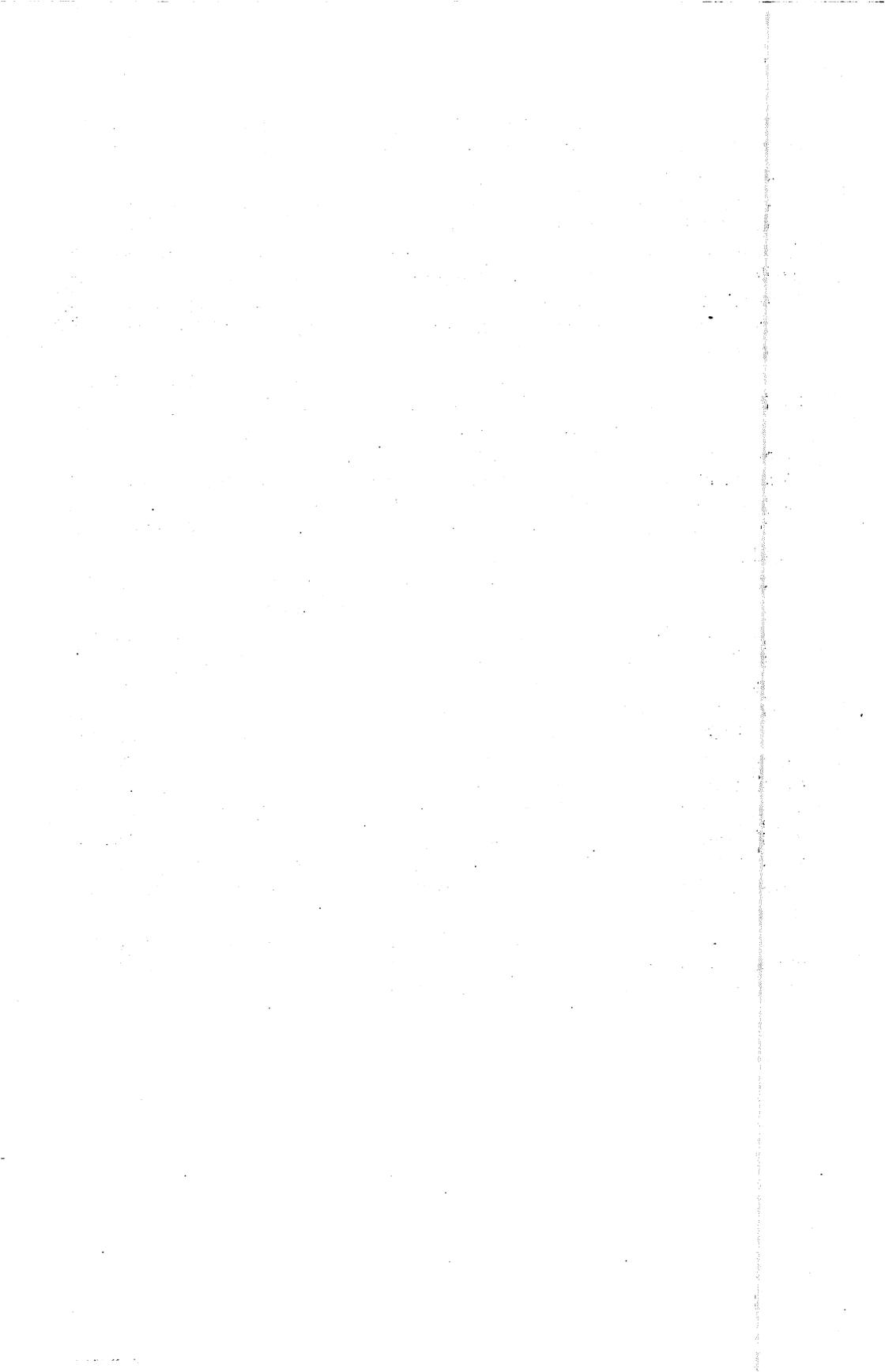
Japan, which has risen to the rank of second biggest economic power in the world after the United States, is extremely dependent on the security of Southeast Asia and specifically on that of the ASEAN region. ASEAN is an important trading partner, one might safely say a more important trading partner for Japan than the European community. About 30 percent of ASEAN's exports go to Japan, including practically all LNG (liquid natural gas) exports. And 25 percent of ASEAN's total imports come from Japan.

Even more important for Japan's security, to which U.S. interests are also linked, the ASEAN region straddles the sea lanes which link Japan with its most important hydrocarbon source, the Middle East. A secure passage through these sea lanes, particularly through the narrow but, for Japan, most economical Strait of Malacca, administered by friendly and stable governments (Malaysia, Indonesia, and Singapore) is an indispensable condition for Japan's security.

Although the Strait of Malacca now bears the heaviest maritime traffic in the world (including those of traditional sailing crafts), alternative lanes through the eastern part of the Indonesian archipelago may in the future become more important. As long as Indonesia can maintain these lanes safely open for mercantile passage, Japan's economic security is assured. There is therefore a close linkage between Japan's and Indonesia's security even in nonmilitary terms, the nature of the linkage being that the former is a function of the latter. To enhance Indonesia's stability is to enhance Japan's economic security, other things being equal.

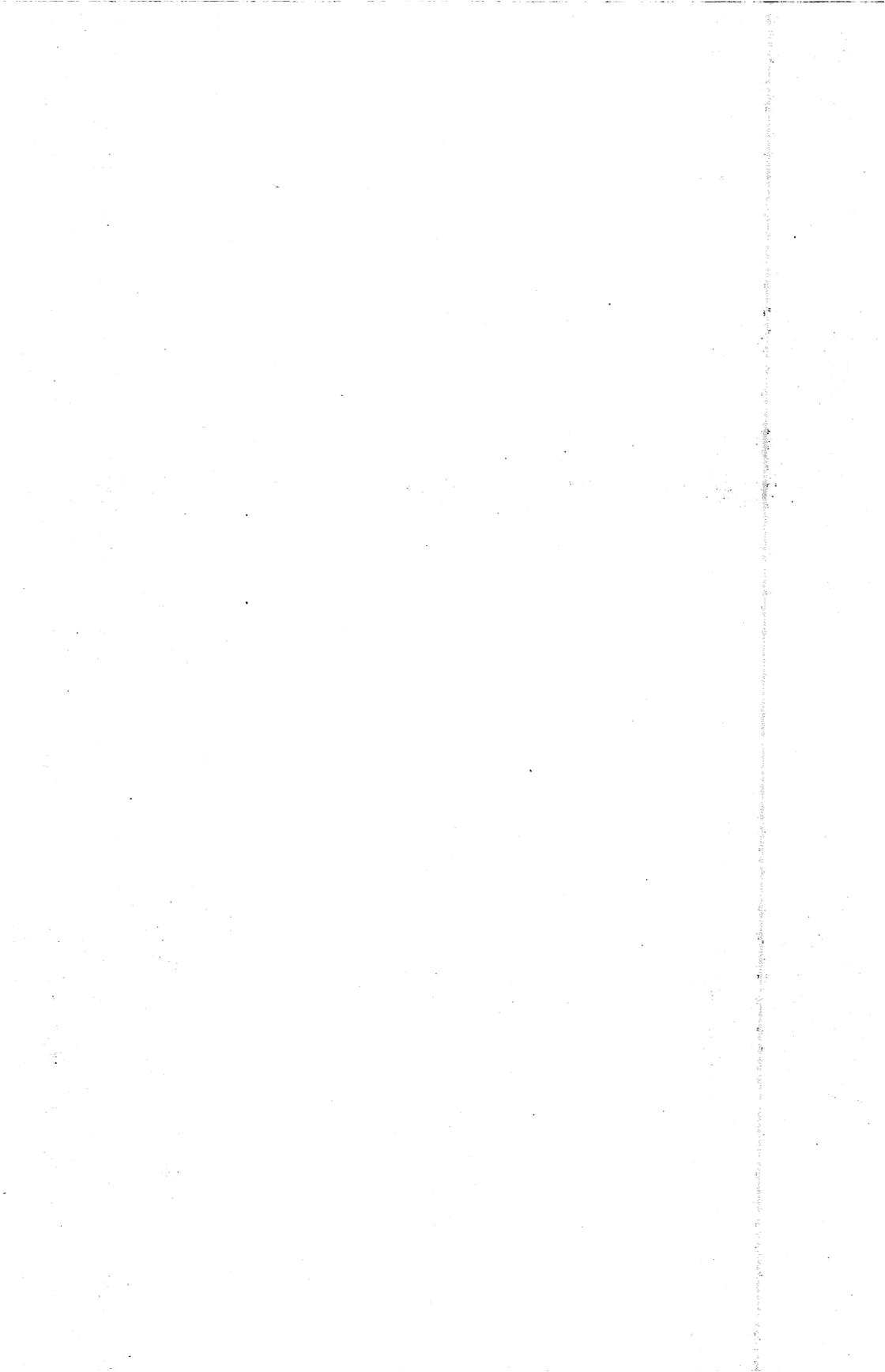
The second type of security threat emanates from the global rivalry of the three superpowers: the United States, the Soviet Union, and the PRC. In the decade of the eighties, the likelihood that this threat will materialize in the form of military aggression in the ASEAN region seems to be minimal. Attempts at subversion and infiltration, and fomenting and escalating discontent are undoubtedly a great possibility. But here again, economic growth combined with social equity within the countries of ASEAN would go very far to defuse the effectiveness of subversion by foreign elements.

The writer realizes that it would be the height of folly, and a dangerous neglect, to discount the possibility of direct military threats against ASEAN security. To counter such security risks requires the building up of a military system of response.



### **III.**

## **Regional Security Problems**



# 6. Security in Southeast Asia: The Circle of Conflict

Juwono Sudarsono

## The Matrix of Conflict

From both the theoretical and practical points of view Southeast Asia ranks as one of the more complex regions, resulting in difficulty in establishing conceptual, much less policy-relevant, security arrangements. Neither the United States nor the Soviet Union regards the entire region as an area of vital security interest. Their marginal economic and military involvements absolve them from pursuing any sustained, concerted, or coherent effort in the manner that Central Europe provides a stabilizing framework, leading to the institutionalized security interests through NATO and the Warsaw Pact forces. Of the two other major powers, neither Japan nor China possesses overwhelming political *and* economic preponderance over the entire region, a preponderance essential in devising a durable security framework commensurate with its short-term and long-term interests.

It is this marginality and asymmetry of major power interest in the region that makes attempts at regional or comprehensive solutions difficult at best. A distribution of relative indifference among major powers can, to some extent, work to the advantage of regional powers that are seeking an autonomous solution to the security of the indigenous states. But this presumes that the regional states themselves see some commonality in extraregional sources of security threats.

Indeed, the very fragility of most of the Southeast Asian states (and, no less importantly, of their governments) in turn often calls for periodic interventions by extra-regional powers to secure the survival of assorted regimes within the region. Coupled with attendant problems of socioeconomic development and of domestic political management, a circle of conflict arises and creates a momentum of its own, one which neither major power nor the indigenous states themselves are able to control.

The asymmetry of relationships among the major powers is compounded by a balance of weakness within regional states. Not one of the Southeast Asian states is likely to be able to bear its full imprint on the entire region. Vietnam since 1975 and particularly since 1979 may have achieved *de facto* primacy over the Indochina region, and the ASEAN states after the Bali Summit of early 1976 may claim to some semblance of influence to determine the parameters of international politics in the maritime portion of the region. But neither the Indochinese nor the ASEAN grouping is likely to be able to claim full authority over the entire area.

The conflicting ebb and flow of major power involvement, the diverse strategic outlook of the Southeast Asian states in regard to the form and source of

extraregional threats, and, not least, the differing priorities in economic development efforts defy attempts to achieve an immediate and practical solution to the current crises in the region.

The *fait accompli* which the Vietnamese presented to the region in 1978-1979 heightens the complexity of the regional security situation at present. In addition to the interplay of major power involvement, regional security interests are defined by individual countries of the region according to varying levels of perception and interpretation. At times even a single country's security perception changes markedly with the reshuffling of the composition of its government. Often the style of a particular leader or of an important faction can substantially change previously agreed understandings, necessitating perhaps a fundamental reexamination of past initiatives and commitments.

### **The Regional Approach**

First attempts at unraveling the crisis precipitated by the Vietnamese occupation of Kampuchea were inspired by a common diplomatic perception among the ASEAN states that the *fait accompli* in Kampuchea was unacceptable on grounds of principle. Throughout most of 1979 the ASEAN states, with the support of the United States, Australia, and New Zealand, condemned Vietnam for its invasion of Kampuchea and its attendant policy of evicting mainly ethnic Chinese nationals from the country. Diplomatic victory was achieved in November 1979 when the U.N. General Assembly called for the withdrawal of foreign troops in Kampuchea. Indonesian perceptions of the nature of the problem (and to the manner of its resolution) changed in early 1980. Apart from its empathy toward Vietnamese revolutionary achievements, the Indonesian government began to emphasize the need to reevaluate the main source of threat to the region in the long term.

Despite outward appearances of ASEAN solidarity or common outlook, it was clear that Indonesia saw China as the greater threat to regional order. While Thailand and Singapore regard Vietnam as nothing more than a proxy for the Soviet Union, Indonesia (and to some extent Malaysia) tended to accept some of the more political as well as military justifications for the Vietnamese intervention in Kampuchea. In effect, this was the beginning not only of a reconsideration of past events in Indochina of the 1977-1978 period (particularly as regards Chinese provocations toward Hanoi through the Pol Pot government) but, more importantly, of the desirable course of diplomatic action to break out of the Kampuchean logjam.

The Kuantan principle, while admonishing the Vietnamese for their action in Kampuchea, in effect constituted an attempt by the Indonesian and Malaysian governments to seek a more regional approach in resolving the crisis. Perhaps it may have inadvertently inspired later counterproposals by the Indochinese governments to construct a dialogue between ASEAN and the three Indochinese states rather than to broaden the issue by encompassing extraregional powers.

Apart from differences regarding the main source of threat to the region, the Indonesians and Malaysians also differed with the Thais and Singaporeans in respect to resisting the Heng Samrin government in Phnom Penh. While Singapore often

spoke openly of a strategy of attrition to bleed the Vietnamese, Indonesia and Malaysia felt inclined to consider with sympathy Vietnam's fears in respect to Chinese threats toward it from three sources: the Sino-Vietnam border, the Kampuchean-Vietnam border during the Pol Pot regime's control over Kampuchea, and the role of the ethnic Chinese in the Vietnamese economy.

The Kuantan principle almost immediately lost its luster in the wake of the Vietnamese incursion into Thailand in June 1980. Indonesia and Malaysia were subsequently put into a defensive position, and ASEAN's diplomatic unity was regained with the repeated call for the withdrawal of foreign troops from Kampuchea at the U.N. General Assembly meeting in October 1980. The meeting also called for the holding of an international conference as part of a continuous effort to achieve a comprehensive solution to the Kampuchean crisis. In effect, the holding of the conference in July 1981 marked the formal end on the part of the Indonesians to seek a more regional-centered solution.

### **The Comprehensive Approach**

Despite the failure of the Indonesians and Malaysians to convince their ASEAN colleagues of their more sympathetic approach toward Vietnam and despite their acquiescence to the formal declaration of the U.N. Conference on Kampuchea, the Indonesians continued to maintain sporadic dialogue with the government in Hanoi. The decision to continue the dialogue with Hanoi in part reflects the previous emphasis on the nature of the long-term threat to Southeast Asia from China. But in part it also stems from a growing realization that a comprehensive and internationalized (as opposed to a region-based) approach to the Kampuchean question brings more complications to the issue in question. By recognizing the legitimate interests of all parties concerned, the conference approach institutionalizes the essentially extra-regional character of the Sino-Soviet conflict as a substantially more impelling issue than the presence of Vietnamese troops in Kampuchea.

While recognizing the fact that one of the more important reasons for Vietnamese intervention in Kampuchea was its growing enmity with China, Indonesians believe that two extraregional dimensions were too difficult a task to handle by all conflicting parties concerned. In addition, resort to a comprehensive approach, even if it places priority on an understanding reached among Southeast Asian nations, necessarily reduces the prime responsibility of the Southeast Asian states in initiating breakthroughs involving matters of concern to the region. To the Indonesians and Malaysians, the comprehensive effort smacks of a great power imposition of a security arrangement that serves primarily the interests of the United States, China, and Japan.

In deference to Thailand, however, both Indonesia and Malaysia for the moment seem to be willing to give the comprehensive approach a chance. In the meantime, both governments (or at least elements within the respective governments) out of choice and opportunity will be eager for a more propitious moment for another round of an intraregional-centered understanding.

The Malaysian foreign minister recently warned China that its strategy of attempting to bleed the Vietnamese into submission was foolish and bound to fail.

Coming as it did prior to deliberations at the United Nations on the Kampuchean question, it may portend further evidence of a two-track diplomatic-cum-military approach evidently pursued by Indonesia and Malaysia, on the one hand, and the unified ASEAN stand, on the other.

### **Indonesian Views on the Conflict**

Indonesia's clear preference for a regional approach rests on three premises, which differ distinctly from the underlying principles governing the objectives of the conference approach. First, Indonesia's view on the motives of Vietnamese intervention into Kampuchea differs from that of Thailand and Singapore. Although it cannot openly endorse the installation of a government through the use of armed force in a neighboring country, most Indonesian observers view the Pol Pot-Ieng Sary government as having been overtly provocative toward a nation which, from an Indonesian point of view, has strong claims and a legitimate position of dominance within the Indochina region.

In addition, whatever misgivings China may have over Vietnam's treatment of its ethnic Chinese minority, Indonesians view with sympathy Vietnamese apprehension over the degree of control that the ethnic Chinese have over the commercial economy. Finally, in strategic terms a strong Vietnam within a consolidated Indochinese front would act as an important buffer against Chinese expansionism in the long term. Indeed, concern over the future of Chinese conventional and nuclear capability, helped by current U.S. and Japanese diplomatic and economic support (particularly after the August 1978 Sino-Japanese Treaty of Peace and Friendship and the recognition of the Beijing government in January 1979), has underscored Indonesian concerns over the future of regional resilience, one of Indonesia's principal tenets of national defense.

Viewed from Indonesia's defense perspective of concentric circles emanating outward against extraregional threats, a convergence of interests between ASEAN and the Indochinese states would constitute a formidable bulwark against China as well as insurance against potential domestic fifth columnists.

Understandably, the Indonesian perspective is viewed with strong suspicion and alarm in Thailand. Thailand's traditional rivalry with Vietnam for influence over Laos and Kampuchea has in the past aligned it with China for precisely these reasons. Thailand was also fully aware that ASEAN unity could only go as far as concerted diplomatic efforts; the combined forces of the ASEAN countries remain no match for the battle-hardened Vietnamese army.

Whereas Indonesia had strong reservations about China's punitive action toward Vietnam in February-March 1979, Thailand was relieved that China's limited attack forced the Vietnamese to think twice about possible consequences of a second front should it contemplate moving its troops well beyond Indochina. Thailand was also relieved to note that there were limits to the Soviet support of Vietnamese regional ambitions when the Soviet Union only provided verbal support to Vietnam during the Chinese attack.

Since in the view of Thailand only China retains any semblance of effective

deterrent against Vietnamese aggression westward, there are also important discrepancies in respect to Thai and Indonesian tactics in regard to the Thai-Kampuchean border area. Thai units are known to resupply Khmer Rouge forces who cross the border and then return to fight Vietnamese and Heng Samrin forces. Thailand has also permitted movement of Chinese military supplies for the anti-Heng Samrin resistance forces. The Indonesians view such tactics as not only perpetuating the border area conflict but, more importantly, as exacerbating the Sino-Vietnamese conflict. Also, the Indonesian and Malaysian view of a strong Indochina acting as a buffer zone against China is in direct conflict with the Thai view that it is only Vietnam that poses an imminent threat to the rest of mainland Southeast Asia.

The second point of contention between Indonesia and Thailand in regard to extraregional dimensions involves the role of the Soviet Union. The Soviet Union recognizes the different perceptions among the ASEAN states concerning the sources of instability to the region. As the Chinese and U.S. governments gradually moved toward normalization of diplomatic relations and the Vietnamese hope of diversifying its major power relationships were constricted by Chinese pressure and U.S. vengeance, the Soviet Union successfully persuaded Vietnam that a Soviet-Vietnam alliance was a firm guarantee in securing economic and military assistance.

From the Thai perspective, Vietnamese dependence on Soviet support enhanced its perception of an increased Vietnamese capability to strike across the border toward a wider regional dominance. The Indonesian view, on the other hand, was that the Soviet-Vietnamese alliance came as a result of U.S. failure to give the Hanoi "Titoists" a fair chance to embark upon a more flexible and independent foreign policy stance. That this U.S. failure was perpetuated in tandem with the Carter administration's obsession with its strategic understanding with China was all the more reason for Indonesian empathy for the Vietnamese predicament. More importantly for the Indonesians, the U.S. obsession to reach a strategic understanding with China, subordinating Hanoi's concern with the larger perceived threat of Soviet naval power, served to confirm the belief that the sooner ASEAN and the Indochinese grouping agreed to a region-based and region-centered security arrangement, the better it would serve the long-term interests of all the states concerned.

In the eyes of the Indonesians, what has transpired in the past five years in the broader spectrum of East Asia has not been favorable to Southeast Asian regional stability. A system of quasi-alliances has polarized the East Asian setting in the six months between July 1978 and January 1979, one of which only served to aggravate the intraregional nature of the conflict centering on Kampuchea.

First, Japan concluded with China (at the active encouragement of the Carter administration) the Sino-Japanese Peace and Friendship Treaty. It was immediately viewed by Moscow as a major breakthrough as part of an effort to establish an East Asian anti-Soviet alliance.

When the deteriorating Sino-Vietnamese and U.S.-Vietnamese relations finally brought about the Soviet-Vietnam Treaty of Friendship and Cooperation,

the Chinese in turn foresaw the prospect of a Vietnamese invasion into Kampuchea. China then normalized diplomatic relations with the United States, hoping that it would deter Vietnam from overturning the Pol Pot government. When it failed to do so, the U.S. connection seemed sufficient to deter Soviet military reaction to China's subsequent military action into northern Vietnam in February-March 1979.

The crisis in Kampuchea, initially a conflict among fraternal Communist states within Indochina, has thrust itself into three layers of extraregional conflict: the Sino-Vietnamese dispute, with strong implications for both intra-ASEAN and ASEAN-Indochina relationships; the hardening of Sino-Soviet competition with respect to their secondary security relationships in Southeast Asia; and Soviet-American rivalry at the global level, specifically at "periphery areas."

Given the intricacies of the issues involved, it is doubtful whether a comprehensive solution as envisaged through the U.N. conference system can ever have a chance to succeed. Indeed, the long-term and internationalized nature of the comprehensive approach serves to confirm Indonesian fears that the circle of conflict in Southeast Asia is beyond the capacity and political willingness of the Southeast Asian states to break.

# **7. Regional Security Problems of Southeast Asia in the 1980s: A U.S. Defense Department Perspective**

Richard L. Armitage

There is an ancient Chinese proverb, attributed to Confucius, that observes: "To know what you know, and to know what you don't know, is the characteristic of one who knows." I don't have all the answers for our mutual problems, but I know that I am grateful for this opportunity to present the U.S. view on some of the security problems facing policy makers in the Pacific. In the last forty years, this region has commanded U.S. attention and absorbed immense amounts of U.S. blood and resources. It is an area of inevitable American interest, now as before.

Before enumerating the perceptions of interests and problems in the region, I would like to address an important and essential facet of power that concerns us all—national will. The United States, under the enlightened leadership of President Reagan, is determined to demonstrate a constancy of purpose in its domestic and foreign affairs, which will restore, through its actions, a credibility that has been sorely lacking in the past. The United States wants to assist in the development of a reasonable division of labor among its allies, strengthen its military posture to deter Soviet expansionism, and endeavor to dampen regional sources of instability. The United States has been correctly criticized for a disparity between its official expressions of commitment to the security of traditional friends and allies in Asia and the lack of credence given such expressions in the wake of the Vietnam War as well as shifting U.S.-Soviet power balances and uncertain U.S. political initiatives (such as its troop exit from Indochina, the on again-off again withdrawal of its forces from Korea, and the fall of the pro-American government in Iran). The Reagan administration, the American people, and the elected voice of the people—the Congress of the United States—are dedicated to strengthening their global and regional commitments. The United States will remain a Pacific power.

During the final months of the Carter administration, there were modest proposals to increase the real level of defense spending. President Reagan realized that these increases were not adequate to respond to the dramatically increased threat. His 1982 budget significantly enhances the U.S. ability to respond to the Soviet threat at all levels of conflicts and in all areas of the world vital to the U.S. interests. They strengthen its existing forces by increasing

readiness and will increase tomorrow's forces by improvements in weaponry, mobility, and force projection. As Secretary of Defense Caspar Weinberger has said:

The history of global conflict has taught us a major lesson: that the refusal to respond to a major challenge, by preparing for conflict, has invited conflict. There is another, potentially conclusive, lesson. It is that nations may reach such a level of unpreparedness that they will become afraid to redress the situation for fear of provoking the conflict they are seeking to prevent. We must never permit ourselves to slip to that level of unpreparedness.<sup>1</sup>

The United States has been accused of focusing attention and allocating resources to support a Europe-first foreign and defense policy. Though, perhaps, once true, that situation is now changing. There have been numerous enhancements to the Pacific defense posture that include a strengthened force projection capability, cooperation with allies on force modernizations, discussions of rational divisions of labor with Pacific *and* European allies, increased educational exchanges, and other policy initiatives to enhance regional stability. These actions illustrate that the United States is serious about maintaining a global balance, remaining a Pacific power, and honoring its commitments to its friends.

U.S. interests in Asia continue to be directed toward preventing the Soviet Union and its Vietnamese surrogate from achieving a dominant presence in the area from which to foster actions that are inimical to the interests of the United States and its allies. To safeguard these interests, the United States has provided strategic nuclear and conventional force protection. Concomitantly, it has tried to encourage greater overall defense contributions to the allied side of the security balance to provide for a more rational division of labor and continue economic assistance for friendly regional partners.

The Soviet Union presents a significant threat to the peace, economic growth, and social stability of Asia in general and of Southeast Asia in particular. By no stretch of the imagination can the unprecedented growth of Soviet military power be considered defensive in nature. It is an attempt to exploit what the Soviets view as a lack of American and free world will to maintain the balance of power. Soviet expansion into Southeast Asia, through aid to the Socialist Republic of Vietnam and the Kampuchean and Laotian governments, is evidence of a global plan to increase the Soviet presence and influence. Other obvious examples include the invasion of Afghanistan, insertion of and logistical support for Cuban surrogates in Angola, support of a leftist regime in Nicaragua, and support for revolutionary movements in El Salvador. The Soviets have come to play an increasingly ominous role in the affairs of Southeast Asia. Rivalry between the two Communist giants—the Soviet Union and the People's Republic of China (PRC)—makes the area potentially disruptive and increasingly explosive. Within the borders of the U.S.S.R. and the PRC already 1.5 billion, or roughly 35 percent of the earth's population, live under

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1. Testimony before Senate Armed Services Committee, March 4, 1981. Reprinted in *Defense '81*, Office of Secretary of Defense Public Affairs Bureau, Washington, D.C., June 1981, p. 3.

Communist one-party dictatorships. Each country's action to thwart the other lends itself to potential conflict. Singapore's Premier Lee Kuan Yew has said: "When elephants fight, the grass is trampled; when elephants flirt, the grass also suffers; and when elephants make love, it is disastrous." These words are well understood in the United States

The United States believes that the Soviets are in Indochina for three basic reasons. First, they seek to flank China. By fostering the Vietnamese and Laotian alignment against China, the Soviets are forcing the Chinese to spread their developing defense resources over two fronts, north and south of its borders. Second, the Soviets seek a position astride the major sea lanes linking East Asia, and especially Japan, with petroleum source areas in Southwest Asia. Third, they seek to parlay the economic ruin of Indochina into advantage. Through assistance to Vietnam, to Laos, and to Heng Samrin's artificial regime in Kampuchea, they hope to buy themselves a position of influence and expanded presence in Southeast Asia. The United States believes they will pursue these objectives with determination. Vietnam has opened the door; there will be no Soviet reluctance to go in.

The Soviets have attempted to widen their military lodgment in Vietnam, especially in their development of air and naval facilities at Da Nang and Cam Ranh Bay. This situation presents a growing menace to China's southern flank, and it must also be taken into account in the overall strategy in the region. Da Nang and Cam Ranh Bay may be developed into counters to U.S. facilities in the Philippine bases at Subic Bay Naval Base and Clark Air Base. Already, Soviet use of Vietnam's bases has permitted intelligence-gathering and flag-showing efforts unprecedented in the region. For example, the much publicized November 1980 cruise of the Soviet aircraft carrier Minsk, deployed out of Cam Ranh Bay, was the first instance in recent memory of a Soviet combatant entering the Gulf of Thailand; and Backfire bombers fly routinely across the South China and Philippine seas. The United States has taken appropriate note and I am sure the countries of Southeast Asia have as well.

From the U.S. perspective, the most pressing problem for Southeast Asia is the resolution of the conflict in Kampuchea. We refuse to accept the status quo created by Hanoi, which wants others to believe that its policy in Kampuchea is irreversible. But it is not. The United States continues to support the five-point ASEAN proposal, submitted in July 1981 at the U.N. International Conference on Kampuchea in New York. We believe this strategy to be a major success for ASEAN and a sound plan for the resolution of the problem of great power rivalry.

Despite Vietnam's famous slogan, "Nothing is more precious than freedom and independence," it has doggedly pursued its Kampuchean misadventure, trading its much-vaunted independence for Soviet assistance. Now estimated at \$3 to \$6 million per day, Soviet aid keeps the Vietnamese effort going in Kampuchea. At the same time, Hanoi's focus of resources for Kampuchea is at the expense of its own domestic economic development. Of direct concern to the United States, this aid keeps a battle-tested military machine in a threatening posture on the border of a treaty ally, Thailand.

The states of the region have sought to live peaceably with their neighbors and to concentrate their energies on development of their economies and societies. By direction and indirection, Vietnam has opened up the region to a far wider contest, which ultimately threatens all the people of Southeast Asia. The problem presented by Kampuchea transcends regional concerns and is an important foreign policy problem for all the ASEAN countries and their friends around the world. The ASEAN countries have established realistic cooperation and unity over the issue of Vietnam during the last few years. It seems to me that we have Vietnam to thank for this unity and cooperation. Its ill-advised and reprehensible attack into Thailand on the eve of the Thirteenth ASEAN Conference focused attention on this problem. ASEAN was recognized as an economic and cultural association and is now fully cognizant of its effectiveness as a political association.

However, from a U.S. perspective there are internal as well as external threats to ASEAN. With the exception of Singapore, which by virtue of limited land area and population is a special case, there is a certain commonality of problems that face ASEAN states. Economically, the natural resources of the ASEAN countries are tremendous, but the wealth gained from these resources is not always distributed equitably. Great social differences separate a handful of the privileged from the great majority of citizens. This economic inequity leads to major social ills, exemplified by a low standard of living, inadequate housing, poor educational opportunities, drug abuse, and family disintegration—all kernels of unrest that can be watered and harvested by insurgents. Added to this, religious tensions grow, and as separatists in some countries exert pressure, centuries-old animosities and intolerance between religions become pronounced. Finally, the political question of succession is, for the most part, unanswered in ASEAN countries. The decisive and harmful instability that results from the turmoil of attempts at jockeying for leadership positions is of paramount danger to ASEAN nations.

These comments are not meant as a criticism of Southeast Asian nations. I enumerate them simply to acknowledge their existence. The United States shares, to a degree, most of these problems.

Another regional problem of concern to the United States and its ASEAN friends is the potential for resource rivalry and associated territorial disputes in the South China Sea and elsewhere. The Socialist Republic of Vietnam (SRV) is also involved in its desire to obtain a stranglehold on the regions' resources to support its expansionist policies. Examples are the disputes between the SRV, the Philippines, and Taiwan in the Spratlys; and between the SRV and the PRC in the Paracels and the Gulf of Tonkin.

There is also the potential for ethnic or communal violence such as that exhibited by separatist organizations such as the Fretilin in East Timor, the rump Communist Party of Malaya, the separatist Pattani United Liberation Organization in southern Thailand, the Communist New People's Army in the Philippines, and the Moro National Liberation Front in the south Philippines. All of these organizations present their own particular problems for the countries concerned.

Another U.S. concern is the flood of refugees coming out of Vietnam, Laos, and Kampuchea. Voting with their feet, and with leaky boats, these people give stark

testimony to the havoc and ruin the Communist regimes have brought down on Indochina. The humanitarian attitudes of ASEAN members and others in East Asia toward these refugees is to be commended. They demonstrate a spirit of cooperation that attenuates the social and economic impact of their presence on any one country.

As Soviet military activities and presence have grown in the Pacific and Indian oceans and in the Southeast Asian region that links these two oceans, the United States has sought to husband and strengthen its defense resources to better secure its interests and those of its friends. It cannot, however, rely on these efforts alone but must meet the challenge of Soviet expansionism and surrogate aggression by integrating its efforts with those of its allies and friendly states whose security interests ultimately parallel those of the United States.

The roles of our allies and friends vary. Japan, through its immense economic influence in Southeast Asia, contributes to the stability of the free market economies of the region. The United States has strongly urged that it increase its capability to defend itself—not so that the United States can do less or that Japan can become a regional power but so that both can do more to face the greater threat posed by the Soviet Union.

Australia and New Zealand—linked to the United States by the ANZUS treaty, but also tied to Singapore and Malaysia under the Five-Power Defense Arrangement, and to Thailand and the Philippines under the Manila Pact—also make important contributions to the political and military security of the region. Each country has maintained a small military unit in mainland Southeast Asia: the Royal Australian Air Force in Malaysia and the Royal New Zealand Army in Singapore.

The Philippines, the Asian nation to which the United States has the closest historical attachment, is linked to us by two security treaties. It is a vital and irreplaceable ally. The cooperative policies of the Philippine government, which we believe shares our security concern for the whole region, enhances the utility of the arrangement. Through our treaty structure and the Bases Agreement, the security of the Philippines is made a key building block in our strategy.

Thailand, under the 1954 Manila Pact, is also linked to the U.S. network of security relationships. Since the arrival of Vietnamese forces near the borders of Thailand in 1979, the United States has worked steadily to help the Thai build up their own means to counter this threat. Front-line Thailand, facing an entrenched Vietnamese adversary in Kampuchea, has embarked on an ambitious project to upgrade its forces across the board. The United States is determined that this ally will not want for the means to defend itself nor stand alone in the face of threats.

The other states of ASEAN, while not always aligned with the United States, do share basically similar views about the dangers to the region posed by Vietnam's occupation of Kampuchea and Soviet activities throughout the world. They too have undertaken to modernize their armed forces as they perceived this increased threat to their interests. The United States welcomes their efforts and desires to assist where appropriate.

The People's Republic of China, whose strategic weight in East Asia is undeniable, has also come to play a role in the restraint of Soviet adventurism in the region.

Acknowledging long-standing Southeast Asian concerns about their near neighbor, the United States has given assurances that our developing relations with China will not be at the expense of friends. The United States clearly understands the historical mistrust of China that exists in varying degrees among the Asian nations. As the U.S.-PRC relationship develops the U.S. will remain aware of and sensitive to regional concerns, and our policy will take this into account. The United States also sees its relations with China and Japan, and their relations with each other, not as being directed against any other power, but as an element in maintaining a peaceful equilibrium in Asia.

The defense of U.S. interests and those of its friends in Southeast Asia is founded upon U.S. efforts, political and military, and upon a concert of security relationships with the countries of East and Southeast Asia. Alone, the United States can no longer provide an umbrella of security against all threats to all its allies and friends. But through a concert of efforts, these free societies with U.S. help can defend themselves.

## 8. Thai Perspectives on the Conflict in Kampuchea

Kramol Tongdhamachart

After the Vietnamese invasion of Kampuchea in December 1978 and the subsequent establishment of a pro-Vietnamese regime headed by Heng Samrin in January 1979, Kampuchea became a battlefield between the two contending forces. On one side are the Vietnamese troops backing the Heng Samrin regime to pacify the country; on the other are the resistance forces composed of the Khmer Rouge soldiers of the overthrown Pol Pot regime and two other groups loyal to Sihanouk and Son Sann. Despite sustained international effort during the years since then to find an appropriate solution of the conflict, the prospect of a settlement does not appear to be in sight in the near future for three reasons.

First, the two contending forces lack sufficient strength to destroy each other militarily, thus failing to produce results leading to negotiations. Politically, the Vietnamese-backed Heng Samrin regime is recognized by most Socialist countries and some non-Socialist countries, but the Pol Pot regime has the full military and political support of the People's Republic of China and most members of the United Nations, where its delegation occupies Kampuchea's seat in the General Assembly. The Vietnamese-Heng Samrin forces can neither consolidate their control over Kampuchea nor gain the sufficient international recognition they need to legitimize their regime. On the other hand, the resistance forces are divided and too weak to drive out the Vietnamese troops; they can only stalemate Vietnamese efforts to consolidate their control.

Second, supporters of the two contending forces have not been able to find an appropriate solution to the Kampuchean conflict acceptable to all concerned parties. Whereas on three occasions U.N. members called for the withdrawal of foreign forces from Kampuchea and self-determination of the Kampuchean people to elect their own government free from outside interference and coercion, the Vietnamese and the Heng Samrin regime have not only argued that the situation in Kampuchea cannot be changed but also have denounced the U.N. resolutions as illegal.

Third, the Vietnamese and their supporters have refused to participate in a conference on Kampuchea called by the U.N. secretary-general in July 1981 to discuss a comprehensive political settlement, which would take care of the legitimate interests of all the concerned parties to the conflict in Kampuchea. The Vietnamese, instead, proposed a regional conference of the three Indochinese states and the five ASEAN countries to discuss the ways and means to achieve peace and stability in Southeast Asia. ASEAN was, of course, opposed to the proposed regional conference because

it would not only give legitimacy to the Heng Samrin regime but it also would assume accepting the Vietnamese action in Kampuchea as a *fait accompli*.

In all probability, in time more U.N. members who are far from the battle scene will eventually condone the Vietnamese invasion of Kampuchea and derecognize the Pol Pot regime. On the contrary, the ASEAN countries, particularly Thailand, which is directly affected by the conflict in Kampuchea, oppose the Vietnamese action in Kampuchea at all costs and are searching for an appropriate solution to the conflict in Kampuchea. This chapter will discuss the Thai perception of the conflict and its rationale.

### **Causes of the Kampuchean Conflict**

In the Thai view, the Kampuchean conflict was caused partly by Vietnamese expansion ambitions in Indochina and partly by the Sino-Soviet rivalry for power and influence in Indochina and Southeast Asia.<sup>1</sup> There is ample evidence for this view. As soon as the United States withdrew from Indochina in 1975, the Vietnamese sought to expand their influence into Laos and Kampuchea and were followed by the Sino-Soviet rivalry to win the three Indochinese states to its side. In July 1977 the Vietnamese, probably with the tacit approval of the Soviet Union, signed with Laos a twenty-five-year treaty of friendship and cooperation, under which the Vietnamese could despatch their troops into Laos if requested by the Laotian government to help the latter maintain internal order and security. Since the Laotian Communist leaders were too weak to contain a threat to their authority posed by the anti-Communist elements in the country and called for Vietnamese help, the Vietnamese seized the opportunity to station 40,000-50,000 troops on Laotian soil. The Vietnamese easily succeeded in their expansive ambitions in Laos mainly because the Laotian Communist leaders, especially Kaison Pomwihan and Nhuhak Poonsowan, leader and deputy leader, respectively, of the Revolutionary People's Party of Laos, used to work closely with the Vietnamese leaders, who, in turn, supported them in capturing power in Laos in December 1975.

However, when the Vietnamese sought to establish the same kind of relationship with Kampuchea, they were turned down by the Kampuchean Communist leaders. This was partly because the latter, especially Pol Pot, Iang Sary, and their close associates, were highly nationalistic and suspicious of Vietnamese expansionist ambitions and partly because they had already established a very close relationship with the People's Republic of China, which had supported their capture of power in Kampuchea in April 1975. Since the Pol Pot regime not only cooperated closely with the Chinese but also accused the Vietnamese of harboring expansion ambitions over Kampuchea and made intermittent border war with Vietnam from 1977 onward, the Vietnamese sought to eliminate the Pol Pot clique. The Pol Pot regime, in turn, provided the Vietnamese with the opportunity to fulfill their dream of creating a Vietnamese-led Indochinese federation when, as a means of consolidating its power in Kampuchea, the Pol Pot regime undertook brutal and genocidal policies by

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1. For details, see General Prem Tinsulanond, Prime Minister of Thailand, speech delivered at the Foreign Correspondents Club of Thailand, Nov. 30, 1981.

starving and massacring great numbers of its own people, causing thousands of Kampuchians to flee to Thailand and Vietnam. Despite condemnation of Pol Pot's actions by the international community, it was not until the Vietnamese had obtained Soviet assurance of support under a twenty-five-year Soviet-Vietnamese treaty signed on November 2, 1978, that the Vietnamese began military operations against the Pol Pot regime on December 25, 1978. It was, therefore, the Vietnamese invasion of Kampuchea that sparked the Kampuchean conflict and Vietnam's refusal to withdraw its troops that caused the conflict to drag on. The Kampuchean conflict could certainly come to an end if the Vietnamese complied with the U.N. resolutions calling for the withdrawal of foreign troops from Kampuchea and self-determination of the Kampuchians. The Vietnamese, however, argue that they dispatched their troops into Kampuchea to eliminate the genocidal regime and the "Chinese threat" to their security via Kampuchea. They argued that their troops remained in Kampuchea at the request of the Heng Samrin regime in accordance with the commitment under the Vietnamese-Kampuchean treaty of February 1979 to guard against the return of the Khmer Rouge and a possible recurrence of the Chinese threat via Kampuchea. They also argued that they would withdraw their troops only when they felt assured that the Chinese would no longer "turn Kampuchea into a spring-board for an attack against Vietnam with a view to securing China's control over the Indochinese peninsula and later on . . . Southeast Asia."<sup>2</sup> Naturally, the Chinese denied the Vietnamese charge and accused them of harboring regional hegemonistic ambitions in Southeast Asia in collaboration with the international hegemonistic Soviets. They also taught the Vietnamese a lesson by invading Vietnam in February 1979 and vowed that they would teach the Vietnamese another lesson unless the latter changed their regional hegemonistic policy.

It is, therefore, obvious from the foregoing that the conflict in Kampuchea is partly a conflict between China and Vietnam and partly a conflict between China and the Soviet Union. The Kampuchean conflict, as a consequence, cannot be settled unless the legitimate interests of the concerned parties are taken into account. In the Thai view, this can be achieved only through an international conference participated in by all the concerned parties to the conflict, not through a regional conference held between the three Indochinese states and the five ASEAN countries as called for by Vietnam.

### **Effects of the Kampuchean Conflict**

In the Thai view, the events in Kampuchea have had detrimental effects on the peace and security of Southeast Asia as a whole and have set a dangerous precedent in the international community. However, since Thailand has an 800-kilometer border with Kampuchea, it is more directly affected by the Kampuchean conflict than are other countries. As such, Thailand has earnestly sought an appropriate solution to the conflict and has no intention of prolonging it in order to bleed the Vietnamese to death. The Thais have been opposed to the Vietnamese military operations in Kampuchea

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2. *The Truth About the Vietnam-China Relations over the Past Thirty Years*, Ministry of Foreign Affairs, Socialist Republic of Vietnam, p. 34.

not because of their hatred of Vietnam but because of the detrimental effects on legal principle and regional order.

Thai Foreign Minister Uppadit Pachariyangkun clearly expressed this view:

The events in Kampuchea have created a dangerous precedent in Southeast Asia where the cardinal principle of noninterference and respect for sovereignty and territorial integrity of another state have been violated. The precarious political balance, which was within reach for the region before the armed intervention in Kampuchea took place, has once again been tilted, thus making it much more difficult to find a new equilibrium which will be acceptable by all concerned.<sup>3</sup>

The Kampuchean conflict has posed a threat to Thai security because of the massive influx of Kampuchean into Thailand as well as the possibility of fighting between the Vietnamese troops and the resistance force spilling over into our country. This, in fact, has taken place, causing death both to Thai soldiers and innocent civilians and damage to Thai property.

Although Thailand has adopted a policy of restraint on the spillover effect of the Kampuchean conflict, it is concerned about the possibility of armed conflict between Thailand and Vietnam. The Vietnamese have often accused Thailand of allowing the Pol Pot forces to use Thai territory as their sanctuary and to recruit their supporters from the Kampuchean refugee camps. They have also charged Thailand with cooperating with China in supplying the Pol Pot forces with food and weapons. Thailand is worried that in order to consolidate their complete control over Kampuchea and wipe out the resistance forces, the Vietnamese may undertake a small-scale invasion of Thailand by striking at the refugee camps or the Thai border area believed to be supply depots and the sanctuary of resistance forces. This once occurred at Non Mak Mun village where the Vietnamese troops made an incursion across the Thai border and clashed with Thai forces for one day before they were pushed back.<sup>4</sup> It is because of Thailand's desire to prevent any recurrence of an armed clash between Thailand and Vietnam, that, together with the strong support of its ASEAN friends, it brought the Kampuchean situation up for debate in the U.N. General Assembly for three successive years—in 1979, 1980 and 1981. Thailand called for the withdrawal of foreign troops and self-determination for the Kampuchean people, resolutions which were endorsed by most U.N. members. In addition, Thailand sought U.N. presence at refugee camps. Since the Vietnamese refused to comply with the U.N. resolutions, which they also denounced as illegal, the prospects for an early settlement of the Kampuchean conflict are indeed dim. One may wonder what future course of action Thailand will take to bring about a solution to the Kampuchean conflict. On this matter Thai Foreign Minister Siddhi Savetsila observed on March 19, 1982:

3. Uppadit Pachariyangkun, "Strategic Outlook for Thailand in the 1980s," address delivered at the Conference on the New Foundations for Asian and Pacific Security, Royal Cliff Beach Hotel, Pattaya, Thailand, Dec. 12, 1979.

4. For details, see Ministry of Foreign Affairs, *The Vietnamese Acts of Aggression Against Thailand's Sovereignty and Territorial Integrity* (Thailand, 1980).

Quite simply, there is no other course but to persevere in our main pursuit of restoring the equilibrium of interests in the region with the cooperation of all parties. This will understandably tax our patience and resoluteness. We are not on a war footing; neither are we the party in the wrong. The specter of an alternative course is clearly greater tension and chaos resulting from the inability to bring about a comprehensive political settlement in Kampuchea. We should not be pessimistic about our ability to order our course.<sup>5</sup>

In other words, the Thais believe that time is on their side mainly because Thailand is on the side of the righteous. The Thais also believe that with time the Kampucheans will feel more nationalistic and rise as one against the Vietnamese presence in their country, thus causing the Vietnamese to suffer heavy losses of soldiers and the opportunity to expedite long-overdue economic reconstruction and development of their country. This will pressure them to negotiate an appropriate solution to the conflict so that their legitimate interests are protected without their presence in Kampuchea. The Thais will certainly continue a policy of noninvolvement in the Kampuchean conflict and restraint in the spillover effect of the conflict. The Thais believe that the international community should be on their side and should undertake joint efforts to pressure the Vietnamese to accept a political settlement as a means to end the conflict in Kampuchea.

### **Vietnam's Role in the Kampuchean Conflict**

This suggested course of action for the international community does not imply, however, that Thailand perceives Vietnam as an enemy country. As a matter of fact, the Thais have always regarded Vietnam as their close neighbor, with whom they would like to live in peace and to cooperate for their mutual benefit.<sup>6</sup> The Thai offers of \$5 million credit for Vietnam to buy Thai goods and for the maintenance of relationships at ambassadorial level are examples of Thai good will toward Vietnam. The Thais recognize that Vietnam has security interests in its western border with Laos and Kampuchea. Since Thailand also has a 2,500-kilometer border with Laos and Kampuchea and the Kampuchean border town of Poi Pet is only 300 kilometers from Bangkok, Thailand also has legitimate security interests in its eastern border with Indochina. Unlike Vietnam, Thailand does not want a predominant position in Kampuchea but a balance of security interests in the area, which can be achieved by the creation of a genuinely neutral Kampuchea posing no threat to neighboring countries. Thailand cannot accept Vietnam's offer to sign a nonaggression pact with Thailand in return for Thailand's derecognition of the Pol Pot regime because this would imply Thailand's acceptance of the Vietnamese occupation of Kampuchea.

It should be noted that Thailand recognizes the Pol Pot regime not because of its love of this barbarous regime or because of its hatred of Vietnam but because

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5. Siddhi Savetsila, "Trends in Thai Foreign Policy," address delivered at the Institute of Foreign Affairs, Ministry of Foreign Affairs, Bangkok, March 19, 1982.

6. This point is emphasized in Prime Minister General Prem Tinsulanond's speech cited in N. 1.

the Pol Pot regime is the legitimate government of Kampuchea illegally overthrown by the Vietnamese forces. The Pol Pot regime should not be derecognized because such an action would imply a recognition of the Heng Samrin regime, which, in Thailand's view, is merely a puppet regime kept in power by the Vietnamese occupation troops. If the Pol Pot regime were derecognized, the Heng Samrin regime would also be dropped in favor of a new regime democratically elected by the Kampuchians under U.N. supervision.

### **ASEAN's Role in the Kampuchean Conflict**

Thailand has attached considerable importance to ASEAN since its inception in 1967 and has always regarded it as the regional machinery through which Thailand conducts its foreign policy, which is aimed at achieving peace, stability, and development for Southeast Asia as a whole.<sup>7</sup> For example, in 1971, despite a radical departure from its post-World War II policy of close friendship and cooperation with the United States, Thailand jointly declared with other ASEAN members that Southeast Asia be made a Zone of Peace, Freedom, and Neutrality free from great powers' interferences.<sup>8</sup> When the Khmer Rouge captured power in Phnom Penh and Vietnam was united in 1975, Thailand and the other ASEAN countries made a joint declaration welcoming the restoration of peace in Indochina and expressing the hope for closer cooperation with the Indochinese states for their mutual benefits.<sup>9</sup>

After the Vietnamese invasion of Kampuchea, which posed a threat to Thai security, Thailand expected strong support from its ASEAN friends, who, in turn, strongly endorsed Thailand's position in condemning the Vietnamese military operations in Kampuchea and called for a withdrawal of their troops. When the People's Republic of China invaded Vietnam in February 1979, Thailand and the other ASEAN members condemned the Chinese use of force and also called for the withdrawal of foreign troops from Vietnam.

Although Thailand appreciates the strong moral and political support given by its ASEAN friends, it has been somewhat disturbed by the ASEAN perception of a threat to the security of Southeast Asia. Although the Thais share the same view with their ASEAN friends that all big powers, particularly the People's Republic of China, constitute a threat to the security of Southeast Asia, they are apprehensive when some ASEAN friends, namely, Malaysia and Indonesia, tend to dismiss Vietnam's expansive ambitions as a threat to Thailand's security and accept Vietnam's occupation of Kampuchea. The Thais agree with Malaysia and Indonesia that Vietnam should be helped and drawn away from Soviet influence, but they cannot accept the view that a strong Vietnam will act as a counterbalance to China's expansive ambitions in Southeast Asia. The Thais, of course, prefer to cooperate with Vietnam against the ambitions of any great powers on the basis of mutual and balanced interests in Southeast Asia.

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7. For details, see ASEAN Declaration, Aug. 8, 1967, in *ASEAN Documents* (Thailand: Ministry of Foreign Affairs, June 1978).

8. For details, see ASEAN Declaration, in *ibid.*, p. 15.

9. For details, see ASEAN press statement, May 15, 1975, in *ibid.*, pp. 91-92.

Thailand realizes that its ASEAN friends are beset with internal economic and social problems and are too weak to give effective assistance in case of foreign attack on Thailand. It also realizes that the Vietnamese invasion of Thailand is unlikely in the near future. Even if such an invasion were to take place, the Thais believe they have sufficient strength to protect themselves. Therefore, what Thailand needs most from its ASEAN friends at the present juncture is strong, solid, and unequivocal support for its opposition to Vietnam's occupation of Kampuchea. Such support will not only strengthen Thailand's position in the Kampuchean conflict but will also win more international support, which will eventually pressure Vietnam to agree to a comprehensive political settlement of the Kampuchean problem.

## **Conclusion**

Thailand believes that the Kampuchean conflict is caused partly by Vietnam's expansive ambitions in Indochina. The conflict has been internationalized by the great powers seeking to expand their power and influence in Indochina. Since the Kampuchean issue is an international problem, it requires an international solution. As such, the appropriate machinery to deal with it is an international conference in which all concerned parties participate to discuss the ways and means to solve the conflict. Thailand believes that time is on its side and is prepared to oppose at all costs the Vietnamese occupation of Kampuchea. However, Thailand has no intention of prolonging the conflict or of bleeding Vietnam to death. The Vietnamese could put an end to the Kampuchean conflict whenever they desire to do so. An international conference on Kampuchea is available whenever Vietnam is ready and willing to participate in order to discuss a comprehensive political settlement under which the legitimate interests of Vietnam and all other concerned parties are respected.

# 9. Hanoi Looks to the Southeast

Douglas Pike

In this chapter I will discuss relations between the Socialist Republic of Vietnam (SRV) and the ASEAN countries of Indonesia, Malaysia, the Philippines, Singapore, and Thailand. After an overview, I will examine six aspects of this relationship: Hanoi's internal constraints, Hanoi's intermediate and long-term goals, the federation of Indochina factor, the U.S.S.R., China, and regional economic relations.

## Overview

Vast and tragic irony marks the recent history of Indochina. Winners became losers as military victory turned to ashes in postwar chaos. The defeated escaped to find success in new lands. A mystical Communist brotherhood broke into bloody fratricide. Anxiety-ridden neighbors, fearing the worst, soon found their paralyzing fear evaporating and their condition improving at an inverse ratio as Indochinese Communist fortunes deteriorated.

When the Vietnam War ended in May 1975, the Hanoi leadership entered the postwar world beset by numerous knotty problems, some real or material and some immaterial or psychological. Two chief problems faced them: to convert the war-oriented economic sector to peacetime, which also required arranging a sociopolitical transition in the newly conquered south; and to establish workable if not amicable external relations, above all, with China while this war recovery task was accomplished. These were difficult but by no means insurmountable tasks and should have been (and could have been) handled with dispatch.

Hanoi officials applied themselves energetically, but their efforts compounded rather than eliminated the problems. Soon the Vietnam scene, North and South, developed into chaotic, near-total failure. Rather than blossoming into a bright future of economic development, Vietnam deteriorated until the point, today, in which it is in worse economic shape, by any index one cares to employ, than it was in the darkest days of the war.

Abroad, the postwar years were equally grim. Instead of sailing into the mainstream of world affairs as was its intention, Vietnam found itself beleaguered and isolated in the backwaters. It found itself friendless in the region, its various relationships not only unworkable but self-defeating. The Hanoi strategic posture devolved to a point no one had imagined possible five years earlier; for a time Vietnam was even fighting a two-front war.

Probably, none of this had been anticipated by the seventeen men in the Hanoi Politburo who now run Indochina. In May 1975 they knew only the euphoric joy and unbounded optimism of victory. Yet if Vietnam is hagridden by problems today, it is mainly because of these seventeen men. They tossed away the opportunities presented them by military victory chiefly because they were psychologically incapable of doing anything else. The record since 1975 contains one bad policy judgment after another, a long, almost unbroken string of mistakes. It has now become clear that these seventeen men could and did manage a complex war fairly efficiently—they had the necessarily tenacious (some would say fanatic) minds it required—but they were totally unequal to the managerial challenge of peacetime. They simply lacked the skills to guide a semideveloped society down the road to economic development. Their paranoid tendencies prevented them from establishing amicable relations with their neighbors, a precondition for any appreciable economic or social improvement. They made a series of decisions that left them friendless and surrounded by enemies, most of whom were former friends.

This failure need not have happened. Had there been enlightened change of direction in Hanoi, had the leadership thought anew at war's end, history would have been quite different. Part of the blame, as noted, lay with the leaders. But failure of leadership is also symptomatic. More fundamentally, failure has been due to Hanoi's almost unworkable governing arrangement. The central problem, as the French like to say, is *le système*. Vietnam is saddled by a bureaucratic nightmare, a dense complex of party, state, and mass organization elements, all locked in step to the principle of total centralization, all energized by the obsession of total control. Possibly this institutional apparatus, like the leadership, was appropriate for achieving a single goal, such as victory in war. But it is the worst possible structure for peacetime. It is too ponderous to permit rapid economic development. It is too rigid to allow amicable external relations. By its very design it cannot decentralize decision making even when the need is obvious. It is unable to spread responsibility for social change to middle-level cadres. Worst of all, it cannot loosen up generally so as to permit parallel advance by various sectors of the society.

At war's end, change was an imperative for Hanoi, but it failed to change because it and its Politburo were prisoners of an immutable system. They are still its prisoners.

### **Hanoi's Internal Constraints**

Domestic disarray is often an impediment to the conduct of a country's foreign affairs, and this certainly is the present case with the SRV. Whatever ambitions it may have in Southeast Asia must await working out its present difficult condition. The SRV today is a land of poverty, social trauma, and isolation. It remains viable only because it is on the Socialist world economic dole.

The situation has been frankly acknowledged by the leadership. For instance, Hoang Tung, the regime's chief spokesman to the outside world, and a fast-rising

party official, told an interviewer:

We face a crisis. It is due to three causes: China and the imperialist countries, nature, and poor labor . . . the later particularly involving theft, corruption, and bureaucracy. . . . We have nothing. The situation is particularly serious and painful for the urban people and wage earners. . . . Forces hostile to Vietnam have joined together to attack the stomach. No one wants to give us any more credits or trade with us. . . .

He denied that military spending was behind Vietnam's troubles, saying: "Arms and ammunition don't cost us a penny. Our Soviet friends supply all that."<sup>1</sup>

Party Secretary General Le Duan has been even more blunt. He described Vietnam's essential economic condition as a failure by the party, particularly by economic cadres within the party. They failed to grasp the party economic line, to assess accurately the existing economic situation, and to devise correct state policies. Thus, there was a failure in theory, assessment, and policy; in government there is little else in which to fail. Summing up his assessment, Le Duan declared:

The most comprehensive, fundamental, and difficult problem we now face is . . . to meet the minimal needs of the people for food, clothing, housing, education, transportation, and so forth while at the same time meeting our national defense needs . . . [in the face of] an absence of a major industrial plant.<sup>2</sup>

The meaning of this for Southeast Asia probably is favorable. Internal difficulties can cause a leadership to seek foreign adventures as a means of diverting attention from troubles at home, but Hanoi leaders, being conservative in terms of risk taking, are more apt to remain preoccupied and turned inward. It is always possible this could change, in which case the most likely victim would be Thailand, but in 1982 such a prospect seems unlikely.

## **Hanoi's Immediate and Long-term Goals**

The geopolitical result of the outcome of the Vietnam War—the Communist victory—was to create a new balance of power in Southeast Asia. Vietnam (or the Federation of Indochina as some now think of it) is a major force with the fourth largest army in the world augmented by massive direct military support by the U.S.S.R. This has caused a shift of attitudes in Southeast Asia, not only toward Vietnam but also toward China and, in a different way, toward the United States, a shift that is continuing.

During the long years of the Vietnam War the Democratic Republic of Vietnam (DRV), as it was then called, scarcely had what could be called a foreign policy, so preoccupied was it with its struggle. It had extensive logistics support relations with the U.S.S.R. and China, of course, and carried on a certain amount of diplomatic intercourse elsewhere, including Southeast Asia, but it did not follow any clearly discernible diplomatic strategy or systematically pursue its national interests

1. Francois Nivolon, *Far Eastern Economic Review*, May 16, 1980.

2. Le Duan, "Problems Regarding the Local Economy," *Tap Chi Cong San*, no. 10, Oct. 1969; trans. in Foreign Bureau Information Service, *Asia and Pacific Daily Report*, Vol. 4, nos. 212-18, Nov. 1-8, 1979.

throughout the world. It was ill prepared suddenly to be forced to assume this task.

Victory in war forced Vietnamese generals and diplomats to look abroad in serious study for the first time; they were obliged to start thinking in terms of strategic threats and geopolitical opportunities, of regional balance of military forces, and of the other orthodox security matters that concern all other nations of the world. Both military and foreign office personnel were inexperienced, and many key figures were ill equipped in temperament to perform their tasks well. The results were about what would be expected—regional alienation. Vietnam today is virtually isolated in the world; even within the Socialist world only two countries, the U.S.S.R. and Cuba, demonstrate what might be called fraternal warmth.

For several reasons—chiefly the internal problems noted above—the SRV had made little progress in thinking through exactly what are its intermediate and long-term goals throughout the region; nor has it even clearly defined its interests there. At the moment it is on the defensive, that is, it is seeking to protect its gains within Indochina, its goal only to prevent any sort of rollback of communism in Kampuchea or Laos.

Vietnamese security interests in Southeast Asia appear to be fourfold. First, there is an overriding concern to secure a pliant, nonthreatening region; above all, this applies to the Indochina peninsula. Second, the Vietnamese seek to prevent the development of an anti-Communist front, either a militant ASEAN, a revised SEATO, or some other regional grouping hostile to Vietnam. Third, they want to eliminate the U.S. military presence from the area and to diminish general U.S. influence. Fourth, they seek to limit superpower activity in the region, including the PRC and (without appearing to do so) the U.S.S.R.

Beyond these four basic interests, which appear obvious and incontestable, may lie other interests. The one most commonly mentioned (or charged) is that of imperial ambition. The Southeast Asia regional balance of force is second only to China in the minds of the Hanoi generals when thinking of Vietnamese security. Now, as a by-product of the Vietnam War, a new balance exists which must be measured. Vietnamese military planners, addressing themselves to the great strategic arc that stretches from Taiwan to Burma, find estimates here hardest of all to make. Will years ahead see a polarization of geopolitical power in Southeast Asia, with Hanoi at one pole and, say, Jakarta at the other, a sort of nineteenth-century balance of power rivalry? Or will it see an insular grouping (Indochina, Thailand, Malaysia, Singapore, Burma) versus offshore forces (Indonesia, Philippines)? Could the struggle trigger a concerted effort to roll back communism in Indochina, attacking not Vietnam perhaps but the weaker states of Kampuchea or Laos?

The SRV's specific treatment of Southeast Asian nations in the postwar years has tended to be erratic, at times an orchestrated "smiling diplomacy," and at other times bellicose rhetoric (especially toward Thailand). Basic policy was set down in mid-1976 by SRV Foreign Minister Nguyen Duy Trinh in a trip through the region. Officially, his four-point program remains operative today.

1. External relations must be based on mutual respect for independence, sovereignty, and territorial integrity, on the principle of nonaggression and

nonintervention in internal affairs, and on the basis of equality and peaceful coexistence.

2. No country in Southeast Asia can be permitted to use its territory as a base for direct or indirect aggression against any other country in the region.

3. Development of economic cooperation and cultural exchanges is favored; disputes which develop (or are outstanding) will be negotiated on the basis of equality, mutual understanding, and respect.

4. Regional cooperation should promote regional welfare, independence, and peace.

Over the years Hanoi has been openly hostile to ASEAN as an organization and has indicated that Vietnam prefers to deal with each of the nations on a bilateral basis. Its position has been made clearest in terms of the idea of neutralization of the ASEAN region. The initial Vietnamese reaction, in 1971, was guarded endorsement if, Hanoi said, neutralization meant that all U.S. military forces would be pushed out of the region. This may simply have been a tactic. In the years following the war Vietnam expressed mild interest in neutralization to the degree that it meant that the region would become a nuclear-free zone. In mid-1978, as troubles with Beijing multiplied, Hanoi showed renewed interest in the idea of neutralization. By this time, however, its attitude had taken on definite anti-Beijing, pro-Moscow overtones.

ASEAN countries fear what Hanoi may do, and with good reason, considering its proven ability to forge and manage an organizational weapon and make its will felt at considerable distance. The Vietnamese have the know-how and the skill to generate an insurgency anywhere in Southeast Asia. They could become the U.S.S.R.'s Cubans in Asia, as Beijing daily asserts. Unquestionably their potential for making mischief is there. But how much of this apprehension by the ASEAN countries is justified? Realistically, what is the nature and the threat presented by Hanoi? The ASEAN states receive Hanoi's assurances and would like to believe them. But suspicious doubt and uncertainty remain. They doubt that Vietnam is willing to accept the present socioeconomic structure represented by ASEAN as a permanent condition and is not above organizing, training, and funding local insurgencies to turn ASEAN states into people's republics. The uncertainty is how far Vietnam would go to accomplish this, that is, what price it would pay and what risks it would take. To covet is one thing, to sacrifice is another.

Although Hanoi does not have what could be called a worked-out, long-range goal in the region, it does have the ambition (that is, the desire without the enunciated strategy) to become the preeminent power in the region. It also has a philosophic approach—not what could be called a mapped-out strategy but more of a case of seeking to harness history. Vietnamese leaders regard the governments of Southeast Asia as neither legitimate nor durable but rather consider the region to be moving toward a string of people's republics. Hanoi will press and nudge events in this direction, exploiting differences and contradictions where found, funding local insurgencies if they appear promising, and advancing the doctrine that the region ought to distance itself from the market economy countries of the West and Japan. This is not exactly a foreign policy, at least at the moment, only a hope

or expectation. Present Hanoi leaders in effect believe that history will deliver Southeast Asia.

### **The Federation of Indochina Factor**

In the early days, Ho Chi Minh and his fellow Vietnamese Communists assumed, as a matter of course it would seem, that the eventual political arrangement for French Indochina would be Indochina without the French, that is, a federation or confederation of Vietnam, Laos, and Kampuchea. Such was the Indochinese Communist party's stated goal in the 1930s, replaced for tactical reasons in 1951 by a more vaguely described "special relationship" among the three. Certainly, federation in many ways is the natural and logical economic configuration for the peninsula. What stands against it chiefly are ethnic rivalries and ancient antipathies.

There seems little doubt that Hanoi's leaders will actively pursue the goal of federation. It also seems clear that they do not believe this can be accomplished with bayonets. Federation requires the acquiescence of the peoples of the two other countries or, at least, of their leaders, and if it takes time, say, to the end of this century, so be it. The important consideration in the minds of Hanoi officials is whether the drift is toward federation or, more precisely, whether any serious roadblocks to it are being erected. The invasion of Kampuchea by some 180,000 Vietnamese troops in late 1978 was not an effort to conquer the country in the name of federation. Rather it was an ill-begotten effort (as it turned out) to "solve the Pol Pot problem." The invasion was mounted not because of Pol Pot's bloody-handed butchery—Hanoi officials could stomach that—but because of the long-range implications of his advent. Pol Pot hated the Vietnamese and was implanting that hatred among the Khmer population, conditioning an entire new generation of Khmer to fear and oppose all things Vietnamese; if allowed to continue, this would destroy or significantly postpone creation of a federation of Indochina. Hanoi could not allow this to happen. Now, it seeks to extract itself from Kampuchea militarily but in such a way that a pliant and viable government will remain and history will continue moving the peninsula toward federation.

Thus, Kampuchea is important to Vietnam but for quite a different reason from its importance to the rest of Southeast Asia. In fact, Kampuchea has different meanings for almost every country in the region; it may not be the source of all the region's difficulties, but it contributes to all of them. In no small way, Vietnam's many economic problems are due to the costs of the war, particularly manpower costs. It is a virus infecting Vietnamese in the south, who fear their sons will be singled out by Hanoi as Kampuchean cannon fodder.

Vietnamese external relations in the region and beyond are polarized chiefly because of its action in Kampuchea. Thailand remains anxiety-ridden because of its festering border with Kampuchea and the vast number of Khmer refugees it is obliged to assist. China, goaded by what it regards as Vietnamese empire building, launched one open attack on Vietnam and seeks to continue to bleed Vietnam. Invasion of Kampuchea pushes ASEAN in a direction many consider unhealthy, toward some new joint military arrangement. U.S.S.R. support of Vietnamese adventurism in

Kampuchea—funding the war there and backing the effort diplomatically at the United Nations—has cost it dearly in prestige, driving Moscow's stock in Southeast Asia to its lowest level in more than a decade. Virtually every development and relationship throughout the entire region has been affected—and almost always adversely affected—by the Kampuchean situation. There is every reason to believe that this basic condition will continue until a solution is reached satisfactory to all.

What is required in Kampuchea is a new governing arrangement acceptable to the three contending elements as well as to outside and interested parties. This arrangement would have to incorporate all of the major contending forces and not simply be a puppet of Hanoi. It would require making genuine concessions to Khmer nationalism. At the moment no very promising means of accomplishing this aim has arisen. Probably the most feasible approach would be through an international conference.

Kampuchea represents a test for ASEAN as it does, in another sense, for Vietnam. Hanoi expected that its December 1978 slam-bang invasion of Kampuchea would disintegrate the Pol Pot governing system, causing most Khmer to rally to the Heng Samrin regime, and that the country would be pacified within six months, thus moving Indochina one step closer to federation. This expectation was not realized. The ASEAN goals in Kampuchea should continue to be withdrawal of PAVN (People's Army of Vietnam) troops and establishment of an indigenous government, that is, one rooted in Khmer nationalism.

In geopolitical terms Kampuchea will remain something of a stand-off. The eventual outcome of events there will turn largely on outside support and military aid for the anti-Vietnamese forces, which chiefly means it will turn on Chinese intentions.

In summary, Vietnamese goals in Southeast Asia may still be in the process of formation and thus subject to influence by ASEAN countries and others, but the goal in Indochina is cast in concrete. Hanoi wants history to push Vietnam, Laos, and Kampuchea into federation, and although it is willing to move at a slow pace, it will not tolerate (if it can prevent it) any development that moves the three states *away* from federation. China seems determined to block federation if it can; the ASEAN states seem either divided or undecided on the matter.

## **Hanoi and the U.S.S.R. Versus Southeast Asia**

Vietnam and the U.S.S.R. today are bound together in close relations; a military alliance between them exists in all but name. The relationship is a product of dependency as far as Hanoi is concerned, a product of opportunism with respect to Moscow. The present association will last at least as long as Vietnamese dependency lasts or utility to the U.S.S.R. remains.

Currently, Vietnam is dependent on the Soviet Union for some 10 to 15 percent of its food, without which there would be rice riots. It is dependent on the Soviets for all of its petroleum and such raw materials as its limited industrial capacity requires. And since there are no weapons factories in Vietnam, it is dependent on the U.S.S.R. for all the military hardware needed in Kampuchea and to defend itself

against China. Hanoi also has a psychic dependency on the U.S.S.R. since it is so isolated and friendless in the world.

Moscow has parlayed this Vietnamese dependency into a new strategic balance of power arrangement in Southeast Asia. It has used Vietnam as a base to establish a major presence, including naval and air presence, in Indochina and the waters of the South China seas. Its new posture permits it to intimidate the Japanese oil supply line—the “necklace of tankers” strung from Yokohama to the Mideast oil fields. Its planes can now reach U.S. military installations in the Philippines, which was not the case before. China has been militarily flanked on the south. The cost to the Soviet Union is variously estimated but is probably about \$4 billion per year. It is argued that Moscow is not getting its money’s worth in this investment, but Soviet generals apparently think so.

Soviet presence in Vietnam greatly complicates ASEAN affairs. It has pushed the region further into the maw of superpower competition. Responses by China to Soviet moves tend to exacerbate Chinese-ASEAN relations. The net effect is to diminish even further the region’s hope that some day it might become truly nonaligned.

The possibility of joint Soviet-Vietnamese actions detrimental to the region has been suggested by various observers. Although it is possible that Vietnam could become a surrogate Soviet force—the “Cubans of Asia” as the Chinese have suggested—this seems highly unlikely. The key question here is whether the advent of the Hanoi-Moscow alliance will turn Southeast Asia into a major-power confrontation—for that will determine to what extent the ASEAN countries will be able to keep decision making on security matters under their own control and not simply become pawns in a vaster power struggle.

### **Hanoi Versus China and Southeast Asia**

China represents a more complicated—and complicating—factor in Southeast Asia than does the U.S.S.R. Moscow is seen simply as a powerful outsider attempting to push into the area in a straightforward, assertive manner. China, on the other hand, is an ancient neighbor, long known, admired, and feared. In Asia historical memories are long.

Many in the ASEAN region do not trust China. Many more are apprehensive about the direction China will take. They worry over the meaning of a modernized, militarily strong China; there is suspicion that China still has long-range hegemonistic ambitions, evidence for which is continued Chinese ties to local insurgent movements and local Communist parties of the region still bent on revolution. Some of this attitude is due to prejudice against local overseas Chinese in their midst, but whatever the reason it remains a complicating factor.

Hanoi and Beijing at the moment are locked into a cold war, one that turned hot briefly and possibly could do so again. The fallout between these two one-time allies is due to several reasons. One is the increased presence of the U.S.S.R. in Indochina, which is both cause and effect of the Vietnamese-Chinese face-off. Another is what the Chinese regard as undue intrusiveness of the Vietnamese into

Laos and Kampuchea. A third is the brutal treatment of ethnic Chinese in Vietnam, driving them out as “boat people,” and the general exhibition of racial prejudice.

There is not much that the other countries of Southeast Asia can do to influence the outcome of this cold war between Vietnam and China, even though they have a considerable stake in its outcome. It seems probable that eventually relations will move back toward an accommodation. China is simply too large and too close to permit the Vietnamese to maintain a permanent condition of hostility. Improved relations at best will come only slowly, perhaps in a decade or more. Probably they will not improve at all as long as the present Hanoi Politburo remains. Should there be changes among the top leaders and something of a generational transfer of power take place, probably we will then witness the start of the process to restore workable if not amicable relations between Vietnam and China.

### **Regional Economic Relations**

In ordinary economic terms, Vietnamese-Southeast Asian relations are uncomplicated. Hanoi views the region as a trade market. Singapore is Vietnam’s third best nonbloc customer (after Japan and Hong Kong); Malaysia and the Philippines also do business with Vietnam. But this is limited chiefly because Vietnam still has few products that countries in the region want to buy, and it has little foreign exchange with which to purchase goods. Vietnam has received economic aid for war damage reconstruction from some countries in the area although most have been token gestures.

In broader terms the basic problem for Vietnam in Southeast Asia is doctrinal. It is whether Vietnam can accept, in institutional terms, the economic systems (and societies) of the region as they are now constituted or whether it is in Vietnam’s interest to push them to the left. In Hanoi the theoretician handling this would ask the question: can Southeast Asian nations be capitalist and at the same time truly independent? Independence as defined by the Vietnamese is of overriding importance. But of course ideology is not the only factor, as we have seen, for national security needs also impinge.

In pragmatic and perhaps strategic terms it can be argued that Vietnam needs the region economically, that it can hardly develop its own economy without the cooperation of the rest of Southeast Asia. Thus, it is not in Vietnam’s interest to undermine an existing society or even its economy. The Hanoi ideologue would answer that such a policy is not only ideologically incorrect but deliberately by-passes both strategic and economic opportunities.

The importance of this Vietnamese ideological approach, according to several observers, is that it indicates the basic tactic Hanoi will employ in the next decade, not only in Southeast Asia but generally in foreign affairs. It shores up and makes concrete the hypothesis that Vietnam means to put together a worldwide anti-capitalism united front, assigning itself the special task of polarizing Southeast Asia economically, ending ASEAN economic ties with outside capitalist nations and multinational corporations.

The question then—and it is not a rhetorical question—is this: can the cause of peace be served in Southeast Asia by conciliatory moves toward Hanoi in the

economic sector? Some observers believe the answer is yes; most believe not. It is a question that needs fuller examination and not simply a snap judgment. Probably it is a fallacy to believe that Hanoi can be deterred in its behavior by economic ties. It appears that economic considerations simply are not imperative determinants. In economic terms, obviously it is in Vietnam's interest that it have harmonious relations with Kampuchea. In economic terms Vietnam should do everything possible to allow the flow of food and consumer goods from China. Yet in both cases economic need has meant little. Other factors simply have overwhelmed economics.

But we cannot be dogmatic about the matter. Only time will tell whether Hanoi will tailor its external relations to its economic needs and, if so, to what extent. If an economic cold war were to develop—for instance, if Vietnam were to pursue its anti-capitalist united front campaign—the ASEAN-SRV competition would become a zero-sum game: what one wins the other loses. Business-minded leaders in Southeast Asia are not unaware that it is self-defeating to strengthen the competition.

Finally, there is the practical argument against close economic ties with Vietnam, namely, that they are impossible to establish. It is unrealistic, say those making this point, to believe that Vietnam can be enmeshed in a web of economic relations which will soften its attitude and solicit (or compel) its cooperation because such an effort would be regarded by Hanoi as entrapment. Such an arrangement must be avoided, Hanoi would reason, simply because it has been proposed by the enemy. If the capitalist nations want it, it must be a trap.

None of this suggests a flat ban on economic intercourse with Vietnam. Certainly it is not intended as a brief for freezing Vietnam out of Southeast Asia or for conducting an economic cold war against it (even should it throw down the gauntlet of such a war). There must be, and will be, economic relations. Without them Vietnam would become a rogue elephant in the Southeast Asian jungle. Some economic activity might not be in American or capitalist world interest but still could be seen as a price worth paying.

The guiding principle for ASEAN (and the United States) should be historical perspective, viewing each proposed economic tie broadly, not only in immediate economic terms but also in long-range-security terms. ASEAN particularly should assure that the relationship is kept loose, ad hoc, and tentative, that no institutional damage is inadvertently done to ASEAN, that intercourse is beneficial both externally and internally. For all, the proper game to play is the waiting game. The stakes are time, the time that will change Vietnam's old guard leadership, the time that, it is hoped, will put into power in Hanoi less ideologically imperial rulers, genuinely willing to live and let live with the world.

### **Final Thought**

Indochina and the rest of Southeast Asia, that is, the ASEAN countries, are now in the midst of an emerging intraregional struggle for power. Events and history have dictated that this will be the grand design for regional politics in the years ahead. It is the reality. Hope remains among a few that somehow, some day, the region can become truly noninvolved and free from the demands of the world power struggle.

The gap between this hope and reality is now a yawning chasm. Such is the fall of the dice, for there is no villain in the drama, no one or no country to blame for this polarization—Hanoi at one pole and ASEAN at the other. Probably it would have happened had there been no Vietnam War, for it is the product of conflicting national interests, differing respective external relations (with the superpowers), and antagonistic sociopolitical view and ideologies. In any case, it is the framework in which all must operate, including outsiders, in the years ahead.

The great danger ASEAN has with respect to Vietnam is any trend of developments that might tempt Vietnam to strike southeast. This is especially true with respect to Thailand. Vietnam should never be tempted by opportunism—appearing as weakness, disarray, breakdown of central authority in individual countries, or splintering regional unity. If ASEAN remains strong and united, it should have little to fear from Vietnam.

# 10. India and ASEAN: Much Ado About Not Much

Leo E. Rose

## Introduction: Antiquity to 1975

Interactions between South and Southeast Asia, adjacent regions that have each been the focus of nearly constant tension, strife, and conflict since World War II, have, nevertheless, been remarkably dull. The flow of rhetoric about the need for cooperation in the organization of interregional responses to “external threats” has been impressive at times, but the results have seldom been commensurate with the din. There have been brief periods when relations between various countries in the two regions have assumed some importance in their respective foreign policies: India and Indonesia from 1955 to 1960; India and Vietnam from 1968 to 1975 and again from 1980; Pakistan’s affiliation with SEATO in 1955 and, concurrently but contradictorily, its role in a China-Indonesia-Pakistan tacit alliance system in the 1963-1966 period; and, most recently, Sri Lanka’s efforts to identify with Southeast Asia through its application for membership in ASEAN. But these have been of limited duration, structurally flimsy, and of secondary importance to their broader foreign policy strategies.<sup>1</sup>

The proclivity in both South and Southeast Asia in discussing interregional relations, thus, has been on proclamations eulogizing the antiquity and importance of their common cultural traditions. And these are important. Three of the four “great cultures” that are now integral to the social and intellectual traditions of Southeast Asia—Hinduism, Buddhism, and Islam—either originated in South Asia or, in the case of Islam, was channeled to Southeast Asia through South Asia. Sanskrit still provides the language base and the literary heritage of parts of Southeast Asia, and the Buddhism of Burma, Thailand, and Indochina is of the Hinayana tradition of South Asia rather than the Mahayana school more common in China and Tibet. Even Islam underwent some significant modifications in social values and practices in the process of passing through South Asia, and some of these are still evident in Muslim communities in South India, Sri Lanka, Indonesia, and Malaysia. There are, thus, strong common cultural ties between South and Southeast Asia but so far without much evident political impact. In the first place, there is no homogeneous culture in the region as a whole. But even in those instances where there are common cultural backgrounds (for example, “Hindu” India and Nepal or “Buddhist”

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1. The most comprehensive and objective studies of India and Southeast Asia are by D. R. Sar Desai: *Indian Foreign Policy in Cambodia, Laos, and Vietnam, 1947-1964* (Berkeley: University of California Press, 1968); and *Southeast Asia: Past and Present* (New Delhi: Vikas, 1981).

Thailand and Kampuchea), the historical relationship has been more antagonistic than cooperative. Sri Lankans may talk about the common Hinayana Buddhist tradition they share with several Southeast Asian states, but their closest relations today are with countries in that region that have Islamic or Sinic cultures.

There have been some occasions since 1950 when common themes and professed goals were evident in the foreign policies and even the world views of some South and Southeast Asian elites. Virtually all of them emerged out of an anticolonial struggle and were generally in agreement on "colonialist" issues— at least when it was Western rather than Soviet colonialism or Third World neocolonialism that was the target. There is also nonalignment, that great nonprinciple but useful geopolitical strategy, that ostensibly underlies the foreign policy of most South and Southeast Asian states today, including Vietnam. The nonalignment movement may be merely a forum for debate among states tilted in different directions in contemporary international politics, but its usefulness to countries that would otherwise feel engulfed by great power confrontations is also evident. Then there is the China "problem" common to both regions. China is probably more critical to Southeast than to South Asia, but it is integral to the regional and international politics of both, and in both regions we find governments that adopt similar strategies directed either at exploiting Chinese support against neighboring states in the region or devising policies to limit China's capacity to intervene and influence developments in the region. Finally, there is the basic problem of dealing with the superpowers. The perceptions of the outside world in South and Southeast Asia and of the strategic options available either to meet external threats or to utilize external support to counter regional threats are not too dissimilar. But they also rarely coincide at any point in time, and the basis for cooperation between the countries of both regions remains very limited.

Thus, despite some common polemical themes and even some limited cooperation on specific international issues, a cooperative relationship between South and Southeast Asia has never developed. The fact would seem to be that a mutual perception of the importance of one region to the other has been lacking in both. Prime Minister Nehru sought to project an Indian role in Southeast Asia in the 1950s through his proposal that the region be declared a Zone of Peace, Freedom, and Neutrality (under joint Sino-Indian auspices), through Indian involvement in Indochina developments after the 1954 Geneva Convention, and through the ties with Indonesia in the founding of the nonalignment movement. But these were all part of Nehru's broader global political game, and his policies on these issues were rarely seen in New Delhi as integral to vital *Indian* interests. And all of them were abandoned or substantially modified in the mid-1960s without any evident concern at the time for the greatly diminished Indian role in Southeast Asia.

Another example was Pakistan's decision to join SEATO in the mid-1950s, which was based upon Pakistani perceptions of their strategic objectives in South Asia rather than concern over developments in Southeast Asia. This became clear in the 1960s when Pakistan's membership in SEATO came into conflict with its developing security relationship with China; and it was the SEATO affiliation that

was sacrificed without any great sense of loss in Islamabad. Similarly, the Indonesian-Indian relationship of the 1950s was seen as serving Jakarta's policy objectives in its neighborhood, but it was summarily terminated by Sukarno in the 1962-1965 period for a China-Indonesia-Pakistan tacit alliance even though this was interpreted in New Delhi as an overtly anti-Indian policy and was responded to accordingly.

Nor were any serious efforts made prior to 1975 to develop economic relations between the two regions in any organized, coherent fashion. There were a few Indian joint ventures in Southeast Asia and a small amount of trade and investment between the countries of both regions, but these were incidental to their economics. The only potentially important subject of agreement between most of the governments in both regions was the 1971 Indian Ocean zone of peace concept endorsed by the U.N. General Assembly. But while there was broad agreement on general principles, at least in public declarations, there were basic differences between these states on the timing and circumstances under which a zone of peace could and should be implemented.

The developing rapprochement between the United States and China after 1971 was another complication for all the countries of South and Southeast Asia but again one that elicited varying reactions from each based on how this was seen to affect their specific interests. Some governments lauded this development as critical to peace and stability in both regions; others found it threatening and destabilizing, either immediately or potentially. But even the latter could not agree upon a response. India and Indonesia, for instance, both have reservations about the Washington-Beijing ties but for quite different reasons and with very different policy options in mind.

In any case, by 1970 the tentative efforts initiated in the 1950s to explore ways and means to establish interregional cooperation on some broad issues (more explicitly, the effort by India to provide a basis for its involvement in Southeast Asian developments) had floundered badly and, indeed, had been virtually abandoned. India was no longer seen by any of the Southeast Asian countries—with the possible exception of North Vietnam—as a useful force, much less a critical factor, in their region. Pakistan never had been and its withdrawal from SEATO (formally in 1972 but actually in 1965) was not considered a serious loss even by its former "allies." Although the struggles in Indochina were subjects of public interest in South Asian countries, there is little evidence that much consideration was given to the possible impact of Southeast Asian developments on their interests.

### **Efforts to Expand Ties in the Post-1975 Period**

The traumatic series of events in Indochina in early 1975, culminating in the military conquest of South Vietnam by North Vietnam's army and of Laos and Kampuchea by North Vietnam-aided Communist movements, obligated all the states in the region to reevaluate their political and strategic policies. One of the peripheral consequences was the revival of interest in both South and Southeast Asia in

expanded economic, political, and cultural relations. As one would expect, India was the first state in South Asia to take the initiative to regain a greater involvement and role in Southeast Asia.

There were several factors that influenced New Delhi in this respect. In the government of India, and in particular the External Affairs Ministry, there was a strong sentiment that India's "abandonment" of its earlier involvement in Southeast Asia following the 1962 Sino-Indian war had been a mistake and had not served India's geopolitical and economic interests. New Delhi felt that the (temporary, as it turned out) reduction in external major power involvement in Southeast Asia—primarily the United States but also China and the Soviet Union in the mid-1975 to early 1978 period—provided India with some opportunities for reinvolvement that had been lacking previously. India's basic objective in Southeast (as in South) Asia was to limit the role of all external powers—other than itself, of course—and to encourage intraregional accommodations that served this purpose.

New Delhi considered itself to be in a uniquely advantageous position to serve as an intermediary, or at least a channel, between the Indochinese states headed by Hanoi and the ASEAN states since it was one of the few governments that had reasonably good relations with all of them. The one exception was democratic Kampuchea, but India assumed that would be rectified shortly by the establishment of close ties with the Pol Pot regime, which it lauded somewhat excessively and, to its later embarrassment, for its (final) "liberation" of the Khmer people. The tentative overtures from both Vietnam and the ASEAN states for a mutual accommodation, expressed most clearly in their separate proposals to transform Southeast Asia into a zone of peace, aroused particular enthusiasm in New Delhi as it had been Nehru who had first pushed a zone of peace policy for Southeast Asia in the 1950s. India thought it could be helpful in resolving the substantive differences between Vietnam's and ASEAN's zone of peace proposals and made itself available to serve in that capacity if called upon. Unfortunately, the discussions between Vietnam and ASEAN never got beyond the "declaration of principle" stage, and both rejected the other's zone of peace proposal as unsatisfactory.

Another factor that was later to complicate New Delhi's efforts to play an intermediary role in Southeast Asia was India's strong emotional ties with Hanoi and its enthusiastic support of North Vietnam's conquest (by military means, not as a popular revolution) of South Vietnam. India viewed the emergence of a unified Vietnam and of an Indochina under Hanoi's domination as a substantial contribution to the stabilization of Southeast Asia by making possible an Indochina-ASEAN accommodation that had not been feasible as long as South Vietnam, Laos, and Kampuchea had independent nationalist governments.

Even more important to New Delhi in the mid-1970s, a federated or unified Indochina was considered to be an effective deterrent to the expansion of Chinese influence and dominance in Southeast Asia. That Hanoi's policies might have exactly the opposite effect by providing Beijing with previously unavailable opportunities to play a greater role in Southeast Asia does not seem to have occurred to the Indians. New Delhi, thus, was strongly supportive of the establishment of some kind of

unified political system in Indochina; presumably, it would have preferred a voluntary federation of Indochina rather than overt conquests of Kampuchea and Laos by the Vietnamese army. But India accepted the latter when it occurred—Laos in 1975, Cambodia in late 1978. New Delhi also thought that it could expand its political and economic ties with an appreciative Hanoi as part of its objective of regaining a significant role for India in Southeast Asia.

But India's policy objectives in Southeast Asia also made closer and more substantial ties with the ASEAN states necessary as New Delhi's *bona fides* as a truly nonaligned power had to be accepted by both "sides" if India was to play an intermediary role in the region. There were strong reservations about New Delhi, and in particular Indira Gandhi, in the ASEAN states, and these were not easily reconciled. After the accession of the Janata government to office in March 1977, however, there appeared to be a change in mood in the ASEAN capitals and a greater receptivity to Indian proposals for an expansion of relations.

Another factor in India's perception of its interests in Southeast Asia was the unexpected realization that ASEAN had emerged as a durable and flexible regional institution that would have to be dealt with seriously. For the first decade or so after its founding, Indians had tended to dismiss ASEAN as a crude supplement to (or replacement of) the disintegrating SEATO alliance and assumed that it would not long survive the collapse of the American-sponsored and supported security system in Southeast Asia. To their amazement, ASEAN began to show more muscle and capabilities in both regional and international politics *after 1975* just when New Delhi expected to see it disappear. There was also the ASEAN "economic miracle" (in comparison with most other Third World countries) that was becoming increasingly evident to the South Asian countries in the mid-1970s. Vietnam may have been the military power in Southeast Asia, but ASEAN was the economic power, even with its still limited forms of economic coordination and cooperation. India's own approach to economic development was floundering in massive bureaucratic confusion and corruption, and the more open approach to development used in ASEAN societies had an appeal to some Indian economists and politicians—if few bureaucrats. It was also clear that there were profits to be made out there in Southeast Asia through broader economic ties. It was in this context that India first proposed an economic association—never very clearly defined—that would include a wide range of states from Iran—then a flourishing oil-producing state—to most of South Asia including both India and Pakistan, as well as the ASEAN states, but apparently not Indochina. This constituted a very novel Indian approach to its economic and political interests in the Southern Asian region and one with some very interesting possibilities. It never got anywhere in part because of ASEAN's negative response, but it marked the highpoint in flexibility and imaginativeness in Indian policy.

By the mid-1970s the other South Asian states were also becoming increasingly interested in Southeast Asia—an area they had virtually ignored previously. None of them was as enthusiastic as India about the developments in Indochina, but neither did they see any use or advantage in taking an oppositionist position on these matters, at least prior to the Vietnamese invasion of Cambodia. ASEAN economic development strategies—for example, the "Singapore model"—made a substantial impact,

particularly in Sri Lanka and Bangladesh, but even in Pakistan under “Socialist” Prime Minister Bhutto. The eventual result has been some basic changes in economic policies throughout South Asia—publicly in Sri Lanka, Bangladesh, and Pakistan, but even more quietly in India where some economists now occasionally discuss “supply side economics” without being torn apart by their colleagues.

The potential benefits of extensive economic interaction with the ASEAN countries was emphasized, again particularly in Sri Lanka and Bangladesh, but elsewhere in South Asia as well. And, finally, ASEAN was seen as an exemplary model for a South Asian regional system. ASEAN was structurally limited and operationally flexible, and it avoided excessive institutionalization—attributes that were considered essential to any South Asian regional system given the deeply based and intense mutual suspicions that have long characterized interstate relations there. A regional system in South Asia, by definition, would have to have limited powers and modest ambitions, serving as an arena for consultations and negotiations on issues in dispute within a loosely defined structural framework. The efforts to establish such a regional system in South Asia were inaugurated in 1980, with the ASEAN model in mind. The results of the first two regional meetings were hardly inspiring, but, after all, that had also been the early history of ASEAN.

### **India and ASEAN—1975-1981**

The Communist victory in Indochina in 1975 was followed shortly thereafter by the declaration of a state of emergency in India by Gandhi’s government. New Delhi’s attention for some time thereafter was directed almost exclusively to domestic politics or to the international response to the emergency. Although New Delhi occasionally lauded the efforts made by the Indochina and the ASEAN governments to come to terms on regional security issues, India made no serious efforts at this time to identify a role for itself in these ominous developments in Southeast Asia. Toward the end of 1976, India did sound out ASEAN about the possibility of institutionalizing a regular dialogue, but ASEAN’s response was cautious, deferring a decision to the next ASEAN foreign ministers conference scheduled for mid-1977.

Before this took place, however, an election was held in India, and a new government was formed by the Janata Party led by Morarji Desai. The Janata leadership, by and large, had a more positive attitude toward ASEAN than its predecessor, and a “balanced” relationship between Indochina and the ASEAN states was perceived as an integral part of the “genuine nonalignment” foreign policy adopted by the Janata government in the place of Gandhi’s “tilt” toward the Soviet Union and its bloc. The new foreign minister, A. B. Vajpayee, also commented that India would like to see ASEAN expanded to “include other countries in the region without its developing into a bloc or military alliance,” functioning as a consultative body along the lines of the Organization of American States or the Organization of African Unity.<sup>2</sup> It was clear from the context of his remarks that he would expect India to be associated with this expanded version of ASEAN.

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2. *Hindustan Times* (New Delhi), August 20, 1977.

Much to the Janata government's disappointment, no mention was made of India at the ASEAN foreign ministers conference in Singapore (July 5-8, 1977) or at the Second ASEAN Summit in Kuala Lumpur later that month. India thereupon summoned the heads of its diplomatic missions in Southeast Asia to New Delhi for a meeting primarily directed at considering the ways and means to expand relations across the board with the ASEAN states.<sup>3</sup> The results of the Indian overtures were readily evident in a dramatic increase in diplomatic and other exchanges with ASEAN after more than a decade of limited contacts. Deputy Prime Minister Goh Hing Swee of Singapore visited India in January 1978. The Malaysian foreign minister went to New Delhi in March for meetings with the Indian foreign minister and signed an Indo-Malaysian cultural agreement. The Indian commerce minister visited Malaysia, Singapore, and Indonesia in June 1978, signing a trade agreement with Jakarta. The Thai and the Indonesian foreign ministers came to New Delhi and signed a trilateral agreement with India on a potentially sensitive subject—their maritime boundaries. The Indonesian foreign minister returned to New Delhi in November to discuss specific aspects of bilateral relations between the two powers in the agricultural and technical fields and also to set the basis for "exploratory" Indo-ASEAN talks on economic and trade relations. In furtherance of this latter objective the ASEAN secretary general went to New Delhi in late November for discussions with the government of India, and the Indian foreign secretary, Jagat Mehta, led the Indian delegation to the annual Indo-Malaysian bilateral talks in Kuala Lumpur in November and also made official visits to Singapore and Thailand. And, finally, in December, Prime Minister Lee Kuan Yew of Singapore went to New Delhi.

The invasion of Kampuchea by Vietnam in late 1978 raised a potentially divisive issue in Indo-ASEAN relations, but initially this merely intensified the exchange process. The Malaysian prime minister went to New Delhi in January 1979 and signed an agreement on technical and economic cooperation. The Indonesian chief of staff followed shortly thereafter, reportedly for discussions on the Kampuchean situation. An Indian minister of state visited Manila in late January and Thailand in early February of 1979, and the Indonesian minister of industries visited India in February. And in March, the Indian ambassador in Jakarta submitted a memo to the ASEAN Secretariat, for the first time formally requesting that India be invited as an observer on the same basis as the United States, Japan, Australia, and the European Economic Community to ASEAN meetings. A complication arose in June, however, when a special envoy of the government of India toured ASEAN to discuss recognition of the Heng Samrin regime in Kampuchea.<sup>4</sup> This aroused suspicions in ASEAN over India's Kampuchea policy, and the ASEAN Standing Committee meetings in Jakarta in June and in Kuala Lumpur in August postponed consideration of the Indian request.

However, it soon became evident that there was a limited consensus between India and ASEAN on both Vietnam's invasion of Kampuchea and China's invasion

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3. *Hindustan Times* (New Delhi), August 27, 1977.

4. *Patriot* (New Delhi), August 20, 1979.

of Vietnam and also that New Delhi was endorsing the ASEAN version of the zone of peace proposal for Southeast Asia. The ASEAN Secretariat, therefore, issued an invitation to India for the next ASEAN foreign ministers conference scheduled for June 1980.

The Soviet invasion of Afghanistan in late December 1979 quickly became a major controversy in international forums. The Indian government that was in office at the time of the Soviet aggression reportedly would have agreed with the position taken by ASEAN states and even had prepared a strong criticism of Moscow's action for the U.N. meeting on the issue.<sup>5</sup> Before this occurred, however, an election in early January 1980 was won by Gandhi's Congress party, and the Indian position on Afghanistan changed drastically. In a "horrible" (the descriptive terms used by several responsible Indians) statement to the United Nations on January 8, the Indian representative accepted the patently ludicrous Soviet justification for its aggression and placed the blame for this unfortunate development on everyone but Moscow. This was followed a few days later by a statement by Gandhi which indicated that she was inclined toward a quick recognition of the Heng Samrin government in Kampuchea. Both of these disturbed the ASEAN governments, which then undertook a concerted effort to persuade Gandhi at least to defer recognition of Heng Samrin. The Malaysian deputy prime minister visited New Delhi on January 19, and the ASEAN ambassadorial contingent in New Delhi met with Foreign Minister Rao on this issue on February 14. The Indian government did not commit itself one way or the other, but in fact it did not recognize the Heng Samrin regime at that time reportedly because of its concern for ASEAN's position. Even the early April visit of Vietnamese Prime Minister Phan Van Dong to New Delhi in an effort to persuade India to change its policy on Kampuchea seemed to have no effect as the Indian government continued to voice the same reason for not recognizing Heng Samrin it had used since early 1979, namely, that no government exercised effective control over Kampuchea.

ASEAN was reassured by these events, prematurely as it turned out, and expressed its approval in tangible form in the inaugural meeting between Indian and ASEAN officials in Kuala Lumpur on May 15-16, 1980. An agreement to enhance cooperation in trade, industry, and technical fields included such specific provisions as the pooling of technical and managerial resources, a visit by ASEAN experts to India to identify areas of cooperation, a seminar on the transfer of technology, and an exchange of information on energy questions and training facilities.<sup>6</sup>

Just when there appeared to be some progress in Indo-ASEAN relations, the political differences between the two sides on the Kampuchea issue intervened. Eric Gonsalves, secretary in the External Affairs Ministry who had led the Indian delegation to the Kuala Lumpur meetings, had also been given another assignment—to inform the ASEAN governments that New Delhi intended to recognize the Heng Samrin regime, though apparently with no specific date mentioned. ASEAN's

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5. Interviews with author in 1980 and 1981 in India.

6. *Hindustan Times* (New Delhi), May 17 and 23, 1980.

apprehensions on this issue were greatly heightened on June 26 when Foreign Minister Rao suddenly canceled his attendance at the Kuala Lumpur ASEAN foreign ministers conference—an invitation which India had been seeking for three years—on the excuse that “the serious illness of his mother” obliged him to remain in India. His mother was ill, but no one in ASEAN—and few in India for that matter—believed that was the real reason the trip was canceled. ASEAN suspected that India intended to recognize Heng Samrin shortly and that it would have been embarrassing to have its foreign minister at an ASEAN conference just before the event. This proved correct; the ASEAN ambassadors in New Delhi were called to the External Affairs Ministry on July 7 and informed that India intended to recognize Heng Samrin—just an hour before this was announced in Parliament, thus adding insult to injury.

The public ASEAN response was restrained although several leading newspapers in these countries characterized India’s action as tantamount to condoning military intervention by one country in a neighboring state and as another indication of India’s status as a client of the Soviet Union. The private reaction in ASEAN official circles was also, reportedly, very negative, including those ASEAN states whose own views on Indochina were not all that different from New Delhi’s on some issues. The timing of India’s action, moreover, coming shortly after Vietnam army forces in Kampuchea had launched armed probes across the Thai border directed at both refugee camps and Thai military installations, was considered particularly unfortunate. New Delhi, it was apprehended, was openly taking Vietnam’s side on the Kampuchea issue, abandoning the more neutral position held until then. According to some reports, Malaysia and Indonesia were particularly indignant because their own efforts to prepare the ground for a compromise settlement in Kampuchea were sabotaged by the Indian action. Both governments assumed a more hard-line position on Kampuchea than they would have preferred because of the Vietnamese strikes across the Thai border and India’s inexplicable action. But probably the greatest ASEAN concern, expressed in several official quarters, was that India’s “untimely decision” might persuade several of the “nonaligned” African states to change their vote on the issue of a seat for Kampuchea in the United Nations. On August 11, ASEAN diplomats in Kuala Lumpur expressed the hope that India would continue to remain neutral, that is, vote to keep the seat empty, as it had since the October 1979 Havana nonalignment movement conference.

India’s public rationalization of its recognition of Heng Samrin was not particularly persuasive. New Delhi argued that the Heng Samrin regime was in “firm control” of Kampuchea and thus deserved recognition under the principles employed by the Indian government on such issues. But Phnom Penh’s writ still did not extend to substantial areas of Kampuchea held by the Pol Pot forces; so why the change in the position that had been adopted by three Indian governments since early 1979? Moreover, it was readily apparent that it was the Vietnamese army that

controlled much of Kampuchea, not the Heng Samrin government.<sup>7</sup> Thus, India's action was interpreted as a recognition of the legitimacy of Vietnamese intervention rather than of the Heng Samrin regime. New Delhi also claimed that its action would contribute to an ASEAN-Indochina settlement, but that was patently ridiculous from the beginning. Indeed, Hanoi became even more hard line in its negotiations with ASEAN, which responded in kind, a consequence that anyone with any knowledge of the situation would have predicted. Moreover, ASEAN was forced into even closer working relations with China and the United States—hardly the objective of Indian policy.<sup>8</sup>

New Delhi's private explanation of its decision to the ASEAN representatives in India makes only a little more sense. In these discussions, the Indian officials maintained that the recognition issue was dictated largely by internal Indian political pressures, arguing that there was near-unanimity among Indian parliamentarians and the public on this matter. The Consultative Committee on External Affairs of the Parliament, it was noted, had strongly urged recognition of Heng Samrin. The Indians also mentioned the very effective lobby that Vietnam had built among Indian academics, journalists, and politicians, supported of course by the very well-financed pro-Soviet lobby in India. ASEAN, in contrast, had seemed indifferent to Indian opinion. ASEAN ambassadors were assured that India had not made its decision under pressure from the Soviets but that, indeed, one of New Delhi's objectives was to give Heng Samrin an option other than total dependence on the Soviet Union and Vietnam. It was hoped that recognition would contribute to a situation in Kampuchea that would lead to the withdrawal of Vietnamese forces and the establishment of a truly independent government in Phnom Penh.

Reportedly, the ASEAN response to this line of analysis was slightly more positive, but they did not buy the whole line. Parliament, after all, was dominated by Gandhi's party, and a more submissive collection of politicians could hardly be found elsewhere. If told to demand recognition of Heng Samrin, they would do so; if told to do the opposite, they would have been just as supportive of Pol Pot. And, in fact, the few really vocal demands on the Kampuchea issue came from Soviet-financed papers, academics, journalists, and politicians—a well-identified collection that Gandhi often ignores at no price to her position when it suits her purpose. The Heng Samrin option argument, on the other hand, had at least some appeal in several ASEAN capitals.

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7. In Dec. 1981, an Indian specialist on security matters explained to a public meeting in New Delhi that the Vietnamese military presence was still required in Kampuchea to maintain the "legitimate" government because the Heng Samrin regime had not yet been able to organize and train a military force of its own—three years after being placed in office in Phnom Penh! He did not, however, draw what would appear to be the obvious conclusion, namely, that Heng Samrin must lack an effective popular support base in Kampuchea.

8. It would, of course, be an exaggeration of India's importance to both Hanoi and ASEAN to attribute these developments to New Delhi's recognition of Heng Samrin, but this did seem to have a negative impact for some time on efforts underway elsewhere to reach a compromise agreement on Kampuchea.

ASEAN policy toward India in the fall of 1980 appeared to be directed at both isolating India in South and Southeast Asia on the Kampuchea (and Afghanistan) issues and encouraging New Delhi not to press for the recognition of the Heng Samrin regime and allocation of the U.N. seat for Kampuchea to his government. On both points, ASEAN had considerable success. India now finds itself isolated from the other South Asian states (including even Bhutan, usually considered a faithful follower) and the non-Communist Southeast Asian states on the Kampuchea and Afghanistan issues in various international forums. Moreover, it would appear that New Delhi has deliberately exercised restraint in pressing other governments on these issues,<sup>9</sup> much to the relief and appreciation of ASEAN. At the nonalignment movement conference in New Delhi in February 1981, India ended up voting with ASEAN and the moderate majority on resolutions calling for the withdrawal of “foreign” troops from Kampuchea and Afghanistan and even agreed to drop its own proposed criticism of the expansion of the American naval base on Diego Garcia.

ASEAN expressed its appreciation in the foreign ministers meeting in Kuala Lumpur in March 1981 by indicating an interest in renewing the dialogue with India and also implied that India would probably be invited to the next ASEAN foreign ministers conference scheduled for June 1981 in Manila. New Delhi responded quickly by sending several cabinet ministers and high officials on visits to various ASEAN capitals over the next few months. While India was not invited to the foreign ministers conference (reportedly because of the opposition of one member who was still irritated over the last-minute cancellation by the Indian foreign minister in 1980), this was termed “temporary” by a high ASEAN official. ASEAN also reacted favorably to the way in which the visit of the Kampuchean foreign minister to New Delhi on August 26-31 was downplayed by the Indian government. The advice given to the Kampuchean visitor against involvement in “great power politics” and India’s endorsement of the 1981 nonalignment movement conference resolution on Kampuchea were particularly gratifying to ASEAN.

The major Indian push to revive Indo-ASEAN relations came in the fall of 1981 with Gandhi’s visits to Jakarta (September 23-24) and Manila (October 8-9), Foreign Minister Rao’s visit to Kuala Lumpur (October 9-11), described by one Indian official as a “ritual act of contrition” for the cancellation of Rao’s visit the previous year), and President Reddy’s visit to Jakarta in November. The receptions given to Gandhi in both Jakarta and Manila were warm and friendly. Although little progress was made in resolving differences over the Kampuchea issue or reaching an agreement on a strategy that might resolve the ASEAN-Vietnam confrontation, everyone issued expressions of “warm friendship” and the need for cooperation.

But not all was peace and light in these meetings. Kampuchea was always described as an issue on which there was, in effect, an “agreement to disagree.” ASEAN was relieved that Gandhi did not advocate a *regional* (in contrast to an *international*) conference on Kampuchea as the Soviets and the Vietnamese had

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9. Bhutan, for instance, had expected to be the target of strong Indian pressure to change its vote on the Kampuchea and Afghanistan issues, but according to reports in Thimphu this had not occurred.

proposed, but neither did she endorse the ASEAN position on this issue. Gandhi also made one horrible faux pas in Jakarta when she alleged that Thai troops were operating in Kampuchea. The Thai Foreign Ministry denounced this statement in the strongest language possible, calling it “highly provocative and irresponsible” and pointing out that “even Vietnam . . . has never on any occasion made such an allegation against Thailand.” Gandhi is not one to apologize for even clearly erroneous comments, and she did not do so on this occasion, but at least the allegation was never repeated as has sometimes been the case.<sup>10</sup>

By the end of 1981 there appeared to be a substantial disenchantment on both sides with Indo-ASEAN relations and low expectations for the future. While there was also the realization that the two sides could not ignore each other on the political issues involved in Southeast Asia and elsewhere, there did not seem to be much ground for cooperation even when there was a limited consensus on objectives to be sought and strategies to be employed. The emphasis in Indo-ASEAN relations, thus, has increasingly been on economic cooperation and interaction, both on broader North-South international economic issues and on economic relations between India and ASEAN.

### **Indo-ASEAN Economic Relations**

There have been some encouraging developments in Indo-ASEAN economic relations since the mid-1970s in both the trade and joint venture figures. Between 1974 and 1979, for instance, total trade between India and ASEAN increased by nearly 500 percent—from Rs. 1,596 million (approximately 9 Indian rupees equals 1 U.S. dollar) to Rs. 7,257 million in 1979 (see Table 1). The number of Indian joint ventures in ASEAN also doubled in number and more than that in value. (For the first time there are also a number of ASEAN joint ventures in South Asia although to date primarily in Sri Lanka and Bangladesh.) By 1980, about one-third of India’s joint ventures abroad were in ASEAN—thirty in Malaysia, eighteen in Indonesia, ten in Thailand, seven in Singapore, and five in the Philippines. Most of these were small or medium scale, but several were quite large, for example, a \$100 million synthetic fiber plant in Indonesia and \$40 million paper plant in Malaysia. India also hoped to collaborate in the establishment of sponge iron and pellet factories in Indonesia and Malaysia then under consideration.

There were some negative aspects for India in these economic trends that caused some concern. The balance of trade had been heavily in India’s favor

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10. More alarming in some ASEAN quarters was the apparent confusion in Gandhi’s mind on this issue. If this was merely a mix-up in her commentary and she had meant to refer to Pol Pot forces operating in Kampuchea from Thai bases, then it would have been regrettable but no great matter for concern. But her failure to explain what she “really meant” leads to alternate interpretations: either the government of India is badly misinformed on this subject or Gandhi was once again a victim of misinformation emanating from the pro-Soviet sources that have ready access to her through a variety of channels and to which she has proved susceptible on other occasions when the line being pushed also bordered on the absurd.

**INDIA: TRADE WITH ASEAN, 1975-1979**  
(in millions of rupees)

Year	Indonesia		Malaysia		Philippines		Singapore		Thailand		Total	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
1975	469	50	293	142	92	42	444	101	117	168	1,416	503
1976	69	27	323	242	179	9	556	125	260	45	2,016	448
1977	533	218	332	1,809	188	36	673	341	271	79	1,992	2,482
1978	836	287	549	2,220	82	8	83	2,466	197	123	2,278	5,104
1979	926	163	626	2,129	98	41	731	2,088	252	203	2,633	4,624

**Source:** Tan Sri Kamarul Ariffin, "Trading and Joint Ventures with India," paper presented at the conference on India as a World Trading Partner, New Delhi, Jan. 21, 1981, issued by Information Section, Malaysian High Commission, New Delhi, 1981.

until 1977 but in that year and thereafter has shifted even more heavily against India. This reflected substantial increases in India's import of palm oil and tin from Malaysia and machinery and manufactured goods from Singapore, all badly needed by India but, nevertheless, a considerable drain upon New Delhi's foreign exchange holdings, which have been declining rapidly in the 1980s. In the period 1975-1979, India's exports to ASEAN did not quite double while its imports from ASEAN increased by nearly a 1,000 percent, under circumstances in which ASEAN is in far better position to absorb a trade deficit than India. New Delhi stresses the need for greater balance in trade in talks with ASEAN, but about all it can suggest is that a priority be given to the purchase of Indian machinery and equipment and the selection of Indian firms for joint venture projects in ASEAN. The reply usually is that India will not be discriminated against in the bidding on these projects but that it has to make the best offer to get the bid.

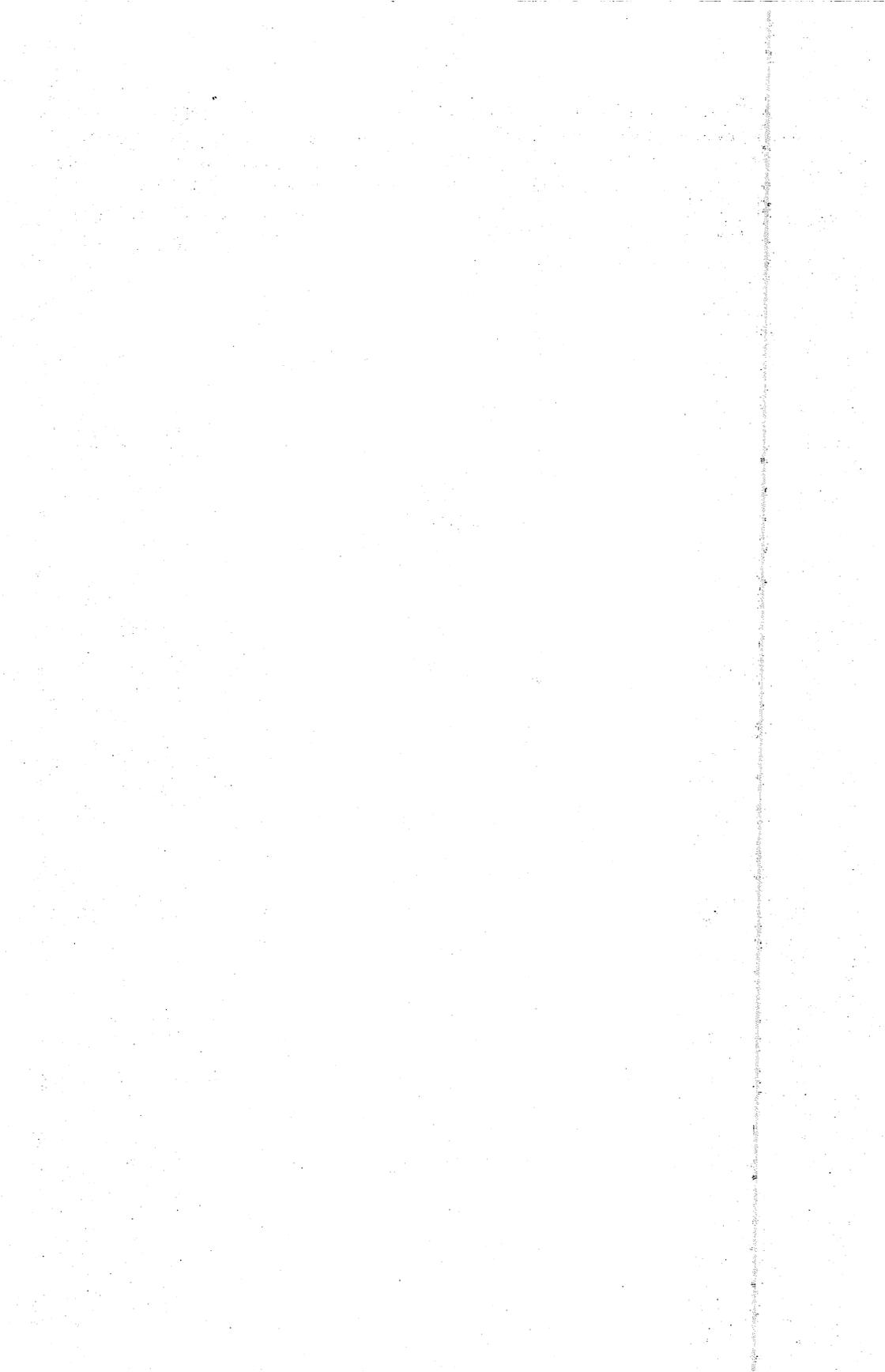
The policy of the ASEAN states in seeking to diversify sources of capital, technological assistance, and products from the present heavy dependence on Japan and the United States was seen by New Delhi as providing India with opportunities for profitable investments, but with a few notable exceptions, this has not been the case to date. The Indian government notes the comparatively favorable financial terms offered by Indian firms on several joint ventures, but the ASEAN decision makers consider other factors as well. In a brutally frank but accurate article in a prestigious Indian journal, *Business India*, an Indian specialist clearly notes some of the basic deficiencies of Indian private business firms (mercifully no mention is made of the far less efficient public sector firms) in joint ventures in Malaysia. The principal theme centers around the difficulties many Indian businessmen face in adjusting from the Indian economic system—which does little to encourage efficiency in operations while virtually guaranteeing any producer a market for inferior products—to the ASEAN system where success requires both efficiency and quality. All too often, it is noted, the Indian investor is looking for ventures that require small capital investments but quick and large profits, with the long-term consequences being disastrous. There have been several impressive success stories as well, however, in which India's managerial and technological expertise has been put to good use.<sup>11</sup>

The Indian government is quite right in its assumption that the ASEAN states are looking for a broader range of partners in joint ventures and that, in theory, India could be an important source. But restrained optimism is the most one could have on this score. The political issues that keep disrupting Indo-ASEAN diplomatic relations inevitably have a negative impact on their economic relations as well. This history is not likely to change very quickly even with the best of intentions on both sides, given the primacy of their interests elsewhere. For instance, New Delhi's anti-Pakistan campaign in late 1981 with its apparent pro-Soviet, anti-United States, and anti-Islamic overtones, was scarcely well conceived to mitigate ASEAN doubts about

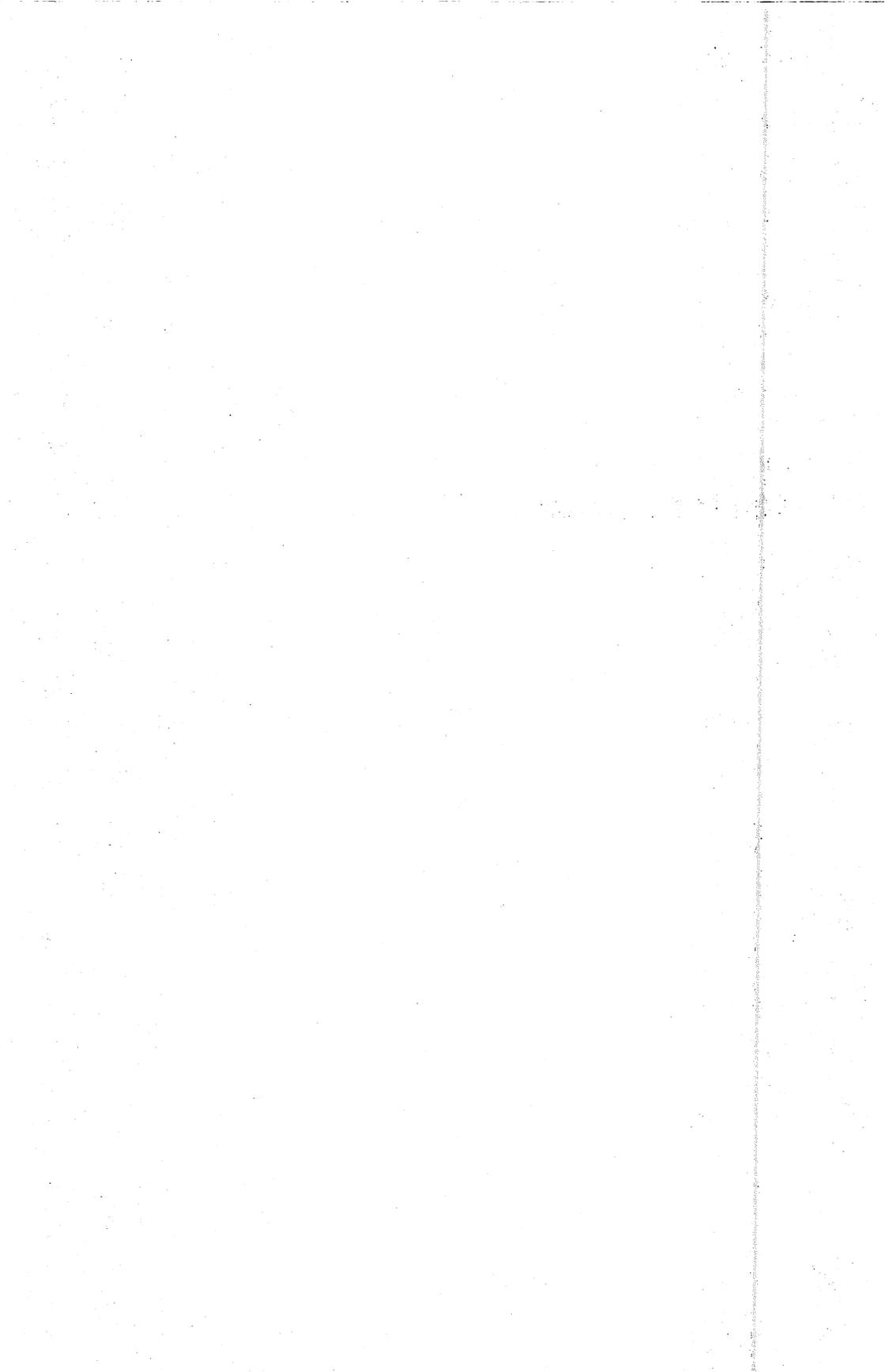
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11. Indra Gidwani, "Indian Joint Ventures in Malaysia: Wasted Opportunities," *Business India*, June 8-21, 1981, pp. 15-20.

the position of the Indian government on world political issues. Moreover, South Korea is now entering the competition for external involvement in ASEAN joint ventures and, for both political and economic reasons, may prove to be a preferable partner to India. India and ASEAN will no doubt continue to talk periodically about their economic relationship since it is in their interests to do so. But substantive results from these discussions are likely to prove as evasive in the future as they have in the past. Hence, the title of this chapter.



**IV.**  
**The United States**



# **11. The United States and Southeast Asia in the 1980s**

Jusuf Wanandi

## **Introduction**

This paper is based on my personal observations of U.S. policies toward the East Asian region, including Southeast Asia. It cannot be denied that the United States is of great importance to this region, and, thus, its policies are not neutral to the course of developments in this region, strategically and militarily, economically, politically, as well as socioculturally. It is in the interest of the author, personally, to see the successful implementation of sound U.S. policies toward the region. In short, the United States matters to the maintenance of peace and stability in the region. And perhaps, whether one likes it or not, the United States matters a lot.

The following views, therefore, should be seen primarily as an attempt to give some feedback to the large community of U.S. policymakers. Such an input could be of value to the formulation and implementation of sound U.S. policies not only in serving U.S. global political interest but also—and especially—to harmonize its global policies with its regional interests by taking into serious account the prevailing situation, nuances, sensitivities, and regional or national aspirations of U.S. friends in Southeast Asia, namely the ASEAN countries.

It is logical that being a superpower, the United States will have to play a global role. This position definitely influences its views and perceptions on its presence in East Asia, including Southeast Asia. Therefore, one cannot usefully discuss the U.S. role in Southeast Asia without examining first the global outlook and role of the United States. This becomes all the more important because no region is unaffected by U.S. global policies. Be that as it may, it is important to be reminded at the outset of the fact that the Southeast Asian region is relatively less important to the United States as compared with the Persian Gulf or the Middle East.

In addition, the present role of the United States both globally and regionally can be better understood by gaining greater insights into the developments in the U.S. domestic scene and the making of policies within the Reagan administration.

## **The Need for a U.S. National Consensus**

Thus far, one has discerned in President Reagan a popular and strong as well as a pragmatic and flexible personality and leader. His popularity has greatly helped the administration to rally public support for its programs. In fact, Reagan's basic

views parallel those of the majority of public opinion, namely, a strong country globally and less government in public life. His strength lies in his "ideology," which justifies some sacrifices by the American people in order to establish a strong United States, supported by a high level of defense spending. At the same time, Reagan has been able to act pragmatically and flexibly as manifested in his ability to co-opt a great number of interest groups. This has prevented a serious split in the American body politic from materializing in the aftermath of significant changes in the U.S. administration as a result of the last election. The Reagan administration has been successful in gearing its attention to and systematically tackling domestic issues, particularly in the economic field. Thus far, the initial stages of the administration's program have been accomplished rather well.

It is in the realm of foreign policy that the Reagan administration has not advanced as many would like to see it. But the administration's preoccupation with the country's economy can be understood in light of the necessity for creating a healthy economy in support of a viable defense and international posture over a long time period. Domestic economic problems are likely to remain Reagan's top priority, but a set of emerging foreign problems, such as the sale of AWACs to Saudi Arabia and the Middle East after Sadat, will make the realm of foreign affairs of greater urgency to the administration.

A comprehensive and clear foreign policy has not emerged, and most of the decisions on international issues seem to have been taken rather on an ad hoc basis. Examples of this are quite abundant. After making bold statements on El Salvador as a test case for the West in confronting the Soviet Union and Cuba, the administration was compelled to revise them. U.S. policies on South Africa and Namibia need to take into more serious consideration the greater U.S. stakes in the African continent as a whole. Its policies on the Middle East remain deficient so long as it is incapable of cooperating with all moderate countries in the region to face jointly the Soviet threat there. It is imperative for the United States to take greater considerations of the regional aspirations and aims of those moderate countries. Also, U.S. relations with its NATO allies are in need of new mechanisms that can deal effectively not only with Western Europe but also with other regions, such as the Persian Gulf. Similarly, there are still marked differences between the United States and its NATO allies in their appreciation of the Soviet threat and how to deal with it either in terms of economic relations or on the military-strategic level. The latter problem has become an issue of great controversy with the decision to deploy Pershing II and cruise missiles in Western Europe. This issue will have to be dealt with within the framework of U.S.-U.S.S.R. relations as well. In addition, there are other serious issues such as the sale of arms to the People's Republic of China, which has some important bearing on U.S. relations with Southeast Asia.

Confusion about the direction of U.S. foreign policy has also been created by the different and often contradictory statements by various leaders within the administration. This has reflected a lack of coordination on foreign policy matters or is due to a protracted internal struggle within the administration itself about who or what agency should be in charge of formulating foreign policies. Secretary of State

Alexander Haig seems to have won this bureaucratic struggle. Nonetheless, the voice of the Defense Department will now have a greater weight as compared with previous administrations largely because of Secretary Caspar Weinberger's personal relations with President Reagan. The position and performance of the National Security Council seem to have weakened, and White House advisors seem to lack experience in and sensitivity to foreign affairs.

Reagan's "honeymoon" with the U.S. Congress seems to be over. Although his economic programs have passed the scrutiny of the Democratic-dominated House remarkably well, there is no guarantee that the years to come will see a continuation of this successful operation, especially when dealing with foreign and national security issues. A number of the acts legislated by Congress in the 1968-1975 period will constrain the executive branch in areas of foreign and national security. Also, the executive branch will have to accept the power of Congress in the budgetary process and control over appropriations for the various committees. The Armed Services Committee under Senator John Tower from Texas, for example, has almost total control over the Defense Department's budget; in fact, it determines the U.S. defense posture.

A recent [as of Nov. 1981-ed.] opinion poll conducted by Yankelovich, Skelly, and White—a New York research firm—shows that Reagan still rates high with the American public, especially in providing leadership for the country and in handling the economy. Reagan was credited with making a good start in keeping the nation's defenses strong. Public support for greater U.S. defense capabilities and higher defense budgets grew slowly at the end of the seventies and became more pronounced in early 1980. The Reagan administration's plan foresees an annual increase in the defense budget, reaching 7 percent of the GNP by the middle of the 1980s. However, sustaining public support will depend upon: (1) appropriate and efficient uses of the budget by the Defense Department; (2) a greater and fair sharing of the burden by U.S. allies, namely, NATO and Japan; and (3) whether or not serious crises emerge, for example, uprisings in major U.S. cities because of cuts in social welfare programs.

The administration's plan to increase the defense budget will depend on the success of Reagan's economic policies to increase revenues from a growing tax base, reducing inflation and interest rates, as well as cutting excessive social welfare programs. On the whole, confidence in Reagan is still high, and the public seems to be willing to give Reagan a fair chance to further implement his economic policies.

A more basic issue as seen from the point of view of U.S. allies relates to the U.S. domestic political system, which tends to produce a short-sighted and volatile foreign and defense policy. Since 1968, because of the Vietnam war, the Watergate scandal, and foreign crises, such as the events in Angola, Ethiopia, Afghanistan, and Iran, there has been a large swing in public opinion, which affects the congressional attitude on various international and national security issues.

The above issue leads to another one, namely, whether or not a national consensus such as that prevailing during the 1950s and 1960s can be sustained. The world today definitely is more complex than that of a few decades ago. Soviet military power is catching up with U.S. military might. The economies of Western Europe

and Japan compete with the U.S. economy, and the Third World is aspiring for a greater say on international issues.

One may want to raise the question of whether a consensus can be built in the absence of a strong ideological framework, such as capitalism and anticommunism, which was very much present in the 1950s and 1960s. The conservative trend in U.S. political life could lead to a new ideological thrust in the U.S. international posture as well.

This conservative trend, while promising some built-in consistency in the formulation and implementation of U.S. policies, is not without worry to the United States' allies. It tends to produce a more assertive U.S. international posture based on stronger (perhaps more narrow) nationalism, which, in turn, tends to dictate the United States to go its own way in dealing with international issues and in imposing its own solutions on them. This implies that the United States will take little consideration of the aspirations and policies of its allies. It also implies lesser efforts on the part of the United States to seek for a consensus with them. And, lastly, this also will mean a reduced willingness on the part of the United States to seek consultations and compromises.

If the above direction indeed materializes, it will run counter to the necessity for the United States to nurture new mechanisms that will enable it to harmonize its global interest with its regional policies. The present world situation, which places the United States in a different position from that in the 1950s and 1960s, despite its efforts to strengthen itself, requires some division of labor between the United States and its allies as well as cooperation with its friends to maintain jointly an international order that is supported by all.

Any American administration will face the task of harmonizing its global policies with regional realities. This effort is likely to consume time before a satisfactory outcome can be attained. For now, however, one may want to question whether it is appropriate for the United States first to formulate a firm and consistent global posture and then later to try to incorporate the various different regional realities into its global policy. A recognition of the need to reestablish U.S. credibility in the world and to regain the confidence of its allies justifies this line of thinking, which would require more planning and consistency and less rhetoric. For example, the United States cannot reasonably expect its allies to take a tough stand in their dealings, economic or otherwise, with the Soviet Union if at the same time the United States itself lifts the grain embargo and even increases the sale of wheat to the Soviet Union.

The argumentation should also reconsider the use of loud-voiced rhetoric on the Soviet threat in trying to rally domestic support. This anti-Soviet approach alone will not help to solve the many international problems. It could even work as a boomerang against the United States. First, international or regional instability and conflicts do not necessarily originate from Soviet actions. In quite a number of cases, conflicts in the Third World started from domestic or regional conflicts, which only in their subsequent developments could be utilized for the political interests of the Soviets. We saw examples of this in Angola, Ethiopia, South Yemen, Afghanistan, and Indochina.

This approach of inflating the Soviet menace also could create unnecessary tensions between the United States and its allies and could implant the belief in the Soviet's strength in the international forum. In turn, this could have an influence on policy formulation in many countries, particularly Third World countries. At the same time, the United States could give the impression to the world that it is not capable of facing the Soviet Union or of overcoming the various international problems. The Soviets have shown progress in the military field and in their political influence in certain countries. However, fundamental weaknesses in their domestic sector have come more and more into the open.

The international implications of this development can be far-reaching. Ideologically speaking, the attractiveness of the Soviet Union has gradually lessened. The Soviet economy has come to a distressing stagnation. Although it managed to attract several countries into its sphere of influence, these countries are, in fact, rather insignificant as compared with the countries that are loosening their ties with the Soviet Union, such as the People's Republic of China, Egypt, Iraq, and, to a certain extent, also Rumania and recently Poland.

For quite a number of Third World countries, the Soviet Union no longer represents a progressive force as it has been often mystified via its support of national movements against colonialism. This was particularly evident after the Soviet invasion of Afghanistan by the reaction of Third World countries in nonblock conferences and conferences of Islamic states.

## **U.S. Global Outlook and Policies**

The discussion below will be confined to three areas of importance for defining the U.S. international posture, namely its outlook and policies toward (1) the Soviet Union; (2) the Western alliance, that is, NATO and Japan; and (3) the Third World. These three areas are not mutually exclusive.

U.S.-U.S.S.R. relations have worsened in recent years, and the U.S. public, in general, believes that the growing global reach of Soviet military power threatens U.S. security and interests as well as those of its allies. With its military built-up, the Soviet Union seems to have gained a greater momentum to expand its political influence, such as the cases of Angola, Ethiopia, and Afghanistan. Thus, the United States will have to face a U.S.S.R. which has become more prone to using military force in achieving its aims. It is also believed that future U.S.-U.S.S.R. conflicts will take place in the Third World because instabilities in Third World regions invite Soviet interventions.

Furthermore, there is the belief that Soviet leadership will continue to adopt opportunistic attitudes. At the same time, the Soviet Union will be plagued by increasing economic stagnation and weaknesses, domestically and in the countries under its influence, as well as by changes in social structure, but it is in possession of tremendous military power. These internal Soviet weaknesses, it is believed, will not constrain its actions, but they may give it greater incentives to attempt to make use of its military power in achieving its aims.

The Reagan administration's amplified rhetoric on the Soviet menace added

to the worsening of U.S.-U.S.S.R. relations. The administration has sought for solutions to this worsening relationship from the history of the 1950s and 1960s, in the form of containment and the cold war, in which military power was assigned a predominant function.

It may not be wise to resort to policies of the past since the world has undergone both quantitative and qualitative changes since then. The U.S.-U.S.S.R. military power equation is now roughly in balance. U.S. allies, both NATO and Japan, have become economic powers and, in turn, have gained some political power and, thus, are aspiring for greater weight in alliance decisions. Similarly, many Third World countries have achieved some success in their development efforts and have gained some power through a variety of cooperation schemes, such as OPEC and ASEAN, and therefore aspire to a greater say in international and regional affairs. This is also true with regard to emerging Third World medium powers such as Mexico, Brazil, Nigeria, Saudi Arabia, Egypt, South Korea, and Indonesia.

In light of these changes the United States must seek new solutions. First, taking into account its military might and political, economic, and technological capabilities, it is still far more powerful than any other country in the world, including the Soviet Union. U.S. confidence in its capabilities and, therefore, the confidence of its allies were greatly reduced largely because of the crises in the American body politic in the late 1960s and early 1970s, as well as because of the openness of its political system. Thus, the most important task for the United States is to regain its self-confidence and to reestablish the credibility of its leadership.

Second, in military terms the United States has maintained—at the least—a balance with the Soviet Union. U.S. land-based missiles have become more vulnerable to a Soviet first strike. In conventional armaments the United States is facing some deficiencies, especially in the vital region of the Persian Gulf. Likewise, U.S. naval supremacy is considered seriously challenged by the growing Soviet naval power, especially in terms of the number of ships and the capabilities of submarines. However, the combined military power of the Western alliance is still above that of the Soviet Union and its Warsaw Pact allies.

Third, the Western alliance system is still intact and remains useful also to the United States itself. However, there is a clear need to structure a new relationship between the United States and its allies. Tensions have grown within the alliance system primarily because of (fundamental) differences in the assessment of the Soviet threat, such as how to structure a cooperative and at the same time a competitive relationship with the Soviet Union, how to respond to Soviet threats in the various regions of the world, how to structure the relationship with the Third World, and how to harmonize economic and political interests and policies among themselves.

Fourth, there should be a recognition that the more assertive and nationalistic attitude that is developing in the United States will make alliance management a more delicate problem. U.S. allies will continue to demand a greater say in major international issues, especially on East-West relations. The problem here is whether Reagan can overcome the pressures from the “go-it-alone the American way” ideologies in his administration and in the public at large. Likewise, the United States will continue

to pressure for greater sharing from its allies. U.S. allies cannot avoid these pressures, and they will have to recognize that the present alliance structure imposes a great burden on the United States. Its global responsibilities require giving equal attention to regions outside Western Europe and Japan. It is also in these other regions that U.S. allies need to share some of the burden.

Fifth, despite the importance of the Western alliance, one questions whether structuring this relationship alone is sufficient for the United States to respond to the Soviet threat globally. The United States needs to consider the many Third World countries that have developed into medium powers and therefore do influence the international scene.

In light of this, there is also a need for the United States to structure its relations with these countries in jointly supporting a peaceful and stable international order. Nationalism will continue to be the most important motivation for these Third World medium powers. This does not preclude, however, the acceptance of these countries to structuring a positive and cooperative relationship with the United States. They recognize its contribution and that other Western countries to their development efforts. Since a sustained development guarantees internal stability, cooperation in many areas between the United States and Third World countries could greatly enhance the stability of the international environment.

In many Third World regions there also is the need for a U.S. military presence to balance the Soviet presence. The degree and nature of U.S. military presence certainly vary from one region to another, for example, between the Persian Gulf and Southeast Asia. Viewed from the point of Third World countries' objectives to strengthen their national resilience, the U.S. military role is regarded only as supplementary. A U.S. approach which relies primarily or solely on its military instrument is certainly deficient and will not contribute to a sustainable and viable relationship with the Third World. In this connection it is often felt that the European approach, that is, concentrating on strengthening politico-diplomatic as well as economic relations, better suits the needs of the Third World.

It is of some urgency that the United States attempt to define a new approach in dealing with the Third World. In the first instance, it should give a greater political value to its economic relations with the Third World. The U.S. record in the north-south dialogues has not been encouraging. Likewise, the Reagan administration has been very insensitive to important international changes and aspirations as manifested in the Law of the Sea conferences, which are of great importance to the Third World.

There is also great reservation in regard to Reagan's policies to rely heavily on the free market mechanism in U.S. economic relations with the Third World. Reducing the role of ODA (Overseas Development Administration) in resources transfers to the Third World could destabilize many regions, in particular the low-income LDCs (less-developed countries).

In addition, the United States needs to develop a more constructive relationship with Third World medium powers through a better mechanism of consultations. Here again, it should concentrate on politico-diplomatic and economic relations.

This would not preclude cooperation in the military field, for instance, in preparing for a variety of contingencies, but these need not be based solely on military pacts, a mode of the past.

### **U.S. Policies Toward the Asia Pacific Region**

The Asia Pacific region, including Southeast Asia, has assumed greater importance to the United States. This is not only because U.S. trade with this region has surpassed U.S. Atlantic trade but also because this region has been the most stable one in the last five or six years. Development in this region has contributed greatly to global stability. The military balance in this region is still in favor of the United States and its allies. Non-Communist countries in this region have been remarkably successful in their economic development efforts. On average, they have continuously increased their national resilience and, as a result, have contributed greatly to regional stability.

The Reagan administration has inherited a policy toward the Asia Pacific region which is quite livable to the countries there. In the last years of President Carter's administration important decisions were taken to rectify his earlier policies, such as the withdrawal of U.S. troops from South Korea and the indiscriminate implementation of the human rights policy.

However, the United States has not yet completely regained the confidence of the countries in the region. It is hoped that the new administration, which aims at greater consistency and greater capability in dealing with international problems, will be able to rectify its image. Likewise, it is hoped that the administration will develop a greater sensitivity to the aspirations and interests of its allies in the region, which can be done if the administration devotes sufficient attention to the affairs of the region. This hope is based on the belief that a Republican president will give greater attention to the Asia Pacific region.

Indeed, it cannot be said that the Reagan administration lacks an interest in the Asia Pacific region. The visit of President Chun of South Korea to the United States was the first official visit made in Reagan's first year in office, followed later by Japanese Prime Minister Suzuki's visit. Secretary of State Alexander Haig made a visit to Beijing and met ASEAN foreign ministers in Manila and went to the ANZUS meeting in Wellington; and both Thailand's Prime Minister Prem and Singapore's Premier Lee Kuan Yew have visited Washington.

Observations so far suggest that the Reagan administration will formulate its policies toward the Asia Pacific region on the basis of four pillars, namely, its relations with Japan, South Korea, ASEAN, and ANZUS. The nature and intensity of these four relations will differ from one another since each of these four entities has its own problems in relations with the United States.

The following is an attempt briefly to examine the main issues in the relations between the United States and each of those four entities. This will be followed by an examination of U.S.-China relations, which are important to developments in the Asia Pacific region.

### *Japan-U.S. Relations*

Japan certainly is the most important U.S. ally in this region not only because the U.S.-Japan security pact is considered to be the pillar of regional stability but also because Japan's economic power can be relied upon by the United States in maintaining an open and market-oriented economic system in the region and globally.

In view of the intensity of U.S.-Japan economic relations, tensions between them are likely to be present at all times. However, U.S.-Japan relations in the field of defense are more delicate and complex. To Japan, its defense pact with the United States is only one aspect in the debate on Japan's security and defense role in the future. The debate on increasing Japan's defense spending—although important—is also just another aspect of a more fundamental problem, namely, Japan's survival in a world of growing uncertainties. The Japanese public is more open now to discussing Japan's defense. This change has been stimulated by both external and internal factors. The major external factors parallel those perceived by U.S. NATO allies. To list a few, one would start with the deterioration of the credibility of U.S. leadership in the alliance and of the U.S. defense umbrella. The build-up of Soviet military power, especially naval power, in the Pacific is another factor. In addition, there is the growing uncertainty in the Middle East and the Persian Gulf, regions so vital to Japan's survival. The internal factors relate primarily to a basic question regarding Japan's international policy in the future. There is a growing recognition in Japan that it cannot continue to rely on its economic diplomacy alone. Therefore, Japan needs to formulate its future political and defense role in the Asia Pacific region and globally.

The Reagan administration, so far, has restrained itself from pressuring Japan too strongly—at least in the open—to increase its defense responsibilities in order not to corner the ruling Liberal Democratic Party. The Reagan administration seems to have recognized also that the Japanese public remains ambivalent to the idea of increasing Japan's defense role. More important, however, is the fact that the United States itself still has no clear view regarding the defense role it wishes Japan to assume. Thus far, the United States has demanded from Japan only the increase of its defense spending in order to enhance its self-defense capabilities for its own homeland and the surrounding waters. A role beyond this has not been seriously contemplated either in Washington or in Tokyo because of the strong belief that further steps will upset regional stability; the Soviet Union and ASEAN are likely to react to it on different grounds.

It should be noted here that ASEAN has no objection to Japan's increased military capabilities in order to defend its homeland and the surrounding waters, which even could include the sea lanes as far as 1,000 miles to the south (off the northern Philippines) and 1,000 miles to the east (west of Guam) as requested by President Reagan to Prime Minister Suzuki. But ASEAN cannot allow Japan's naval force to operate in its waters, for this could give the impression that ASEAN is releasing control of its waters to Japan, which contradicts the ASEAN countries'

aspiration to have control over their own straits and waters. Instead, it seems desirable to the ASEAN countries—and perhaps also to Japan—to cooperate with Japan in their efforts to increase the naval capabilities of the ASEAN countries, such as through the transfer of defense-related technology.

ASEAN has supported Ohira's and Suzuki's idea of a comprehensive Japanese security policy in which Japan contributes to the stability of the Asia Pacific region in the economic and political field rather than in the military field. This security policy is in line with the strategies of the ASEAN countries, first, because the potential main threat to their security is believed to originate from within the countries, which will materialize if these countries fail to develop successfully; second, because the confrontation lines of potential military conflicts in the region, with the exception of Korea, are not well defined as in the case of the European theater.

### ***South Korea-U.S. Relations***

The stability of South Korea has improved significantly since the situation two years ago. President Chun has successfully consolidated his government and the country. The economy has also shown encouraging signs. Earlier problems between the United States and South Korea, such as the Kim Dae Jung case, have been overcome, and the United States has reaffirmed its commitment to the security of South Korea.

There are no signs that serious problems will arise in the future, provided that (1) the United States maintains its ground forces and security commitment as long as necessary to deter North Korea, especially during the period of change in North Korea's leadership, which seems to be approaching; (2) the two Koreas continue to seek for ways to have a dialogue on a gradual reunification; (3) political development in South Korea proceeds further even though pressures from the Reagan administration have lessened considerably; (4) structural adjustments currently taking place in South Korea's economy lead to a more sound economy and sustainable growth; and (5) South Korea expands its economic and political relations, such as with ASEAN, in order to lessen its political isolation and to reduce its economic dependence on Japan and the United States.

### ***ASEAN-U.S. Relations***

The nature of U.S. relations with ASEAN differ from those with Japan and South Korea because the latter two countries are considered U.S. allies. U.S. relations with each of the ASEAN countries differ in intensity. Some ASEAN members have a defense pact with the United States, directly as in the case of the Philippines or through the Manila Pact in the case of Thailand. Other countries, such as Indonesia, Malaysia, and Singapore, adopt a nonaligned foreign policy even though both Malaysia and Singapore are participants in the Five-Power Defense Arrangement together with three U.S. allies (Great Britain, Australia, and New Zealand).

In spite of the different relations between the United States and each of the ASEAN countries and despite the fact that ASEAN does not constitute a defense pact, U.S. relations with ASEAN are of some importance to both sides because of many parallel economic and political interests.

The United States is one of ASEAN's main trading partners, the other being Japan. In the political field, ASEAN shares a common interest with the United States and its allies, namely, the maintenance of a stable international order. However, it is important for the United States to understand that real support from the ASEAN countries can be expected only if their—and other Third World countries'—legitimate interests are recognized and appreciated by such an international order. And ASEAN can play an important role as a vital link in the Reagan administration's concept of U.S. relations with the Third World.

Initial signals from the Reagan administration are quite encouraging, showing sufficient sensitivity to structuring economic and political relationship with ASEAN on the basis of its own merits and not on the basis of an alliance system. There is a growing appreciation of the nonaligned policies of the ASEAN countries. Likewise, the nature of threats to and vulnerabilities faced by the ASEAN countries seems to be appreciated. The United States seems to have accepted ASEAN's analysis that the main threat to its security is internal in nature, and thus, the United States has been able to differentiate this regional situation from its global rhetoric on the Soviet threat to the Third World. In this connection, the United States has supported the idea and has seen the value of Japan's economic cooperation with the ASEAN countries in the framework of Japan's comprehensive security policy.

There is also the recognition that U.S. economic relations with the ASEAN countries will by necessity involve some mix of official and private efforts, namely, ODA and trade and investment, and will not be left to the private sector alone. On the question of the Law of the Sea Treaty, middle-level officials in the Reagan administration still believe that ultimately, with some minor modification, the White House will accept the treaty. One cannot be certain, however, about how the above policies will evolve in the future. It seems that the ideologues and pragmatists still have to settle their different perceptions of how to structure U.S. regional relations with ASEAN and Southeast Asia.

There are three additional problems that deserve attention in the process of structuring U.S. relations with ASEAN.

1. The ASEAN countries feel that their relations with the United States, especially in the economic field, have not brought about the concrete results they had hoped for. In many instances, the United States has been very reluctant to accept ASEAN's proposals for seeking regional solutions to economic issues, arguing that the solutions should be sought globally. Many obstacles to increasing U.S.-ASEAN economic relations also originate with a variety of domestic administrative and regulatory problems in the United States, such as double taxation, tax deferral, the antibribery act, and the antitrust act.

2. The ASEAN countries in general, Indonesia and Malaysia in particular, still view China with some ambivalence. On the one hand, they recognize the importance of China to the Southeast Asian region because of its geographic location, its size, its history and culture, and its political clout. But on the other hand, they also perceive China as the main potential threat for basically the same reasons as above, aggravated by China's influence over the Communist countries in Southeast Asia, by

its changing policies on the overseas Chinese, and by its attitudes toward the Kampuchean conflict. There needs to be an understanding on the part of the United States in structuring its relations with China. For example, ASEAN has been much disturbed by the U.S. decision to sell arms to China.

3. ASEAN aspires to the establishment of a Zone of Peace, Freedom, and Neutrality for Southeast Asia. Such a regional order recognizes the presence and role of the great powers in Southeast Asia but without any one of the powers having a dominating position.

In practice, both the U.S. and Japan's presence will be more pronounced than that of the other great powers because of ASEAN's intensive relations with them. The Soviet Union has increased its presence in the region because of the protracted conflict in Indochina and because it has gained access to military facilities in Cam Ranh and Danang. However, this increased Soviet presence is not seen as posing a direct threat to the ASEAN countries as yet.

It is in the interest of ASEAN to find a political solution to the Kampuchean conflict as soon as possible, first, because this conflict makes the realization of a zone of peace more difficult. A regional order in Southeast Asia cannot be established without the participation of a viable Indochina. Second, and foremost, a protracted conflict in Kampuchea will increase Soviet military presence and will intensify Sino-Soviet rivalries in the region.

As things stand now, the solution to the Kampuchean conflict will not come about in the near future because the conflict is not only a regional matter but involves the great powers—China, the Soviet Union, and the United States. In essence, the core of the problem is and remains the conflict between China and Vietnam. ASEAN has been drawn into the present situation because of the spillover of the conflict to Thailand. The Soviet Union has involved itself because of the opportunity it sees in the conflict to challenge China in Southeast Asia.

At present, time is on ASEAN's side. The Ad Hoc Committee of the U.N. International Conference on Kampuchea should be given the opportunity, in the coming months, to find new ways to solve the conflict. A more clear prospect for a solution must emerge in the not too distant future. Without any sign of a solution, the conflict could extend at any time to the borders of Thailand, would cause greater sufferings to the Kampuchean people, would create renewed pressures on the ASEAN countries because of the new influx of refugees from Indochina, and could greatly destabilize the region as a result of greater direct involvement by the major powers.

In seeking for a solution to this conflict, ASEAN hopes that the United States will (1) adopt a more flexible attitude toward Vietnam, (2) continue concretely to support ASEAN efforts in the future to find a political compromise, (3) influence China to modify its extremely hostile attitude toward Vietnam, (4) together with Japan and the European Community and ASEAN prepare for an assistance program for Vietnam, granted that Hanoi also would compromise in the process of coming to a political solution, and (5) normalize its diplomatic relations with Vietnam.

### *The United States and ANZUS*

U.S. relations with Australia and New Zealand are without any serious problem. The alliance system among these countries has not been challenged either by the respective governments or by public opinion in Australia or New Zealand. Questions often arise in the Australian public as to the terms of U.S. presence, in the ANZUS framework, in the Indian Ocean. This perhaps is the only issue in need of clarification.

### *U.S.-China Relations*

The government in Beijing remains uncertain about the Reagan administration's perceptions of U.S.-China relations. The Reagan administration does not see China either as a U.S. ally or as a close friend. This attitude was clearly shown during Reagan's presidential campaign as well as his subsequent statements once in office. Generally, both Reagan himself and his close aides do not have an emotional attachment to any Communist regime, including China's.

In contrast, the Reagan administration considers Taiwan an old friend, which it does not want to abandon. Therefore, the Taiwan Relations Act will be implemented by the Reagan administration including the sales of defensive arms to Taiwan although it is recognized that U.S.-Taiwan relations will not be raised to a formal level. The sale of FX fighters—which have some offensive capabilities—in order to enhance Taiwan's self-confidence provoked PRC reactions, which led to the political decision by the Reagan administration to sell arms to China as well in order to balance its relations with China vis-à-vis Taiwan. Although this decision was meant to be symbolic, that is, to give the impression to China that U.S.-China relations were still intact and progressing, it caused some apprehension on the side of the ASEAN countries because of possible implications in the future.

It is important, therefore, that the United States come up with a clearer policy on its relations with China. To some extent, the United States still believes that its relations with China will serve a joint purpose in its dealings with the Soviet Union. There is a definite need for the United States to structure a relationship with China, but such a relationship should enhance the stability of the Asia Pacific region. It is felt that U.S.-China relations have been more of a "one-way street" in China's favor and that the United States has not made intelligent use of its leverage toward China in order to bring it to its senses, for example, in its attitude toward the solutions of the Indochina conflict. These all could have serious destabilizing effects on the region.

## **12. U.S. Policy, ASEAN, and the Kampuchean Crisis**

Karl D. Jackson

With all of the precision afforded by hindsight, the day may come when students of Southeast Asian events will look back on the years 1975–1978 as an all too brief golden era of regionalism sandwiched between two periods of great power interference. In the period 1975–1978 the ASEAN concept of the Zone of Peace, Freedom, and Neutrality (ZOPFAN) appeared on the verge of becoming a geopolitical reality rather than a futuristic concept. The United States, as the great power that had made the greatest investment of resources over the preceding two decades, had, to a large extent, opted out of the region as a result of the paralysis of political will produced by bitter domestic political divisions surrounding the Vietnam War.

From having devoted a tremendous proportion of its foreign policy resources to the mainland of Southeast Asia, the United States rapidly withdrew both its material and psychological commitments to the area. As Communist armies triumphed in Phnom Penh, Saigon, and Vietiane, the corridors of power in Washington, D.C., echoed with the phrase “no more Vietnams,” which meant that the remaining friendly nations in Southeast Asia might sink or swim but they would do so on their own; any American assistance would be either rhetorical or in the form of minimal economic assistance or small-scale foreign military sales credits.

In the Pentagon and the Central Intelligence Agency (CIA) even analytic attention to the evolution of Indochina was largely withdrawn. In the early summer of 1977 an old Vietnam hand at the CIA indicated that there was not a single analyst at its headquarters working full time on Vietnam. Further, the chairman of the Joint Chiefs of Staff reportedly eschewed any interest in being briefed about Indochina. The scope of the psychological rejection of the area is illustrated in his reported comment: “I don’t want to know what the bad hats are doing to the bad hats.” Likewise, in real terms, the American military presence on the mainland of Southeast Asia was reduced to nearly zero by the closing, at Thai request, of U.S. air bases in Thailand. Finally, at the start of the Carter administration, there was even some talk that the United States might also withdraw its direct presence from the Philippines if negotiations over the Subic Bay and Clark Field bases became too difficult.

Regarding the Soviet side, articles were written by Americans indicating that Southeast Asia was a low priority area for the Soviet Union also. Analyses deemphasized Soviet activities in Vietnam, ignored published estimates of large-scale Soviet

assistance to Vietnam,<sup>1</sup> and deprecated anyone old-fashioned enough to think that the Vietnamese would ever make bases such as those at Cam Ranh Bay or Danang available to Soviet military forces. All early reports of Soviet activity at Cam Ranh Bay were depreciated, and even the first major post-1975 Soviet military airlift into Vietnam, which occurred in the summer of 1978, was studiously ignored by observers within and outside Southeast Asia.

The perception that prevailed almost universally was that Vietnam was too wily to take sides in the Sino-Soviet dispute and too completely oriented toward its own economic reconstruction and development to be anything but a benign influence on the future of Southeast Asia.<sup>2</sup> Furthermore, Vietnam had joined the World Bank and the International Monetary Fund, had promulgated a foreign investment code, and had accepted various diplomatic missions from the United States. Most analysts during this period from 1975 through most of 1978 expected peace and stability, which would provide a positive environment for growth of pan-regional institutions and supply no pretext whatever for a recall to arms, with contending superpowers supporting competing groups of states.

In the 1975–1978 period the only major power recognized as meddling on even a moderate level in mainland Southeast Asia was the People's Republic of China. The PRC was the major source of external assistance, trade, and military aid for Pol Pot's Kampuchea. It was well known that Chinese advisers were afoot in Kampuchea and that China was bankrolling Democratic Kampuchea's limited foreign trade purchases. In addition, China remained unwilling to abandon completely its ties with insurgent Communist parties in Burma, Thailand, Malaysia, and Indonesia.<sup>3</sup> However, even these signs of Chinese intrusiveness were not considered to be a major factor because they paled in comparison with the massive flow of American, Soviet, and Chinese military and economic aid that characterized the closing decade of the Second Indochina War. Furthermore, signs of Chinese intrusiveness were balanced by indications that China itself might be turning inward to concentrate on domestic reforms after the demise of Mao.

With America having withdrawn in psychological tatters from mainland Southeast Asia, with China daily becoming more inner-directed, and with the Soviet Union perceived as a far-off, basically disinterested, diplomatically maladroit power, the time was ripe for regionalism. ZOPFAN was originally adopted as the overall goal of the ASEAN countries in 1971. With the Bali Summit of 1976 and subsequent high-level meetings, ASEAN took on renewed vigor. Each ASEAN country established diplomatic relations with the new governments in Hanoi, Phnom Penh, and Vientiane. Trade and foreign assistance agreements to aid Vietnamese

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1. See estimates of aid to Vietnam in the *National Basic Intelligence Factbook, January 1978* (Washington, D.C.: U.S. Government Printing Office, 1978), p. 222.

2. See Joseph J. Zasloff and MacAlister Brown, *Communist Indochina and U.S. Foreign Policy: Post War Realities* (Boulder, Colo.: Westview Press, 1978).

3. William R. Heaton, "China and Southeast Asian Communist Movements: The Decline of Dual Track Diplomacy," *Asian Survey* 22(8) (Aug. 1982).

reconstruction were envisaged by several ASEAN states, and optimistic discussions revolved around whether the new Socialist powers could be enticed to join ASEAN or whether some new pan-regional institution would be necessary. In any case, a future dominated by regional solutions to regional problems with minimal great power intrusion seemed in the offing.

### **Domestic Sources of Divergent National Interests, 1975–1978**

In this era of regionalism, quite separate, domestically derived perceptions of national interest precluded any deep sense of alliance extending beyond the symbolic level. Powerful, primarily domestic, political pressures within each ASEAN country combined with the relatively pacific regional environment to allow each nation the luxury of policy perceptions that contradicted those held by other ASEAN countries. Malaysia and Indonesia perceived China as the chief long-term threat to the security and stability of Southeast Asia whereas Thailand and Singapore were less instinctively hostile toward the PRC.

In Malaysia the communal division between overseas Chinese and indigenous Malays has been the vital ignition point for fundamental political conflict. The principal problem of political engineering facing independent Malaysia has revolved around holding together a fragile multicomunal alliance in the context of rapid economic development and social change. Although economic growth has been rapid in postwar Malaysia, success itself has emphasized the problems of intercommunal distribution of economic benefits among the racial groupings. Furthermore, the predominant role played by the Chinese minority in the Communist insurrection of the 1950s, the outbreak of communal rioting in 1969, and the prospect of further clandestine support from China for the Communist Party of Malaysia have never been far from the minds of prominent Malaysian political leaders.

Finally, China has been perceived as an enormous country of 1 billion people, and concerns about China's size are coupled in Malay perceptions with apprehension concerning the unpredictable quality of Chinese political behavior over the past twenty years. In contrast, the U.S.S.R. is perceived as distant and less likely to meddle directly in Malaysian internal affairs. Except under extraordinary international circumstances, Malaysia's policy orientations have stressed fear of China and the need to prevent China from becoming an intrusive force in the politics of Southeast Asia.

Similarly, in the Indonesian political context, at least since the events of September 30, 1965, strong pressures have existed favoring a policy of antipathy of and hostility toward the PRC. Although only 3 million Indonesians are ethnically Chinese, they continue to be prominent in commerce and, as a result, are often feared and despised by Indonesians. Anti-Chinese racial prejudice exists even at highest social levels and has not been softened by the fact that most Indonesian Chinese are more Indonesian than Chinese in language and lifestyle. Under the New Order, the Chinese have become more conspicuous than ever in big business. Opposition to the Suharto government's economic growth policies often takes an anti-Chinese hue, and the government has responded with policies designed to encourage indigenous

Indonesian businessmen. Diplomatic relations with the PRC were severed following the events of 1965–1966 that saw the destruction of the Indonesian Communist party. These relations have yet to be restored because prominent Indonesian decision makers believe the PRC was involved in the abortive 1965 coup and because they continue to believe in potential Chinese support for clandestine activity in Indonesia. General antipathy toward China combines with a positive image of the Vietnamese revolution as primarily a nationalist, anticolonial movement similar to Indonesia's own struggle to gain independence from the Dutch. Indonesian antipathy toward China is deeply rooted and has led officials and opinion makers alike to welcome the prospect of a strong, united Vietnam serving as a buffer to long-range Chinese domination of the Southeast Asian area. Even though Indonesian strategic thinking does not spell out precisely how and in which circumstances Vietnam would shield Southeast Asia from Chinese economic, political, and military encroachment, Indonesia wants to preserve a strong and independent Vietnam and has been the closest approximation to a "friend of Vietnam" within the ASEAN community. Far from fearing Vietnamese power, Indonesia, within reason, has been prepared to welcome it as a means of keeping China off balance and of preserving prospects for the ZOPFAN ideal.

The foreign policy of Thailand traditionally has been characterized as the politics of accommodation rather than of confrontation. With the fall of Washington-supported governments and the evident eclipse of American power in the area in 1975, Thailand rapidly readjusted its pattern of international relations by requesting the withdrawal of U.S. bases, opening relations with Vietnam and Democratic Kampuchea, expanding relations with China, and making positive but limited advances toward the Soviet Union. The whole policy prior to the summer of 1978 was based on diplomatic accommodation rather than on reliance on military means. Intensive interviews with a representative sample of the Thai foreign policy elite in early 1978 revealed the following perceptions to be dominant.

1. Vietnam would prove a benign influence in Southeast Asia after an initial period of somewhat chilly diplomatic relations. Thailand's external security problem had been solved for at least fifteen years because Vietnam would concentrate on reconstruction and consolidation of the South after thirty years of warfare. In any case, Vietnam obviously lacked the internal capability to achieve both economic development and territorial expansion simultaneously, and, therefore, it would concentrate on its own internal development.

2. Vietnam's border problem with Pol Pot's Kampuchea would not lead to a full-fledged Vietnamese invasion because this would arouse Khmer nationalism, involve the Vietnamese in protracted counterinsurgency warfare, increase the danger of war with China, and jeopardize Vietnam's relationship with Thailand and with ASEAN in general.

3. The Soviet Union was not giving significant amounts of economic or military assistance to Vietnam, and, therefore, Vietnam's capabilities were not being artificially enhanced by outside inputs; Vietnam had not fought for thirty years to gain its independence from foreign domination in order to become a dependency of the

Soviet Union; Vietnamese nationalism would never tolerate Soviet utilization of former American military bases in Vietnam. Finally, the Soviet Union was a far-off land with only marginal significance to the security calculations of Thailand.

4. In the wake of the Cultural Revolution, China would become more inner-directed; state-to-state relations would take precedence over party-to-party relations, and Chinese support for Communist insurgencies inside Thailand would either stabilize or decline; China-Vietnam relations would remain cool but correct; China would not threaten the stability of Southeast Asia.

5. The United States under President Carter had withdrawn psychologically from Southeast Asia and could not be depended upon in any crisis threatening Thai national sovereignty; Thailand was on its own and better off as a result.

6. The peace and stability of Southeast Asia would be assured either by settling all conflicts locally through bilateral negotiations on the model of the informal settlement worked to cool the Thai-Kampuchean border dispute of 1977-1978 or by utilizing the regional institutions set up by ASEAN.

### **The Transformative Effect of International Events in Late 1978 and 1979**

International events in late 1978 and early 1979 rapidly eroded the perceptions previously held by the ASEAN elites. The hoped for era of regionalism enshrined in ZOPFAN was reduced to symbolic status by the following hard realities: (1) Vietnam's adoption of a pro-Soviet position in the Sino-Soviet dispute and its invasion of Kampuchea with Soviet connivance and assistance, (2) the Southeast Asian refugee crisis of 1979-1980, (3) China's punitive expedition against Vietnam in early 1979 and the resulting increase in Soviet military assistance to Vietnam, and (4) the Soviet Union's de facto acquisition of military base facilities in Vietnam. These onward events simply cut the ground from beneath proponents of purely regional solutions to Southeast Asian problems. The anti-Chinese inclinations of Indonesia and Malaysia certainly did not disappear but they became more muted, and Thailand's perceptions of its ability to master the post-1975 world by compromise and strictly diplomatic means alone were shattered.

In retrospect it is perhaps easy to see that Thailand's initial optimism about peaceful coexistence in Southeast Asia was misplaced. However, the perceptions and actions of other Southeast Asian nations were also dramatically altered during the summer of 1978 when Vietnam joined COMECON, received new Soviet military aid, moved rapidly to full military mobilization, began expelling hundreds of thousands of refugees, and occupied the critical road junctions well within Kampuchea. The signing of the Soviet-Vietnamese Treaty of Friendship and Cooperation on November 3, 1978, was followed by a rapid series of political and military moves culminating in the all-out invasion of Kampuchea on December 25, 1978. The Pol Pot government was swiftly driven from Phnom Penh and other cities, but the invasion did not stop until all of Kampuchea's territory had been brought under direct Vietnamese military control.

The first casualties of the unlimited Vietnamese offensive were ASEAN perceptions that Vietnam would prove a benign force in Southeast Asia, more interested

in its own economic development than in territorial aggrandizement. A second misperception held by ASEAN elites that was swept aside by the new reality was that the Soviet Union was only marginally involved in the affairs of post-1975 Vietnam. As a result of an indecently brief time interval between the November treaty with the Soviet Union and the December invasion of Kampuchea, as well as the part played by Soviet military aid and air lift capacity during the early months of the occupation of Kampuchea, ASEAN perceptions of Soviet noninvolvement evaporated. Soviet naval activity and stepped-up military assistance to Vietnam during the February 1979 Chinese punitive invasion and thereafter further solidified ASEAN perceptions that Vietnamese activities in Southeast Asia would be impossible without active Soviet backing and that the Soviet Union bore a major responsibility for initiating the train of events leading to the destabilization of Southeast Asia. The change in perceptions was particularly striking in Thailand. Whereas in early 1978 there had been little awareness of any significant Soviet military or economic assistance, awareness of a decisive Soviet presence increased rapidly with the events of late 1978 and 1979. Thailand perceived itself threatened by the new situation in Kampuchea, not because of communism per se but because Thailand's traditional buffer state, Kampuchea, has been subsumed by its traditional enemy, Vietnam.

The third factor decreasing the prospects for accommodation between ASEAN and Vietnam under a ZOPFAN rubric was that Vietnam chose to conquer all of Kampuchea rather than creating a *cordon sanitaire* by seizing only Phnom Penh and the provinces east of the Mekong. Seizure of eastern Kampuchea would have brought protests but would not have threatened Thai national security in a fundamental way because a substantial no-man's-land would have existed between Vietnamese troop encampments and the Thai border. Instead, Vietnamese troops spread throughout the country and concentrated heavily in western Kampuchea opposite the Thai border. Furthermore, on June 23, 1980, there was a substantial incursion by Vietnamese regulars into Thai territory. This and subsequent, smaller but more frequent, incursions have made it increasingly difficult for Indonesia and Malaysia to hold against Thailand and Singapore's insistence on taking a very hard line with the Vietnamese. Attacks from without have led to greater ASEAN unity supporting the Thai position rather than to the panic and disunity that Vietnam might have sought to engender.

The fourth linchpin of regionalism to give way was the image of China as inner-directed. The ASEAN powers drew diverse and contradictory lessons from China's brief but devastating "pedagogical war" against Vietnam. Not only did the war reveal the U.S.S.R. to be playing a much larger than anticipated role in Southeast Asia, but it displayed a powerful and stubborn China, which was unwilling to allow events in peninsular Southeast Asia to develop to China's disadvantage.

To Malaysia and Indonesia the Chinese invasion confirmed their worst fears about China's using its mass of military manpower to control the foreign policies of independent Southeast Asian nations. For Thailand the pedagogical war taught another, quite opposite, lesson, namely, that only China, not the United States, could be depended upon to shed blood and expend treasure to slow the expansion of

Thailand's traditional enemy, Vietnam. Regardless of the lesson learned by each ASEAN country individually, the invasion proved that Southeast Asia would not be able to exclude major outside powers from Southeast Asian conflicts: the China factor refused to go away, the Soviets had arrived to stay, and the violence of the competitors and their allies made a mockery of the concepts of peace and neutrality so dear to the hearts of ZOPFAN advocates. The events of late 1978 and 1979 have repolarized Southeast Asia, not along a 1960s-style division of East versus West but in a local version of a centuries-old process that features Soviets seeking influence and bases in the East, in a traditional domain of the Middle Kingdom. Although the ideological rhetoric of the cold war has become muted and even though the international alignment has been transformed almost completely from what it had been a decade earlier, the ASEAN countries rediscovered that Southeast Asia now, as ever, attracts an excessive number of outside powers seeking influence through politico-military means.

Finally, the refugee exodus from Vietnam, Laos, and Kampuchea during 1978–1980 required an international rather than a regional solution. Malaysia and Thailand perceived the refugees to be a significant threat to their internal social and political stability and held Vietnam to be primarily accountable. Internationally sponsored famine relief combined with the acceptance of very large numbers of refugees for settlement in third countries such as the United States, Australia, and France again brought in outside powers to solve a Southeast Asian problem.

Note should also be made of ASEAN activities that added to polarization between ASEAN and Vietnam. Universal condemnation of the Pol Pot regime's legendary brutality may have convinced Vietnamese decision makers to expect applause rather than opprobrium for decisive intervention in Kampuchea; international censure in return for doing a service for humanity was probably not the international response anticipated by Vietnamese decision makers. Vietnamese policymakers, and perhaps some of their Soviet counterparts, probably felt that a new international moral standard was being applied unfairly to them alone. Clearly, Vietnam in the opening phases of the crisis missed a golden opportunity to diffuse international criticism when it did not give a definite date for the withdrawal of Vietnamese troops and the restoration of full Kampuchean sovereignty. By making withdrawal contingent upon the decline of the Chinese threat in general, Vietnam telegraphed its intention to remain in Kampuchea even after destroying Pol Pot.

The absence of a telling rebuke to China for its brief but devastating invasion of Vietnam was probably perceived by Vietnam as another application of double standard by ASEAN and the West. Likewise, Vietnam was condemned for encouraging the departure of refugees in 1978 and 1979; however, at both an earlier and later date Vietnam was condemned for using force to prevent refugees from escaping. Most important of all, Vietnam obviously resents the military and economic assistance that continues to flow from China through Thailand to the Pol Pot and united front groups on the Thai-Kampuchean border. Vietnamese decision makers understandably perceive their own inability after four dry seasons to wipe out their

Kampuchean opponents to be a direct function of the aid and assistance flowing across the Thai border. If the operating capacities of the anti-Heng Samrin forces continue to be rebuilt with outside resources during each successive rainy season, one can expect that the Vietnamese temptation to mount major operations to destroy the sanctuaries and supplies in Thailand will also grow.

### **The Search for Solutions**

With the importance of ZOPFAN having been reduced by the forceful reentry of the major powers into Southeast Asian affairs, a variety of solutions has been proposed for the Kampuchean problem by Vietnam, ASEAN, China, and the United States. Vietnam had put forward repeated proposals for a regional conference between ASEAN and the Indochina governments (including especially the Heng Samrin government). In addition, Hanoi has held out prospects for nonaggression pacts, partial Vietnamese troop withdrawal, and Vietnamese endorsement of ZOPFAN. However, each of these enticements would be available only through regional negotiations between ASEAN and the "Indochina Unity Bloc" which would mean that ASEAN, before the negotiating had begun, would have granted *de facto* diplomatic legitimacy to Heng Samrin and to the presence of Vietnamese troops in Kampuchea.<sup>4</sup> There have been repeated bilateral contacts between individual ASEAN countries and Vietnam, most notably between Indonesia and Vietnam and between Malaysia and Vietnam. In none of these ministerial level contacts with the most sympathetic ASEAN governments has Vietnam indicated any willingness to accept a compromise if it entailed complete and permanent withdrawal of Vietnamese troops from Kampuchea. Given the frequency of contact with Vietnam through Malaysia and Indonesia and the uniformly uncompromising nature of Vietnam's position, it is hardly surprising that ASEAN has not been eager to participate in a regional conference.

Moscow and Hanoi are unlikely to be interested in a compromise solution for some time to come. Hanoi and Phnom Penh have repeatedly stated that the situation is "irreversible" and deny the existence of "a Kampuchean problem." Creation of a neutral, nonaligned Kampuchea (even if not allied with China) would probably continue to be unacceptable to the Vietnamese leadership as long as it believes that complete victory is possible. Although the expenses associated with maintaining a *de facto* Indochina Federation continue to escalate, the attempt to subjugate Kampuchea has been just successful enough to convince policymakers that there is "a light at the end of the tunnel," that complete pacification may eventually be within reach if only enough Vietnamese conscripts and Soviet assistance are devoted to the enterprise. After the Vietnam experience, most American observers would be highly skeptical about such an optimistic prognosis especially if Chinese support continued to be available to Democratic Kampuchea and other forces. The American public eventually concluded that too much blood and treasure would be required to reach

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4. See Justus M. van der Kroef, "Kampuchea: The Diplomatic Labyrinth," *Asian Survey* 22(10) (Oct. 1982).

the end of its Vietnam tunnel. Even though the threshold beyond which Vietnamese policymakers will not go to pacify Kampuchea is undoubtedly much higher than the corresponding American one ever was, sometime during the next decade a threshold will be reached as the fighting drags on endlessly and the prospects for bettering life within Vietnam continue to slip away. Only at such a time, and probably in the midst of a major intergenerational change in the Vietnamese leadership, is it conceivable that Vietnam will contemplate settling for less than total victory.

ASEAN's responses to the crisis have included several different formulations and a variety of tactics. ASEAN has consistently sought to deny international recognition to the Vietnamese subjugation of Kampuchea. With the support of China and the United States, ASEAN has proven itself to be a potent diplomatic coalition by consistently winning support in the U.N. General Assembly for continued recognition of Democratic Kampuchea as the sole legal representative of Kampuchea.<sup>5</sup> The string of diplomatic victories at the United Nations and in the nonaligned movement is all the more impressive given the bonafide genocidal past of the Pol Pot regime, which vastly complicated mobilizing votes to maintain international recognition. Throughout all the maneuvering, ASEAN, as a coalition, has demanded the complete withdrawal of all Vietnamese forces and the restoration of Kampuchean sovereignty. Further, there has been an enduring consensus within ASEAN that Thailand must be supported psychologically and materially and that Thailand's wishes, at any given time, must receive priority in the ASEAN decision-making process. Obviously, differences exist among the ASEAN governments, but in the end, after proposals and counterproposals have been aired in the press by various government spokesmen, the ASEAN governments (including Indonesia and Malaysia) have consistently closed ranks behind Thailand and the ASEAN demands for Vietnamese withdrawal and the restoration of Kampuchean sovereignty.

The diplomatic activities of ASEAN have not ignored the legitimate security interests of Vietnam because of the influence of Malaysia and Indonesia within ASEAN and because Singapore, Thailand, and the Philippines know that any meaningful settlement must be a political compromise. The ASEAN countries realize that the prospects for a straightforward military victory over Vietnam in Kampuchea are so dim as to be inconsequential. The only realistic hope for the anti-Heng Samrin resistance is to deny Vietnamese forces a complete victory and in doing so to play for time and hope that a major Sino-Vietnamese reconciliation or some other development will convince Hanoi to compromise and allow a partial restoration of Kampuchean sovereignty. The search for a political compromise has caused ASEAN to be much more concerned than China with drawing Vietnam into genuine dialogue. The seriousness of the ASEAN commitment to compromise is illustrated by the contrast between the negotiation position determined at the ASEAN foreign ministers conference in Manila, June 17-20, 1981, and the uncompromising anti-Vietnamese and pro-Khmer Rouge positions adopted one month later under pressure from China and

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5. See Lau Teik Soon, "ASEAN and the Cambodian Problem," *Asian Survey* 22(6) (June 1982).

the United States at the International Conference on Kampuchea (ICK) in New York, July 13–17, 1981.

The ASEAN position at Manila called for withdrawal of all Vietnamese forces, a U.N. peace-keeping force, disarmament of all Khmer factions, and an interim administration to organize free elections.<sup>6</sup> In addition, the communiqué as well as statements by the foreign ministers of Indonesia, Malaysia, Thailand, and Singapore urged Vietnam to participate in the ICK meeting and tried to assure Vietnam that the intent of the ICK would be to find a mutually acceptable solution.<sup>7</sup> The results of the ICK differed markedly from the original ASEAN vision. The U.N. peace-keeping force became a “peace-keeping force/observer group.” Instead of immediate disarmament of all Khmer factions, the final ICK communiqué supported “appropriate arrangements to ensure that armed Kampuchean factions will not prevent or disrupt the holding of free elections.” Likewise, the idea of an interim administration disappeared in New York and was replaced by a vague set of “appropriate measures for the maintenance of law and order.” Only a token olive branch was extended toward Vietnam by a statement that “the legitimate security concerns of all states of the region” must be respected and any future elected government should “not pose a threat to or be used against the security . . . of other states, especially those sharing a common border with Kampuchea.”<sup>8</sup>

What happened in New York was that China, with strong diplomatic support from the United States, brushed aside conciliatory ASEAN positions meant to entice the Vietnamese into serious negotiations. The Chinese seemed intent on preserving the possibility that their Khmer Rouge allies might actually return to power in Phnom Penh in the event of a Vietnamese withdrawal. This appeared to be China’s reason for opposing immediate disarmament of all Khmer factions and the institution of an interim administration. ASEAN representatives at the conference proposed that all Khmer factions be allowed to participate, including Son Sann, Sihanouk, and Heng Samrin representatives. This move was blocked by PRC objections.

The differences between China and ASEAN within the working group were so substantial that a situation was barely avoided in which China would have been outvoted in public by ASEAN. Such an outcome might have wrecked the conference and would certainly have reduced its impact on Vietnam. U.S.-China relations at the time were already beginning to be strained by Chinese sensitivities over proposed U.S. arms sales to Taiwan. When forced to choose between supporting the ASEAN’s Manila position and risking a conference breakdown as well as further exacerbating U.S. bilateral relations with China, the United States threw its full weight behind the compromise communiqué which favored China and the Khmer Rouge.<sup>9</sup> In tilting toward China, the United States sacrificed ASEAN’s interest in finding a political solution.

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6. Nayan Chanda, “Haig Turns the Screw,” *Far Eastern Economic Review*, July 26, 1981, pp. 10-12.

7. See Foreign Broadcast Information Service, *Daily Report, Asia and Pacific*, June 17, 1981, p. O1; June 19, 1981, p. A2; June 23, 1981, p. N1.

8. See United Nations, General Assembly document “International Conference on Kampuchea,” July 17, 1981.

9. Nayan Chanda, “Agreement to Disagree,” *Far Eastern Economic Review*, July 24, 1981, pp. 13–14; Foreign Broadcast Information Service, “Kampuchea Conference Draft Declaration Revised,” *Daily Report, Asia and Pacific*, July 17, 1981, p. A1.

Once again, the PRC proved itself adept at playing “the American card” as a result of the Taiwan issue and the leverage resulting from its position as the sole supplier of money and arms to the various anti-Heng Samrin forces in Kampuchea. As Pike noted: “Morality vs. realism in foreign affairs collided head-on in New York, and morality lost.”<sup>10</sup>

Furthermore, the ICK communiqué, if taken at face value, could not possibly serve the long-term policy for either ASEAN or the United States. A cease-fire and immediate withdrawal by the Vietnamese army would risk the reestablishment of Pol Pot in Phnom Penh. Preventing such an eventuality would require a large U.N. peace-keeping force, perhaps 10,000 soldiers, and this is probably beyond the realm of possibility. Furthermore, unless a large peace-keeping force plans to stay in Kampuchea for several years, the government placed in power by free elections might immediately be displaced by armed Pol Pot remnants, thereby returning the Kampuchean people into the hands of an unacceptable government that Vietnam would perceive as a direct threat to its national security. In addition, one wonders about the utility of holding a democratic election in a country so recently visited by virtually every political, military, and economic pathology that man has proven capable of inventing. Most educated Kampucheans are dead, have fled, or have been tainted by working for the Vietnamese. Without an interim government designated through international negotiation, election outcomes would be unpredictable and therefore an unacceptable basis for solving the conflict.

Beijing takes a very long view of the Kampuchean crisis, believing that “bleeding” Vietnam will eventually bring internal policy changes that will resolve the Kampuchean situation as part of an overall solution to Sino-Vietnamese difficulties, which would, among other things, require Vietnam to dissolve its alliance with the Soviet Union. The asymmetries of guerrilla warfare being what they are, the present Chinese leadership thinks it can force Vietnam to maintain 200,000–250,000 troops in Kampuchea and Laos at a minimal cost to China. By simultaneously maintaining a state of constant insecurity on the Sino-Vietnamese border, the PRC might hope to foster a further deterioration of economic conditions and political morale in Vietnam. Chinese assumptions differ from the assumptions that underpinned American attempts to influence the Vietnamese leadership during the 1960s and 1970s. The PRC strategy foresees maintaining economic, political, and military pressure for decades, if necessary, rather than expecting to force Vietnam to the bargaining table in a matter of days or months. China may reason that even if the Vietnamese leadership refuses to abandon the Soviet alliance and to return to its “correct” relationship with China, Vietnam will become so debilitated economically that it will strain Soviet international resources to an even greater extent than is already the case.

### **Policy Alternatives for the United States**

At present three alternative strategies are available to the United States in Southeast Asia: unconditional rapprochement with Vietnam following China’s lead in bleeding Vietnam or supporting ASEAN policy initiatives.

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10. Douglas Pike, “Vietnam in 1981: Biting the Bullet,” *Asian Survey* 22(1) (January 1982): 75.

### *Rapprochement with Vietnam*

Unconditional rapprochement with Vietnam would entail legitimizing Vietnamese activities in Kampuchea, normalizing diplomatic relations, lifting the trade embargo, allowing American companies to invest in Vietnam, and relaxing American objections to aid to Vietnam from multilateral institutions such as the United Nations, the International Monetary Fund, the Asia Development Bank, and the World Bank. Proponents of unconditional rapprochement also look forward to eventual American economic assistance to Vietnam. The prime rationale for this policy would be its supposed ability to halt the expansion of Soviet influence and to curtail access to base facilities throughout Indochina. According to this scenario the current Vietnamese leadership would grant use of the bases to the Soviet Union only with extreme reluctance.

If the United States stopped supporting Chinese efforts to bleed Vietnam, Thai efforts to enhance the insurgency in Kampuchea, and worldwide efforts to isolate Vietnam diplomatically, Hanoi would diminish its dependence on the U.S.S.R., curtail Soviet base use, and assume a peaceful stance toward its Southeast Asian neighbors after achieving full control in Laos and Kampuchea. The premises underpinning this line of reasoning are at best unproven and at worst tragically naïve. The argument assumes the Vietnam is either an unwilling or unwitting ally of the Soviet Union. Vietnam's leadership after forty years in power has supposedly been pushed against its will into a tight alliance with the Soviet Union by the actions first of Democratic Kampuchea, then of the United States, and finally of the PRC. Helpless Vietnam was forced to send a vast army to occupy Kampuchea permanently, forced into abject dependence on the Soviet Union by an unreasonable American reluctance to pay reparations, and forced into COMECON and a military alliance with the Soviet Union by hostilities inexplicably perpetrated upon Vietnam by China.

This scenario might have more credibility if Vietnam were a militarily weak, diplomatically inept, newly independent country run by a group of inexperienced politicians in a desperate search for allies. Instead, Vietnam, at the time it made its fateful decisions in 1977 and 1978, was a powerful and established country led by an experienced and dedicated Leninist elite that probably decided to ally with the Soviet Union because the U.S.S.R. is (1) the most powerful nation in the Communist world, and hence an ideologically compatible model; (2) the established adversary of Vietnam's most dangerous traditional enemy, China; and (3) the willing supplier of the massive resources required by Vietnam to carry out its own policy designs in Kampuchea and Laos. If Vietnam chose to ally with the Soviet Union because of ideological commonalities or out of enmity toward China, the United States cannot hope to compete successfully with the Soviet Union on the basis of either ideological attractiveness or hostility toward the Chinese.

Likewise, only the Soviets can be depended upon to provide the military technology and resources necessary to a Vietnamese victory against the insurgents in Kampuchea and Laos. Vietnam's dependence on the Soviet Union grows not just from the absence of American diplomatic recognition and trade but also from the inappropriate and unproductive economic system chosen by its leadership. The level

of economic dependence on the U.S.S.R. for basic commodities, such as food grain and petroleum products, would not magically evaporate with the arrival of an American ambassador in Hanoi. To purchase the loyalty of Vietnam from the Soviet Union (if one assumes, as I do not, that Vietnamese loyalty is for sale) would require at least several billion dollars per year. Under the Carter administration it was difficult to imagine the circumstances under which Congress might approve even modest aid for Vietnam; without large-scale aid from the United States, it would be implausible and irrational for Vietnam to make a major switch away from dependence on the Soviet Union.

The strategy of immediate rapprochement assumes that after the successful conquest of Kampuchea, Vietnam will leave Thailand in peace, neither crossing its borders nor supplying a Vietnamese wing of the Thai Communist movement. This assumption ignores the traditional rivalry between Vietnam and Thailand, which antedates the colonial era. Furthermore, without benefit of significant evidence, it assumes that Vietnamese leadership is prone to ideological infidelity. Having fought for decades to expand communism, not only within Vietnam but also into Kampuchea and Laos, will these leaders suddenly turn their backs completely on their responsibilities toward proletarian internationalism and refuse to assist their Thai brethren? In view of the minimal costs involved in making something significant out of the Thai Communist party, would it be either rational or comradely for the heirs of Ho Chi Minh not to make matters more difficult for Thailand, a traditional enemy that has allied repeatedly with Vietnam's enemies over the past several decades? At the very least, a complete Vietnamese victory would allow them to consolidate control and give them the capability, if they so desired, to put greater pressure on Thailand.

Adopting an immediate rapprochement with Vietnam would also entail significant international costs for the United States. First, abandoning the attempt to restore Kampuchean sovereignty would represent a direct and substantial break with China. This, combined with difficulties over Taiwan, might cause Beijing to reconsider the entire alignment with Washington. Second, recognition of de facto Vietnamese suzerainty in Kampuchea would remove much of the glue that has held ASEAN together. If Thailand chose to follow the American lead, the rationale for Beijing's current restraint in supporting the Thai and Malaysian Communist parties would be removed. Alternately, Thailand might reject the American policy lead and become an outright ally of the PRC, thereby diminishing long-term prospects for peace between Vietnam and Thailand as well as fundamentally alienating Indonesia and Malaysia. Third, an immediate American rapprochement with Vietnam over Kampuchea would significantly raise the risks for Thailand and probably, therefore, the costs to the United States. In contrast, the present situation, with China and Vietnam at loggerheads, is relatively inexpensive for ASEAN and the United States.

### *A Joint U.S.-PRC Policy*

The second major policy alternative for the United States is to follow the Chinese lead in bleeding Vietnam white. The major problem with adopting this strategy is its incompatibility with most American and ASEAN objectives. First, if

the policy succeeded and Vietnam withdrew, the Pol Pot forces would probably return to power. Such an eventuality would fundamentally threaten Vietnamese security interests and would be wholly unacceptable to American and world opinion. Second, long-run reliance on the Khmer Rouge alone is likely to fail as an international strategy. Even with Chinese aid continuing to flow over the Thai border, the Vietnamese army should be able to maintain enough security to convince far-away governments to recognize the Heng Samrin government, especially as the years slip by. Although the diplomatic tactics of the U.S., ASEAN, and China have worked well to date, continuing to support the Khmer Rouge will become increasingly difficult. Third, China remains the only major source of money and weapons for anti-Heng Samrin forces. This means that China, which favors a return to power by Pol Pot, can ensure that factions affiliated with Sihanouk, Son Sann, or anyone else will never receive enough assistance to become more than window dressing for the Khmer Rouge. Even if Son Sann and Sihanouk joined the Khmer Rouge in a united front, without a non-Chinese source of weapons and money, Son Sann and Sihanouk will simply be front men, maintaining the international respectability of a Chinese-affiliated and Khmer Rouge-dominated resistance. Fourth, the ICK, viewed in retrospect, shows that Chinese, American, and ASEAN interests diverge in significant ways regarding Kampuchea, and, in the future, the United States should avoid making its policy in Southeast Asia a hostage to the ups and downs of the U.S.-China bilateral relationship. Fifth, the virtually permanent hostility against Vietnam implied by the Chinese strategy does not serve U.S. interests because an unbending policy leaves Vietnam with no alternative but to fight on in Kampuchea. If there are no prospects for compromise visible on the ASEAN-U.S. side, there will be no incentive for new leaders coming to the forefront in Vietnam to consider adopting more moderate policies. Finally, a position of implacable, long-term hostility toward Vietnam leaves no alternative to permanent dependence on the Soviet Union. Even though the probability of Vietnam's becoming "another Egypt" is very low, a policy that leaves no openings whatever is simply too inflexible.

### **Toward a U.S.-ASEAN Policy**

American policy since the ICK meeting has backed away from what appeared to be an adoption of the long-term Chinese strategy of permanently isolating and bleeding Vietnam. American policymakers have repeatedly stated that U.S. policy will follow ASEAN's initiatives rather than China's lead. However, assuring a reasonable chance of success for an ASEAN-U.S. policy would require significant U.S. policy changes, including: (1) a modest increase in the U.S. commitment to Son Sann, Sihanouk, and Thailand; (2) official firmness toward Vietnam paired with indications that genuine negotiations are always possible; and (3) substantial public differentiation of the United States from long- and short-term Chinese policy goals in Southeast Asia.

The ASEAN-U.S. Kampuchean policy will continue to be controlled by Beijing so long as all provisions for the resistance come from China. The main purpose of ASEAN-U.S. policy in the short and medium term should be to develop political

and military alternatives to both the Khmer Rouge and Heng Samrin. To be politically appealing, a coalition comprised of the supporters of Son Sann and Sihanouk must differentiate itself from the Khmer Rouge, China, and Vietnam. A Son Sann-Sihanouk coalition that maintained its independence from the Khmer Rouge and held China at arm's length might be viewed by Vietnam as an "Austrian" solution to the problem of governing Kampuchea after a diplomatic solution had been achieved. To be effective, an "Austrian" solution must be acceptable to Thailand and Vietnam and threatening to neither. If, in contrast, Son Sann and Sihanouk were pushed into a coalition with the Khmer Rouge and supported entirely by China, this coalition could not serve as the basis for a compromise solution because its alliance with China would violate the most fundamental Vietnamese national security interest.

A realistic political alternative requires a military dimension. If the Son Sann and Sihanouk factions are to be taken seriously, they must create a substantial military force independent of China and the Khmer Rouge. The United States is the most likely source of arms and money. However, maximizing the political effectiveness of a Son Sann-Sihanouk coalition and minimizing the domestic political fallout in the United States would suggest that Thailand be granted additional economic development assistance with the understanding that a corresponding amount would be diverted from Thai resources to assist Son Sann and Sihanouk. All contacts and initiatives should remain with Thailand, and no American personnel whatsoever would be involved in any capacity. The amount of assistance would remain low until the utility of the policy could be evaluated. If, as is always possible, the money and arms ended up being siphoned off by corrupt Thais or Khmers, the policy would be phased out, but until such a policy is tested, there will be no way of determining whether Son Sann and Sihanouk actually constitute a feasible politico-military alternative to Pol Pot and Heng Samrin. If such a policy were partially successful, the military costs to Vietnam would escalate while the international visibility of a "neutral" Kampuchean leadership, independent of China, would be raised. Under such a policy Thailand would bear an additional burden, but the risks to Thailand could be minimized by following its present policy of officially denying any involvement in supplying arms to resistance forces. In addition, U.S. military assurances to Thailand should probably be marginally increased, perhaps through joint planning for the possibility, no matter how remote, of a major direct Vietnamese military assault on Thailand from Kampuchea.

Another way in which the ASEAN-U.S. position might be strengthened would be by publicly stating that the initiative for settling the Kampuchean conflict must come from Hanoi. The United States and ASEAN should avoid making any specific, *official* compromise proposals until internal changes in Vietnam indicate a genuine willingness to strike a deal. Premature *official* disclosure of compromise proposals for defusing the Kampuchean crisis would probably be interpreted in Hanoi as signs of weakness and would strengthen the political position of the hardliners by providing evidence that the current strategy of intransigence will ultimately prevail. The possibility of negotiation should definitely be held open, but the specific provisions should be kept deliberately vague. Peace in Kampuchea, peace in Southeast Asia,

normalization with the United States, and external assistance for Vietnam should all be discussed—but only if the ultimate solution in Kampuchea ensured the national security of both Thailand (through withdrawal of all Vietnamese troops from Kampuchea) and Vietnam (by an international convention prohibiting any future Kampuchean alliance with China). The lines of communication should be kept open, but discussion should not indicate any softening of the ASEAN-U.S. resolve to soldier on as long as necessary in Kampuchea.

Finally, U.S.-ASEAN policies must consciously be distinguished from Chinese goals. If there is another international conference like the ICK, China should be informed privately in advance of the American intention to support the ASEAN countries even if this means voting against China. All efforts should be made to avoid a public confrontation, but potential embarrassment to China should not be used as a rationale for backing pro-Khmer Rouge policies that foreclose the long-run possibility of compromise with Vietnam, which might actually bring peace to the devastated people of Kampuchea. In any event, the PRC would probably continue its policies of backing ASEAN and bankrolling the Khmer Rouge even if Thailand (with U.S. assistance) were to begin supporting a Son Sann-Sihanouk alternative. China's actions in Southeast Asia will be dictated by its own national interests and probably will not change radically unless there is either a complete breakdown of the Beijing-Washington alignment or an almost unthinkable Beijing-Moscow rapprochement. The United States should have its own policy toward Southeast Asia rather than being forced to adopt Beijing's line because of an American failure to invest in a feasible, ASEAN supported alternative.

# 13. The U.S.-ASEAN Relationship: A Status Report

John H. Holdridge

ASEAN was born in 1967 out of the recognition by the five non-Communist nations of the region that a coordinative mechanism on political and economic matters was urgently needed. The only regional group then in existence, the Southeast Asia Treaty Organization (SEATO), was inappropriate. Only two countries of the region (Thailand and the Philippines) were members. During the 1960s the enthusiasm of other members for SEATO, never high, virtually disappeared. SEATO became an entity which had little claim to being “regional” and tended to impede the emergence of an organization genuinely representative of regional interests. Although an argument can be made for SEATO’s utility in the immediate post-1954 era, its passage into history was un lamented by the countries of the region, especially when SEATO’s prime mover, the United States, made the decision to extricate itself from Indochina. It is also arguable that the experience of SEATO, a security organization which relied ultimately on external military power for its effectiveness, paved the way for creation of a truly regional grouping based upon fundamentally different assumptions, relying on its own resources, and acting independently of nonregional powers.

Since 1975, and particularly since December 1978, there has been an intensification of both ASEAN’s importance and of its relationship with the United States. The reasons, bluntly put—and not without irony—are the non-Communist defeat in Indochina, the Vietnamese invasion of Kampuchea, and the efforts of the five ASEAN countries to fill the geopolitical vacuum created by the aftermath of the Vietnam War. The burgeoning Soviet presence in Indochina and the transfer of the Sino-Soviet struggle to Indochina have been major consequences of the events of 1975 and 1978. Simultaneously, there has been a surge in economic growth in the ASEAN countries, which has led to an unprecedented prosperity in the region. The rhetoric surrounding the emerging American relationship with ASEAN has, I believe, sometimes obscured certain fundamental realities, and I would like to offer several frank observations on the current state of U.S.-ASEAN relations.

I need not expand at length on my first proposition: from the beginning, a central element of strength in the U.S. relationship with the ASEAN countries has been economic interest and commerce. U.S. trade with ASEAN continues to grow rapidly; ASEAN is the United States’ fifth largest trading partner in the world with over \$21 billion in two-way trade in 1980 alone. U.S. companies have over \$5 billion in direct investment in the ASEAN countries. The dynamic free market-oriented

economies of the ASEAN countries offer a vast potential for more trade and investment on the part of U.S. business. The ASEAN countries are a principal source for U.S. imports of key commodities, and this fact contributes to a \$3 billion trade surplus in ASEAN's favor. ASEAN recognizes the United States as a source of capital, equipment, and technology.

All is not sweetness and light of course. For example, the United States has not seen its way clear to join the Sixth International Tin Agreement. This decision, although logical from the U.S. standpoint, has engendered criticism from ASEAN. Such criticism is understandable. In the international commodity field there is an inevitable tension of interests between producing and consuming countries, and it would be naïve to expect identical positions. Without debating the relative merits of the respective positions on this highly technical matter, I would point out that a sustained U.S.-ASEAN dialogue is extraordinarily helpful, if only in understanding each other better. Neither side should view disagreement on isolated issues as a test of the validity of the entire relationship. Without dismissing the importance of such questions as tin, I would maintain that the overall economic and commercial underpinning of the U.S.-ASEAN relationship is an important common asset. There is no area in the developing world that proves more dramatically the validity of the Reagan administration's approach to private sector-led development than the free economies of the ASEAN states.

With regard to regional stability, the primacy of the ASEAN countries themselves, as opposed to the activist role of the United States in previous decades, is increasingly evident. Self-reliance, self-development, and self-confidence in the conduct of regional politics have become watchwords for ASEAN the organization and for the ASEAN countries individually. The United States applauds this trend. Indeed, it sees its own interests served by the dynamism of the non-Communist nations in the region. In no sense is the U.S. role diminished as a world power and as an essential player in events elsewhere, which, as the ASEAN countries well understand, inevitably affect Southeast Asia.

The United States also recognizes clearly that ASEAN is not a collective security organization. True, in its most general sense the "security" of all ASEAN countries is enhanced by the stability, shared economic prosperity, and political cohesion of the five states. But no military alliance system binds ASEAN, nor do they appear to see a need for one. Bilaterally, and in some cases multilaterally, ASEAN cooperates closely in defense areas such as exchange of information and joint exercises. There is a momentum toward achieving commonality of certain major weapons systems, which the United States believes could have valuable consequences in such areas as shared maintenance facilities and strategic planning. In recognizing the advantages of these cooperative steps, the United States is fully sensitive to ASEAN determination to eschew any connotation of a collective security organization.

As corollary to the above, the United States believes that bilateral relations with individual ASEAN countries are the appropriate avenues for the conduct of U.S. security links with the region. With two of the ASEAN countries there are security treaties appropriate to mutual needs. With the three others the United States has

defense cooperation in various forms, including military supply or military training relationships. Whatever the form, the United States attempts to act in a manner that is responsive to the expressed needs of its bilateral partners. It has repeatedly emphasized that it would not be passive in the face of a genuine military threat in the region. As recent events have shown, the United States would respond quickly and deliberately if one of its friends were threatened. The United States regards its bilateral relationships as the proper framework for security relations with the ASEAN states.

Politically, two major subjects dominate the dialogue between ASEAN and the United States at present: the situation in Kampuchea and the new U.S. relationship with China, with its ramifications for Southeast Asia. These are sensitive issues to both partners. To them the United States brings somewhat different perspectives born of respective histories, cultural heritages, and even war—for the United States, the most divisive and traumatic war in its national life. Fundamental to both issues, however, is the recognition by all of a stark reality on the geopolitical scene: the new Soviet power position in Southeast Asia represented by the Soviet presence in and alliance with Vietnam and its dependent states.

There is a high degree of unanimity among the ASEAN countries on the necessity to deny Vietnam the fruits of aggression in Kampuchea. There are also various questions over whether prolonged, unyielding resistance to the Vietnamese will have the effect of reducing Vietnamese dependence on the Soviet Union or whether it will instead prolong and deepen that dependence, to ASEAN's ultimate loss. With the latter argument goes the reasoning that the United States should modify its "hard line" toward Vietnam and thereby induce the Vietnamese to take a more favorable posture, including a lessening of Soviet influence. In this view, negotiations toward establishment of diplomatic relations would be part of this modification.

The United States rejects this thesis. It has no implacable hostility toward Hanoi, but it cannot ignore the fact that Vietnam's invasion of Kampuchea violates the most fundamental principles of the U.N. Charter. The U.S. objective is not to bleed Vietnam but only to persuade its leaders to negotiate a political settlement of the Kampuchea problem, along the lines adopted by ASEAN.

It is the policy of the Reagan administration that diplomatic relations with Hanoi are out of the question as long as Vietnam continues to occupy Kampuchea and generally remains a menace to other countries of the region. U.S. objectives are (1) to preserve the security of the ASEAN states, and particularly that of Thailand, which now is directly confronted by Vietnam's army of occupation in Kampuchea; (2) the withdrawal of Vietnamese forces from Kampuchea; (3) Khmer survival and national self-determination; and (4) reduction of Soviet military influence and elimination of Soviet military access in Indochina.

The United States supports the Kampuchea strategy adopted by ASEAN. That strategy involves two main aspects: (1) the search for a political settlement that would protect the legitimate interests of all states of the region, including Vietnam. The framework for a negotiated settlement was provided by the declaration of the

U.N.-sponsored International Conference on Kampuchea, held in New York in July 1981; and (2) the application of diplomatic, economic, and military pressure on Vietnam to persuade Hanoi that it should negotiate a political settlement in Kampuchea. Both aspects of this ASEAN strategy are actively supported by a large consortium of countries, including the United States, the European Economic Community, Australia, New Zealand, China, Canada, Japan, and even the nonaligned. Each country contributes to the effort in the manner most appropriate to its own situation. The objective is to persuade Vietnam's leaders to negotiate. No one of these pressures will persuade Hanoi that it should negotiate, but the United States believes that the combination, maintained with firmness and resolve, can achieve the objectives of ASEAN and of ASEAN's supporters.

The United States is cognizant of the importance Vietnam attaches to the normalization of its relations with the non-Communist world, including the United States itself. When Vietnam agrees to a satisfactory solution in Kampuchea, it will be possible for ASEAN and other countries to begin to talk in terms of "normal" relations with Vietnam. With regard to weaning the Vietnamese away from the Soviets, I would point out that it was in pursuit of their own political ambitions in Kampuchea that the Vietnamese chose to increase their dependence on the Soviet Union. There was no tangible Chinese "threat" until Vietnam invaded and occupied Kampuchea. As it was preparing its invasion of Kampuchea, Vietnam joined COMECON (Council for Mutual Economic Assistance) and signed a Treaty of Friendship with Moscow with clear military implications. Obviously, anticipation of China's reaction was a factor, but the decision to invade Kampuchea was made of Vietnam's own free will.

Furthermore, Vietnam has been able to pursue its Kampuchean adventure only because of the financial and material support of the Soviet Union. In return, the Vietnamese have granted the Soviet Union air and naval access to Cam Ranh Bay, enabling Moscow to monitor maritime and naval traffic through some of the world's most vital passages and to conduct aerial surveillance, to improve support for its expanding blue-water navy, and to expand its intelligence and communications facilities. The Soviet Pacific Fleet is now the largest of the Soviet Union's four fleets. Although there may be differing assessments of what this presence means to various countries of the region, on either the short or long term, the United States cannot view this development as benign. Plainly put, it is a clear threat which no one should ignore. All the ASEAN countries as well as Japan depend for their economic welfare on free access to sea routes, in which they now encounter this new Soviet presence. The reduction and eventual elimination of this Soviet military presence in Indochina is a central long-term U.S. objective in the Pacific.

The only effective way to reduce the Soviet presence and influence is through impressing on Hanoi that its interests are not served by an alliance with the Soviets but would be far better served by addressing the root problem—their occupation of Kampuchea. Acquiescing in Soviet-supported Vietnamese aggression, the United States is convinced, would more likely perpetuate the Soviet presence than remove it.

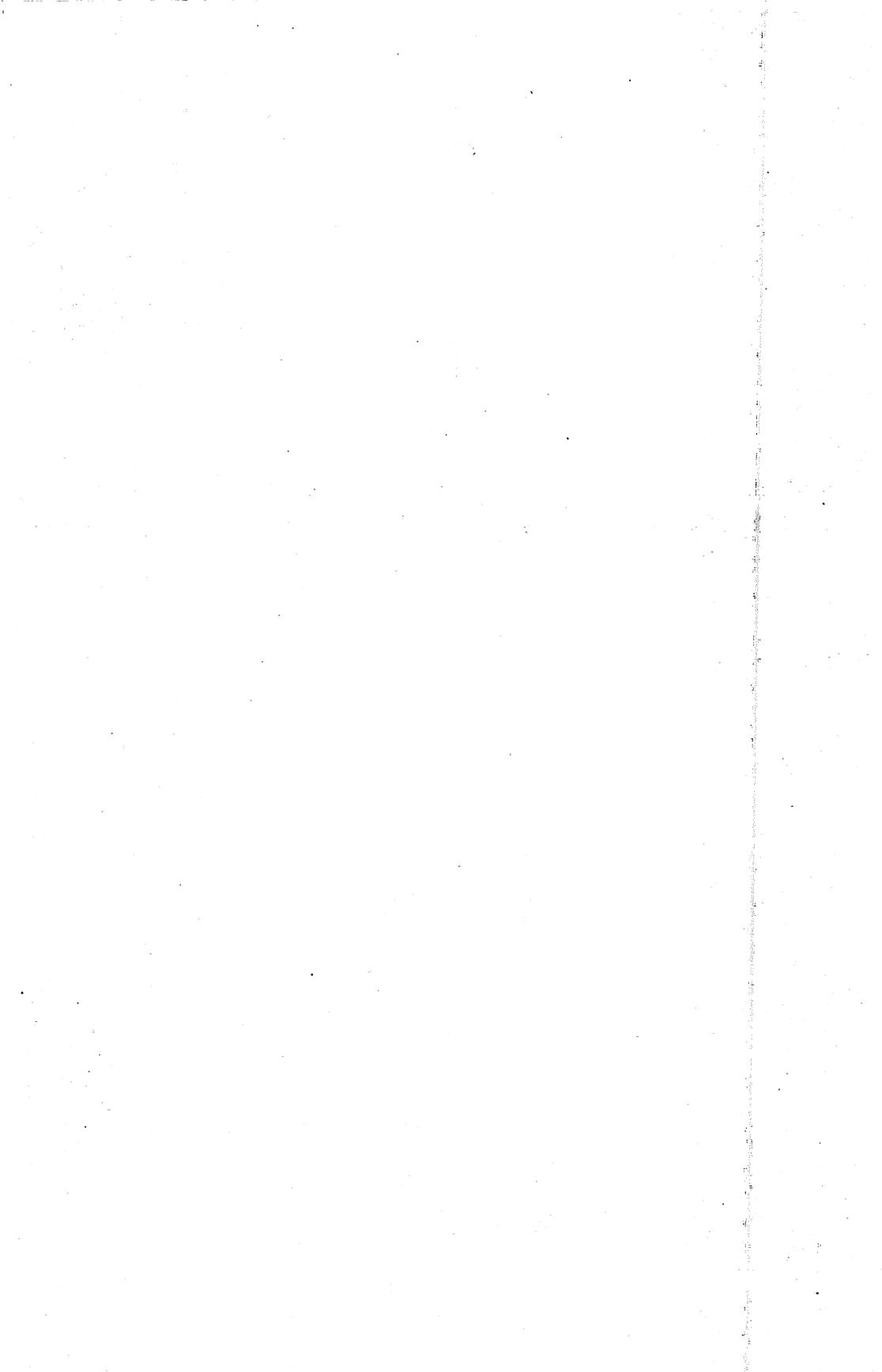
Let me comment next on ASEAN's fears that the developing relationship between the United States and China may threaten the interests of its friends in Southeast Asia. One expression of this anxiety has been the result of China's disinclination to pressure the Khmer Rouge to be more accommodating to the non-Communist Kampuchean groups in the formation of a coalition to resist the Vietnamese. The United States has made plain to China that the Khmer Rouge's tactics in meetings with the two non-Communist factions are simply reinforcing ASEAN's suspicions that China's only objective is to restore Pol Pot to power. In turn, the United States recognizes that this confirms long-held suspicions regarding China's ultimate intentions toward Southeast Asia, as represented, for example, by the history of Chinese support for insurgencies. The United States has underscored its belief that China's long-term interest vis-à-vis the Soviet presence will be far better served by policies that elicit ASEAN cooperation and trust. The United States has been frank and precise in communicating these thoughts to the Chinese and has made clear that it thinks the Chinese themselves must bear responsibility for addressing ASEAN's concerns directly. Although the United States has no illusions that the suspicions of centuries can be forgotten overnight, it is self-evident, it believes, that China will be an essential player in any satisfactory solution to the Kampuchea problem and in addressing Vietnam's future role in the area. A stable solution without reference to China is no more possible than a solution without reference to Vietnam.

On the larger question, the United States has stated repeatedly that its emerging relationship with China will not be at the expense of its friends and allies in Southeast Asia. In pursuing improvement of relations with China, the United States is moving with great care, particularly in the area of arms sales. The effect of the June 1981 decision to remove China from the list of embargoed destinations for U.S. munitions list items was to give China the same kind of access as any other friendly country. The United States believes that the Chinese will be interested only in defensive weapons. It has indicated that it would undertake appropriate consultations with Congress and with its allies and friends as it proceeds in arms sales to China.

China is not an adversary of the United States, which recognizes it as a friendly nation with which it is not allied but with which it shares many important strategic interests. For the nations of Southeast Asia who have been witness to the history of the past forty years, this fact has immense significance. The United States believes that this fact should also be a source of reassurance and hope with regard to the future stability of Asia. Certainly, such a state of affairs is far preferable to the hostility and perpetual crisis of the 1950s and 1960s. The United States is at the beginning of a new relationship with China. It will be a long and complicated task, but it is convinced that not only its own interests but those of ASEAN are being served by its efforts to build this new relationship with an Asian power that cannot be ignored.

**V.**

**The People's Republic of China**



# **14. The People's Republic of China and Southeast Asia: A Security Consideration for the 1980s**

Sarasin Viraphol

If the article "China Belongs Forever to the Third World" in the official weekly *Beijing Daily* (September 28, 1981) is any indication, Beijing is seriously concerned about its international image. Reiterating China's solidarity with the Third World countries, the author (without mentioning Mao Zedong, the main architect of China's strategy of championing the Third World cause), on the one hand, expressed Beijing's continued commitment to the defense of national independence, the struggle against imperialism, as well as colonialism and hegemonism. On the other hand, he charges that certain parties (read the Soviet Union, Vietnam, etc.) are "fabricating" rumors about the "China threat" in order to "foment discord and create trouble between China and other Third World countries."

Beijing has been under fire that it has realigned with the West particularly with Washington and, in the process, has abandoned previous ideological principles in exchange for material benefits for itself. Perhaps what is of more immediate concern to Beijing is its being cast in the role of an aggressor. As the article makes plain, Beijing is reacting specifically to charges that it threatens Southeast Asia. As proof of China's innocence, Beijing says that it maintains not a single soldier outside China and that guided by the Five Principles of Peaceful Coexistence as well as by Marxism, China does not and will not practice hegemonism or interfere in the internal affairs of other countries.

The question of whether or not Beijing is a threat to Southeast Asia is naturally topmost in the strategic thinking of all the regional states. On a broader plane, it has to do with whether China is basically a revolutionary power inclined to change the existing political order in the region by whatever means or whether it is inclined to develop its self-preservation and well-being through orderly and peaceful processes wherever possible. As the article indicates, Beijing's adversaries would cast China in an unfavorable light by portraying it as expansionist whereas Beijing would insist that China has the benevolent intention of only serving the Third World countries. Between these two poles, there are some, particularly in the West, who are inclined to give China "the benefit of the doubt" by seeing China as currently preoccupied with internal development through the Four Modernizations program. Then, there are also others, notably in Southeast Asia, who still harbor apprehension about ultimate Chinese intentions, insofar as they affect their security and well-being. Analyzing Beijing's previous position and its present posture, they are engaged in a

perennial debate about the dimensions and implications of the “China threat.”

China elicits feelings of suspicion because of historical circumstances and its espousal of a revolutionary ideology—hence the repeated assurances by Beijing that it does not export revolutions would hardly be ultimate comfort for many. All Southeast Asian nations want ideally to be left alone to tend to their own affairs. In reality, however, the impact of the China factor is pervasive not only because Beijing chooses to apply an active stance in Southeast Asia but also because various regional states sometimes choose to involve China in their peculiar interests. It would, therefore, be unrealistic to talk about excluding China from the politics of the region just as it would be improbable to expect that the other major powers, namely the United States and the Soviet Union, could be wished away from the regional power equation. The history of the past three decades bears testimony to this fact.

### **Chinese Perceptions of Southeast Asia**

In this context, it is worthwhile to examine China’s perceptions about Southeast Asia, particularly of the security situation in Southeast Asia which affects China’s own interests. It may help sharpen the perspective about the role China played in the configuration of power politics in Southeast Asia.

For two decades, China funded billions of dollars to help North Vietnam conquer the South (thereby helping Hanoi to accomplish the first part of the Indochina federation scheme). China made this sacrifice in the name of the struggle against colonialism and imperialism. The Sino-Vietnamese partnership has since shaped the course of Chinese involvement in Southeast Asia. The Chinese participation was for both defensive and offensive purposes. In other words, it was born out of a reaction to the U.S. threat directed against China’s borders as well as an encroachment on its perceived sphere of interest. At the same time, it was for China an attempt to establish greater influence in the region. Although Beijing realized that the traditional Sino-Vietnamese animosity and Vietnam’s propensity to keep a distance from China would ultimately affect the expedient partnership between them, the relationship provided an avenue for the assertion of influence deemed desirable by China. Likewise, Beijing’s close support of the local Communist insurgency movements in the various non-Communist states of the region was for such defensive and offensive purposes.

In this respect, what transpired after the Communist victory in Indochina in 1975 came as little surprise; only the rapidity of its development was perhaps unanticipated. The deepening Sino-Soviet dispute served to encourage the schism that developed between Beijing and Hanoi. With the Americans abandoning their South Vietnam citadel, the era of anti-Chinese encirclement officially came to an end. The so-called power vacuum was soon filled by the Soviets with the help of their eager regional partners, the freshly victorious North Vietnamese. By the 1970s, hegemonism had been made unmistakably synonymous with Moscow; the delineation of big and small hegemonists to distinguish between Moscow and Vietnam was to emerge only later, when the second major split in the international Communist movement in recent times was to become manifest. Once again Southeast

Asia has been highlighted as a region of strategic importance where the fate of the indigenous states—those willing as well as unwilling—has become intertwined with external power rivalries involving primarily China and the Soviet Union.

It took the demise of Mao Zedong, the political eclipse of the Gang of Four, and the reascendancy of Deng Xiaoping to make Beijing earnestly clarify the Chinese position vis-à-vis Southeast Asia. Subsequently, it took a strong personality like Deng to articulate unequivocally that the future of China's position in Southeast Asia, so far as its own security arrangement was concerned, would lie with seeking reconciliation through better understanding and cooperation with the non-Communist Southeast Asian states. Nevertheless, Beijing probably realized, too, that these states would feel the least inclination to join the Chinese crusade against the Soviet Union and its supporters or, in other words, to be used to serve the immediate Chinese interest. Even though Beijing and Washington had made a strategic consensus about the menace of Soviet hegemonism, with the fateful withdrawal of the United States from mainland Southeast Asia, whatever confidence the non-Communist states still had for Washington was insufficient for the U.S. leverage to be viewed with significant value.

In this sense, the Vietnamese invasion and occupation of Kampuchea have been decisive in determining China's policy and course of action. The ultimate falling-out of Hanoi with Beijing was accelerated by the Vietnamese, who had become emboldened by Soviet encouragement and support. Soviet action was aimed directly at China, not only from the standpoint of embarrassing China by having Hanoi stand up to Beijing but, more importantly, by confirming the underlying Chinese apprehension that Vietnam was bent on practicing regional hegemonism in concert with Moscow's global hegemonism. The Chinese reasoned that Vietnamese arrogance left Beijing no choice but to carry out its "lesson," which was a major face-saving for China. The subsequent Soviet military build-up in Indochina and in Southeast Asian waters and the Soviet invasion of Afghanistan have convinced Beijing about Soviet hegemonistic intentions, thus compelling it to look even more strategically at Southeast Asia.

What means does Beijing possess in dealing with this prevailing security situation, which affects both its regional and global strategies? In the first place, the Vietnamese invasion and occupation of Kampuchea have cast Hanoi in a most unfavorable light to the extent that it has become an international pariah. The original advocacy among the non-Communist countries in Southeast Asia for the extension of good will and cooperation to Vietnam has changed to one of diplomatic confrontation. ASEAN has taken the lead in opposing the Vietnamese action in Kampuchea and remains active in maintaining international pressure for Vietnamese military withdrawal from Kampuchea. At the same time, Beijing has built up an increasingly strong case against the Soviet Union and Vietnam, thereby presenting itself more positively—if not favorably—in the eyes of the international community. The Kampuchean question helped President Carter make up his mind about shelving plans for the normalization of ties with Hanoi and about entering into a strategic relationship with Beijing that today has developed to a relatively advanced stage,

whereby the United States has been able to offer preferential trade terms and sales of defensive strategic arms to China. At the same time, the Atlantic alliance as a whole has also been more favorably inclined to the Chinese argument about Soviet global threats and sees relevance (notably after Secretary of State Alexander Haig's visit to China in June 1981) in a major positive Chinese contribution to international stability and the global balance of power. In spite of the argument prevalent in some European quarters that the West must endeavor to maintain a "balanced approach" to its relationships vis-à-vis Beijing and Moscow, there now exists a strong argument for using the China factor (or the China card) to offset Moscow, which is by far a more formidable threat. Within Southeast Asia there is also an increased degree of acceptance of China's role in helping to maintain the regional power balance. Although considerable suspicion persists, it is difficult to downgrade the immediacy of the Vietnamese threat, particularly against front-line Thailand, which is made that much more formidable by the active support given to Hanoi by Moscow.

Notwithstanding the above favorable conditions for a positive Chinese posture in Southeast Asia, Beijing has to cope with some basic problems in the manifestations of indigenous sensitivity as well as limited physical capabilities. The most relevant issues that arouse widespread Southeast Asian suspicion are the overseas Chinese and Communist insurgency. In every single state of Southeast Asia, these two issues exist in varying degrees of gravity. The Chinese attempt to allay the local suspicion has so far proved only partially successful. The inherent difficulty is that Beijing more often than not tries to justify them as "historical and ideological problems," to which appropriate solutions will understandably require patience and effort. This approach, which allows the Chinese to escape ultimate responsibilities and commitments, is viewed consequently as unsatisfactory. As many see it, while professing interests and intentions to resolve the anomalies, the Chinese are simply indulging in double standards. It remains true that, in the final analysis, despite certain initial measures taken by Beijing over the two issues, the Chinese government has not severed its links with the overseas Chinese and the various local outlawed Communist parties. This provides ground for the argument that Beijing's recent warming up to the region's legitimate governments is nothing more than a Leninist tactic aimed at forging a convenient alliance against a more immediate foe. Obviously, this is inconsistent with Beijing's pronouncement that it does not export revolution but that it supports anticolonialist, antihegemonist revolutionary struggle—which remains vague and open to varied interpretations. Finally, there is also genuine concern expressed for the heightening of tension in the region, and here China is naturally regarded as contributing to the disequilibrium of the regional power balance.

Beijing's physical limitation affects its projection of power beyond the Chinese boundary. China's huge armed forces are essentially defensive in nature, but nevertheless are capable of undertaking limited offensives like the punitive war against Vietnam in 1979. Beijing's military capabilities are growing, but the emphasis continues to be defensive, geared toward the Soviet Union. As far as the rest of Southeast Asia is concerned, direct long-range military engagements are not anticipated, with Chinese involvements concentrated on subversion.

Thailand is considered an important outpost in the current Chinese strategy. As the front-line state bordering the Communist states in Indochina, Thailand fits in with Beijing's objective of checking Soviet and Vietnamese expansionism, especially in Kampuchea and Laos. Thailand's national security is a crucial factor, which allows for the existence of a strategic symbiotic arrangement. In this respect, China and Thailand are interested that Laos and especially Kampuchea be free of Vietnamese military domination. But although Beijing is still hopeful that eventually the Khmer Rouge will return to power and that Vietnam will succumb militarily, it cannot ignore the fact that Thailand places its priority on a comprehensive political settlement of the Kampuchean question in order to restore the balance of power through the emergence of an independent and neutral Kampuchea. This awareness on the part of China is essential if Thailand is to form a link for China to the other ASEAN countries, a function Beijing realizes Thailand can serve quite effectively. The Kampuchean problem has brought about a consensus of views among the ASEAN states on the threat of Vietnam and the Soviet Union but has also highlighted basic differences in approaches and modalities regarding its solution, as well as perceptions about China's stakes in Southeast Asia which include the question of the Chinese influence in Kampuchea and Indochina. After all, it is generally regarded that China's support of the Khmer Rouge resistance keeps the Kampuchean conflict alive—but it is seldom thought the other way round, that it is the Vietnamese, with the support of the Soviet Union, who are primarily responsible for the existing violence and tension. Nevertheless, to state the obvious, Beijing will continue to support ASEAN's position so long as their interests coincide, though the status of the Khmer Rouge will ultimately remain a major difference between China and ASEAN.

The present course of self-strengthening undertaken by Beijing reflects its desire to build up a strategic edge in security. As the Soviet Union strengthens its military posture in Southeast Asia, China will correspondingly pay closer attention to the region. In its pursuits, Beijing could play a positive role in enhancing regional security, or, on the contrary, it could aggravate the already precarious security situation. It is apparent that Southeast Asia cannot exclude interference or intervention by outside powers. Vietnam, a regional member state, has demonstrated its readiness to involve such an element in the regional power factor. Hence, it is perhaps unrealistic to talk about maintaining a perfect power balance free of extraregional influence. By ensuring that the power balance will not tilt too much in the favor of Moscow and Hanoi, Beijing with enhanced capabilities could increasingly assert decisive influence or power outwardly. It has been demonstrated that the Vietnamese have been militarily restrained in Kampuchea as a result of the continuing military pressure of the Chinese along the Sino-Vietnamese border. This is a visible and positive factor that figures importantly in the Kampuchean problem. At the same time, as China strives to realize the goals of its own internal development—a major undertaking requiring its major efforts and resources—a more stable society may eventually evolve. Such an accomplishment will enhance China's appreciation for the regional states and their

positions and perhaps a greater awareness of the need for a viable political settlement of the Kampuchean problem.

By the same token, China can indeed create greater problems for the region's security. If Beijing's ultimate objective is to bring Southeast Asia under its fold, the Kampuchean question then serves as a ideal opportunity to project its influence. Beijing thinks that Hanoi will have to succumb to sustained Chinese pressure because the Vietnamese will eventually fall out with the Soviets, who entertain schemes of their own, and will be forced to reconcile with China. Meanwhile, with ASEAN's assistance, in their comeback the Khmer Rouge will continue to serve Chinese interests. Beijing can revert to active material support of indigenous Communist insurgencies once the ASEAN governments have served the Chinese interest in opposing Vietnam. Eventually, Beijing can conceivably divide up the rest of Southeast Asia with a subservient Vietnam, with Beijing perhaps recognizing the latter's suzerainty over Indochina. After all, it is sometimes stipulated that the Communists are single-minded in the determination to communize Southeast Asia.

But the present reality is that Sino-Vietnamese antagonisms remain deep-seated and intractable. It is true that Hanoi, having to seek the necessary balance against Beijing in Moscow, may eventually find the alliance with the Soviet Union insufferable, as Beijing is apt to point out, but the question is whether or not Hanoi can find a better option in order to uphold its open hostilities against Beijing. In addition, the present Chinese leadership is committed politically to the rapid modernization of China, which requires the application of the principles of unity and moderation. It can be observed that internally the official policy is to seek to rally all the people and mobilize all available resources for the Four Modernizations program. In its external policy, the Dengist doctrine, which is a takeoff from the Maoist doctrine, is to seek unity and alliance with the West and the Third World countries in a broad, antihegemonist front. On the global plan, the principal partner in China's forward strategy (despite Beijing's disclaimer) is the United States with its present staunch anti-Soviet line. Regionally, Beijing can try in varying degrees to develop ties with the non-Communist ASEAN countries by offering positive gestures of cooperation and friendship (ranging from the temporary lessening of ties with Communist insurgencies to augmenting trade) as well as harping on the concern of Soviet and Vietnamese threats against their security. As already stated, in the absence of a strong U.S. role in Southeast Asia, China plays an important part in determining the existing power balance of the region; hence, it explains the inevitable presence of the Chinese influence in Southeast Asia, as well as the fact that Beijing is attaching greater importance to Southeast Asian affairs.

Nevertheless, the extent of China's entry in the regional scene is conditional in the main to how successful Beijing will be in projecting the respectability of its intentions. Effort must be made to accommodate the sensitivity among the Southeast Asian states that China is not fomenting unrest in the region at their expense. The Chinese positions vis-à-vis the question of internal subversion and the Kampuchean question will help determine future relations between China and the Southeast Asian states. Thus, feelings of uncertainty as to Beijing's real intentions becloud a rational approach, which does not necessarily serve the Chinese interest. To allay

the existing mutual apprehension, and particularly the suspicion in Southeast Asia against the real Chinese motive, Beijing should try harder to match words with deeds.

The concluding statement in the aforementioned *Beijing Review* reads: "As the Third World pins its hopes on China, so we [China] place our hopes on the Third World, of which we are a member." There is room for China to play a constructive role in Southeast Asia; it would certainly be anomalous otherwise.

### **China and Vietnam: From Amity to Enmity to Hostility**

The overriding factor governing the Chinese outlook for the Southeast Asian region since 1975 has been the strategic concern about the increasingly formidable challenge by an emboldened Hanoi supported by an eager Soviet Union. The Shanghai Communiqué, which contained the famous antihegemonism clause and marked China's détente with the United States, facilitated the beginnings of China's open though still unofficial contacts with the ASEAN countries. In the early 1970s signs were pointing to growing tensions in Sino-Vietnamese relations. On the eve of the collapse of the non-Communist Indochinese governments in 1975 and when the Thai government made the strategic decision to seek diplomatic relations with Beijing, interestingly, it was Beijing which ended up pressing Bangkok for a speedy conclusion of the normalization talks. Thus, on July 1, 1976, barely three months after the collapse of Saigon, and ironically on the fifty-fifth anniversary of the Chinese Communist party, Thailand became the third ASEAN member country to assume official ties with China. Nevertheless, a footnote should be added that visiting Prime Minister Kukrit Pramoj tried to suggest to his Beijing hosts that hegemonism did not apply solely to the Soviet Union and that there were such a phenomenon as regional hegemonism, which could easily apply Vietnam.

In retrospect, it would seem that under the ailing Zhou Enlai, Beijing's handlers of foreign affairs had foreseen trouble with a Hanoi emerging triumphant in the Indochina conflict at the expense of China and made the decision swiftly to shift from a hostile to a friendly posture vis-à-vis ASEAN. This non-Communist grouping was now viewed by Beijing as a useful countervailing force if and when the need arose.

Although it was apparent to others at the time that China was becoming seriously concerned about Vietnam, Beijing had not struck a definite policy of actively opposing Hanoi if only because Beijing was still uncertain about the course and intensity of the new source of antagonism. In fact, one could sense that in spite of the obvious rising uneasiness about Hanoi and of the growing conviction that ties with the non-Communist states in the region must be further developed, Beijing was reluctant to adopt a clear anti-Hanoi position. For one thing, Beijing was still hopeful that the worsening relations between Hanoi and Phnom Penh could somehow be arrested. Among other reasons, Beijing's lack of a decisive stand between 1975-1978 was also due to the fateful power struggle in Chinese leadership, the reluctance to sever ties with Hanoi when the latter's expansionistic intentions had yet to be translated into stark actions, the hope that the Khmer Rouge would still listen to reason and behave with restraint, the futile attempt to urge a peaceful resolution of

the aggravated differences between the Khmer Rouge and the Vietnamese, and, finally, the time required to establish rapport with previously antagonistic states in ASEAN, the cooperation of which was now deemed desirable. Nevertheless, Hanoi's formal alliance with Moscow in October 1978 accelerated the uncontrollable slide of this antagonism into armed conflict, which, needless to say, left Beijing with no recourse but effectively to abandon its previously obfuscated stance. Nevertheless, Beijing was still caught somewhat unprepared when the Vietnamese invasion of Kampuchea began in late December 1978. High-ranking Chinese officials initially could not determine the nature of the Vietnamese objective: whether the Vietnamese forces would go the entire length of Kampuchea or would halt at the Mekong River. This was the impression that concerned senior Chinese officials conveyed three days into the Vietnamese offensive.

It was left to Vice-Premier Deng Xiaoping to plan swift retribution against Hanoi. The final decision to teach Vietnam a lesson was approved five weeks following the Vietnamese capture of Phnom Penh. This Chinese action has set the course of Beijing's Southeast Asian policy ever since.

Given an alternative, Beijing would probably have chosen to enter into the region in a more unobtrusive manner though the growing concern of a hegemonistic Vietnam collaborating with the Soviet Union would still have figured importantly. Pushing the Four Modernizations program at home, Deng Xiaoping was arguably following Chairman Mao Zedong's and Premier Zhou Enlai's advocacies of befriending the non-Communist ASEAN countries as part of the overall effort to forge a broad alliance against hegemonism, with a complementary tactical readiness to downplay its supportive role vis-à-vis the China-supported insurgencies in the region. Deng invariably injected the element of inciseness in this Chinese policy, with the clear-cut retributive course of action against Vietnam.

Thus, it was unlikely that China had from the beginning deliberately and actively sought to precipitate the armed confrontation with Vietnam over Kampuchea; it was more the case of China having been forced into such a circumstance. It would seem that Deng's long-term view was to promote better relations with the non-Communist ASEAN states in order to shore up China's position in the face of a deteriorating relationship with Vietnam. (For a while it did seem that ASEAN would enjoy the best of both worlds when it was actively courted by both China and Vietnam.)

In the foreseeable future, Beijing has no cause to modify or abandon the current confrontational posture against Vietnam, irrespective of what ASEAN ultimately chooses to do. To Beijing, Vietnam has staunchly allied itself with the Soviet Union and must therefore be opposed at all cost. The present Chinese leadership believes it is possible to destroy the recalcitrant Vietnamese will. In the meantime, though Beijing would certainly like to foster good relationships with the ASEAN countries—as this is a strategic gain for China—it would be prepared to resist any attempt to undermine or adversely affect the present Chinese position against the Vietnamese. Hence, an open antagonism against

China by ASEAN would serve no purpose for the latter. On the contrary, because of its favored position, ASEAN could strengthen its position and bargaining power by maintaining its own principled opposition against Hanoi's aggression and occupation of Kampuchea and perhaps also by consolidating its diplomatic stature vis-à-vis Beijing, with Indonesia and Singapore maintaining official ties with China. It would influence the Chinese leadership to think and act more positively in Southeast Asia in general and help resolve the current Kampuchean problem, which is crucial in shaping the future political trend of Southeast Asia.

# 15. China and Southeast Asia

Lucian W. Pye

The relations of China and Southeast Asia are exceedingly complex and in a state of almost constant flux. At present, China's feud with Vietnam and its efforts to improve relations with ASEAN in the face of the Kampuchean problem dominate Beijing's approach to the area. To the extent that China is seen as restraining any further Vietnamese ambitions in the region, it has been a welcome participant in the Hanoi-ASEAN confrontation by the non-Communist Southeast Asians; but, on the other hand, to the extent that China is seen as provocatively pursuing its feud with Moscow at the cost of peace in the region, it is distrusted by the same Southeast Asians.

Concern about China dominates the long-range view of most Southeast Asians. The fears of the 1950s that Chinese communism would try to spill over into Southeast Asia has been superseded by the fears that a modernized China as a regional, if not world, power will inevitably distort the evolution of its smaller southern neighbors. The question for the long run is what will be the necessary costs of having a strong China next door. It is this concern which makes many Southeast Asians ask whether it is prudent for Washington to rush China into military modernization. Although it may be somewhat desirable for China to be better able to confront the Soviets on the north, unfortunately, modern weapons can be pointed in all directions, and so far the Chinese have been more inclined to use their arms on their southern borders.

Between Southeast Asian and Americans there have been, and still are, considerably different judgments about Chinese intentions, proclivities, and potentialities. So far history has not made it clear who is correct about the Chinese. When Americans saw the Chinese as foes, some Southeast Asian governments insisted that they were friends. Now the roles have been reversed, but it is still not clear who was or is right. Whereas Americans may be prepared to admit that at one time they exaggerated the threat from the Chinese, some Southeast Asians, such as many Indonesians, insist that since they were once close to the Chinese, they have special knowledge about their inclinations and warn that China will certainly be a problem in the years ahead.

It is impossible to speak of a uniform Southeast Asia attitude toward China. A persistent source of stress among the five countries of ASEAN is their different views about China. Thailand and Singapore have been the most appreciative of Beijing's role in pressuring Hanoi and least concerned about China's support for revolutionary movements in the region. Indonesia, with memories of Beijing's support of the Indonesian Communist Party and its attempted coup of September 30, 1968, and

Malaysia, which has long struggled against the armed uprising of the Malayan Communist Party (MCP), are more distrustful of Beijing and see it as a long-run threat to the entire region. And the Philippines provide a moderating influence in support of ASEAN solidarity.

Before we try to evaluate current Chinese propensities, it should be helpful first to review the record, evaluate the growing Chinese interest in Southeast Asia (that is, Vietnam and Kampuchea), and then note in greater detail the different attitudes within ASEAN and between ASEAN and Washington toward China.

### **From Cultural Pride to Revolutionary Leadership**

As is well known, the Chinese historically thought of themselves as the center of the world and believed that all “barbarian” peoples were contending for the blessings of a suzerain relationship with their august imperial court, which was the hub of the tributary system.<sup>1</sup> Southeast Asians, with the exception of the Sinified Vietnamese, saw the relationship in a somewhat different light. Although several of the principal kingdoms at one time or another periodically sent tribute missions to the Han court, Southeast Asian rulers were never as intimidated by China as the Chinese believed them to be. From earliest times the Southeast Asians, living on natural maritime crossroads, conceived of the world as multipolar. Indeed, they were far more sensitive to other civilizations than the Sinic: politically, they modeled their governments after the Hindu concept of the state; in religion, they embraced Buddhism, Islam, and Christianity; and, culturally, they borrowed almost nothing from the Chinese—a fact which has punctured Chinese pretensions of superiority toward Southeast Asians. Emissaries involved in the tributary exchanges discovered that Chinese mandarins took themselves exceedingly seriously and hence could be easily disarmed by flattery.

During the colonial era China became even more irrelevant to Southeast Asians. They were, of course, aware of the tide of Chinese migrants, but China as a political factor barely existed for them. Thus it was only after World War II that the complex and readily changeable relations began to take shape between a Communist-ruled China and the now independent new states of Southeast Asia.

Even before the People’s Liberation Army had achieved victory in the Chinese civil war, most of the Communist parties in Southeast Asia had attempted some form of a “war of national liberation.” Beginning in December 1945, the Viet Minh, under the leadership of Ho Chi Minh, had started fighting the French Expeditionary Force, and in February 1948 at the Calcutta meeting of the Asian Youth Conference, the “Zhdanov Line” was passed on to representatives of other Southeast Asian parties. Shortly afterwards came the prolonged Malayan Emergency, the short-lived uprising at Madiun of the Indonesian Communist Party, and the several-years-long uprising of the *Hukbalahap* movement in the Philippines. When Mao Zedong proclaimed the establishment of the People’s Republic of China on October 1, 1949, the

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1. This historical review follows my analysis in “The China Factor in Southeast Asia,” in Richard H. Solomon, ed., *The China Factor: Sino-American Relations and the Global Scene* (Englewood Cliffs, N.J.: Prentice-Hall, 1981).

message sent to Southeast Asia was that the various Communist parties should continue to follow Moscow's line of "armed struggle" and that this could best be done by copying the Chinese "model" of revolutionary warfare by first winning over the "countryside" and then seizing control of the "cities." By November 1949 Liu Shaoqi was telling the delegates attending the Asian and Australasian Trade Union Conference in Beijing that "armed struggle is the main form of struggle for the national liberation of many colonies and semicolonies."<sup>2</sup>

During the period of the Korean War and until late 1952 Beijing persisted in claiming that the newly independent countries of Southeast Asia were still under the control of their former masters and that armed struggle by local Communists was the only hope for liberation. At that time the Chinese leaders still refused to believe that there could be "neutrals" and asserted that everybody had to "lean to one side or the other." Thus, even though proudly neutralist Burma was the first non-Communist state to recognize the PRC, Beijing was less than totally friendly toward the new government in Rangoon and established ties with the Burmese Communist party.

By 1954, largely as a result of the persistent pleading of New Delhi, the revolutionary leaders in Beijing began to take a more positive view of "neutralism." In June of that year, the Chinese subscribed to the Indian concept of the Five Principles of Peaceful Coexistence, and by the time of the Bandung Conference in April of the next year, the Chinese were enthusiastically calling for the strengthening of the nonaligned movement. Some of the Southeast Asian leaders, particularly the Indonesians, welcomed this softening of Chinese policies in favor of "peaceful coexistence," but the majority remained suspicious of Chinese intentions particularly because Beijing continued to call upon the Southeast Asian Communist parties to overthrow their governments.

It was at this time that the Chinese, emulating the Soviets, began advancing the argument that friendly state-to-state relations should not preclude close party-to-party relations even when the particular party was trying to overthrow the government. To this day Beijing clings to the peculiar notion that party relations and state relations are separate matters, a view which has become one of the most serious obstacles to improving Chinese relations with Southeast Asian governments. When Vice-Premier Deng Xiaoping visited Kuala Lumpur and Singapore in 1978, he found it necessary to preserve China's revolutionary credentials by saying, to the distress of his hosts, that China would continue to support the Malayan Communist party, which was still engaged in insurgency. In May 1980 Foreign Minister Huang Hua upset Jakarta's plans for normalizing relations with the PRC by renegeing in Bangkok the doctrine of the legitimacy of Beijing support for revolutionary movements in countries with whom China would like to have good state-to-state relations.<sup>3</sup>

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2. On the Chinese "model" of revolution through armed struggle, see Shanti Swarup, *A Study of the Chinese Communist Movement* (Oxford: Clarendon Press, 1966); John Gitting, *The Role of the Chinese Army* (London: Oxford University Press, 1967); and Samuel B. Griffith, II, *The Chinese People's Liberation Army* (New York: McGraw-Hill, 1964).

3. "The Aging of the New Order," *Far Eastern Economic Review*, June 17-July 3, 1980, pp. 22-27.

The Chinese still persist in three “revolutionary” practices, which are profoundly disturbing to many Southeast Asian leaders who otherwise would welcome closer relations with the PRC. First, Beijing continues to give at least lip service to the goal of Communist insurgency in non-Communist Southeast Asia. Second, the Chinese maintain communications with Southeast Asian Communist parties, including those in Burma and Malaysia, who are engaged in fighting their governments, and they continue to broadcast revolutionary appeals in Southeast Asian languages. Third, Beijing welcomes and gives sanctuary to revolutionary Southeast Asian leaders who are wanted by their governments.

China was a factor in the domestic politics of most Southeast Asian countries throughout the 1950s and 1960s because of questions about the loyalties of the overseas Chinese. Even before the period of European colonialism, Chinese had settled in parts of Southeast Asia, and indeed the Chinese came to call the region *Nan Yan* or “Southern Region” as though it were a part of China comparable with what they called North China proper, *Bei Yang*. During the colonial period, however, the Chinese migrations expanded greatly and created problems in race relations in several of the countries. The problem was especially troublesome because Chinese monopolized much of the local marketing and money-lending operations, causing one of the kings of Thailand to call them for the first time “the Jews of the Orient.” After independence it was easy for Europeans and Americans to return home, but the Chinese, divided in their loyalties between the Communists, the nationalists, and the land of their birth, generally had no realistic choices but to stay where they were and become, in the words of a thoughtful citizen of Singapore, “the last living remnants of the colonial era.”

Thus, on the basis of crude racial sentiments, the emerging nationalism of Southeast Asia found China to be a national enemy, second only to their former colonial powers. As China’s prestige grew with the flood of propaganda about Beijing’s new Communist regime, young overseas Chinese took manifest pride in their “mother country,” thereby convincing Southeast Asians that they were indeed potential fifth columns for the massive, revolutionary power to the north.<sup>4</sup>

In sum, during the first decade and a half of its existence, the PRC was seen by a majority of the leaders of Southeast Asia as a rising menace. The exceptions were the men in Hanoi, who spoke the language of world revolution, and Sukarno and Sihanouk, who aspired to manipulate China according to their own interest. (The irony, of course, is that Vietnam and Indonesia were to become the fiercest foes of China by the end of the next two decades whereas Kampuchea was to be led into autogenocide by leaders who professed allegiance to Beijing.) In the rest of Southeast Asia the PRC was seen in varying degrees as, first, an ideological threat because of its espousal of revolution and its claim to having the secret of national development and economic miracles. Second, China was offensive to Southeast Asian nationalism

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4. The classic historic study of the overseas Chinese in the region is Victor Purcell, *The Chinese in Southeast Asia* (London: Oxford University Press, 1947). For a good appreciation of how the problem of the overseas Chinese was perceived in the 1950s and early 1960s, see Lea E. Williams, *The Future of the Overseas Chinese in Southeast Asia* (New York: McGraw-Hill, 1966).

because of its attractiveness to their ethnic Chinese, who believed that an emerging, powerful China made it unnecessary for them wholeheartedly to support their countries of residence. Third, there was the basic geopolitical reality: the influence of a strong united China had historically always spilled over its borders, and therefore the fragile, inchoate states neighboring the new China quite properly felt the need to take warning. Thailand, the Philippines, and South Vietnam responded by seeking closer ties with China's major antagonist, a perceived-to-be-powerful United States. Others sought security through nonalignment and a variety of ways of expressing their distinctive degrees of neutralism.

### The Leveling of the Giant

This era of fear and awe of China came to an end as the result of two watershed events, the Cultural Revolution in China and the Vietnam War, especially its outcome. The Great Proletarian Cultural Revolution—that season of unbridled madness for all China, when millions of possessed youths desecrated China's past greatness in their frenzy of idiocy, when the structures of government and party were torn asunder and left near impotent, and which finally left a society permeated with abiding hatred—destroyed throughout Southeast Asia the image of China as either inspiring or fearsome. The monster that was China was suddenly absorbed in such self-destruction that Vice-Premier Deng Xiaoping was later to say that Mao may have killed more people than Stalin, and senior officials were to claim that over 3 million Chinese had been killed and 100 million had suffered in the Cultural Revolution.

After a period of puzzled wonderment at such folly, China became a target of scorn by Southeast Asians. It forfeited all claims of being a relevant "model" particularly after it had become clear that China's economic growth would be set back decades, that it would lose at least a generation of educated professionals, and that only the most witless of radicals could find merit in such revolutionary antics.<sup>5</sup> Unlike the United States where a generation of parents, already unnerved by the drug culture and the antiwar protests of rebellious offspring, felt they needed to reach out to a youth culture that rejoiced in Maoist sentiments, in Southeast Asia adults felt no constraints in denouncing the absurdity of Mao's China. Consequently, even among the Chinese communities awe of the fatherland evaporated.<sup>6</sup>

Then in 1969 the coup de grace of the image of a menacing China came with the news that Soviet and Chinese troops were actually fighting each other.<sup>7</sup>

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5. For a sophisticated and objective analysis of the Maoist revolutionary "model," see Benjamin Schwartz, "Modernization and the Maoist Vision," in Roderick MacFarquhar, ed., *China Under Mao* (Cambridge, Mass: M.I.T. Press, 1966). For examples of Western empathy for Maoist rhetoric, see John G. Gurley, *China's Economy and the Maoist Strategy* (New York: Monthly Review Press, 1977); Al Imfeld, *China as a Model of Development* (New York: Orbis Books, 1978); and most issues of the *Journal of Concerned Asian Scholars*.

6. On the details of Beijing's relations with radical groups in Southeast Asia, see Jay Taylor, *China and Southeast Asia: Peking's Relations with Revolutionary Movements* (New York: Praeger, 1976).

7. On the general reaction to the Sino-Soviet dispute, see William E. Griffith, *The Sino-Soviet Rift* (Cambridge, Mass: M.I.T. Press, 1964); and on the actual fighting, see Thomas Robinson, "The Sino-Soviet Border Dispute," *American Political Science Review*, 66(4) (Dec. 1972): 1175-1202.

Southeast Asian leaders instantly recognized that unless China quickly sobered up, it would have a permanent military problem on its northern borders and hence would no longer dare risk adventures to the south. For the next decade China ceased being a major factor in Southeast Asia.

As the threat of China receded, Southeast Asian leaders had to take more serious account of Vietnam, particularly after the United States withdrew from the war and Hanoi pushed on to victory. The immediate effect of the fall of Saigon in 1975 was the strengthening of ASEAN, even as all of the leaders of the five governments protested to the skies that they would never allow that association of peace-loving states to become a collective security arrangement, especially one directed toward Hanoi, to whom all five signaled their desire for friendly relations. On the other hand, all the leaders in the region had to take note of the fact that Hanoi now possessed a huge arsenal of modern arms. Indeed, once the war booty taken with the collapse of the South was added to the generous Soviet supplies which had been massed for the final victory, Vietnam became one of the world's most heavily armed countries, and militarily it towered above the rest of Southeast Asia. The first response of the other countries of the region was prudence, if not intimidation, and the avoidance of any provocations.

When by 1978 it had become clear that no effort to mollify the strongest country in the region would prevent it from trying, at the least, to consolidate control over the Indochina peninsula, ASEAN leaders rediscovered China as a factor in Southeast Asia, but this time a more positive one. As a consequence of its feud with Hanoi and its determination to "teach a lesson" to Vietnam for its internal policies and its reliance upon the Soviet Union in conquering China's only friend in the region, Kampuchea, the PRC was welcomed, more by some than others, as a stabilizing force that could counter an aggressive Vietnam.

### **Sino-Vietnamese Relations: From Allies to Foes**

This is not the place to engage in a detailed review of Sino-Vietnamese relations, the full story of which is obscured by shrill propaganda and the need of both parties to protect with secrecy their self-esteem.<sup>8</sup> There has been considerable irrationality in the behavior of both Beijing and Hanoi as they have broken their once strong friendship and in the process increased their own security problems. Beijing may have felt that Hanoi was not attentive enough to China's wishes and too receptive to those of the Soviet Union; yet its actions ended a situation in which it had some leverage in Hanoi—the Chinese did, for example, provide some \$10 million in aid and 40,000 "technicians" during the Vietnam War against the United States—and insured that the Vietnamese would be truly dependent upon the Soviet Union. Presumably the Chinese objective was to prevent the Soviet encirclement of China from the South, but by their actions they have helped to legitimize a Soviet military position in Vietnam and in particular the use of the former U.S. bases at Cam Ranh Bay and

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8. See Brian Shaw, "China and North Vietnam: Two Revolutionary Paths," *Current Scene*, pt. 1, 9(11) (Nov. 1971); pt. 2, 9(12) (Dec. 1971).

Danang. Hanoi's behavior has been equally self-defeating in that it has created a powerful enemy on its northern border and at the same time isolated itself from most of the rest of the world.

It may be especially difficult for Americans to understand the Sino-Vietnamese feud because to the extent that it has the characteristics of a bitter divorce, Washington was in some measure the "correspondent." When Mao Zedong welcomed Henry Kissinger and President Nixon to Beijing in essence he pulled the carpet out from under the Vietnamese leaders who were still stubbornly negotiating with Kissinger and Nixon.<sup>9</sup> By his actions, Mao dramatically reduced the importance of Vietnam in world politics, provided a basis for a graceful U.S. withdrawal from Vietnam, and redefined the basic structure of East Asian security as involving the triangular politics of Beijing-Moscow-Washington. The dynamics of the process of normalizing U.S.-China relations involved, far more than most Americans realized, the isolating of Vietnam. Beijing accepted as a cost of its normalizing of relations with Washington in 1978 the Soviet-Vietnamese Treaty particularly since it judged that the impact on world politics of the announcement of normalization would provide security for mounting military operations against Vietnam in early 1979 as a punishment for Vietnam's bold conquest of Kampuchea.<sup>10</sup>

Chinese policy toward Kampuchea and Vietnam is significantly different from both ASEAN's and Washington's.<sup>11</sup> Broadly speaking, Beijing is committed to a war of attrition against Hanoi. At very low cost to itself it is able to keep the Vietnamese on a war footing. The two-pronged Chinese approach involved, first, a low-level flow of arms to the remnant Pol Pot forces, a strategy that requires the tacit cooperation of Bangkok; and, second, a continuous series of border incidents, involving the PLA (People's Liberation Army) firing into Vietnam, that will keep the Vietnamese mobilized indefinitely.

Beijing's goal is very simple: it wishes immediately to punish Hanoi severely for its close reliance upon the Soviet Union, and in the longer run it aspires to bring Hanoi to its knees. The Chinese argue that if their pressure is maintained, the Vietnamese will sooner or later have to withdraw from Kampuchea, and then the Chinese-supported Khmer Rouge (that is, Pol Pot's forces) will replace the Heng Samrin government. Eventually, however, Beijing would like to see the Soviets pull out completely from Vietnam, and to the extent that Hanoi must look abroad for security, it should be a form of dependency upon China. Given the conspicuous and frustrating failure of the U.S. armed forces to wear down the fighting will of the Vietnamese, Americans can only question the hubris of the Chinese and wonder whether the Chinese will not in time be driven to greater anger at Hanoi.

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9. H. P. Haney, "North Vietnam Quarterly Report No. 42, Nixon's Peking Visit and the Vietnam War," *China News Analysis*, 855 (Sept. 17, 1971): 1-7.

10. Kenneth P. London, "The Impact of Sino-American Détente on the Indochina Conflict," in Gene Hsiao, ed., *Sino-American Détente and Its Policy Implications* (New York: Praeger, 1973).

11. For an excellent discussion of the triangular relations among Washington-Beijing-Hanoi and of Beijing's conflict with Hanoi, see John W. Garver, "Sino-Vietnamese Conflict and the Sino-American Rapprochement," *Political Science Quarterly*, Fall 1981, pp. 445-64.

Since the Vietnam conquest of Kampuchea the Chinese have been embarrassed about the reputation of Pol Pot and in search of a cosmetic respectability insisted that he be replaced as formal leader of the Khmer Rouge by Khieu Samphan. In the summer of 1980 in a further effort to broaden its base of popular support, the Khmer Rouge made the astonishing announcement that it was prepared to abandon its Marxist ideology in the name of which it had committed some of the worst atrocities since Hitler. The Kampuchean people apparently find all who would rule them abominable since wherever the Khmer Rouge forces operate, the population generally welcomes the Vietnamese conquerors, but once order is established by the Vietnamese, Kampuchean nationalism revives, and there is widespread opposition to the puppet Phnom Penh regime.

As distasteful as it is for them, the ASEAN governments have had no alternative except to insist that the Pol Pot regime must be treated as the legitimate government of Kampuchea, but since 1980 they have also been active in trying, first, to establish a non-Communist alternative to the Khmer Rouge and then to create a new coalition government. Initially, Beijing showed no inclination to compromise its full backing of the Khmer Rouge, but gradually it has come to recognize the diplomatic advantages of a more flexible stand on an alternative government to that of Heng Samrin. By 1982 Beijing had made what it considered to be substantial changes, but most ASEAN leaders continued to believe that Beijing should go further in supporting their view that world opinion would only accept a Kampuchean government that was not a reminder of the sins of the Khmer Rouge's years of rule. In 1981 China began to take a greater interest in forming an alternative Kampuchean leadership, and to demonstrate the earnestness of its search for a united front, Beijing began to supply some arms to 3,000 non-Communist Khmer Serai guerrillas under the leadership of the Son Sann faction. The Chinese have also sought to humor Sihanouk into participating in a united front, but the erratic prince has played coy, on several occasions teasing others into believing that he might join in forming a new Kampuchean government but then withdrawing to his exile palaces in Pyongyang and Beijing or to his villa on the Riviera.<sup>12</sup>

## Differences within ASEAN

Given their frustrations, it is not surprising that ASEAN leaders have tended to look in somewhat different directions in search of solutions to the Kampuchean problem. Their differences have put a strain on ASEAN unity and highlighted variations in Southeast Asian views of China.

It would be reassuring for U.S. policy if one could speak confidently of a single "ASEAN position" toward the Kampuchean problem, but it is common knowledge, as we have already noted, that Jakarta and Kuala Lumpur wish to be more

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12. It is conventional to refer to Sihanouk as "mercurial," and no doubt there are many possible sources of his coy and fickle ways. One possible source is that, as he himself has explained it, his parents decided to bring him up as a girl because they did not want to "brutalize" him as a boy, and hence he was sent to an all-girls school until after what should have been the age of menses when he finally had to learn, as he called it, "my true sexual identity."

accommodating to Hanoi whereas Singapore and Bangkok have been more "hard line," and Manila has had to play the consensus role. Such characterizations are, however, overly simplistic since they miss what could turn out to be critical nuances and internal splits within the various countries.<sup>13</sup>

Although Thailand is the "front-line state" most immediately threatened by Vietnam's conquest of Kampuchea and thus has a strong interest in seeing Vietnamese forces withdraw from at least the western half of the country, developments in Thai domestic politics have made it difficult for Bangkok aggressively to confront Vietnam. It is noteworthy that Vietnam's conquests have not produced enough of a sense of national threat to have prevented either a major cabinet crisis in 1980 nor an attempted coup d'état on April 1, 1981.

Thailand's unique military-parliamentary system of government has shown some signs of strain as modernization and economic development have generated new urban classes with middle-class aspirations and interests. In the past the system relied heavily upon the role of a strong man, such as General Sarit Rhanarat, but the growing complexity and diversification of the society have made unlikely the reestablishment of such leadership in spite of widespread nostalgia. Ever since the 1973 riots that overthrew the Thanom-Prapas system, the balance between the military and the civilian politicians has become more uncertain. In addition to the classic distrust of soldiers as politicians, many among the Thai military are convinced that the mushrooming urban middle classes lack moral principles, have excessively selfish interests, and in a crisis will probably behave in the apolitical, cowardly way that the new rich in Iran did when that system, under the Shah, was attacked by its frustrated and more traditionalist lower classes. Furthermore, having been stationed throughout the country and thus possessing first-hand acquaintanceship with the rural scene, many Thai officers are convinced that they are closer to the people and know their interests better than the civilian parliamentarians do.

As far as the Kampuchean problem is concerned, the situation is further complicated by the fact that some generational divisions have emerged within the ranks of the Thai military, divisions which reflect new views about national goals, communism, and the obligations of the military. A group of colonels, who were all classmates, and not surprisingly are called the "Young Turks," have taken it upon themselves to try to purify the nation. Nearly all were trained in the United States, served in Vietnam during the war there, and have fought against the guerrillas of the Communist Party of Thailand. They have consequently been decisively immersed in the doctrines of "civic action" and the paramount importance of winning "hearts and minds." Their continuing faith in Buddhism and their loyalty to the Thai monarchy have kept them from ideological extremism.<sup>14</sup>

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13. This discussion of strains within ASEAN follows my *Redefining American Policy in Southeast Asia* (Washington, D.C.: American Enterprise Institute, 1982).

14. John McBeth, "The Coup That Never Was," *Far Eastern Economic Review*, April 10-16, 1981, pp. 10-15.

The Young Turks are also inclined to be anti-Chinese because they not only see the wealthy Sino-Thai businessmen as corrupting national life, but they also fought for years against the Communist Party of Thailand, which is predominantly Sino-Thai, armed with Chinese weapons, and guided by Chinese Communist doctrines. It is therefore not surprising that these elements within the Thai army have openly complained about their government following too closely the Chinese line about Kampuchea and Vietnam. Some of the Young Turks have indicated a readiness to accept the normalization of relations with the Heng Samrin regime in Phnom Penh because they believe the problems at the border caused by the persistence of the conflict have unduly diverted attention from Thailand's internal problems and given the Chinese too great an access to the region. Although they are prepared to acknowledge that at present Chinese pressures to the north of Vietnam are a valuable constraint on Hanoi and thus of strategic value to their country, they also believe that in the long run Thailand's main enemy will turn out to be the Chinese, who will eventually seek to dominate all of Southeast Asia.

It is these and other internal problems in Thailand which cause considerable concern in Singapore and which in turn makes that government bring constant pressure on Bangkok to remain firm in its anti-Vietnamese position. Singapore, however, does not have an unblemished record of constancy in foreign policy, as Thai leaders are quick to point out. Until Kissinger's visit to Beijing, Singapore was stoutly anti-Beijing and a vocal champion of America's involvement in the Vietnam War; yet since the fall of Saigon, Lee Kuan Yew's government has become steadily more sympathetic toward China. (There is, of course, still no tolerance for anyone who becomes unduly sympathetic to communism.) Singapore officials argue that they have in fact been consistent in their recognition of the threat to Southeast Asia by Vietnam; they say they had first hoped that the United States would successfully contain Hanoi's ambitions and that now they must rely upon Beijing to do the job. It also seems that whereas in the past Lee Kuan Yew had grounds for worrying about Chinese Communist penetration of his essentially Chinese ethnic population, he now feels less threatened by a China that was nearly destroyed by its radical-revolutionary aspirations and which has now become benignly pragmatic. Furthermore, Singapore's Chinese population now seems less a liability of potential penetration and more an asset for capturing a profitable share of the China market.

Consistent with its more tolerant view of China, Singapore has increasingly seen the Soviet Union as the major threat to the region. In their speeches officials routinely refer to the build-up of the Soviet Far Eastern Fleet and to the Soviet naval presence in the Indian Ocean as ominous developments. More recently they have pointed to how active Soviets have been in spreading out into Indochina and assuming a leading role in several aspects of Kampuchean development.

Given these concerns and the lack of any domestic liabilities for being anti-Vietnam, it has been natural for Singapore to become the leader in ASEAN in bringing international pressures to bear on Hanoi. Singapore has worked tirelessly to internationalize the Kampuchean problem, seeking not only an international conference under U.N. auspices but also trying to interest others in the need for some kind of

international intervention in Kampuchea. Aware that in time Thailand may falter in its anti-Vietnam position and sensitive to the urges for accommodation in other ASEAN capitals, Singapore left no diplomatic stones unturned at either the U.S. or the ASEAN foreign ministers meetings. In particular Singapore has led in the effort to create an alternative Kampuchean leadership in the form of a three-way coalition consisting of Son Sann of the Khmer Serai, Prince Sihanouk, and the Pol Pot forces. In its enthusiasm for strengthening the non-Communist Kampuchees, Singapore got well ahead of the rest of ASEAN in December 1981 when it proposed that the five countries might provide arms for the Son Sann guerrillas, an idea which shocked Jakarta and Kuala Lumpur because it suggested that ASEAN might be taking on a military aspect.

The potential cracking of ASEAN's consensus, which Hanoi and Moscow have certainly been counting on, lies in the less than enthusiastic commitment of Jakarta and Kuala Lumpur for completely ostracizing Hanoi. Symptomatic of their accommodating attitude was the March 22-28, 1980, meeting of Indonesian President Suharto and Malaysian Premier Dato Hussein Onn in the east coast Malaysian town of Kuantan, which resulted in a statement of principles calling for a trade-off between Vietnam extracting itself from all dependence upon either the U.S.S.R. or the PRC and ASEAN agreeing that Kampuchea required not a military but a political solution in which Hanoi's "security interest" in Kampuchea would be respected. The "Kuantan principle" was most embarrassing for both Singapore, which called it "misguided," and Thailand, which said it was "badly timed." Fortunately for the unity of ASEAN Hanoi at that juncture seemed to lose completely its once awesome propaganda skills. Vietnam's Foreign Minister, Nguyen Co Thach, shortly afterwards on visiting Kuala Lumpur arrogantly denounced the Kuantan formula for suggesting that Hanoi was under the influence of the Soviet Union, and furthermore he declared that Vietnam would never withdraw its forces from Kampuchea so long as China "threatened" the security of not only that country but of "all of Southeast Asia."

Indonesia's somewhat greater readiness to compromise with Hanoi stems largely from a deep distrust of Beijing. Malaysia, on the other hand, wants eased relations with Hanoi because of its ideological commitment to making Southeast Asia into a Zone of Peace, Freedom, and Neutrality.

In early 1980 Jakarta was rethinking its anti-Chinese orientations in the light of both the Vietnamese invasion of Kampuchea and the Soviet invasion of Afghanistan, but because of an equally deep fear of Islamic fundamentalism, shared also by Kuala Lumpur, the Indonesian government, like the Malaysian, felt the need to tone down anti-Soviet sentiments and consequently to play up suspicions of Chinese intentions. (Both Jakarta and Kuala Lumpur conspicuously avoided defending Afghanistan as a wronged Islamic state and stressed instead that the Soviets had invaded a "neutralist" and "nonaligned" country.) The hard-line anti-Beijing faction within the Indonesian leadership—consisting of those who have a vivid memory of China's support of the Indonesian Communist's coup attempt of September 30, 1965, and those who still believe in a nonaligned foreign policy and hence see a

rapprochement with China as an essentially anti-Soviet action—was able to use the reactions of Singapore and Thailand against the Kuantan principle to justify refusing to go ahead with the planned August 1980 recognition of Beijing—a refusal which also has the effect of preventing Singapore from normalizing relations with Beijing since Lee Kuan Yew has pledged that his country will be the last in ASEAN to take that step. Even after Vietnamese troops shocked the region by crossing the Kampuchean border into Thailand on the very eve of the June 25-26, 1980, ASEAN foreign ministers conference in Kuala Lumpur (which was attended by U.S. Secretary of State Edmund Muskie), Indonesian Foreign Minister Mochtar Kusumaatmadja still called for a “dialogue” with Hanoi.

Kuala Lumpur’s reasons for being somewhat tolerant of Hanoi are different from Jakarta’s. Malaysian authorities have to tread carefully in ways that the Indonesians do not. The Malaysian Communist Party (MCP), which still receives at least moral support from Beijing, has not abandoned its armed struggle. Malaysia also has the largest Chinese population of any Southeast Asian country, and race relations are constantly at the point of near strain. Faced with these difficulties, the Malaysian government decided to follow a different route from Indonesia’s and chose to be the first ASEAN country to recognize Beijing, hoping thereby that Beijing would reciprocate by calling off the MCP. Also, by recognizing the PRC the Malaysian government sought to eliminate grounds for complaint among its more China-oriented population. In particular, the policy was calculated to make more docile the troublesome leftist students.

Another consideration affecting Kuala Lumpur’s view of the Kampuchean problem is the fact that its relations with Bangkok have not been completely harmonious for more than twenty years. During this time Thai authorities have not been vigorously helpful in dealing with the large MCP guerrilla sanctuaries in their territory across the border from Malaysia. In response to Thai inaction Malaysian authorities recently decided to turn their eyes away from the jungle camps in Malaysia of Islamic insurgents seeking to gain autonomy for the Moslem-dominated three southern provinces of Thailand, which lie just across the border from Malaysia. Given this history of border problems, it is perhaps understandable that some officials in Kuala Lumpur believe that it is not entirely bad for Thailand now to have the menace of Vietnamese troops on one of its other borders.<sup>15</sup>

Finally, feeling vulnerable for these and other reasons, the Malaysian government has become an ardent champion of tranquillity for the region, and therefore it opposes any development which might bring about unsettling confrontations and particularly any armed conflicts. This concern explains why Malaysia was the only ASEAN state officially to criticize U.S. involvement in Vietnam. It also explains why Kuala Lumpur took the lead in holding out an olive branch to Hanoi after the fall of Saigon. Furthermore, Kuala Lumpur has never had ambitions to be a regional power, as some Indonesian leaders would have their country be.

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15. Paisal Sricharatchanya, “The Muslims Move In,” *Far Eastern Economic Review*, Oct. 9-15, 1981, pp. 23-29.

All of this adds up to the fact that while it is possible in general terms to speak of an ASEAN position on the Kampuchean problem, close examination of the situation shows that each government has its own particular interests, which in different ways strain the consensus. It has fallen to the more removed Philippines to play a major part in unifying the views of the five countries. In doing this, Manila has shown great sympathy for Bangkok, which was its former partner in SEATO, and for Singapore, whose prime minister gets along well with President Ferdinand Marcos. At the same time, however, Foreign Minister Carlos Romulo has called for a "dialogue" with Hanoi, echoing the wishes of both Jakarta and Kuala Lumpur. Indeed, given all the potential divisions among the ASEAN countries, it is testimony to the skills of their respective foreign offices that they have been so successful in asserting a united front, especially in the chaotic politics of the United Nations.

### **Playing the United Nations Game**

The key arena where ASEAN has focused its consensus policies has been in the United Nations. The first effective international act of ASEAN after Vietnam had established its puppet government of Heng Samrin in Phnom Penh was in mobilizing majority support for the continued recognition of the deposed government of Pol Pot. Subsequently, the annual issue of Kampuchean representation has made the United Nations a scene of confrontation between ASEAN and Vietnam. The imperative of sustaining majority support in the United Nations has also meant that ASEAN must constantly show that it is trying to take the initiative in seeking a resolution to the Kampuchean problem. In spite of India's recognition of the Heng Samrin government in July 1980, ASEAN succeeded in October in getting a vote of 74 for, 35 against, and 32 abstaining for the continued seating of the Khieu Samphan-Pol Pot regime. In order to do so, however, ASEAN had to promise to organize an international conference under U.N. auspices. The plan was for the conference to call for the withdrawal of all foreign troops from Kampuchea with U.N. verification and arrange for U.N. forces to maintain order, carry out free elections, and guarantee that Kampuchea would neither be a threat nor be threatened by others in the future. Both the Soviet Union and Vietnam firmly denounced the idea of such an international conference.

Vietnam instead countered the plan for a generalized international conference with the proposal that ASEAN and Vietnam engage in a separate "dialogue," part of which would involve direct Thai-Kampuchean negotiations about such matters as the refugees and a possible "demilitarized zone" along the Thai-Kampuchean border. Vietnam's proposals were first made at the Vientiane conference of July 18, 1980, that involved the three states of Indochina. The ASEAN Standing Committee promptly rejected the proposal, noting that the idea of a demilitarized zone on the border would imply that Thailand was at war with Kampuchea instead of Vietnam having caused the war by invading Kampuchea. Therefore, ASEAN argued that any demilitarized zone should be within Kampuchea and under U.N. supervision.

Although it seems unlikely that there will be U.N. supervised elections in Kampuchea in the foreseeable future, ASEAN's commitment to such elections has

forced the five countries to take a livelier interest in forming an alternative non-Communist Kampuchean political force. During the winter and spring of 1980-1981 ASEAN's desperate efforts to create a new leadership group only dramatized again the feuding divisions among the surviving Kampuchean leadership. Every proposed formula ran up against the basic problem that any possible alternative leadership would lack an army. Without guns they could not be the real leaders in trying to force out the Vietnamese, and even worse should by some miracle Vietnam withdraw, they would have no guarantee that the Pol Pot group, which has the guns, would not promptly eliminate them and return to ruling Kampuchea in their heartless way. Unless an alternative leadership is given assured protection by a creditable major power, it cannot become a significant factor in Kampuchean politics no matter how popular it might be with the Kampuchean people. In seeking to bring the non-Communist leaders into a united front with the Democratic Khmer, Thai Foreign Minister Sitthi Sawetshila went so far as to promise Son Sann that all arms passed to the united front would go through his Khmer People's National Liberation Front. For Son Sann this seemed, however, to be only a legalistic arrangement that would hardly provide security against the Khmer Rouge, who would still command the men who man the guns in the field.

In the face of adamant Soviet and Vietnamese opposition and the obvious discomfort of Secretary-General Kurt Waldheim, ASEAN diplomats succeeding in convening a ninety-three-nation conference during July 13-17, 1981, which drew world attention to Vietnam's occupation of Kampuchea and concluded with the creation of a five-nation group assigned to negotiate with Vietnam about the withdrawal of its forces. Whether Hanoi will negotiate with the group is problematical although it may agree to "talk" with its members. The conference did bring into the open the fact that ASEAN and Beijing continue to have different views about Kampuchea and that the United States prefers to skirt around the differences and avoid leadership responsibilities. Under these circumstances ASEAN felt compelled to defer to Chinese wishes. Specifically, ASEAN wanted the conference to agree that after all foreign troops had withdrawn from Kampuchea and before U.N.-supervised elections *all elements within the country would be disarmed*, but Beijing would not accept the proposition that Pol Pot's forces should lose the advantage of being the strongest armed Kampuchean group. Consequently, ASEAN had to modify its resolution. China also successfully opposed the ASEAN proposals that (1) an interim government be established in Kampuchea pending elections—preferring that Pol Pot's government be returned to Phnom Penh—and (2) the Heng Samrin government be invited to the conference.

Thus, while even the hard-line states of Singapore and Thailand sought to induce Hanoi into a dialogue, Beijing has remained relatively uncompromising. The conference revealed again not only the divisions among the concerned states but also their difficulties in moving from respective wishful-thinking positions to actual realities.

### **The Emerging Problems of the Soviet Union**

Behind the confrontation between ASEAN and Vietnam lies the latent issue of the growing influence of the Soviet Union in Southeast Asia. During the Vietnam

War Washington's professed concern was that a Hanoi victory would open the region to Chinese domination, but what happened after the fall of Saigon was the much more surprising and menacing rise of Soviet activities. With unexpected diplomatic skills Moscow has used the widespread fear of Vietnam to advance its influence. Although none of the ASEAN governments has been willing to treat seriously the long-range Soviet proposal for an Asian collective security system, all of them have become—in varying degrees—convinced that given their perception of a declining U.S. role in the region and their continuing fears about China, it was only prudent to look upon Moscow as a potentially positive balancing force. The general presumption of all the ASEAN leaders has been that Moscow has decisive influence over Hanoi. As we have noted, both Jakarta and Kuala Lumpur like to believe that Soviet influences can help to neutralize Chinese Communist appeals among their leftists. Singapore has masterfully calculated that by playing up the growing Soviet role in the region it might be possible either to shock or to shame Washington into a renewed interest in the region. Thailand went possibly the furthest when in March 1979 Prime Minister Kriangsak Chamanan visited Moscow and returned to report that “the Kremlin leaders have assured us that as they are closely associated with Vietnam, Thailand need not fear an attack by Hanoi.” In September of the same year Malaysian Prime Minister Datuk Hussein Onn, seeking the same objective of security from Hanoi and concerned for his own domestic left, also visited Moscow and returned to say that the Kremlin was committed to playing a peaceful and stabilizing role in the region. Within the year, however, the Soviets discovered that there were some problems with this particular ploy: it had seemingly given the Thais such a degree of reassurance that they were ready to become much bolder in seeking closer relations with Beijing.

It was of course the Vietnamese invasion of Kampuchea and the Chinese attack upon Vietnam which initially facilitated the Soviet dual strategy of consolidating a firm position in Vietnam while simultaneously seeking respectful consideration from the ASEAN governments. In the region it was taken as self-evident that it was the Soviet-Vietnamese treaty of November 3, 1978, that enabled Vietnam to invade Kampuchea and eliminate a Chinese ally. It is an equally established conviction in the ASEAN capitals that the subsequent December 15, 1978, announcement that Washington and Beijing were ready to normalize relations opened the way for China to attack Vietnam. At the same time U.S. enthusiasm for its new Beijing relationship suggested that Washington was even less than ever interested in Southeast Asian developments.

The Sino-Vietnamese war dissolved whatever inhibitions Hanoi had about allowing the Soviets to use the former American bases in South Vietnam. Thus, the effect of the Chinese action was to strengthen Vietnam's dependency upon the Soviet Union, to legitimize Soviet rights to use Vietnamese bases, and to cause all the ASEAN governments within a year to make conspicuous moves toward improving their relations with Moscow. Within a month after the Sino-Vietnamese fighting Soviet-guided missile cruisers were using Cam Ranh Bay, and in six months Soviet TU 95s or Bears were flying routinely from Danang.

This is not the place, nor am I the person, to engage in a detailed analysis of the strategic implications of the build-up of the Soviet Pacific Fleet. All that we need to note is that whereas militarily the U.S. position at Subic Bay and Clark Field will for some time be able to overshadow the legitimized Soviet position in its Vietnamese bases, politically the Soviets can expect substantial payoffs. Already in Japan and in Southeast Asia there is widespread belief that Soviet power is on the rise while the United States is on the decline in the Western Pacific and Southeast Asia. No amount of public relations statements about expanding ties between Washington and Beijing has so far been able to offset the political effects in Southeast Asia of the rising presence of Soviet warships moving between the Indian Ocean and the Gulf of Tonkin and on up to Vladivostok. On the contrary, the U.S. notion that dealings with Beijing can be a counter to Soviet power is not so perceived in Southeast Asia where the reaction tends to be a heightened sense of ambivalence about both China and the Soviet Union and greater doubts about U.S. reliability. Specifically, the Southeast Asian leaders are ambivalent about China because, on the one hand, they welcome a strong China to play a restraining influence on Hanoi, but, on the other hand, they are horrified at the long-run prospect of a China so strong as to become a threat to the region. (For them the ideal strength of China was that in 1979 when Beijing felt strong enough to try to "teach a lesson" to Vietnam but was not strong enough to conquer; any further build-up of Chinese military capabilities is not welcomed.) Similarly, the Southeast Asian leaders are ambivalent about the Soviet Union because, on the one hand, they see it as playing a restraining influence on both Vietnam and China whereas, on the other, they distrust ultimate Soviet intentions.

To the extent that U.S. actions, particularly in what are seen as attempts to play a "China card," tend to agitate these feelings of ambivalence, the results are feelings of frustration, and even aggression, against the United States for being the cause of anxieties. It is these dynamics which are a major factor behind the persistent Southeast Asian view that the United States is "unreliable," a view which Americans cannot understand because they are more impressed with what they did to uphold their commitments to South Vietnam than they are to the unintended consequences of their newfound friendship with China.

### **The Long-Term Prospects**

The rising influence of the Soviet Union in Indochina suggests that China and ASEAN are likely to come closer together in time. Their shared experiences in trying to counter the Vietnamese occupation of Kampuchea also suggests that in spite of specific disagreements, there will be gradually a fading of distrust and a growth of accommodation.

Unfortunately, there are other considerations which point to the road ahead as being still rocky. There is, first, the potential for troublesome territorial disputes, particularly with respect to uninhabited islands in the South China Sea. In January 1974 Chinese forces overwhelmed the small garrison of South Vietnamese on the Paracel Islands, and then, much to Hanoi's anger, Beijing declared after the fall of Saigon that it would still hold the islands. Chinese claims to both the Paracels and the

Spratleys has been a challenge not only to Vietnam but also to Indonesia and the Philippines, a challenge that could have severe economic consequences since the issue of ownership and territorial limits affects oil-drilling rights. Given the Chinese record of being hard negotiators over disputed territories—as with both India and the Soviet Union—the Southeast Asians have every right to be concerned about finding easy solutions to this potential problem.

Second, the fact that Beijing has not been able to resolve its internal policy disputes over what should be its role in championing Third World interests and in supporting revolutionary movements is troublesome for all Southeast Asian governments. We have already noted that Beijing's continued insistence that party-to-party relations should not affect state-to-state relations has greatly annoyed all Southeast Asian governments. The Chinese fed Southeast Asian distrust when they told Prime Minister Lee Kuan Yew that they would close down the radio stations that were located in China and supported the Thai and Malaysian Communist insurgents, but in doing so, they announced the wave band of new stations which carried on the same antigovernment propaganda. The more clandestine the Chinese support becomes, the more suspicious the ASEAN governments will have to be.

Third, there is the prospect of increasing economic competition, especially as the Chinese seek to expand light industries and seek foreign exchange by exporting consumer goods manufactured by their huge pool of cheap labor. Although the ASEAN countries are moving ahead toward higher levels of technology, they will continue for a long time to try to satisfy their employment needs by also producing for export the same types of consumer goods as the Chinese are now beginning to produce.

The potential for strain would be greatly reduced if, first, the ASEAN countries do make appropriate progress in advancing to more sophisticated items of export, and if, second, they work toward a common market of their own as suggested in Bruce Glassburner's chapter in this volume.

Finally, there is the inescapable geopolitical problem of how to have good relations between neighbors of such huge differences in size and power. The mere existence of a nation of more than 1 billion people next door will leave all Southeast Asian governments feeling a permanent need to be on their guard. Rarely in history have contiguous states of such disparate size and power been able to have easy relations.

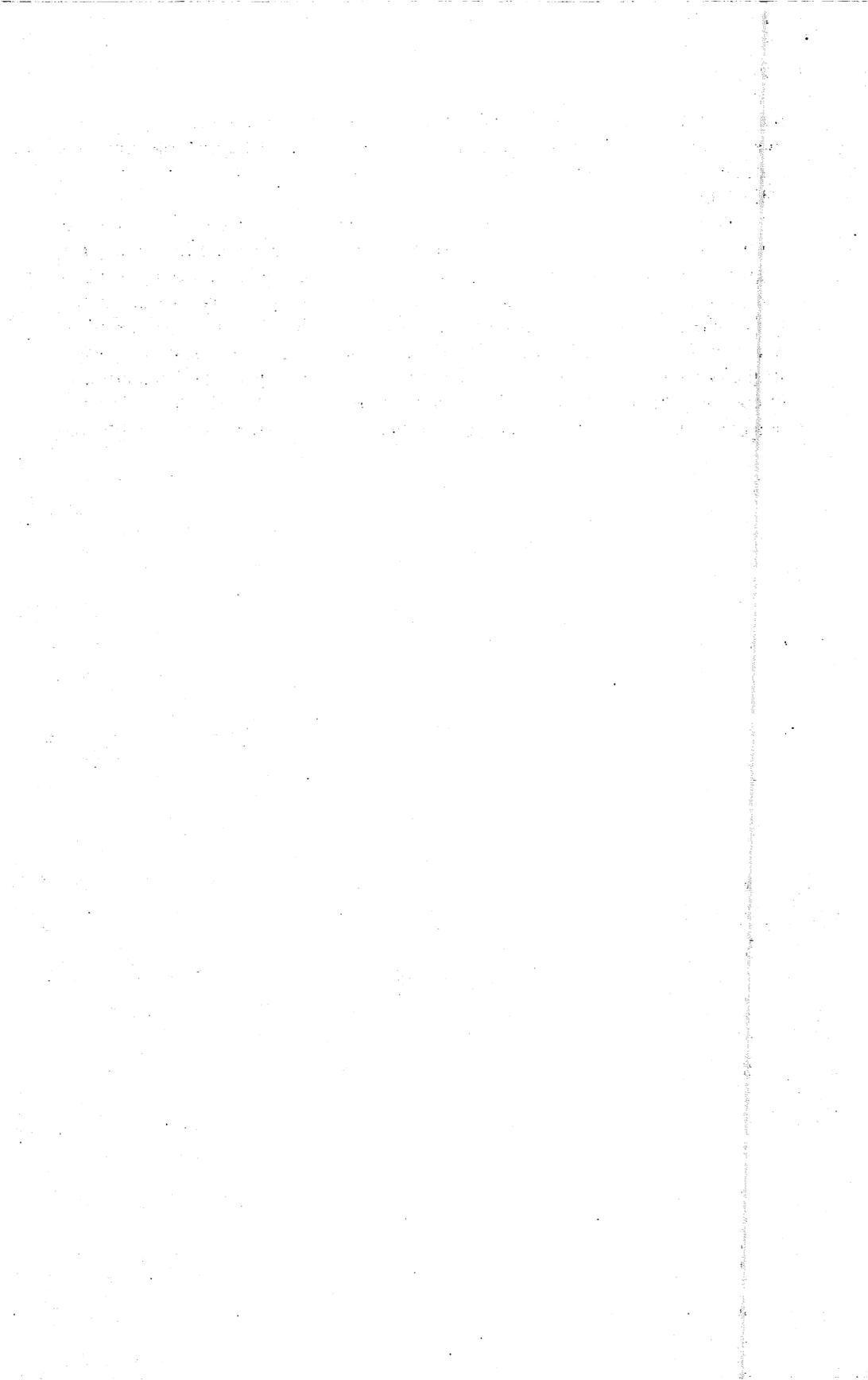
This problem is likely to become more acute if the Southeast Asians come to believe that the United States and Japan are seeking to build up China as a balancing force against the Soviet Union.<sup>16</sup> Indeed, it is only natural in the flow of international politics for weak states located next to a powerful state to seek protection from some larger, external power. At present the ASEAN states are looking to the United States for such reassurance and security. Although it is not clear that the

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16. For a somewhat one-sided defense of Vietnam policies which does contain the grain of truth that the Soviets have benefited from China's adamant position on Kampuchea, see Derek Davies, "Bleeding Vietnam White," *Far Eastern Economic Review*, Dec. 25-31, 1981, pp. 17-21.

Southeast Asians have any alternatives to the United States, it is certainly not conducive to good relations for them to feel the need to wonder whether they can find another source of protection which will not treat them as derivative of Washington's China policy.

These are among the long-run problems which can cause difficulties between China and the Southeast Asian countries. In the more immediate future they are likely to be repressed as both China and ASEAN contend with their common problems of Vietnam and its domination of Indochina. Although, as we have noted, the Kampuchean problem has caused some strains within ASEAN, on balance the threat posed by Hanoi has helped to bring the five countries together and has greatly strengthened their sense of common concerns. It is to be hoped that the same sense of common threat will also work to bring together China and ASEAN before the potentials for conflict between them have a chance to grow and cause greater distrust.



**VI.**  
**Japan**



# 16. Japan's Strategic Need for Openness

Jesus P. Estanislao

In the 1977 Manila declaration, Japan made clear its strategic aim for the decade of the eighties. Although an economic superpower, it disclaimed noneconomic ambitions. Although willing to help out the ASEAN countries, it proclaimed its interests were more global. The sincerity with which these simple statements were made cannot be doubted, but their implications are assuredly more complex than the diplomatic rhetoric conveys.

As an economic superpower, Japan necessarily has strategic regional and international importance, which inevitably puts pressure on it in many noneconomic areas as well. Economics cannot be easily separated from politics, and a world economic power cannot be sheltered from world politics.<sup>1</sup>

Japan has the whole world as the market for its exports and as a source of its imports. However, because of geographical and economic considerations, Asia is still Japan's natural and most important trading partner,<sup>2</sup> and this becomes even truer if the entire Pacific region is added to Asia. Korea, Taiwan, and ASEAN have been fast-growing economies in the past decade, and their economic prospects during the eighties are generally taken as bright. Japan's continued economic success in this decade depends, therefore, at least partly if not greatly, upon its close relationship with these economies.

It is to encompass all these considerations that Japan took a lead in proposing the Pacific Basin Cooperation (PBC) concept. In 1979 a Japanese study group tried to elaborate and define the content of this concept.<sup>3</sup> In this chapter the viewpoint is that the PBC fits Japan's strategic economic interests because it answers some of the pressing structural needs of the Japanese economy. Moreover, the PBC presents Japan with an opportunity to gain greater noneconomic acceptance, particularly in the part of the world where it belongs by geography, and to secure a continued U.S. defense commitment by reviving and increasing U.S. investment interest in Asia. It is in this sense that the PBC is viewed not only as an economic initiative but also as a strategic move by Japan for the 1980s.

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1. Toru Yano, "The Pacific Basin Cooperation Concept: A Critical Japanese Viewpoint," in U.S., Congress, Joint Economic Committee, *Pacific Region Interdependencies*, 97th Congress, 1st Session, 1981.

2. Bernard Gordon, "Japan, the United States, and Southeast Asia," *Foreign Affairs*, 56(3) (April 1978).

3. Saburo Okita, "A View on the Pacific Basin Cooperation Concept," in *Embassy of Japan Telecopy* (Manila, 1981).

# I

It is conventional practice in economics to extrapolate from past success even further success in the future. Thus, from Japan's impressive economic performance during the past two decades, it is usual to paint an optimistic scenario for the 1980s. However, Japan does have some internal economic needs, which it will have to face and which can condition its interaction with Southeast Asia during this decade.<sup>4</sup>

Japan suffers from a population problem, which can weaken its international competitive position.<sup>5</sup> The increasing lifespan of its population and its low birth rates present it with the natural "graying" problem. Japan's senior citizens, aged sixty-five years or older, now represent 10 percent of the population, leaving five actively employed individuals in the labor force for every retiree. At the end of this decade, the proportion of Japan's senior citizens is expected to reach 14 percent of the population, and the ratio between employed individuals and retirees will be down to 3 to 1. This would make Japan even grayer than the United States.

Such a phenomenon, given Japan's seniority wage system, can bring about two critically interrelated problems. The first is the reversal of about half of the labor productivity that has been achieved previously. When sales volume increases each year and more young workers can be employed, the normal increase of real labor costs averaging 6 percent per year under the seniority wage system can be offset precisely by the entry of young workers who are paid only the entrance wage. The second is the probable lowering of Japan's much-vaunted high personal savings rate of 35 percent. As life expectancy has been rising and the number of retirees has been growing, a bigger share of the nation's resources will no longer go into savings. Instead, more will have to go into transfer payments, which are used largely for consumption. This is unfortunate because Japan needs to base its increases in productivity more upon capital-intensive, technology-intensive innovation. Japan will, therefore, be needing a much higher rate of capital formation to maintain its competitive position in the international economy at a time when its savings rate will probably be on the decline.

Japan suffers from a rising cost of education. The pressure to get to the right schools is intense, and the level of "voluntary contributions" exacted even for entrance examinations and payment for the services of special schools that prepare students for examinations can be enormous. Moreover, the psychological pressure on middle-level youngsters in junior and senior high school, who spend an average of eight to nine hours a day after school in special schools to prepare for examinations, can be particularly taxing. And in light of recent trends where more than 50 percent of university-age males actually go to the university, even Japan suffers from a relative oversupply of university-trained workers, whose pay differential relative to manual workers is declining dramatically. This socially dictated arrangement, even in a disciplined society such as Japan, can let social sores fester and can only take a toll somewhere in society.

4. Peter Drucker, "Japan: The Problems of Success," *Foreign Affairs*, 56(3) (April 1978).

5. Reference to Japan's economic structural problems in this section are taken from *ibid.*

Japan also suffers from abnormally high prices for foods items. Its policy of keeping its domestic distribution system intact, of encouraging growing and subsidizing rice production even on unsuitable land, of encouraging fishing in a world of 200-mile economic zones, while discouraging other sources of protein, whether vegetable or animal—all these help make Japanese food prices exorbitant. They are easily 100 percent above U.S. food prices and even 50 percent above European levels. The difference in relative prices of meat is even larger. Moreover, food prices have been rising faster than most other prices in Japan in recent years and contribute to Japan's being a high-cost living area, not only for foreigners but also for the Japanese themselves.

While there is no doubt that the Japanese have shown great social cohesion and a talent for tackling problems that confront them, still there are rigidities that can be overcome only by Japan's being more open to the needs of Southeast Asia.

Given the lack of dynamics in its population and taking into account its demographic trends, Japan clearly has to shift into industries that are intensive with respect to management, technology, and capital. It can enter into production sharing with Southeast Asia, and this can be done not only by exporting its more labor-intensive industries there but also by opening its internal market to the products of such industries.

Japan may also have to introduce Japanese solutions that can introduce greater flexibility and openness and take away much of the strain in the linkage between education and lifetime employment. The setting up of more internationally oriented undergraduate programs in Japan; the forging of closer tie-ups with colleges and universities elsewhere, particularly in the United States, where a greater number of Japanese undergraduates can go for their university education instead; the welcoming policy gestures toward foreign business operations in Japan, which can thereby increase the demand for foreign-trained Japanese nationals for work within Japan—all these are some of the possibilities that can help weaken the links between career opportunities and educational pressures that still hold all too strongly in Japan.

It may also be necessary for Japan to open itself up to exports by other countries that can provide cheaper food and processed consumer goods to its domestic market. Low-cost agriculture in the United States, Canada, Australia, New Zealand, and the ASEAN countries can be tapped as sources of food and other raw materials without having to add to these the cost of protecting Japanese producers and distributors. Particularly with respect to Southeast Asia, Japan will have to work harder and show with more effective policy deeds that it means to have an economic relationship that is meant to be and is operationally a two-way street.

## II

It is against these Japanese needs that Japan's interest in pushing the Pacific Basin Concept must be viewed. For all the rhetoric that goes with the presentation of such a concept, one can pierce through some of the strategic considerations that are truly important for Japan and for the other Pacific countries as well.<sup>6</sup>

6. Takeshi Watanabe, "Pan-Pacific Solidarity Without Domination," in *Asian Dialogue Papers* (Tokyo: Japan Center for International Exchange, 1980).

The all-Japanese study group that articulated the concept for the prime minister of Japan had very explicit statements regarding the need for adjusting the industrial structure and for having an orderly division of labor within the Pacific area.<sup>7</sup> For this to happen, they stipulated that one thing was necessary, the “opening of advanced countries’ markets to all kinds of goods.” This sounds like a textbook argument for much freer trade, and it is. They do not even leave it to anyone else’s speculation. They spell it out by stipulating that “maximum utilization of market mechanisms and private sector dynamism ought not to be neglected.” Together with the noble and idealistic intentions behind these statements, clearly intertwined are Japan’s economic interests, partly influenced and induced by its lack of population dynamics and need for changes in industrial structure in the 1980s.

The Japanese study group then goes on to insist on the need for promoting international exchange and mutual understanding. They belabor the need for cultural and educational exchange, for greater internationalization of Japanese educational and research institutions, for the promotion of area studies with Japan, for more exchange of scholars. While they failed to make the necessary connection between these and the formal Pacific Basin Declaration on International Investment, the Japanese group was obviously on the right track toward strengthening Japan’s strategic position. Making Japan more open in the ways outlined above—provided it is done on a respectable scale and it is tied up with facilitating the setup of foreign business operations within Japan which can then employ foreign-trained Japanese nationals—would contribute significantly to ease the educational pressures upon many Japanese and would provide alternative ways out of the link between its educational system and the lifetime employment that now exists in Japan. Not only will it introduce flexibility into one of the strategic weaknesses in Japanese society; it will also win Japan some much-needed good will from its ASEAN neighbors.

The group made observations about the shared awareness of the finiteness of resources, particularly of energy and food, and about “vast quantities of such resources [being] found in the Pacific region, and intraregional self-sufficiency [being] very high for all resources but petroleum.” They then point to the “great supply capacity” for agricultural products. As a major net importer, particularly of food and energy, Japan can benefit from cooperative endeavors in exploitation and joint stockpiling of products obtained from the region’s rich resources. It is with this view that Japan should have a strategic need for “freer exchange of commodities and products within the region” and for “greater trade liberalization” and the “reduction of tariff and non-tariff barriers.” Doubtless, if others are cooperative along these lines, Japan’s position would be less vulnerable from external shocks caused by disruptions in raw materials and in energy supply; it would be made more secure by access to cheaper food products, which can be made available to its currently high-priced domestic market.

It is because Japan’s own domestic needs demand that it be more open and because its openness can be economically beneficial also to others, particularly to the

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7. Pacific Basin Cooperation Study Group, “Report on the Pacific Basin Cooperation Concept,” in *Pacific Region Interdependencies* (Washington, D.C.: USGPO, 1980).

ASEAN countries, that the response to the Pacific Basin concept should be one of guarded welcome. Japan, rightly or wrongly, has long been accused of being narcissistic, of looking only after its own interests, and of closing its domestic market mainly for its own advantage, while moving way out to take advantage of other's markets. It is with these accusations as a backdrop that one finds refreshing this Japanese statement, whose content and tone are open, even-handed, more global, and willing to reach out to others. The PBC is a "preemptive" strike against such accusations.<sup>8</sup>

Since Japan's strategic interest coincides with ASEAN's, at least in the fields of industrial complementation and in cooperative endeavors involving food, energy, and other resources, ASEAN should not dismiss lightly this Japanese initiative. Rather, ASEAN should test Japanese resolve for production sharing, which involves the orderly and rapid shift of labor-intensive industries out of Japan into the ASEAN countries, provided that the products of such industries be reexported back to Japan's own market. ASEAN should also test how far the Japanese will go in opening its market to an ASEAN supply of processed food, energy products, and other resources. ASEAN will have to negotiate the terms and conditions for such open, unrestricted, even favorable entry arrangements. Joint research and development, joint venture capital, equitable terms for the transfer of technology, and easy market access to Japan are some of the critical test areas for the mechanics of implementing the Japanese-inspired plan for wider economic and industrial cooperation in the Pacific. How mutual the Japanese will allow the benefits and opportunities to be shared by others will indicate how much substance there is to their PBC words.

Japan's economic and industrial power has now reached a point where it has to begin working very hard at spreading good will far and wide and at garnering trust and friendship particularly from the rest of Asia. Japan suffers from a lingering moral debt that it bears from World War II. Its motivations are easily rendered suspect. Its actions are more sorely misunderstood. Its insistence on its own ways is more readily resented. Its accomplishments, while respected, are also more acutely envied. Any attempt on its part to reach out to others, to study and work with others, and to build a multiplicity of personal, unofficial relationships with others can only chip down and nibble away the mountainous barrier that exists between the Japanese people and other Asians. Done under the auspices of the PBC, it would go a long way toward reassuring the Japanese of their acceptance as friends and to reduce their sense of isolation, which had been a source of strategic difficulties in the past and can become so in the future.

### III

Indeed, Japan's strategic fears must be calmed. There is a growing lack of confidence in the defense umbrella provided by the United States.<sup>9</sup> There is more open talk about raising the military budget, about reviving some segments of the armaments industry, about countering the Soviet threat by expanding the defensive

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8. Yano, "The Pacific Basin Cooperation Concept."

9. Gerald Curtis, "Japanese Security Policies," *Foreign Affairs*, 59 (4) (1981).

capabilities of Japan's Self-Defense Force. Against these are arrayed the country's Peace Constitution, widespread sensitivity against nuclear weapons, and an antiwar sentiment, as well as the easily aroused suspicion not only of ASEAN but, more importantly, of China and the U.S.S.R. about Japanese rearmament.<sup>10</sup>

A growing understanding has arisen for Japan's purely defensive needs, which require greater capability to defend its import and export shipping lanes. This means upgrading the Self-Defense Force's capacity for antisubmarine defense in order to protect shipping; it also means more "at-sea replenishment ships, acoustic detection, and the use of hydrofoils in the Sea of Japan."<sup>11</sup> Provided this is limited to modernizing the surveillance and denial capabilities in Japan's immediate environs, it cannot be perceived as threatening nor sensibly misunderstood as remilitarization.

But for Japan to limit itself significantly to improving its purely defensive capabilities, it is necessary that the United States continue to have a credible, clearly committed defense umbrella over the Pacific that can effectively counter any Soviet threat. The United States cannot continue to be perceived as an unreliable deterrent, whose interests really lie elsewhere and whose domestic, European, and Middle Eastern priorities could strain the global reach of its forces. Unfortunately, over the past years since the fall of Saigon, this has been the case: Asia has been too hot to handle, and it is fashionable to leave it to the Asians themselves. It is necessary to counter this trend. Indeed, the Pacific Basin concept has been conceived partly with this in mind, that is to help ensure that U.S. interests do not shift away from Asia and to firm up the U.S. security guarantee over the Pacific. But for this to happen, it is necessary that the United States is not left with the defense burden while the others, particularly Japan, take on the investment and business opportunities in Asia. The investment and economic interests of the United States must be kept and increased in the Asia/Pacific region. The United States should not be given an excuse for taking a strategic retreat from this region. Not only is it in U.S. interests to raise its involvement in the fastest-growing economic region of the world economy; it is also in the interests of the ASEAN countries, Japan, the other Asian countries, and Pacific Basin countries to have U.S. business presence there, which can help guarantee continued and even increased U.S. defense commitment.<sup>12</sup>

The eighties hold the prospect for an increased confluence of interests between Japan and the other Pacific countries. For the United States, in particular, there is the possibility for a more comprehensive view of its Pacific role, one which links a stronger and more perceptibly credible defense cover for Japan and the rest of Asia with the furthering of U.S. economic investments in the region. In this manner, the United States will have to coordinate more openly with Japan on various security issues that are of serious concern to Japan, but at the same time it will have to compete much more aggressively against the Japanese in the markets of Asia

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10. Roy Werner, "The Pacific Region: Security, Arms Control, Japan," in U.S., Congress, Joint Economic Committee, *Pacific Region Interdependencies*, 97th Congress, 1st Session, 1981.

11. *Ibid.*

12. Gordon, "Japan, the United States, and Southeast Asia."

and the Pacific. On one hand, this will becalm the security fears of Japan, saving it from the agony of having to raise its military profile, which will surely invite an antagonistic response from the U.S.S.R. and possibly China as well as from the ASEAN countries. On the other hand, this will remove the strains in U.S.-Japan relations since much of the unfairness about Japan's free ride, with Japan concentrating on economics while the United States is burdened with defense expenditures for the region, is substantively countered where it counts, that is, U.S. financial balances with respect to Asia and the Pacific.<sup>13</sup>

For ASEAN, there is the possibility of entering into a strategic economic alliance with Japan—a later twentieth-century version of an alliance, shorn of the stigma of the unfortunate Asian Co-Prosperity Sphere. ASEAN can go into a production-sharing arrangement with Japan, an arrangement which meets its need for industrialization and for relatively free, and even preferential, access to the large Japanese domestic market. Japan can meet its need for an orderly restructuring of its industrial base, which will have to shed very rapidly its more labor-intensive components and to shift into more technology-intensive, labor-saving industries. ASEAN can provide Japan with a wider latitude for greater openness in social, educational, and cultural spheres, thereby with greater opportunities to win friendship and to exchange good will for latent distrust. Japan can loosen some of the rigidities in its own social and educational structure through the many meaningful exchanges it can sincerely undertake with ASEAN and the other countries of Asia and the Pacific.

Furthermore, ASEAN can provide Japan with a strategic alternative to China. Relations between Japan and China, thus far confined to economics, while having slowed down taking into account the limited absorptive capacity of China, are inexorably rising. The size of Japanese-Chinese economic relations is not all that matters.<sup>14</sup> From the strategic standpoint, it is the direct link “between Japan's trade and loan policies and China's modernization program” that can guarantee their continuance and growth.<sup>15</sup> The stress is on agriculture, energy-related exploration, and selected labor-intensive industries such as textiles, transportation, and other means of communication. This list sounds familiar to ASEAN ears. It represents the same specific fields where its economic cooperation with Japan can be pursued. It is an indication that despite the limits imposed by a hostile reaction from the U.S.S.R. if it gets too close to China, Japan does have its own China card to play against ASEAN.

In sum, Japan has been far from inscrutable in presenting its strategic needs for the eighties. It has put on the agenda for Asia and the Pacific the PBC, which is its offer for a harmonious, mutually advantageous relationship with the region—a relationship that can minimize the strategic risks for itself, ASEAN, the United States, and the other free-market economies in the Pacific rim. It is an offer that is waiting for a response. Insofar as Japan is concerned, the ball is now in others' hands.

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13. Curtis, “Japanese Security Policies.”

14. Saburo Okita, “Japan, China, and the United States,” *Foreign Affairs*, 57 (5) (1979).

15. Curtis, “Japanese Security Policies.”

# 17. Japan and Southeast Asia

Franklin B. Weinstein

Japan's relations with the ASEAN states have long been pervaded by feelings of awkwardness and, in many cases, deep distrust. Research that I undertook between 1968 and 1970 among members of Indonesia's foreign policy elite revealed that most Indonesian leaders viewed Japan as the principal threat to their country's independence and well-being.<sup>1</sup> In 1972-1973, I spent a year traveling in Japan and all five of the ASEAN countries while engaged in a research project on the impact of Japanese economic activities on Southeast Asia. The profound dissatisfaction with the course of Japanese-Southeast Asian relations was manifest in the sharp criticism of Japan voiced at all levels—especially in Indonesia and Thailand—but to some extent in the Philippines, Malaysia, and Singapore as well. Government officials, opposition politicians, student leaders, and others assailed the Japanese as unscrupulous “economic animals” concerned only about their own economic interests. The image of the “ugly Japanese” extended to cultural and social relations: the Japanese were criticized for their alleged insensitivity, clannishness, and arrogance.

To be sure, many commentators observed that criticism of the Japanese was in part a means of voicing indirect criticism of local leaders, who, by inference, might be accused of “selling out” to the Japanese. But concern about Japan was too widespread and too emotional to be dismissed as merely a tactic in the domestic political competition. The violent anti-Japanese demonstrations that greeted Prime Minister Kakuei Tanaka on his January 1974 tour of Southeast Asia gave dramatic evidence of the incendiary potential of these sentiments concerning Japan.

From early in the decade of the 1970s, the Japanese themselves were clearly aware of the depth of distrust toward them on the part of Southeast Asians. But there was, on both sides, a tendency to view the problem as one of correcting a negative “image” that stemmed from two principal causes: (1) residual feelings of animosity rooted in Japan's harsh wartime occupation, and (2) the misconduct of a small number of Japanese businessmen who antagonized Southeast Asians because of their ruthlessness and inability to communicate effectively with foreigners. Especially following the disastrous 1974 Tanaka visit, the Japanese engaged in considerable self-flagellation for their cultural insularity and ineptitude in learning foreign languages. Attention centered on the need for a “code of conduct” to guide Japanese businessmen, an increase in economic assistance, and the development of a Japanese

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1. See Franklin B. Weinstein, *Indonesian Foreign Policy and the Dilemma of Dependence: From Sukarno to Soeharto* (Ithaca, N.Y.: Cornell University Press, 1976).

political role in the region to counter the "economic animal" image. In short, Japan's problem was perceived as one of downplaying an economic role that had become too prominent and, on the other hand, defining and dramatizing a political role heretofore lacking.

## I

In recent years, many observers have remarked on the improvement in Japanese-Southeast Asian relations since the dark days of the Tanaka demonstrations in Southeast Asia since 1974. In 1977 then Prime Minister Takeo Fukuda set forth the three-point Fukuda Doctrine: (1) Japan wishes to contribute to the maintenance of peace and stability in Southeast Asia but will refrain from developing any military role; (2) Japan seeks to intensify its economic cooperation with the ASEAN states; and (3) the Japanese will work toward a "heart-to-heart understanding" with the peoples of Southeast Asia. To dramatize Japan's commitment to aiding the development of the ASEAN states, Fukuda pledged \$1 billion in aid for industrial development projects in each of the five ASEAN countries to be decided on by ASEAN as a step toward enhancing the complementarity of their economies. He also pledged to study the feasibility of a scheme, known as Stabex, to stabilize ASEAN's export income from sales of primary products to Japan. Through the ASEAN-Japan dialogue, progress was made with respect to certain economic issues, such as the concerns of several ASEAN members about Japanese exports of synthetic rubber.

In his January 1981 visit to Southeast Asia, Prime Minister Zenko Suzuki sought to establish clear "conceptual priorities" for future Japanese-ASEAN economic cooperation. Suzuki stressed Japan's desire to help with respect to agricultural and village development, energy development and conservation, the promotion of labor-intensive small and medium enterprises, and the development of human resources through programs for education, management, and technical training. Moreover, the terms of Japanese aid, sharply criticized in the early 1970s, had become very attractive. Loans to Indonesia announced in late 1980 included a ten-year credit of 14.5 billion yen through Japan's Export-Import Bank at an interest rate of 7½ percent and a 33 billion yen credit through the Overseas Economic Cooperation Fund, with an eighteen-year term, a 2½ percent interest rate, and a seven-year grace period.<sup>2</sup>

The Japanese have also made strenuous efforts to develop a more visible political role. The Japanese government proposed, at various times, to act as ASEAN's spokesman in Washington and in Hanoi. Recently, Tokyo lobbied hard, at ASEAN's request, for the continued seating of Democratic Kampuchea in the United Nations. The Japanese have gone to great lengths to assure ASEAN of their firm commitment to avoiding any military role in the region. At a Japan-ASEAN conference in September 1981, former Prime Minister Fukuda acknowledged that Japan had the capability to become a military commensurate with its economic prowess, but he insisted that Japan intended only to become a porcupine or a hedgehog with just enough power to repel enemies when attacked.

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2. *Asian Wall Street Journal*, Oct. 9, 1980.

## II

Despite obvious progress in certain areas, there may well have been less change than meets the eye. On visits to all five ASEAN countries in 1977 and 1979, I found that criticism of the Japanese was just as strong as it had been previously, though it was seldom expressed publicly. It was suggested that the absence of demonstrations, or other vocal expressions of anti-Japanese sentiments, was more a reflection of political conditions inhospitable to such demonstrations than of any basic change in feelings about Japan. It may also be the case that the Southeast Asians have, to some extent, learned to live with their dissatisfaction concerning Japan. Public opinion polls in Thailand conducted by Chulalongkorn University in 1976 indicated a continued widespread belief that Japan sought to dominate and exploit Thailand. Fukuda's pledge of \$1 billion for five ASEAN industrial projects has become a symbol of frustration as these projects have proven difficult to bring to fruition. The project on which the most significant progress has been made is the Indonesian project—a urea plant. Even that project, for which planning was already advanced even before Fukuda's pledge, has proceeded more slowly than expected, and as a result the Indonesians had to ask Japan for an additional \$90 million to cover increased costs stemming from inflation. The Halapian project—also a urea plant—began in 1982. The Thai and Philippine projects have yet to begin, and the plan to build a diesel plant in Singapore has been abandoned.

There has also been continued controversy concerning the terms of aid. Malaysia sought terms for its ASEAN project comparable with the concessionary terms given the Indonesians, but the Japanese balked on the ground that Malaysia's economic development was too advanced to justify such lenient terms. At a meeting of ASEAN industry ministers in October 1980, frustration was expressed at long delays and strings attached to Japanese financing of projects in the region. The five projects to be funded by Japan under Fukuda's pledge were described as "a Japanese monopoly" tied to purchases of Japanese goods and services. The ministers called for an end to that monopoly.<sup>3</sup> The Stabex plan, which Fukuda had promised to consider and which some Japanese, like former Foreign Minister Saburo Okita considered workable, foundered because a Japanese commitment to globalism in dealing with North-South issues ruled out any special arrangements for the ASEAN region.

Prime Minister Suzuki's pledge to reorient Japanese economic aid toward helping the Southeast Asians deal with problems of energy, unemployment, lack of technology, and overdependence on extractive industries also evoked expressions of concern on the part of Southeast Asians. Even though the new orientation of Japanese economic aid policies was said to have come in response to advice from ASEAN economic ministers, particularly Widjojo Nitisastro, Indonesia's coordinating minister of economics, finance, and industry, there were concerns that Japan's setting of detailed priorities might be viewed as an effort to impose its own development strategy on the region and to intervene more directly in the economic policymaking of the ASEAN countries.<sup>4</sup> It was made known that the tailoring of

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3. *Ibid.*

4. *Ibid.*

Japanese aid and investment more closely to the needs of the ASEAN countries would not necessarily mean an increase in the flow of funds to the region. This provoked complaints from some Southeast Asians that Japan's new strategy might lead to a cut in funds for large infrastructure projects, which were still viewed as essential. Indeed, the Philippines had already found that it would probably be more difficult under new priorities to gain Japanese funding for major industrial projects, such as a planned \$1.5 billion steel complex.

The persistence of long-standing grievances concerning Japan is also evident from discussions that took place at a conference of Japanese and Indonesians held in October 1980. In that meeting, the Indonesian participants set forth a litany of criticism, which replicated, with remarkably little change, the complaints voiced a decade earlier. Specifically, Japan was accused of viewing Indonesia as a marketplace for goods manufactured with imported Japanese parts rather than accelerating the transfer of technology through investments in basic industries and export-oriented manufacturing. Japanese business was criticized for continuing trade and investment patterns characterized by natural resource imports and investment in assembly or final stage processing operations. According to these Indonesians, 92 percent of Indonesian exports to Japan consist of oil, LNG (liquid natural gas), and timber whereas Indonesian manufactured exports amount to slightly more than 2 percent of trade. The Indonesians also complained that key management and technical jobs in joint ventures remained in Japanese hands. Even when Indonesians appeared to hold the top positions, there were often "considerable discrepancies between stated job descriptions and day-to-day responsibilities." The Japanese were urged to invest in industries that process raw materials into intermediate and semifinished goods. The Japanese were also attacked for tardiness in implementing pledges to cooperate in a variety of fields.<sup>5</sup>

Outside the framework of that Japanese-Indonesian meeting, Southeast Asians criticized Japan for a reluctance to buy manufactured goods from the ASEAN countries and, in the case of Thailand, exporting much more than they were prepared to import. Tariff and nontariff barriers maintained by the Japanese were cited as part of the problem. Excessive Japanese cooperation with overseas Chinese businessmen at the expense of indigenous entrepreneurs was also mentioned.<sup>6</sup> Every one of these complaints had been voiced a decade earlier.

To those long-standing, and apparently intractable, concerns have been added two new ones. First, the development of Japanese relations with the People's Republic of China, particularly in the economic field, has led many Southeast Asians to suspect that Japan is subordinating the ASEAN states to China. In particular, there has been a suspicion that Japanese capital that otherwise might have gone to the ASEAN countries may flow to China. Some, especially in Indonesia, have also raised the specter of a Japanese-Chinese-U.S. military entente, which leads to the second new area of concern—the heightened potential for the development of

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5. *Asian Wall Street Journal*, Oct. 21, 1980.

6. *Far Eastern Economic Review*, Jan. 9, 1981, p. 27; and *Look Japan*, Oct. 10, 1981, p. 3.

Japan's role as a military power. Although there was some concern even in the early 1970s about the potential reemergence of Japanese militarism, the issue has grown much more salient with the increased willingness of Japan to build up its defense capabilities in response to the changed strategic situation and, in particular, U.S. calls for greater burden sharing.

Some in ASEAN reportedly have supported the expansion of Japan's military capabilities, but others have voiced strong concern. The Thais were said to fear that increased Japanese defense spending could lead to cuts in Tokyo's aid budget. An Indonesian spokesman remarked on the "perceived lack of conceptual clarity and direction" in support of Japan's intent to expand its military capabilities.<sup>7</sup> Some ASEAN leaders have indicated their concern about the Reagan administration's intensification of pressures for a Japanese military build-up. When former Prime Minister Fukuda noted at a September 1981 Japan-ASEAN meeting that Japan had the capability to become "a military superpower next to the U.S. and U.S.S.R.," some of the ASEAN participants were said to be alarmed at this suggestion of the possibility of Japanese remilitarization.

According to one Indonesian expert, an increase in Japan's regional security role would have three undesirable consequences: (1) it would change the power balance in Northeast Asia and trigger defense build-ups in China, Korea, and the U.S.S.R.; (2) it would increase political tensions with the Soviet Union; and (3) it would have a destabilizing effect in Southeast Asia and would arouse ASEAN suspicions concerning Japanese motivations. A particularly troubling question for the Indonesians concerned the manner in which Japan might define its defense perimeter in the future—whether because of its dependence on access to raw materials and oil, that perimeter might be extended to include protecting sea lanes and straits at some distance from the Japanese home islands.<sup>8</sup> There has also been a suspicion on the part of some in the ASEAN countries that a build-up of Japanese forces might some day be used as a pretext to justify the withdrawal of U.S. forces from the region or a division of responsibility in which Japan assumes the burden of defending Southeast Asia.

Although Japan has won plaudits from some ASEAN members for its lobbying efforts in support of ASEAN's position on Kampuchea, Tokyo's efforts to define a new political role have not been conspicuously successful. The ASEAN leaders spurned Tokyo's offer to serve as an intermediary with Washington and Hanoi; they argued that they were perfectly capable of dealing directly with both the United States and Vietnam and needed no help from Japan.

### III

The above chronicle should not be interpreted as a story of unrelieved failure and frustration. The fact is that in many ways—as indicated by the references to the ASEAN-Japan dialogue, the enunciation of the Fukuda Doctrine, the role of ASEAN planning ministers in the formulation of Japan's new aid priorities—there

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7. *Far Eastern Economic Review*, Jan. 9, 1981, p. 24.

8. *Far Eastern Economic Review*, Sept. 11, 1981; and *Look Japan*, Oct. 10, 1981, pp. 2-3.

has been an improvement in the level of communication and cooperation between Japan and the ASEAN countries. Japan has solidified its position as the ASEAN countries' principal source of bilateral economic aid and investment capital. By 1979 Japan had invested some \$5.5 billion in the ASEAN countries; in each of the five countries, more than 25 percent of all approved foreign investment came from Japan. Aid and trade relations have also intensified.<sup>9</sup>

In many respects, Japan's relations with the ASEAN countries have yielded increased benefits to both sides. Nevertheless, it is apparent that whatever the Japanese do, they will be criticized. In that sense, they face a "no-win situation." The greater the amount of economic assistance and investment capital Japan provides to the ASEAN countries, the more uneasy the Southeast Asians will feel about their excessive dependence on Japan. On the other hand, if the Japanese refuse to increase their aid and investment, they will be accused of selfishness. In short, if they give more aid, the Japanese will be seen as bent on domination; if they decline to do so, they will be viewed as stingy.

Several examples, drawn from the previous discussion, illustrate the inevitability of criticism. When the Japanese took the lead in pledging \$1 billion for five ASEAN industrial projects, they found themselves criticized for monopolizing the field and for tying their aid to procurement in the donor country, just as many other donors do. Japanese economic assistance has long been criticized for not contributing sufficiently to the development of labor-intensive industries, but when Japan reoriented its aid policies in that direction, acting on the advice of Southeast Asian economic ministers, Tokyo was accused of seeking to impose its development strategy on the region and was criticized for ignoring the large-scale "show" projects previously criticized as not contributing much to overcoming the country's most pressing problems. In the past, some Southeast Asians have asserted that they need "intermediate technology" appropriate to their own circumstances rather than the more highly automated equipment which the Japanese have installed in their Southeast Asian textile factories, but when there is any suggestion of using less than the most modern equipment, the Japanese run the risk of being accused of insulting the Southeast Asians and keeping them in a subservient position by pawning off obsolete equipment on them.

Southeast Asian employees of Japanese companies often criticize their employers for failing to promote them to positions of responsibility as rapidly as do the Americans. But when asked why they work for the Japanese, they observe that opportunities for rapid advancement in an American company are outweighed by the risk of being discharged for unsatisfactory performance; a Japanese company, it was said, offers greater security. Japanese joint ventures are often criticized for their failure to turn over responsibility to indigenous managers and to hasten the transfer of technology, but there is evidence that, regardless of what is said publicly, many of the Southeast Asian partners have privately informed their Japanese

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9. R. B. Suhartono, "Economic Relationship Between Northeast and Southeast Asia: A View from Indonesia," *Asian Perspective*, Spring-Summer 1981, pp. 87-89.

partners that they prefer to have the Japanese run the enterprise, with a relatively free hand, in order to maximize the profitability of the venture.

Japanese overseas are frequently criticized for clannishness and arrogance, but the tendency of Japanese to stick together, frequenting the same hotels, restaurants, golf courses, and airlines, may also be viewed as a *de facto* low-profile policy. One can predict with some confidence that were the Japanese to mix to a greater degree, they would be criticized for their omnipresence rather than for their clannishness.

The Japanese have long been assailed as economic animals bent only on profit, but when they begin to talk of a political or military role, they give rise to suspicion that they are seeking to extend their domination beyond the economic sphere or are seeking to gain additional leverage to reinforce their economic influence. When the Japanese reiterate that they do *not* intend to develop the military power of which they are capable, they provoke suspicion and, in some cases, alarm; it may be that the more they speak of their determination to refrain from a major military role, the more they stimulate concern—perhaps a case of protesting too much.

Even Japanese efforts to expand their cultural programs in Southeast Asia have been criticized as “cultural imperialism.” As one Thai official put it: “We don’t want our children to grow up to be samurais.” Moreover, the Japanese often find that when they talk of expanding their cultural programs, what is most desired by the Southeast Asians is an increase in the number of scholarships and other forms of *economic* assistance. The Japanese feel that when they seek to respond to urgings that they be more than economic animals by expanding their political or cultural activities, they often find themselves confronted with more requests for Japanese funds.

A decade ago, Japanese diplomats in Southeast Asia indicated to me their awareness that as Japan increased its economic aid and investment in Southeast Asia, the level of anti-Japanese feelings would inevitably rise. But, they felt, it was unthinkable not to provide that aid and investment. They concluded, therefore, that nothing could be done to avoid such conflict.

Of course, many of the criticisms directed against Japan by Southeast Asians are valid. The problems the Japanese have encountered in Southeast Asia are partly of their own making. But to some extent, the Japanese seem to be victims of a double standard. As a Malaysian official put it: “The British may turn the knife, but as they do, they say, ‘terribly sorry, old chap,’ and we don’t seem to mind as much.” There is a tendency to say: “The British are like that—what can you do?” When the Japanese do the same things their European or American counterparts do, such behavior is resented—perhaps, according to some Southeast Asians, because the Japanese are fellow Asians.

A number of Southeast Asians were explicit in acknowledging that they employ a double standard when it comes to the Japanese. It is true that the Japanese have more difficulty communicating than do Americans or Europeans partly because of their awkwardness in English and partly because of certain cultural patterns. It is only fair to point out, however, that relatively few American businessmen have any familiarity with an Asian language; they are able to function effectively only in their native language. It is safe to say that more Japanese businessmen speak other Asian languages than do Western businessmen. The Japanese simply had the bad luck to

speaking a language with which few people outside their own islands are familiar. And while there are undoubtedly certain features of Japanese social life and corporate organization that make it more difficult to function smoothly in Southeast Asia, there are others—such as the commitment to job security—which make the Japanese approach more complementary to Southeast Asian values.

In any event, it seems illusory to assume that criticism of the Japanese would diminish significantly if only they were more generous and more genial. While there is always room for improvement, the problem is not really rooted in any aberrative Japanese behavior, and codes of conduct aimed at reforming Japanese behavior are not likely to prove an effective response.

It is more likely that the tensions between the Japanese and the Southeast Asians are structural, rooted in the asymmetry of economic power and the inevitable conflict of interests between the two sides. With the exception of Singapore, Japan accounts for at least 20 percent of each of the ASEAN countries' exports (in the case of Indonesia, the figure exceeds 40 percent) and between 23 and 33 percent of imports whereas ASEAN takes no more than 9 to 12 percent of Japan's trade.<sup>10</sup> As a general matter, many Southeast Asians feel, quite simply, that they need Japan more than Japan needs them.<sup>11</sup> While the relationship is by no means one-sided and each issue has its own dynamics, the asymmetry of the relationship inevitably has an impact on negotiations between Japan and the ASEAN states.

There is, in sum, no reason to assume that Japan's problems in Southeast Asia stem from any peculiarities of Japanese behavior. In other areas of the world, where the United States is the predominant external power—for example, in Latin America—criticism is directed largely at the Americans. Resentment of Japanese influence may well be an inevitable concomitant of any prominent Japanese role in Southeast Asian economic and political affairs.

#### IV

Although tensions between Japan and the ASEAN states are likely to persist for some time, we should be careful not to exaggerate their significance. Productive relationships are possible even within a framework that includes substantial conflict. Although Japanese economic activities may have exacerbated some of the problems which the ASEAN countries must overcome in their development efforts, they have undoubtedly made many positive contributions in other important areas. The task is to define a Japanese role that maximizes the positive and minimizes those characteristics that tend to lead toward conflict.

First, as indicated by the often contradictory criticisms leveled at Japan, there is considerable ambiguity, from the Japanese standpoint, as to what the ASEAN states really expect of them. This lack of clarity embraces Japan's economic,

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10. *Ibid.*

11. For further elaboration on this point, see Franklin B. Weinstein, "Multinational Corporations and the Third World: The Case of Japan and Southeast Asia," *International Organization*, 30 (Summer 1976): 373-404.

political, and military roles. Although ASEAN spokesmen have indicated a desire for more aid on the most generous terms possible, for an accelerated transfer of technology, and for greater industrial development, choices must be made. There are limits to what Japan can do, and there are limits on the amount of capital the ASEAN countries can productively absorb. A clearer and more detailed statement of priorities on the part of the ASEAN side is needed.

There is even greater need for clarification as to the kind of political role ASEAN wishes the Japanese to play. What should be the content of a Japanese political role? And what do the ASEAN members really think about the prospects for an expansion of Japanese military capabilities? How do they assess U.S. efforts to persuade Japan to shoulder a larger share of the defense burden in the area west of Guam and north of the Philippines? During 1981 there were more contradictory reports than previously; some visitors to Southeast Asia reported a growing interest on the part of ASEAN leaders, expressed privately, in an expanded Japanese defense role. There has, for example, been some suggestion that an expanded Japanese military role would be acceptable if it were cast within a collective framework and, especially, if it were accompanied by a corresponding expansion of the military capabilities of the ASEAN states themselves.

Second, the Japanese themselves—and their American allies—need to come to some understanding as to why it is important for Japan to have an expanded political and military role and how such a role should relate to the role played by the United States. Since the early 1970s, the Japanese clearly have felt a need to develop a more conspicuous political role, and they continue to grope for such a role. At times, it has appeared as if the Japanese seek a political role primarily to counter allegations that they are merely economic animals. If this is in fact the motivation, it may well be a futile endeavor. Given the structural roots of tension between Japan and the ASEAN states in the economic field, is there any reason to assume the political undertakings by Tokyo could substantially alleviate those tensions?

In my judgment, a key question is whether Japan might not be able to play a more useful political role if it were to undertake certain approaches which the United States is unable, or unwilling, to pursue itself. For example, there are strong arguments to be made for developing some sort of relationship with such states as North Korea and Vietnam, but for a variety of reasons, the United States considers itself unable to do so for some time.<sup>12</sup> Even many Americans who believe it would enhance the stability of the Korean peninsula if Washington were to take a first step toward a relationship with Pyongyang believe it would be hard for the United States to do so, in light of the special responsibilities the United States bears as South Korea's military guarantor. Japan is not subject to the same constraints. In the case of Vietnam, there is, of course, an even sharper division of opinion as to the merits of moving toward a rapprochement with Hanoi as opposed to pursuing a policy

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12. The arguments in favor of such policies are elaborated in Franklin B. Weinstein and Fuji Kamiya, eds., *The Security of Korea: U.S. and Japanese Perspectives on the 1980s* (Boulder, Colo.: Westview, 1980); and Franklin B. Weinstein, "U.S.-Vietnam Relations and the Security of Southeast Asia," *Foreign Affairs*, July 1978.

aimed at isolating and bleeding the Vietnamese. But even those who believe it would be wiser to develop relations with Vietnam that would give Hanoi more room to maneuver vis-à-vis the Soviets recognize that America's historical role in Vietnam and Washington's current commitment to developing its relations with Beijing create significant obstacles. Again, the Japanese are freer to act.

The fundamental assumption here is that U.S. interests will be better served if Japan follows a policy independent of the United States. The principal need in the contemporary period is not for enhanced alliance solidarity and congruence of policies but for the establishment of multiple linkages, through which a diversity of cross-cutting relationships may reduce the danger of the sort of polarization that can heighten tensions and lead to armed conflict.<sup>13</sup>

The same kinds of questions need to be asked about Japan's future military role. It is difficult to see how Japan can make a comparably unique contribution in the military sphere. I have developed these issues at greater length elsewhere,<sup>14</sup> but the central points are these. First, the United States must confront openly the question of whether Japan is being pressed to expand its military capabilities because there is an important new military role for Japan to play or whether those pressures are fundamentally political, that is, a belief that Japan must "do more" for Asian security because it is unthinkable that an economic rival as powerful as Japan should get a "free ride" on the coattails of the American taxpayer at a time when Americans are being asked to bear such a heavy burden to meet the Soviet threat.

Second, it is hard to define any essential military contribution that Japanese forces can make. If the U.S. commitment can be relied on, an expanded Japanese contribution is likely to be redundant; if the United States cannot be counted on, the contemplated Japanese build-up will be woefully inadequate. The argument is made that Japan must build up its Self-Defense Forces because a U.S. carrier task force presently patrolling in Northeast Asia may be redeployed to the Persian Gulf. But it is simply impossible for the Japanese forces contemplated under any conceivable build-up plan for the next decade to replace the power projection capabilities of U.S. carrier task force. The extension of Japanese patrols on the high seas cannot really substitute for U.S. naval vessels. Protecting sea lanes is not essentially a matter of placing enough ships on the line to gain complete coverage; given the length of the sea lanes, that would be a futile endeavor. If the Soviets wish to interdict U.S. or Japanese shipping, they can do so. But U.S. ships on the line serve to deter such an action by the Soviets because Moscow knows that any clash with a U.S. ship could easily escalate to a very dangerous level. Japanese Maritime Self-Defense Forces simply lack this degree of deterrent capability.

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13. This view was originally set forth in Franklin B. Weinstein and John W. Lewis, "The Post-Vietnam Strategic Context in Asia," in Franklin B. Weinstein, ed., *U.S.-Japan Relations and the Security of East Asia* (Boulder, Colo.: Westview, 1978). A more recent elaboration is contained in Franklin B. Weinstein, "The U.S. Role in East and Southeast Asia," in Ramon Myers, ed., *The United States and East Asia: Policies for the 1980s and Beyond* (Stanford, Ca.: Hoover Institute, 1982).

14. See Franklin B. Weinstein, "U.S.-Japan Relations and the Fallacies of Burden Sharing," *Pacific Community*, 9(1) (Oct. 1977):1-16; and Weinstein, "The U.S. Role in East and Southeast Asia."

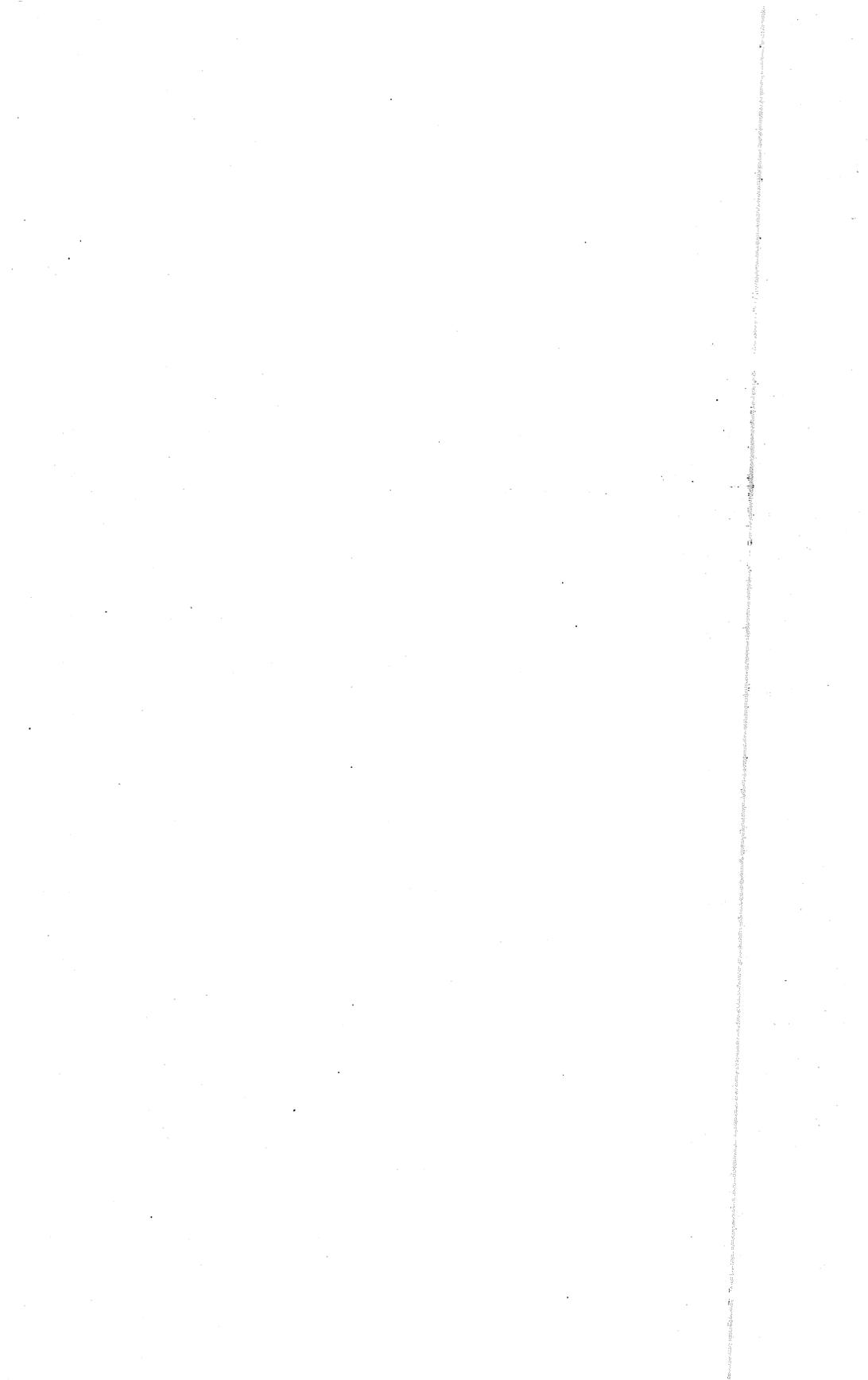
Some contend that having more ships on the line means that the Soviets would have to expend more of their scarce resources and, it is hoped, might decide it is not worth the price. But we must recognize that a Japanese build-up is very likely to provoke an accelerated build-up by the Soviets, who are likely to make enormous sacrifices in order to ensure that their perceived military requirements are met. Unless its purpose and limits are better defined, a Japanese build-up also runs the risk of stimulating uneasiness in Southeast Asia, and this could have destabilizing effects. Moreover, once the concept of extending Japan's defense perimeter is accepted, there is in fact no logical reason why Japanese patrols in the Strait of Malacca or the Persian Gulf cannot be justified as "self-defense," within the framework of the existing constitution. While Japanese denials of any intention to become a major military power are quite persuasive at present, one cannot predict with confidence where the process of building up Japanese defense capabilities incrementally will lead in the long run.

A further danger inheres in the discrepancy between U.S. and Japanese perceptions of the Soviet threat. There is considerable evidence that the Japanese do not generally perceive the Soviets as quite the menace which the present U.S. administration sees. Pentagon officials have observed that the Japanese are most intent on determining what is the minimum Japanese military effort that the United States would find acceptable. If the Japanese defense build-up is indeed undertaken mainly to placate the United States rather than because of any perception of a genuine threat to which an augmented Self-Defense Force is a relevant response, then it will be hard to sustain such a policy politically. As Secretary of State Alexander Haig noted in his confirmation hearings, if the Japanese come to believe that they have been pushed into an unwanted military role by the United States, there could be a dangerous political backlash against the United States.

Under the circumstances, it may well be better to take a broader view of security and to look to those areas in which Japan may be able to make a contribution that reflects its particular comparative advantages, which lie in the nonmilitary sphere. For example, Japan could usefully make a dramatically expanded contribution to research and development of alternative energy sources. Given the salience of the threat to Japan's security posed by the danger that energy will not be available at reasonable prices, the Japanese should be able to develop a political consensus in support of an expanded effort in that area. And, as usually noted, Japan can make important contributions to regional stability through economic and diplomatic relations with North Korea and Vietnam, as well as through cooperation with the non-Communist states, especially ASEAN.

In sum, the Japanese must find a way to demonstrate that they are willing to carry their share of the burden and to make real sacrifices. Political realities make this manifest. But there is no reason why Japan's contribution to security must match in kind the sacrifices made by the United States. It seems wiser to look to the Japanese for a greater effort in those areas in which they have a special, if not unique, capability to contribute.

**VII.**  
**The Soviet Union**



## 18. Soviet Interest in Southeast Asia: Issues in the Eighties

Seah Chee-Meow

It is a commonly accepted axiom that nation-states tend to expand their influence by using the gamut of resources—diplomatic, ideological, economic, and military—to attain the ever-tantalizing Holy Grail called “national interests.” The concept of national interests does change in accordance with domestic political and economic constraints, the “mood” of the international and regional climate, or, more importantly, the “visions” of political leaders upon whom presumably the mantle of leadership and responsibility is thrust. The extent to which a nation-state pursues a particular policy line depends largely on its calculation of the costs of the proposed policy on both the country’s core and peripheral interests. Presumably, the greater command a nation-state holds over its resources, the greater the possibilities for extending its influence.

### Geopolitical Influences and Implications

Basically, the U.S.S.R. has been accepted as a superpower alongside the United States, even though it may not be equally matched in terms of military and economic resources. Its location in the “heartland” is extremely crucial from the standpoint of geopolitics. From this perspective, it becomes apparent that the Soviet Union has to try to expand its influence to include the “rimland” states. This is the likely direction that will continue for many years to come, though with improvements in communications and military technology, the concept of the rimland could become broadened to include more than just those states peripheral to the Soviet Union. In a sense it is this vision that has influenced past and present leaders from the tsars to the Socialist rulers—irrespective of ideological inclinations—to expand their territorial and political influence in order to secure a more cooperative rimland.

Yet Soviet influence has never been extremely consistent, however desirous such an objective has been; and not all these ventures have been successful. The Russo-Japanese War of 1905, which ended in a decisive defeat of the Soviets, did not mark merely the progressive end of the tsarist rulers. That war *inter alia* highlighted a peculiar dilemma facing the Soviets in attempting to strengthen their national interests at the rimland. It also revealed their major strategic weaknesses, such as the absence of other warm-water ports as part of the chain of logistic bases necessary for the enhancement of its naval superiority.

That the U.S.S.R. is also an “Asian” power, even though it is usually regarded by many Asian countries as a Eurocentric power, should also be given weight. This, together with its new-found status as a superpower since World War II,

has made all the more urgent the need for it to establish a creditable presence in Asia.

Yet Soviet attempts in Asia, and more particularly in Southeast Asia, have been less than successful. Its erstwhile ideological ally, the People's Republic of China, has become more than a thorn in Soviet flesh. Since it became apparent in the sixties, the Sino-Soviet dispute is still a source of concern to Soviet leaders. The dispute also emphasizes that the issue of ideological acceptability and compatibility is far more complex and does not necessarily transcend national interests. Owing to this crisis, considerable manpower and military hardware had to be tied down near the Chinese border. It was estimated that the number of Soviet forces on the Chinese border had tripled between 1965 to 1972 while the tactical air strength had grown five times during the same period. By 1976, there were forty-five Soviet divisions facing China, supplemented by 200 IRBMs and between 1,200 to 1,400 aircraft.<sup>1</sup> Even the proposed Siberian railway previously negotiated with Japan was presumably conceived partly out of military exigencies although new research and development in the area of land hovercraft could make the dependency on a fixed infrastructural network unnecessary.

In a sense, the outward expansion of the Soviet Union has been checked more by the timely warnings given at the end of World War II. Winston Churchill's "iron curtain" certainly provided the necessary colorful but effective imagery while the decision by the United States to "contain" Communist expansion through military alliances such as NATO, CENTO, and SEATO certainly reduced further Soviet expansionism, although they did not prevent Soviet leaders from ensuring that their Eastern European partners would keep within their bounds. The Soviet Union was also trying to woo leaders from those territories in Asia and Africa then in the throes of anticolonial struggles. Yet there is no denying that these military pacts initiated by United States did restrict Soviet initiative although it is also true that the latter was also quick to exploit whatever weaknesses resulted from implementing these defense pacts.

Southeast Asia is one of the few regions that witnessed the convergence of big power involvement. This is not a recent phenomenon as this region in the past was the scene of innumerable major power involvements (even though the actors were different). External powers ranging from India, China, the Western colonial powers, and Japan have left indelible marks on Southeast Asian history in as much as indigenous states in the past had also used, misused, or even been misguided by these major powers on issues of statecraft and regional politics.

In a sense, the Soviet presence in this region should not come as a surprise. What perhaps was more surprising was the late appearance of the Soviet presence in this region. The United States was the major actor in this region—the Manila Pact and the defense treaties with Thailand and the Philippines were sufficient testimony of U.S. interest in this region. The Seventh Fleet has also been known to patrol the

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1. Lau Teik Soon, "Soviet-Vietnamese Treaty—a Giant Step Forward," *Southeast Asian Affairs* (Singapore: Institute of Southeast Asian Studies, 1980).

waterways. It is possible to question the extent of the U.S. presence on a cost-effective basis, including the anemic SEATO, the efforts to “neutralize” Laos, and the politically futile efforts to prop up the South Vietnam regimes before domestic political and economic pressures forced U.S. leaders to rethink the issue of involvement in Southeast Asia. However, it cannot be denied that it was precisely because of the U.S. presence that Soviet influence was not given room to expand. It is true that the Soviets did try to influence Sukarno and also to upgrade his fantasy as one of the leaders of the NEFOS (New Emerging Forces), but even this venture did not make much headway. Indeed, for a time in the early sixties even the Soviet Union was involved in trying to promote a neutralized Laos, with mixed success. Ideology was not a determining factor in explaining the Soviet presence.

Conversely, it could be argued that the decline in the U.S. and British presence had given the impetus for the expansion of Soviet influence. The withdrawal of the British from east of Suez in 1967 and the subsequent relinquishing by the Americans of their “watchdog” role in Southeast Asia have left a power vacuum. As a superpower it was inevitable that the Soviet Union would try to fill this vacuum, and there were compelling reasons for doing so. Among the more salient points were (1) the revival of its attempt to influence Southeast Asian regional and domestic politics, (2) the containment of China (or perhaps a lesson learned from the Americans) and a curtailment of Chinese influence in Southeast Asia, (3) the continuing search for a series of naval ports to augment its global naval role, and (4) the desire to be a key determinant in deciding how issues in Southeast Asia—be they regional or global in implications—are to be settled.<sup>2</sup> A less important factor could be the presence of raw materials and resources in this region. Although the Soviets are less likely to be able to perform a symbiotic trading relationship with these Southeast Asian states, any possible expansion of Soviet influence in this region would be tantamount to a denial of such resources to the Western powers, including Japan.

The Vietnam trauma experienced by the Americans merely added fresh impetus to Soviet attempts at expanding its influence in Southeast Asia. However, the question that had to be answered was whether the Soviets would be more acceptable to the Southeast Asian states. In this sense, the formation of ASEAN was more than an act of bold statesmanship by the five Southeast Asian states. Despite their feelings of distrust, psychological barriers, and recent animosities resulting from the pursuit of incompatible national interests, these five states were able to demonstrate a maturity in outlook and leadership by trying to promote more positive forms of regional collaboration. It is true that the progress of ASEAN in its initial years was less than heartening, especially if tangible results are used as the yardstick for success, but an important by-product of these cooperative efforts was to make the Soviet concept of collective security less than appealing. Thus, when the Soviet leaders began the task of trying to popularize this pact to the Southeast Asian countries, especially ASEAN, there was little by way of a positive response to such a proposal.

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2. See Donald S. Zagoria, “The Soviet Union and the Far East,” in George T. Yu, ed., *Intra-Asian International Relations* (Boulder, Colo.: Westview Press, 1977), pp. 68-69.

For not only did the ASEAN states see this as an attempt by the Soviets to “contain” China (a lesson which the Soviets did not learn very well from the previous containment experience of the United States), but there was also an alternative available which these non-Communist Southeast Asian states could fall back on, namely, ASEAN as a regional body to augment their respective national interests. With each progress in the consolidation of ASEAN as a regional body, the influence that could be exerted by the Soviet Union was further diminished.

In a sense, the U.S.S.R. had no option but to fall back on the Vietnamese. The Vietnamese, as in their past history, had shown a remarkable resilience to be free of Chinese domination. Even while in receipt of Chinese aid in the struggle against the Americans in South Vietnam, they continued to retain this tenacity for their autonomy. The Vietnamese too have shown concern over possible domination by China while retaining their own wider national interests of encompassing the other Indochinese states and perhaps (as a long-term objective) other states in continental Southeast Asia. Yet the more immediate problems facing the Vietnamese include the pacification campaign in South Vietnam even though the Americans had already departed, the introduction of a Socialist program, and postwar rehabilitation. The Soviet Union looked upon the current situation facing the Vietnamese as an opportunity to establish its influence in the absence of any notable success to its response in other Southeast Asian states. The close proximity of Vietnam to China would also be ideal in diverting much of China’s military resources from the Sino-Soviet border so as to protect this vulnerable southern front. Vietnam too with its excellent port and other facilities would enable the Soviet Union to find a temporary solution to its search for a string of bases and other supporting facilities for its naval forces, while the use of such ports would allow the Soviet navy to play a more active and extensive presence in the Pacific.

In that sense, a mutuality of interests drew both Vietnam and the U.S.S.R. together. This mutuality was strengthened though not necessarily dependent on ideological underpinnings. The withdrawal syndrome experienced by the Americans, especially during the Carter administration, merely gave the Soviet Union added impetus, and the latter required even less encouragement to strengthen its presence in Southeast Asia.

It is thus possible to argue that the years of the Carter administration did incalculable damage by enabling the Soviet Union to assume a more important role in Southeast Asia through default by the Americans. The main factor that had prevented the Soviets from having further success was, ironically, largely due to the initiative of the indigenous states that formed ASEAN.

However, the enlarged Soviet presence in Vietnam should not be construed as complete concurrence by these two nations in the pursuit of common objectives. It is true that there was overlap in some of the national interests of these two countries—such as fear of China—but there were areas of incompatibility in aims and designs. The Vietnamese were keen to pursue the Indochina federation concept and to assume leadership status. The Soviet Union too would like to increase its influence over Kampuchea and Laos and even offered military hardware and training, thus

depriving Vietnam of the sole credit for bringing salvation to these two other Indochinese states. It is likely that there could be conflicts of interests over Vietnam's policies, and there is no denying that the Soviet Union would also want to have an important role in influencing, if not dictating, the policy options for the Vietnamese.

For the moment, it would seem that a conspiracy of events has held Vietnam and the Soviet Union together. The attitudes and policies of the Pol Pot regime in Kampuchea, which led to the implanting of the Heng Samrin regime with Vietnamese military assistance, would mean considerable diversion of military and economic resources by Vietnam, resources that would otherwise be used for its own postwar reconstruction. Indeed, by 1978 the Soviets had not only admitted Vietnam as a full member of the Council for Mutual Economic Assistance (COMECON) but had also concluded a Treaty of Friendship and Cooperation. This latter treaty *inter alia* provides some form of military assurance to the Vietnamese, for under Article 6 of that treaty it was stipulated that "in case one of the parties becomes the object of attack or threats of attack, the High Contracting Parties will immediately begin mutual consultations for the purpose of removing that threat and taking appropriate effective measures to ensure the peace and security of their countries." The Soviet Union has also been providing economic assistance, and this feature has to be carried on albeit reluctantly if the Soviet presence in Vietnam is to retain further credibility. Indeed, the punitive attack on the Vietnamese border by China demonstrated a partial failure by the Soviet Union to respond, however limited the scale of the punitive action had been. With the enlarged territorial venture by the Vietnamese, not only would Vietnamese intentions be scrutinized with more care by other countries, especially ASEAN, but so would those of the Soviet Union.

It is possible to postulate the implications of the larger involvement by Vietnam in Indochina and their consequences on the Soviet presence in Southeast Asia. The first implication, and one which the Soviet would like to avoid if possible, is the growing polarization between the Soviet Union and Southeast Asian states. The Soviets, unlike the Organization for Economic Cooperation and Development (OECD) countries, are not major trading partners of ASEAN, either in goods or in technology transfer. The reciprocity of the relationship between ASEAN and OECD has been stronger and is likely to become even more strengthened in view of the continuing economic links and generally high growth rates of the ASEAN economies. The Soviet Union is likely to exercise even less leverage in the economic field than what it has been able to do.

Second, the close identification of the Soviets with the Vietnamese view is not reassuring to the other countries. Indeed, it is hard to separate these two parties while the Soviets have had to continue support of the Vietnamese stand and to lobby for international recognition of the Heng Samrin regime in Kampuchea. In a sense, the Soviets could gain more setbacks diplomatically while the by-product of the Kampuchean invasion—such as the refugee problem—does not help to augment Soviet intentions in Southeast Asia. Indeed, the Kampuchean crisis has drawn more unfavorable attention toward the Soviets while existing links between the Soviet Union and the ASEAN countries are likely to remain at a low ebb for quite a long period of time.

Next, the Soviets have found themselves caught in an unenviable position of having continually to bail out the Vietnamese by ensuring that there will be sufficient funds for economic growth or development. Thus, although one cannot but agree with Michael Leifer that the 1978 Treaty of Friendship and Cooperation between the Soviet Union and Vietnam indicates the willingness and ability of the government in Moscow to make a decisive political choice, it remains to be seen whether the Soviet Union will continue to underwrite what may be a costly and not necessarily cost-benefit exercise in Indochina. The Soviet Union was reported to have supplied 90,000 tons of military equipment as part of the economic, technical, and military program in the first half of 1979 (that is, after the overthrow of Pol Pot by Heng Samrin). It also wrote off the debts incurred by Vietnam before August 1975 and its Second Five-Year Plan (1976-1980); it also provided hard currency and project aid amounting to \$2.5 billion. The question—to what extent can the Soviet Union continue to bail out the Vietnamese for a venture which has led to undesirable diplomatic consequences as well as having an undesirable image of abetting aggression—is not necessarily a moot one since it will be continually raised whether at the United Nations or at regional meetings. In a sense, with the Treaty of Friendship and Cooperation the Soviet Union could find itself in a less than favorable position in expanding its influence in other parts of Southeast Asia while at the same time being stuck with what could become a liability. In any case, there is no assurance that the Vietnamese, with their fierce sense of autonomy and independence in outlook, will be willing to toe the Soviet line indefinitely. Indeed, a question which might be worth exploring is whether the Soviets' being a co-signatory of the Treaty of Friendship and Cooperation was grounded on miscalculations and false premises. Certainly, that treaty would not be accepted by other non-Communist Southeast Asian states (notably ASEAN), and neither would it be regarded with assurance by the latter. Indeed, a friendship treaty with Vietnam would have the reverse impact on the ASEAN countries, and Soviet intentions would come even under greater scrutiny.

### **Possible Policy Choices in the Eighties and the Effects on Southeast Asia**

The Soviets' presence in the Southeast Asian region has been handicapped from the beginning. Strong economic links with this region are hardly existent, and even on ideological grounds, the Soviets have had little success in cultivating the loyalties of insurgent or revolutionary groups. The U.S.S.R. is also regarded more as a Eurocentric nation than as an Asian major power, and whatever psychological advantages came along with this Asian image could not be exploited with the same intensity as that by China or Japan. From these factors, however, one should not construe that the Soviet Union will keep a low profile in Southeast Asia.

Southeast Asia is regarded as a region of strategic interest to the U.S.S.R. by virtue of its superpower status, its growing naval capabilities, and its calculations of the power balance in the region. Any successful control over the Southeast Asian region would reap untold dividends for the Soviet Union, such as inordinate influence over Japan by virtue of the control of the Strait of Malacca, the ability to preempt any subsequent attempt by China to influence the region, and a greatly enlarged role for its navy in both the Indian and Pacific oceans.

A question which may be posed is whether Soviet policies vis-à-vis Vietnam could have been the result of miscalculations or acts of sheer desperation as a result of poor responses by other Southeast Asian states to its policy proposal for collective security. Certainly, the Soviets are noted for their stamina, if not necessarily their maturity, in continuing to push for an expansion of their influence in Southeast Asia. The Soviet Union could have been disillusioned by the less than enthusiastic response to the China containment policy by Southeast Asian states, even though many states, including some in ASEAN, have regarded China as a long-term security threat to the region. In a sense, the team-up with Vietnam was part of an attempt to demonstrate its ability to support a “friendly” country and the possible benefits of such a liaison in terms of support at the international level and in economic and technical assistance.

It is possible to argue that what has upset the Soviet calculation is largely the response of the ASEAN states especially in the aftermath of the Vietnamese invasion of Kampuchea. The ASEAN states had little love for Pol Pot, but the Vietnamese action cast serious doubts on the latter’s sincerity for mutual co-existence when the Soviet Union, as the main backer, would invariably receive the brunt of the benefits. By supporting Vietnam, the Soviet Union is also cast in the invidious role of having to go against the ASEAN states and, in the process, to have even less influence over these states’ policymaking.

It seems that there has been a setback for the Soviet Union when it began its big leap forward in cementing relations with Vietnam. Its incursion into Afghanistan has counteracted the peaceful image that it hoped to project, the latter issue having been further complicated by the religious issue as well. Yet if history is any guide, there can be no doubt that the Soviet Union is likely to remain just as persistent. Its naval vessels, including the *Minsk*, have increased their presence in the Strait of Malacca. At that same time, it will continue to resort to a whole range of measures to influence the non-Communist Southeast Asian states. The recent expulsion of KGB agents from Malaysia is not the first nor will it be the last of such experiences at subversion.

What is perhaps crucial for Southeast Asia and for ASEAN in particular is to strengthen this regional organization and to continue its momentum in economic growth. With the unstable situation in Indochina, ASEAN has been given a longer lead time to consolidate itself. Although there is no doubt that ASEAN has progressed a long way since it was first set up, the internal mechanisms for cooperation should be strengthened. ASEAN is an organization whose solidarity is best seen in the face of external adversities, examples of which could include the fall of Kampuchea and South Vietnam to the pro-Communists forces in 1975, the protectionist sentiments by its external trading partners, and the ensuing events following the invasion of Kampuchea. While there can be no shortage of such external crises to keep ASEAN together, the importance of developing those mechanisms for intraregional consolidation should remain uppermost. The mutuality of interests has to be strengthened, while cooperation should go beyond political consultation, cultural exchanges, and minor economic and trading concessions as currently practiced. After all, it is possible to look at ASEAN as an alternative to the big power involvement in

the region; Southeast Asia, we can hope, can remain a region in which the indigenous states determine regional issues and outcomes.

Of more immediate concern, however, is the issue of Kampuchea. ASEAN has been instrumental in preventing the situation in Kampuchea from becoming a *fait accompli*. The successful lobbying by ASEAN has kept the Heng Samrin regime from gaining legitimate status in the United Nations. But what is of greater urgency is the issue of finding an alternative and viable government. The Singapore Communiqué signed by the three Kampuchean resistance groups does not signify the achievement of consensus, especially when each of the three groups has its respective interests. On the other hand, it is essential that pressure be exerted by ASEAN on the Khmer Rouge to be more amenable to its other two partners instead of trying to harp on the argument that it is the legitimate government as recognized by the world community and that the other two resistance groups should be junior partners. If the Khmer Rouge continues to insist on such a stand (even though its legitimacy is largely attributed to ASEAN's spadework), then the coalition government could collapse and with it any hope of ensuring a viable alternative to the Heng Samrin regime. Should such a development happen, then the Soviet influence in the region would increase enormously, and whatever technical and other assistance it has poured into Indochina would not be a futile exercise. Such a development could also adversely affect the solidarity displayed by ASEAN and could further embroil the region in big power conflicts.

The role of the United States is the second most important factor that could determine Soviet designs in this region. Can the United States show the fortitude and the resolution to maintain its presence in this region? The Carter administration certainly showed the extent to which it could vacillate and lose world leadership through default. While there is much to say on the merits of human rights, the basic ingredient of international relations among major powers, namely, power, should never be obscured. A determined U.S. presence in this region has many important by-products, including a lesser desire by China to try to fill part of the "vacuum" and the feeling of continued assurance given to the non-Communist states in the region. The U.S. presence in this region should not be regarded as a charitable act on its part to help the more helpless lot from being enveloped by pro-Communist regimes. ASEAN encompasses a region of tremendous potential and growth, and the relationship between ASEAN and the United States (and, for that matter, the OECD countries) would be mutually beneficial. Maintaining a presence in Southeast Asia, far from escalating big power rivalries, would have a salutary effect by further restricting the options available to the Soviet Union for expansion. For even if the latter were to decide on the use of military force, the costs would be too prohibitive for such an option to be pursued.

## **Conclusion**

The threat to the ASEAN countries has usually been attributed to domestic sources. Insurgencies, fed by ideological or other primordial causes, have been identified as the major factor affecting the domestic stability of the ASEAN states.

While there is considerable merit in such an observation, the solution lies more in a long-range program of economic progress. It is possible that some of these rebel groups could be assiduously cultivated by outside powers, including the Soviet Union, but in terms of public sympathy their support has been largely confined to a much smaller group of the population. Most of the people in the ASEAN countries have consistently supported the existing governments and the types of political systems as currently practiced. These are important indicators of resilience against possible subversion by powers such as the Soviet Union.

On the other hand, although the U.S. presence is welcomed as a means to restrict the malevolent intentions of the Soviet Union or its proxies, the ASEAN states will have to upgrade their defense capabilities. The current efforts by ASEAN states to go for offensive and long-range aircraft such as the F-5Es (and not rely almost exclusively on short-range counterinsurgency air power) are note-worthy, for they indicate that the strategic thinking of the ASEAN leaders has changed in emphasis to take into account external threats and not just those of an insurgency nature. This changed thinking could also mean that the ASEAN countries are feeling the need to participate more actively in shaping and influencing the pattern of regional politics in Southeast Asia, instead of remaining as hapless, dependent spectators.

# 19. The Soviet Dilemma in East Asia

Donald S. Zagoria

## Introduction

As the 1980s began, a new cold war between the Soviet Union and the West, supported by China, was looming on the horizon. Although the Western powers disagreed on how to meet the Soviet challenge, there was a growing consensus on the global nature of that challenge.

1. The Soviet Union is a power with global ambitions. Soviet Foreign Minister Andrei Gromyko has stated that no problem in the world can be resolved without Soviet participation, a statement that indicates that Moscow has a rather broad conception of its own security concerns. Soviet military power has grown substantially in the past fifteen years, and the Soviet Union is now perceived by many nations to be at least the equal of the United States and perhaps stronger in certain categories of military power. The Soviets have signed friendship treaties with a dozen or so countries in Asia, Africa, and the Middle East, all of which imply a considerable degree of commitment to the security of those far-flung countries.

2. Soviet ambitions are still on the rise. In many regions of the world, including the Asia-Pacific region, the Soviets believe that the existing balance of power is unfavorable to them, and they are determined to increase their own influence and power in those regions.

3. During the past decade, the Soviets have increasingly resorted to armed force in order to spread their power and influence. Since 1975, seven pro-Soviet Communist parties have seized power or territory in Africa and Asia with armed force. (The countries concerned are South Vietnam, Laos, Angola, Ethiopia, Afghanistan, South Yemen, and Kampuchea.) Although the events leading up to Communist victories in each of these cases were complex, involved a variety of indigenous forces, and certainly cannot be attributed only to Soviet manipulation, the Soviets were active players in each instance. They were not simple bystanders. Moreover, when indigenous anti-Communist forces threatened Communist rule in Afghanistan in 1979, the Soviets invaded that country in order to crush the rebellion. Finally, in the winter of 1981, the Soviets encouraged the Polish military to launch a repression of the Polish workers' organization; this led to the crushing of the popular, grass-roots movement that was challenging the dominant role in Poland of the Polish Communist party. It was this disturbing pattern of Soviet behavior that

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contributed to the breakdown of détente and to the emergence of a loose coalition between the United States, Western Europe, Japan, and China, a coalition that has as its major goal the containment of further Soviet expansion by military means.

4. The Soviet Union has an imbalance of foreign policy resources. The attractiveness of its ideology to other parties and states is receding as the structural weaknesses of Communist systems become increasingly apparent. Because the Soviet Union has only limited trade with a few select countries, its economic influence in the world economy is small. Culturally, too, the Soviets are handicapped. In Europe, they are regarded as semi-Asiatics; in Asia, they are regarded as European interlopers. Thus, the most important “card” that the Soviets possess for expanding their power is the military card—the shipment of weapons, advisers, and even Cuban combat troops to intervene in local conflicts.

5. Although determined to expand their power throughout the world, the Soviets continue, at least under Brezhnev’s rule, to be low-risk, cautious expansionists. They are not “high rollers” comparable with Hitler’s Germany. Their preferred pattern of expansion is to exploit internal instability in the Third World civil wars, regional conflicts, etc., rather than to intervene directly with their own military forces. By inserting themselves into local conflicts, often with heavy shipments of arms supplies, advisers, and offers of “friendship treaties,” the Soviets have succeeded in establishing considerable influence in many of the troubled regions of the Third World.

In sum, the Soviets intend to try to convert their growing military power into greater political influence throughout the world. As one of two superpowers, the Soviets have a sense of “entitlement” to a greater role in world affairs, and they are determined to bring that power to bear in all the regions of the world. Moreover, so long as the Third World remains unstable, the Soviets will be able to exploit a variety of opportunities that arise there to change existing regional balances of power in their favor.

In the Asia-Pacific region, the Soviets have a variety of incentives for wanting to increase their power and influence. First, the United States, Moscow’s principal adversary, has a powerful coalition of allies and friends in East Asia, a coalition stretching from Japan to Australia. The Soviets seek to counter that American alliance system and to develop a countercoalition of states friendly to them. Second, Moscow seeks to isolate and to encircle China in an effort to keep it weak. Should China become a great power, the Soviets know that, in the long run, it will almost certainly become Moscow’s most dangerous adversary. The Soviets do not fear China itself, at least not in the near future. What they fear is an industrialized China, armed by the West, and increasingly tied into the West. Third, particularly now that Japan has overtaken the Soviet Union economically as the second largest industrial power in the world, the Soviets are determined to discourage Japan from becoming a large military power, and they are anxious to cut Japanese-American military ties as well as to obstruct the further growth of Japanese-Chinese relations. In Southeast Asia, the Soviets are out to consolidate their ties to the new group of Indochinese Communist states—Vietnam, Laos, and Kampuchea—to weaken American and

Chinese influence among ASEAN countries, and to prevent ASEAN from joining an anti-Soviet Pacific coalition.

Finally, the Soviets are intent upon increasing their naval and maritime power in the key waterways of East and West Asia—the Western Pacific, the South China Sea, and the Indian Ocean. They have been steadily increasing the size of their Pacific Fleet for many years, and now that that fleet has regular access to Vietnamese ports, Moscow's ability to project its naval power throughout Asian waters will be greatly enhanced.

The Soviets not only have powerful incentives for expanding their power in Asia; regional conflicts often provide opportunities for the Soviets to insert themselves into a position of influence. By supporting India against Pakistan and Vietnam against China, the Soviets expanded their influence in both South and Southeast Asia. By supporting Ethiopia against Somalia and South Yemen against North Yemen, the Soviets increased their position in the Indian Ocean. By supporting Syria and other "rejectionist" Arab states against Israel, the Soviets have established a strong position in the Middle East.

Thus, the Soviets have both strong incentives and frequent opportunities for expanding their power in the Third World, and they now have a great variety of military means at their disposal to help accomplish that goal. One of the main questions I wish to address in this chapter is: what are the prospects for further Soviet expansion in Asia, particularly in the Asia-Pacific region?

### **The New Equilibrium in East Asia**

As the world enters the 1980s, and only five years after the fall of Saigon, East Asia is distinguished from many other developing regions of the world by a relatively stable, pro-Western balance of power. Most of the region, with the exception of Vietnam, Laos, and Kampuchea, is tied into a Western alliance system in one way or another. Japan is a firm and increasingly cooperative U.S. ally. The Japanese have increased their financial support for the maintenance of U.S. troops in Japan, participated for the first time in joint naval exercises with the U.S. and Australian fleets, and begun to engage in joint planning with U.S. military forces. The U.S.-Japan Mutual Security Treaty, which in earlier years was a subject of considerable acrimony in Japan, is now more broadly accepted by Japanese public opinion than at any time in the past three decades. China has entered into a new strategic and economic relationship with the United States and become a quasi-ally of the West—mainly out of fear of Soviet expansion.

American relations with its South Korean ally, shaken by the Carter administration's misguided decision to withdraw U.S. combat troops from South Korea, have been restored by the Reagan administration. Taiwan has weathered the withdrawal of U.S. recognition and is domestically more stable and militarily safer than at any time before the U.S. recognition of China.

In Southeast Asia, the Philippines provides the United States with key air and naval bases; Thailand is tied to the United States by the Manila Pact; Malaysia and Singapore are both members of a Five-Power Pact, which includes Great Britain,

New Zealand, and Australia. All the ASEAN countries, including Indonesia, rely on the United States or other Western countries for their arms supplies. Finally, Australia and New Zealand are tied to the United States by the ANZUS treaty.

Ideologically, too, pro-Soviet, Marxist forces in East Asia are increasingly on the defensive. The strength of indigenous Communist and Marxist forces in East Asia is considerably less today than at any time since the end of World War II. The Japanese Socialist party suffered a substantial decline in popular votes throughout most of the 1970s. Following the death of Mao Zedong, the new Chinese leaders have adopted a bold new pragmatic course of economic development that includes many "capitalist" devices for stimulating production, and they themselves have called into question the viability of the Soviet model of development. In Indonesia, Thailand, and Malaysia, where a decade or two ago Communist parties were serious contenders for power, they are no longer so.

This relatively stable, pro-Western strategic environment in East Asia explains why the Soviet Union, despite its considerable build-up of naval and air power in the Pacific, has not yet been able to translate its military power into political influence in East Asia as it has done in more unstable regions of the world. And it explains too why the United States is more satisfied with the situation in East Asia than in many other regions of the world.

In what follows, I want to ask two important questions: what factors are at the root of this pro-Western, strategic setting? and what are the prospects for a Soviet "comeback" in Asia?

The main ingredients of the favorable strategic setting in East Asia are: (1) the new cold war among the Communist states, (2) China's dramatic turn to the West, (3) the gradual reassertion of Japan, (4) the end of the period of American "drift," (5) the development of ASEAN, (6) the Korean stand-off, and (7) the dynamic economic growth in the region that could lead to a new Pacific-Asian trading community.

### *The New Cold War Among Communist States*

In Asia today, with the sole exception of the Korean peninsula, which still remains divided along East-West lines, the most serious and bitter confrontations are those between contiguous Communist states—the U.S.S.R. against China, China against Vietnam, and Vietnam against Communist insurgents supported by China in Kampuchea. All the Asian Communist states (including the U.S.S.R, two-thirds of whose territory lies in Asia) are finding that their most active and dangerous adversaries are not far-away Western powers but neighboring Communist states with whom they share disputed and heavily armed borders and a historical record of conflict going back several centuries—a record undiminished by a supposedly common ideology. Thus, in Asia, geography has proven to be a more constant element in international relations than ideology.

Moreover, these East-East conflicts are not mere transient elements in the international relations of East Asia. They are likely to last throughout the 1980s and even further into the future. They have deep historical roots. Indeed, viewed in

historical perspectives, rather than through the prism of the cold war, what is happening now can be explained more easily. Asia is entering a postcolonial period in which historic power rivalries that were temporarily diminished by the common struggle against colonialism are being revived. In the colonial period, indigenous communism, nationalism, and Soviet imperialism were often allied for the specific purpose of ejecting the West from Asia. But the end of Western colonialism and the retreat of American power from Asia following the U.S. defeat in Vietnam have demonstrated that this anticolonial alliance was ephemeral. The U.S.S.R. and China, brought together initially by a common threat from the United States, as well as by ideology, have returned to a historical geopolitical rivalry that began in the seventeenth century when tsarist Russia began its eastward expansion at the expense of the Manchu empire. And both Vietnam and China and Vietnam and Kampuchea have resumed ethnic and geopolitical rivalries that go back nine or ten centuries, long before the arrival of the West.

Paradoxically, Communist ideology will feed these national rivalries because, for all its internationalist pretensions, communism has turned out to be one of the most nationalistic of all modern ideologies. Indeed, red nationalism is even more intense, more xenophobic than the common, garden varieties of nationalism found everywhere.

The combination of East-West and East-East conflicts in Asia means that all three Communist states are now encircled by a combination of old and new adversaries. The U.S.S.R. is surrounded by NATO on the west and China, Japan, and the United States on the east. China is surrounded by the U.S.S.R. on the north and the U.S.S.R.'s new ally, Vietnam, on the South. Vietnam is surrounded by China on the north and ASEAN, supported by the United States and Japan, on its east and west. This is a strategic nightmare that all three Communist states want to overcome.

For the non-Communist states of the region, however, this new situation provides an enormous strategic benefit. None of the Communist states will be able to apply excessive pressure on any of the non-Communist states, and they may even be forced into accommodation with them. The U.S.S.R. and China, for example, are both wooing ASEAN. Moreover, to the extent that the Communist states of Asia fear each other more than they fear the West, each of them will prefer a Western presence in key strategic areas of Asia to the presence of a Communist adversary. China, for example, has already asserted its interest in a continuing U.S.-Japanese alliance. Both the U.S.S.R. and China would also undoubtedly prefer the continuation of the American presence in South Korea to the presence of each other. Furthermore, both the U.S.S.R. and China will now be ambivalent about the advance of communism in Asia. The victory of indigenous Communist parties in Thailand, Malaysia, or the Philippines is no longer clearly in the Soviet or the Chinese interest. It now depends on which side of the Sino-Soviet conflict that indigenous Communist movement is likely to position itself. Both Moscow and Beijing, for example, would almost certainly prefer a conservative, but friendly, government in Thailand to a hostile Communist government.

Provided these internecine Communist conflicts can be contained and do not erupt into a wider conflagration, the new East-East conflict should thus contribute

to a new balance of power in East Asia that is more favorable to the West and more stable than anyone could have imagined in the mid-1970s.

### *China's Turn to the West*

The second recent trend in Asia that contributes to the new equilibrium of power in that region is the stunning transformation in Chinese domestic and foreign policy since the death of Mao Zedong. Since 1976, there have been a series of Chinese actions that, taken together, constitute a revolution in the global strategic chessboard. Let me briefly list them.

1. China has established full diplomatic relations with the United States and has called upon the United States to play a much stronger and more active role in containing Soviet power and influence.

2. China has signed a peace treaty with Japan and urged the Japanese to strengthen their security ties with the United States.

3. China has announced its support for NATO and has increased its contacts with that Western defense alliance.

4. China has given its support to ASEAN against Vietnam and has taken military action against Vietnam, a country that it accuses of having become a Soviet puppet.

5. Chinese leaders have visited Rumania and Yugoslavia in an effort to support those countries' independence from Moscow.

6. China has stepped up its efforts in the Third World to encourage resistance to Soviet expansion. During the Shaba crisis of 1978, for example, the Chinese foreign minister flew to Kinshasa to demonstrate Chinese support for General Mobutu's government against the Cuban-trained invaders from Angola.

7. Perhaps most significantly of all, China has formulated plans for an enormous program of modernization that will involve a huge influx of Western technology, credit, and trade. China has also joined the International Monetary Fund and the World Bank. Thus, China's economy is increasingly linked to the West.

In sum, because of its overriding interests in containing Soviet power and in building a modern economy, China has discovered many parallel interests with the West. Although a limited accommodation between China and the Soviet Union cannot be ruled out sometime in the 1980s, it is difficult to imagine any fundamental change in the situation—one that would remove the worst fears of each side about the other—and there are formidable obstacles to even a limited *détente*.

The strategic implications of this Sino-Western partnership would be difficult to exaggerate. China, along with the United States and Japan, now represents a massive barrier to the further expansion of Soviet and Vietnamese influence in East Asia.

### *The Cautious Reassertion of Japan*

In recent years, the outside world has voiced two apparently contradictory fears about the future role of Japan in international relations. On the one hand, the Soviets and some Asians warn that Japan is bound to attempt to convert its newly acquired great economic strength into military power and that this will destabilize Asia.

On the other hand, there are repeated charges in the United States and within Japan itself that Japan has no foreign or defense policy and that Japan continues to behave according to an outmoded notion of pacifism borne out of the traumas associated with Nagasaki and Hiroshima.

I do not believe that either the image of Japanese remilitarization or the image of Japanese passivity is accurate. On the contrary, the preponderance of evidence suggests that Japan is cautiously moving to find a role for itself in the world. There is a new defense dialogue going on within Japan and an increasing willingness on the part of the Japanese press and of high-ranking Japanese bureaucrats and politicians to discuss Japanese security problems. Although Japan's defense budget is still relatively low in terms of GNP ratios, it is, in absolute terms, the eighth largest defense budget in the world, and by the late 1980s Japan could have the fourth or fifth largest defense budget in the world.

The Japanese are also moving into more active security cooperation with the United States. There is declining opposition among all the Japanese political parties to the U.S.-Japan Mutual Security Treaty, and a joint U.S.-Japan Consultative Committee has for the first time laid down guidelines for defense cooperation and joint planning. The Japanese have also for the first time allocated several hundred million dollars to help defray the cost of U.S. troops stationed in Japan. More recently, the Japanese have for the first time participated in joint naval exercises with the U.S. and Australian fleets.

At the same time, the Japanese have, against vehement Soviet opposition, signed a peace treaty with China, greatly increased their economic and political contacts with the Chinese, and taken a strong line against the continued Soviet occupation and militarization of the four Kurile islands, which have been in dispute between the two countries since the end of World War II. Following the Soviet invasion of Afghanistan and the Vietnamese invasion of Kampuchea, the Japanese imposed rather stiff sanctions on both the Soviets and the Vietnamese.

In Southeast Asia, the Japanese have greatly expanded their economic and political ties to ASEAN. Japan is now the first or second largest investor and trade partner of each of the non-Communist countries in the region. Japan has established regular ministerial contacts with the ASEAN governments, and it has greatly expanded cultural exchange programs in the entire region.

Although Japanese-South Korean relations have had some bumpy periods during the past decade and despite the fact that the Koreans have an ambivalent feeling about their former colonial masters, the long-term trend on the Korean peninsula is toward a substantial improvement in relations between the two countries.

Finally, the Japanese are also beginning to play a key role in economic diplomacy. They have greatly expanded their economic assistance to Pakistan, Thailand, and Turkey, three countries of vital importance to the West.

In sum, the trend is neither toward mindless militarism nor toward an abnegation of Japanese responsibility. Japan is treading an extremely cautious but purposeful path in the world arena, and in the decade ahead it is likely to begin to define a more comprehensive role for itself in Asia. Fears about Japanese militarism

are misplaced. But a somewhat more assertive Japan is likely to be an additional force for stability in Asia for a variety of reasons.

First, Japanese defense expenditures and security arrangements are oriented now and for the foreseeable future to the defense of the home islands. It is extremely unlikely that the Japanese will develop an offensive military capability, including nuclear weapons, unless there is a radical shift in the existing Asian balance of power.

Second, although Japan's security will continue to be served by an alliance with the United States, its interests will not be served by gratuitously provoking the Soviet Union. Over the long run, Japan may even have an increased interest in helping Russia to develop Siberia in an effort to gain access to Siberian energy resources. By balancing its trade and investment between China and the U.S.S.R. and by using economic leverage, Japan may hope to extract the maximum political, strategic, and economic benefit.

Finally, Japan's interests as a great but vulnerable economic power—highly dependent on importing energy and raw materials—require it to wield its influence in the direction of strengthening the existing economic and political system in the region rather than in undermining it. Only if the present international system proves hostile to Japan's economic interests, or if the Japanese feel themselves much more threatened than they do at present, will Japan become an anti-status quo power.

### *The End of American "Drift"*

Following the U.S. defeat in Vietnam and the Carter administration's proposals to withdraw American combat troops from South Korea, American credibility in East Asia fell to a new low. Throughout the region, Asian leaders began to question the reliability of their American friends and allies and to search for new ways to safeguard their security.

Although these fears have not yet been completely allayed, the period of U.S. drift in East Asia now appears to be coming to an end. After the Reagan administration took over, a new U.S. build-up in the Indian Ocean got under way, there were plans for expansion of the hard-pressed U.S. navy, and the new administration canceled the U.S. withdrawal from South Korea. At the same time, the new administration stepped up military and economic assistance to key Asian allies such as Thailand and Pakistan.

### *The Success of ASEAN*

Another important factor in the stability of East Asia is the extraordinary development of ASEAN, the first successful regional organization in the history of Southeast Asia. The five ASEAN countries—Indonesia, the Philippines, Singapore, Malaysia, and Thailand—have adopted a common front against the Vietnamese invasion of Kampuchea and have played a key role in the United Nations and other world forums in keeping this issue at the forefront of world attention. As a result of common concern over Communist subversion in the region, the ASEAN countries have also taken cooperative steps to counter such threats. The five have also adopted a common front in such international agencies as UNCTAD (U.N. Conference on

Trade and Development) and GATT (General Agreement on Trade and Tariffs); they have developed joint strategies to deal with the industrial countries; and they have taken cooperative steps to defuse territorial disputes and to discourage the growth of secessionist movements within their borders.

At a Bali Summit in 1976, the heads of state of the five countries signed the ASEAN Concord and the Treaty of Amity and Cooperation. The treaty is the first binding agreement among Southeast Asian countries. It covers current problems and anticipates future contingencies. The member nations agreed to set up the machinery for settling disputes.

Since the Bali Summit, the five ASEAN countries have held annual foreign ministers meetings, and there have been frequent bilateral exchanges of visits between heads of state. In the military-security area, although ASEAN refrains from calling itself a military alliance, there is growing arms standardization and frequent bilateral and trilateral security cooperation.

Underlying ASEAN's concern for regional unity is the realization that regional tensions facilitate exploitation by external powers. Since the fall of Saigon, the ASEAN countries are increasingly aware that they must sink or swim collectively and that if they want to keep predatory external powers out, they must achieve some degree of regional cooperation.

### *The Korean Stand-off*

Although the heavily armed border between North and South Korea remains one of the potential flash points in Asia, there are substantial reasons to believe that the precarious peace on the Korean peninsula which has lasted since 1953 will remain.

Perhaps the principal key to peace on the Korean peninsula remains the presence of U.S. forces in South Korea and the continuation of U.S. commitment to defend South Korea against any attack from Pyongyang. So long as this commitment remains firm and credible, neither Pyongyang nor Moscow is likely to risk stirring the pot in Korea.

Under present circumstances, both Moscow and Beijing have compelling reasons to avoid a new Korean war. The Soviets, for their part, could not afford to let North Korea win or lose such a war. A North Korean loss in a new Korean war would have profound political and psychological consequences on the Soviet Union's other allies and treaty partners. But there could be no North Korean victory over South Korea without Moscow running the risk of a Soviet-American military confrontation. Moreover, even if North Korea could somehow come to dominate South Korea, a unified Communist Korea might eventually gravitate toward China and severely complicate security problems on Moscow's southern flank. At the very least, if Korea were to be unified by the North, Soviet leverage on North Korea would be greatly reduced. Thus, there are no compelling reasons for Moscow to support North Korean efforts to unify all of Korea, much less to risk a war in the process.

The Chinese have equally compelling reasons to avoid a new Korean war. So long as Beijing is preoccupied with the threat from the U.S.S.R. and Vietnam, it has no desire to involve itself in a war with the United States in Korea. On the contrary,

Beijing's best interests are best served by a gradual rapprochement between North and South Korea and between North Korea and the West.

### *Economic Dynamism*

Yet another element that contributes to a new equilibrium in East Asia is the extraordinary rate of economic growth in the region. To be sure, rapid economic growth can have destabilizing consequences—as recent events in Iran demonstrate—and, at the very least, this growth will pose new problems to all the countries of the region. Still, properly managed and distributed in a reasonably equitable manner, rapid economic growth also contributes to stability.

The non-Communist East Asian countries have the fastest growing economies in the world, and they are likely to remain so during the 1980s. Japan is by all odds the most successful of the industrial democracies. It has overcome two oil crises, dealt with stagflation, increased labor productivity, and resumed a 5 to 6 percent annual rate of growth. By the late 1970s, Japan overtook the Soviet Union as the world's second largest industrial power, and sometime in the mid-1980s, it is likely to overtake the United States in per capita income. South Korea, Singapore, Taiwan, and Hong Kong—the so-called “gang of four”— have averaged close to 10 percent increases in GNP during the past fifteen years, and the ASEAN countries have not been far behind. All of the developing East Asian countries are well on the road toward industrialization and much higher living standards. One recent visitor to the region, an economist, concluded that most of the region will attain present Japanese and European living standards by the end of the lifetimes of most Asians being born today. This means that by the year 2000, the biggest upsurge in production and living standards that the world has yet seen will take place in this region.

One of the most important consequences of this rapid growth is that the countries in the region are beginning to develop a sense of regional community and shared interest. Already the United States trades more with the Pacific than with any other part of the world including Western Europe, and U.S. trade with ASEAN is growing faster than U.S. trade with most other parts of the world. Trade ties are also growing between Canada and the Pacific, between Australia and ASEAN, between South Korea and ASEAN, etc. As China industrializes, it, too, is bound to increase its trade with other Pacific countries. Already in the past few years Chinese trade with both the United States and Japan has increased by substantial amounts. It is this development that lurks behind much of the recent talk about the need for a Pacific Community. Precisely what form such a community is likely to take in the decade ahead remains unclear. But there is little doubt but that such an organization is likely to emerge sometime in the 1980s.

Taking all of the above factors into account, one can reasonably conclude that, to a far greater degree than in other Third World areas, the Soviets are faced in the Asia-Pacific region with countervailing military power, regional cohesion, and socio-economic resilience of a kind that thwarts their ambitions. The combination of these various obstacles to Soviet advance suggests that the Soviet approach in East Asia during the 1980s is more likely to be a holding policy than an ambitious and adventurous effort to spread Soviet power. The main Soviet interests in the region are likely

to remain essentially conservative ones. Moscow's principal goal will be to prevent the emergence of an anti-Soviet coalition in the region.

### **Soviet Policy in Southeast Asia**

Let us now examine Soviet policy in Southeast Asia more closely. For most of the postwar period, Southeast Asia was a backwater for the Soviet Union, a region in which it had little influence and one that did not assume a high priority in Soviet strategic thinking. Since the mid-1970s, however, the Soviets have acquired a greater strategic stake in the region and new opportunities to expand their influence and power. There are several reasons for this.

First, it has become increasingly obvious to the Soviets since Mao's death in 1976 that even a limited *détente* with China is unlikely in the near future. On the contrary, China is turning to the West, and an incipient strategic partnership directed against the Soviet Union may be in the making. For this reason, the Soviets seek now to contain China with even greater urgency than before, and they have found a natural ally in Vietnam because of Vietnam's own burgeoning conflict with China.

Second, Southeast Asia's waterways are assuming growing importance for the rapidly growing Soviet Pacific Fleet. The South China Sea, the Strait of Malacca (claimed as national waters by Malaysia and Indonesia), and the waterways adjacent to Vietnam are all important passageways between the home port of the Soviet Pacific Fleet in Vladivostok and the Indian Ocean. With regular access to Vietnamese naval and air facilities, the Soviets can more effectively project their military power throughout Southeast and Southwest Asia.

Third, the new Soviet alliance with Vietnam provides Moscow with a key client state in the region, one that is already the strongest military power in Southeast Asia and one whose power and influence are certain to grow in the 1980s.

Finally, the decline of American power and prestige in Southeast Asia after the U.S. defeat in Vietnam has created a vacuum of power that the Soviets can aspire to fill, all the more so because China is regarded with suspicion in many parts of the region.

In sum, viewed in terms of Moscow's two most important global objectives—containing China and competing with the United States for worldwide influence and power—Southeast Asia is acquiring new strategic importance.

Moreover, the new Soviet alliance with Vietnam seems likely to flourish, at least in the short run, thus providing the Soviets both with increased stakes and increased opportunities in the region. The Vietnamese share several common interests with Moscow. Vietnam's conflict with China, like that of Moscow, seems deeply rooted. For some years to come, therefore, the Vietnamese will require a Soviet security blanket to protect their newly acquired Indochinese Communist empire against Beijing. Vietnam is also increasingly dependent on Soviet economic and military assistance, and there is little likelihood that dependence will diminish in the years immediately ahead. Finally, like the Soviets, Vietnam would like to reduce U.S. influence in Southeast Asia and particularly to force the United States out of its key air and naval bases in the Philippines. Thus, the Soviets and Vietnamese are coming

closer together because of common concerns about China and the United States, concerns that are not likely to diminish in the near future.

### ***Soviet Regional Objectives and Tactics***

Soviet interests in Southeast Asia can be summarized as follows:

1. to contain Chinese power and influence in the region;
2. to weaken U.S. power and to separate the United States from its allies and friends as part of a continuing effort to shift the global balance of power more in the Soviet favor;
3. to prevent ASEAN from developing into a pro-Western bloc with security ties to the West and/or China;
4. to help consolidate a group of pro-Soviet Communist states in Vietnam, Laos, and Kampuchea and to draw those states into the Soviet orbit; and
5. to gain increased and regular access to air and naval facilities in Vietnam and elsewhere in the region in order to facilitate the projection of Soviet power.

The Soviets pursue these goals in a variety of ways. They are providing considerable economic and military assistance to Vietnam. They are steadily building a powerful Pacific Fleet, which now has access to Vietnamese ports, and they are seeking access to other ports in Southeast Asia (so far without success). They are trying to exploit the widespread fear throughout the region of China and the overseas Chinese. And they are seeking to reinforce doubts among the non-Communist states in the region about American credibility as a security partner.

Over the long run, the Soviets undoubtedly want to break up the Western alliance system in the Pacific. The United States has security treaties with Japan, Australia, and New Zealand; the Manila Pact provides it security links to the Philippines and Thailand; the United States has military bases in Japan and the Philippines; all five ASEAN countries, as well as many others in the Pacific, purchase their arms from the West and have a pro-Western orientation; finally, a Five-Power Defense Pact links New Zealand, Australia, Britain, Singapore, and Malaysia. The Soviets want to break up this pro-Western grouping in the Pacific and to enter the region themselves as a major security guarantor. This is the meaning of the "Asian collective security" concept that the Soviets have been advancing since the late 1960s.

Moscow seeks to achieve its goals in Southeast Asia in a variety of ways, but among the most important is massive military, economic, and political support to Vietnam. This serves a variety of Soviet objectives in the region.

1. By helping Vietnam consolidate an Indochinese empire on China's southern border, Moscow helps complete the encirclement of China.
2. By gaining increased access to military facilities in Vietnam, Moscow demonstrates that it is now a major actor in the region. These facilities provide the Soviets with new opportunities to intervene in Southeast Asia in times of crises. During the Chinese incursion into Vietnam in February 1979, for example, the Soviets deployed ten ships from the Soviet Pacific Fleet to the South and East China Seas, evidently as a warning to China against going too far in Vietnam.

3. Support for Vietnam identifies the Soviets with a state that is by far the strongest military power in the region. When the Soviet Union's own military power in the region is added to that of the Vietnamese, it represents a formidable combination that the Soviets hope to use for political leverage on all the states in the region.

The Soviets seek to achieve their objectives in Southeast Asia in a variety of other ways as well.

1. Quite apart from their relationship with Vietnam, they have steadily built up their military power in East Asia since the 1960s. It is safe to assume that this military build-up will continue steadily from now on and that the Soviets will seek to use it for political gain. For example, as Soviet naval power in the region grows, the Soviets will continue to exert pressures on the ASEAN governments to allow port calls for Soviet combatants. They will argue that if ASEAN were truly nonaligned, as it claims to be, it would allow Moscow the same rights as it allows Washington.

2. In a variety of ways, the Soviets will seek to exploit widespread fear in the region of China and the overseas Chinese. Such a stratagem can be used to some advantage in countries such as Malaysia and Indonesia where Chinese minorities are viewed by much of the population with suspicion and resentment.

3. The Soviets can offer themselves to the ASEAN governments as a great power willing to provide the smaller powers of the region with an "insurance policy" against a China that might one day become too powerful and an America whose leadership has been viewed in the region as unreliable and erratic.

4. The Soviets can selectively encourage radical or opposition groups in some countries in the region which are politically fragile. By selectively encouraging opposition groups in such countries, the Soviets can hope to reap handsome rewards if and when these groups come to power.

In sum, the Soviets have a variety of levers they can use in an effort to insert themselves increasingly into the region as one of the great power "security managers" whose views and interests must be taken into account.

### ***The Obstacles to Soviet Advance in the Region***

There are, however, serious obstacles to the further spread of Soviet influence in Southeast Asia. Much will depend, therefore, on how well the Soviets overcome these obstacles and on how adroitly those who wish to inhibit the further spread of Soviet influence manage their affairs.

The Soviets will have difficult problems in consolidating their relations with the proud and fiercely independent Vietnamese Communists. The Vietnamese leaders fought a thirty-year war against the French and the Americans. They are deeply nationalistic. It is unlikely that they will surrender their independence to the Soviets. If the Kremlin insists on subordinating and dominating Vietnam, as it has in the past insisted on dominating many other of its client states, it is bound to run into trouble. Moreover, the Soviets are not in a strong position, because of their own economic difficulties, to provide Vietnam with the grain and other kinds of assistance that the Vietnamese require to pull their weak economy out of the doldrums. This could complicate future Soviet-Vietnamese relations.

Elsewhere in the region, among the non-Communist states the Soviets have little if anything of a positive kind to offer. Their trade is minimal; their ideology is irrelevant; their cultural impact is nil. By comparison, the West has enormous advantages. The ASEAN countries are conservative, market-oriented, anti-Communist states. Many of them have booming economies, and throughout the region, generally, there is a growing sense of interdependence and common destiny with Japan and the United States. Since the Soviet-supported Vietnamese invasion of Kampuchea and the Soviet invasion of Afghanistan, the ASEAN and ANZUS countries have drawn even closer to the Western powers. There is now a common effort on the part of the United States, China, Japan, ANZUS, and ASEAN to force the Vietnamese to withdraw from Kampuchea and to protect Thailand from any military spillover of the war in Kampuchea. Finally, and equally important, there is an increasingly larger degree of regional cooperation and cohesion that will inhibit the Soviet and Vietnamese efforts to play off the countries against each other and against the United States. In sum, the obstacles in the way of further Soviet advance in the region are many.

### *The Degree of Risk That the Soviets Are Willing to Assume*

In the past, the Soviets have pursued their objectives in Southeast Asia with a considerable degree of prudence. This pattern is likely to continue for a variety of reasons.

First, the Soviets do not want a war with China or the United States or a confrontation with either power that might lead to a major war. This is why the Soviets acted with such great circumspection when the Chinese invaded Vietnam in 1979. And this is probably also why the Soviets have evidently cautioned the Vietnamese against carrying the war in Kampuchea into Thailand.

Second, the Soviets do not want to push too aggressively in Southeast Asia for fear of driving ASEAN into the hands of China and the United States.

The Soviet invasion of Afghanistan and recent developments in Poland may incline the Soviets even more in the direction of prudence in Indochina. At a time when the Soviets are engaged in heavy fighting in Afghanistan and when they are faced with great dangers in Poland, they will not want to stir the pot in Indochina.

Still, the Soviets are increasingly locked into a situation over which they may lose a certain degree of control. If, for example, China were to mount another invasion of Vietnam, as it did in 1979, the Soviets might feel compelled to take military action of some kind in defense of Vietnam. Also, the degree of risk that the Soviets are prepared to take in the region may rise if the Soviets come to believe that their adversaries are coming together in an anti-Soviet coalition.

### *Soviet-Vietnamese Relations*

Since so much of the Soviet stake in Southeast Asia is now tied to Moscow's alliance with Vietnam, let us consider this alliance in more detail.

#### *The Origins of the Soviet-Vietnamese Treaty*

The Soviet treaty with Vietnam was signed in November 1978. The operative clause in the treaty is Article 6, which calls for consultation in case either party is

attacked or threatened with attack. It calls for "appropriate and effective measures" to safeguard the security of the two countries. Press reports indicate that a second secret military protocol was added after the start of the Vietnam-China border war in February 1979, but such a protocol, if it has been signed, has never been made public.

The political and strategic contexts in which the treaty was signed make it evident that both the Vietnamese and the Soviets had anti-Chinese motives in mind when they signed. By November 1978, the Chinese had halted all economic and military assistance to Vietnam and were massing troops on the Vietnamese border. The Vietnamese, in turn, had begun to expel ethnic Chinese from Vietnam and were reinforcing their side of the frontier with China. Perhaps even more important, the Vietnamese had plans underway for an invasion of Kampuchea, then led by Pol Pot and supported by China. Thus, the Vietnamese needed the security treaty with the U.S.S.R. in order to neutralize China. As events turned out, Hanoi made a successful gamble. Vietnam invaded Kampuchea shortly after signing the treaty with the Soviet Union, overthrew the pro-Chinese Pol Pot government, and replaced that government with Kampuchians of its own choosing. Although Beijing subsequently launched a month-long incursion into Vietnam, the Chinese withdrew without shaking Vietnamese control over Kampuchea. Thus, the Vietnamese bet that the Soviets would neutralize China while Hanoi completed its plans to unify all of Indochina was vindicated.

The Soviets, for their part, also had China in mind when they signed the treaty with Vietnam in late 1978. By that time, the Chinese had signed a peace treaty with Japan which contained the famous "antihegemony" clause, and they were moving to normalize relations with the United States, a process which was completed by January 1979. Thus, by late 1978, Moscow was concerned about the emergence of a new anti-Soviet coalition in the Pacific. The Soviets must have viewed their own treaty with Vietnam as a response to such a development and as a means of shoring up their own position in the Pacific.

#### *Developments in Soviet-Vietnamese Relations Since November 1978*

Since the signing of the Soviet-Vietnamese treaty in November 1978, economic, military, and diplomatic relations between the two countries have become increasingly close. On the economic and military fronts, Hanoi has become increasingly dependent on Moscow. About 65 percent of Vietnam's total trade is now with the Soviet Union. The Vietnamese, having joined the Soviet-bloc Council for Mutual Economic Assistance in June 1978, are increasingly integrating their economy with those of the Soviet Union and its East European allies. At least 20 percent of the rice eaten in Vietnam (and possibly as much as 30 percent) must now be supplied by the U.S.S.R. Without these rice shipments, Vietnamese food intake would fall below the 1,500 calories a day per person considered by the United Nations to be subsistence level.

In addition, Hanoi depends on the U.S.S.R. for vital imports such as petroleum, steel, iron, chemical fertilizer, and spare parts for its transportation system. The U.S.S.R. funded more than half of Vietnam's last five-year plan at a cost

of some \$3.2 billion and including some forty major industrial projects. In addition, some 30,000 Vietnamese students and technicians are studying in the Soviet Union. The Soviets are also now supplying almost all of Vietnam's arms. Soviet naval assistance has increased most rapidly. Moscow has given Vietnam at least five naval combat vessels. The Soviets have helped modernize the Vietnamese air force and have contributed to Vietnamese air defense with anti-aircraft missiles and radar stations. The Soviets have also provided logistical support for the Vietnamese military campaign in Kampuchea.

Finally, the Soviets are providing a good deal of diplomatic support to Vietnam. They have been the leading backer at the United Nations and elsewhere of the Vietnamese effort to legitimize its client government in Kampuchea lead by Heng Samrin. Moscow has opposed ASEAN resolutions in the United Nations calling for the withdrawal of all foreign troops from Indochina. And it has worked assiduously on Third World nations to get them to recognize the Heng Samrin government. India recently did so.

In sum, the Soviet Union and Vietnam have in the past few years developed relations that are far closer than the two countries have had with each other at any previous time in their history.

#### *Implications of the Soviet-Vietnamese Alliance for China*

The Soviet-Vietnamese alliance has potentially grave implications for China. With a hostile Vietnam on its southern border and a hostile Soviet Union on its northern border—both of them tied together by a military alliance—China is now virtually surrounded by adversaries.

To counter this alliance, the Chinese have forged closer ties with the United States, Japan, and the non-Communist ASEAN countries, particularly Thailand. Beijing has warned Hanoi that any Vietnamese invasion of Thailand would be countered with Chinese force. At the same time, the Chinese supply arms and aid to the Pol Pot guerrilla forces still fighting inside Kampuchea against the Heng Samrin government. And, along with ASEAN and the majority of the Western countries, the Chinese seek to deny international legitimacy to the Heng Samrin government.

Although the Chinese realize that the struggle against their Soviet and Vietnamese adversaries will be long and complex, they contend that the best way to break up the Soviet-Vietnamese alliance is to bog the Soviets and Vietnamese down in a long war of attrition in Indochina. Over the longer run, they argue, the proud and independent Vietnamese will become as disenchanted with their Soviet alliance as the Chinese themselves became in the 1960s.

That Chinese calculus may or may not prove to be correct. Much of what happens in Indochina during the next five to ten years will be outside China's control. And there are many intangibles. Will the Pol Pot guerrilla forces remain a viable force inside Kampuchea? Will Thailand and the other ASEAN countries remain opposed to accepting a Vietnamese-dominated government in Kampuchea, or will they come to terms with that government? Will the Soviet-Vietnamese alliance strain under the stresses of a protracted conflict in Indochina, or will the Soviets and

Vietnamese be driven closer together as a result of a common antipathy to China? The answers to these questions were not clear as the 1980s began.

*Implications of the Soviet-Vietnamese Alliance for ASEAN*

For the non-Communist countries of Southeast Asia, the new Soviet-Vietnamese alliance poses a dilemma. Who is the greater adversary for ASEAN—China or Vietnam supported by the Soviet Union? Indonesia and Malaysia both look with considerable suspicion at China. Both countries have Chinese minorities which are not fully assimilated. In both countries, Communist insurgents, with some indigenous Chinese support and some support from Beijing, have in the past sought to overthrow the local government. The military now leading Indonesia has particularly vivid memories of the abortive Communist coup in 1965 which led to the murder of many Indonesian generals and to hundreds of thousands of casualties. Rightly or wrongly, they are convinced that Beijing was implicated in this abortive insurrection. Malaysia, a country with a delicate balance of Chinese, Malays, and Indians, fears that the Beijing government could use the sizable Chinese minority inside Malaysia as a fifth column. Thus, both Indonesia and Malaysia regard China as a long-range threat to their security.

The Indonesians, moreover, are convinced that they understand the Vietnamese better than Westerners because they, like the Vietnamese, had to fight against Western colonialism in order to gain their independence. And they believe that the Vietnamese are more nationalist than they are Communist. Thus, they want to build up Vietnam as a barrier to the spread of Chinese influence in Southeast Asia. For such reasons, they are anxious to reach some compromise with Vietnam over the Kampuchean issue, and they are not so fearful of a Kampuchea dominated by Vietnam.

These perspectives are not shared by Thailand, Singapore, or the Philippines. Thailand has an historic rivalry with Vietnam that goes back more than a thousand years. The Thais regard Kampuchea as a traditional buffer against Vietnamese expansion in Indochina. Since 1979, the Thais have lost their buffer, and they are determined to restore it by forcing the Vietnamese to withdraw from Kampuchea. To gain support in this effort, the Thais have drawn closer to China, much to the discomfort of Indonesia and Malaysia. Singapore and the Philippines share the Thai view. They do not dispute the idea that, over the long run, China may prove to be an adversary, but they both believe that, in the existing situation, Vietnam represents the greater threat and that Thailand must be protected, even if this means drawing closer to China.

Because of their differing perceptions about who is the main long-term adversary of ASEAN, the ASEAN countries have different ideas about how best to ensure their future security. Indonesia and Malaysia are inclined to continue the dialogue with Vietnam and to seek some compromise solution in Kampuchea that will leave Vietnam as the predominant power there, though preferably with a client government more acceptable to Thailand. Their idea is that a Vietnamese-dominated Indochina will be a reliable buffer against China, and once Chinese pressure is reduced, Vietnam

will be less dependent on the Soviet Union. Thailand, on the other hand, supported by Singapore and the Philippines, refuses any compromise that does not include a complete Vietnamese withdrawal from Kampuchea.

#### *Implications of the Soviet-Vietnamese Treaty for the United States*

The United States has both global and regional concerns over the new Soviet-Vietnamese alliance. On the global level, the United States is worried about the new ability of the Soviet Pacific Fleet—by using naval facilities in Vietnam—to project its power throughout the Western Pacific and into the Indian Ocean. On the regional level, the United States is concerned about the prospects for further Soviet-Vietnamese expansionism in Southeast Asia. If the Vietnamese are able to consolidate their grip on Kampuchea, might they not then proceed to bring additional pressure to bear on Thailand? Already the Soviets and the Vietnamese have given their blessings to the formation of a new pro-Vietnamese Thai Communist party.

Over the longer run, too, the United States is concerned about the ability of the Soviets to use their navy as a vehicle for mounting political pressure against all the ASEAN countries. In the entire period since the end of World War II up to the beginning of the 1980s, Thailand and offshore Southeast Asia have been firmly tied into the Western world. All five ASEAN countries have free market economies which conduct most of their trade with the West; all have staunchly anti-Communist governments, often led by the military; and all are fearful of the spread of any type of communism. Now that the Soviets are stepping up their naval activity in Southeast Asian waters, however, and now that they have a military foothold in Vietnam, their ability to put political pressure on ASEAN will grow. In 1979, for example, the Soviets sought the permission of the ASEAN countries to allow port calls of Soviet naval combatants. So far ASEAN has refused these Soviet requests. But it is unlikely that the Soviets will give up the effort to have their Pacific Fleet enjoy the same privileges that the U.S. Seventh Fleet now enjoys. Thus, over the long run, the Soviets—aided by the Vietnamese—are certain to want to change the existing pro-Western balance of power in offshore Southeast Asia, and the United States will be faced with the challenge of preventing such a change from taking place.

#### *Implications of the Soviet-Vietnamese Treaty for Vietnam*

For Vietnam, the treaty with Moscow has produced a number of advantages. Armed with that treaty, the Vietnamese were able to depose the pro-Chinese government of Pol Pot in Kampuchea and to realize their dream of unifying all of the former French colony of Indochina under their control. The Vietnamese have also received enormous quantities of military and economic assistance from the Soviets. And the Soviets have supported the Vietnamese on the most pressing diplomatic issues. Over the long run, barring some radical turn in Soviet policy, the Vietnamese can expect continuing Soviet support in the Vietnamese struggle against China. These are all significant gains.

Still, depending on the Soviet Union is not an unmixed blessing for Hanoi. It virtually rules out any substantial Vietnamese accommodation with China even though such an accommodation is in Vietnam's long-term interests. It also makes

much more difficult any Vietnamese accommodation with the United States even though it is in Vietnam's interest to have U.S. recognition and assistance in rebuilding its war-torn economy. And it makes more difficult any Vietnamese accommodation with ASEAN even though such an accommodation is necessary if Vietnam wants to play a more prominent role in the future of the entire region.

Finally, the price of Soviet aid is high. Vietnam has been forced into an unnaturally close and excessive dependence on the Soviets. Hanoi had to join the Council for Mutual Economic Assistance (COMECON), the Soviet bloc economic organization, and now it relies almost exclusively on Soviet economic and arms support. Such an extraordinary degree of dependency on a European power cannot be easy for the fiercely independent Vietnamese leaders who have struggled for more than three decades against foreign domination.

#### *Implications of the Soviet-Vietnamese Treaty for the Soviet Union*

Although the Soviet alliance with Vietnam has some negative aspects for the Kremlin—it makes more difficult any accommodation with China, increases the risk of a confrontation with China in Indochina, and diminishes the Soviet ability to project a peaceful image to the ASEAN countries—its positive aspects almost certainly outweigh the negative.

The Soviets are now solidly aligned with the strongest military power in Southeast Asia. They have access to military facilities which allow them to project their military power throughout the region and into the Indian Ocean. They have virtually completed the encirclement of China. They are on their way to weakening U.S. influence in the region. In sum, the Soviets have become a key player in a region of the world that was once a Western lake, a region that is, moreover, bound to grow in strategic importance.

#### *Strains in Soviet-Vietnamese Relations*

Although the ties that bind Moscow and Hanoi are likely to remain strong so long as the two have common adversaries, there were already indications in early 1981 that the two-year-old marriage was under considerable strain. Differences between Vietnam and the Soviet Union centered in five areas: the quantity and quality of Soviet economic aid, Vietnamese economic planning, control over Laos and Kampuchea, Vietnam's regional objectives versus Moscow's global objectives, and Vietnamese resentment over Soviet efforts to dominate Vietnam.

There are many signs of deep Vietnamese dissatisfaction with the Soviet inability or unwillingness to provide greater levels of economic assistance. The Soviets reportedly told the Vietnamese in 1981 that they wanted to provide 40 percent less aid during Vietnam's third five-year plan period (1981-1985) than they provided during the second plan period.

The Vietnamese are evidently dissatisfied, too, with the terms of Soviet economic assistance. A high-ranking Vietnamese official complained to a Western reporter in early 1981 that the Soviet Union had raised its price for oil and that this would increase Vietnam's trade imbalance with the Soviet Union and force it to export more of its scarce agricultural products.

A second area of tension between the two allies has to do with Soviet dissatisfaction over the Vietnamese management of Vietnam's economy. In June 1980, the Soviets sent a delegation to Vietnam to assess the Vietnamese use of Soviet aid. After the inspection, the Soviet delegation concluded that Vietnam did not have the proper management capability to absorb advanced Soviet equipment. It was this decision that evidently encouraged the Soviets to cut their aid to Vietnam's third five-year plan.

Yet another source of tension between the two partners concerns their respective roles in Laos and Kampuchea. The Vietnamese are disturbed by Soviet efforts to increase their presence there, and Hanoi is trying to limit Soviet influence in those two countries. The Vietnamese, however, are on the horns of a dilemma. On the one hand, they have little capacity to help the Laotian and Kampuchean Communists restore their economy. Therefore, they want the Soviets to help; on the other hand, the Vietnamese want the Soviets to distribute their aid through the Vietnamese. The Soviets, however, are seeking to establish an independent presence in Kampuchea and Laos. The Laotian air force is now mainly trained by the Soviets, and there are Soviet military advisers with the Laotian air force. The Soviets also maintain a ground satellite reception station in Laos and have been seeking to train Kampuchean army officers in Moscow. These developments must be viewed warily by the Vietnamese because the Laotian and the Kampuchean Communist leaderships may well look upon a Soviet presence in their countries as a welcome counterweight to that of the Vietnamese.

Still, the possibility for either Kampuchea or Laos escaping from Vietnamese control and playing Hanoi off against Moscow remains only a long-range possibility. Vietnamese control over both countries is strong. In Kampuchea, the Communist strongman, Pen Sovan, is of Vietnamese origin, reportedly speaks Vietnamese better than he speaks Kampuchean, and has long been associated with the Vietnamese Communist party. The Vietnamese have advisers at every level of Kampuchean government. Even all local government in Kampuchea is controlled by a Vietnamese working group. In addition, there are some 200,000 Vietnamese troops still in Kampuchea.

In Laos, the Communist strongman, Kayson, had a mother of Vietnamese origin, lived in Vietnam for a long time, and was a secretary of Ho Chi Minh and a battalion commander of Vietnamese troops during the Vietnam War. As in Kampuchea, the Vietnamese have advisers in all the ministries. Some 40,000 Vietnamese troops occupy Laos. Under these circumstances it is difficult to see how Laos or Kampuchea can, in the short run, get out from under Vietnamese control. Still, over the long run, tension between Moscow and Hanoi over Laos and Kampuchea is likely to grow. The Vietnamese are clearly determined to limit Soviet influence whereas the Soviets, for their part, will probably want to increase their presence in those two countries both as a hedge against possible future difficulties with the Vietnamese and as a way of extending their own influence.

Yet another important difference between Moscow and Hanoi has to do with their conflicting objectives in the Southeast Asian region. The Soviets see this region largely through the prism of their relations with China and the United States. One of

their biggest concerns is that an excessively militant Vietnam may push ASEAN into the arms of the United States and China. Moreover, if an opportunity arose for an improvement in Moscow's relations with Beijing, the Soviets might well be tempted to reduce their support for Vietnam against China. Thus, the Soviets will remain loyal to Vietnam only so long as that loyalty does not interfere with Moscow's larger interests. This is clearly a source of concern to the Vietnamese. For their part, the Vietnamese see Southeast Asia largely in terms of their narrow preoccupation with consolidating their control over the former French colony of Indochina. They are not concerned about the costs this may involve in terms of their own, or Moscow's, relations with ASEAN, the United States, and China.

Finally, and equally important, there is the question of Vietnamese resentment over Soviet attempts to dominate Vietnam. So far, the historical record suggests that Moscow has an urge to dominate its allies and that this urge ultimately leads to serious tensions with those allies. Such was the case in Soviet relations with China, North Korea, Egypt, Somalia, and the Sudan. Given this Soviet urge to dominate, on the one hand, and, on the other, a passionate Vietnamese nationalism resulting from several decades of struggle against foreign invaders, it is difficult to believe that the path of Soviet-Vietnamese alliance will be smooth.

Moreover, a basic lack of trust seems to permeate the relationship between Vietnam and the Soviet Union. Soviet consular officials and the several thousand Soviet advisers in Vietnam are restricted in their movements. Soviet naval ships reportedly have to go through lengthy procedures before they can enter Vietnamese waters. All this is evidence of a basic Vietnamese distrust of the Soviets.

Despite this impressive list of tensions between Moscow and Hanoi, however, the ties that bind the two together will probably prove stronger than the frictions that divide—in the short run, at least. So long as Vietnam is faced with a hostile China and is dependent upon Soviet economic and military aid, it has few alternatives to its alliance with Moscow. Over the long run, however, it would not be surprising to see a rift develop between the two countries once Hanoi is able to reduce its dependence on the U.S.S.R.

### *The Kampuchean Issue*

If one of the critical elements determining Soviet policy in Southeast Asia is the new Soviet-Vietnamese alliance, a second concerns the future of Kampuchea. The Vietnamese invasion and occupation of Kampuchea has become the major stumbling block to regional stability. The five ASEAN countries, China, and the United States refuse to recognize the Heng Samrin government of Kampuchea and insist on a complete withdrawal of the twelve Vietnamese divisions inside Kampuchea. The Vietnamese, supported by the Soviets, insist, on the contrary, that the Kampuchean situation is "irreversible," that the new Vietnamese client government in Kampuchea should be recognized by the world community, and that Vietnamese troops will withdraw only when the country is free from challenge by the Chinese-supported Pol Pot insurgency.

The Vietnamese invasion of Kampuchea has led to chronic instability in the region for a variety of reasons. First, in 1979, it produced hundreds of thousands of Kampuchean refugees who fled war-torn and food-short Kampuchea to refugee camps inside Thailand and on the Thai-Kampuchean border. If the refugee problem were to grow, it could contribute to undermining Thai political stability. Second, the Thai-Kampuchean border has become a battleground for the contending forces—the Pol Pot guerrillas and the Vietnamese army. The Pol Pot forces have encamped along the border and go back and forth from Kampuchea into Thailand in order to obtain sanctuary and supplies. If the Vietnamese army along the border were to mount a large-scale “hot pursuit” effort into Thailand in an effort to finish off the guerrillas, this could trigger a Thai-Vietnamese war. In June 1980, the Vietnamese crossed the Thai border in a raid on one of the refugee camps.

A third source of instability is rooted in the fact that the ASEAN countries, China, the United States, and most other Western powers have refused to recognize the new government in Kampuchea, which the Soviets and the Vietnamese insist is the lawful government of the country. Finally, the Vietnamese have so far been unable completely to consolidate control inside Kampuchea. Pol Pot and other anti-Vietnamese guerrilla forces continue to fight on; and there are not enough trained and educated Kampucheans left to govern the country, thousands of them having been murdered or starved by the barbaric Pol Pot government. Thus, if the Vietnamese are intent on dominating Kampuchea, as they appear to be, they will probably require a large military presence there indefinitely. But such a Vietnamese military presence inside Kampuchea represents a serious potential threat to Thailand.

Thus, for a great many reasons, the Vietnamese invasion of Kampuchea has produced a number of new problems in the region, and there are no compromise solutions now on the horizon that are likely to be acceptable to all the parties concerned.

A variety of possible outcomes of the present conflict over Kampuchea can be envisaged. A protracted war between Vietnamese troops and Pol Pot guerrillas supported by China could go on for years with no final resolution or some compromise solution acceptable to some or all of the parties emerging. In 1981, the Vietnamese floated a solution in which Vietnam would in effect guarantee Thai security in exchange for Thai recognition of a broadened Heng Samrin government. The Thais have so far rejected such a solution.

Soviet policy on the Kampuchean issue has been fully supportive of the Vietnamese diplomatic position, but Moscow has been wary of any increase in fighting along the Thai-Kampuchean border that might trigger a Thai-Vietnamese war. There is even some indication that the Soviets have been urging restraint on the Vietnamese on this issue. The Soviets have good reasons to want to avoid an escalation of the conflict in Kampuchea. A Vietnamese-Thai war might bring China and the United States in on Thailand's side. If this were to happen, the Soviets would be forced to honor their treaty with Vietnam. But the Soviets have no desire to be sucked into a war in Indochina as a result of Vietnamese adventurism. Also, a war between Thailand and Vietnam would only push ASEAN even further into the arms of China and the Western powers. This is not in the Soviet interest.

## **Potential for a Soviet “Comeback” in Asia During the 1980s**

Although the Soviets were not successful in projecting their influence in East Asia in the 1970s, there are five scenarios I can envisage in which the Soviet Union might make a political “comeback” in East Asia during the 1980s. These are (1) exploiting instability, (2) exploiting the unraveling of U.S. alliances and relationships in Asia, (3) a Soviet breakthrough with Japan, (4) a Soviet breakthrough with China, and (5) converting Soviet military power into political influence. Let me briefly discuss each one of these “scenarios” in turn.

### ***Exploiting Instability***

In several key Asian countries, there is the possibility that political stability will not last. In the Philippines, to take one critical case, there is a substantial challenge to the Marcos government emanating from Communist guerrillas in the outer islands, Muslim separatists in Mindanao, and moderate politicians in Manila who want Marcos to leave office. While political opposition mounts, economic problems grow. Some of the opposition blame the United States for embracing Marcos, and there are signs of growing anti-American sentiment. If Marcos were to be overthrown, he might be replaced by a succession of military governments. If, in this setting, anti-American sentiment were to grow even more, a coalition of forces might eventually come to power and demand the removal of the U.S. naval and air bases in the Philippines. Since there are no readily available substitutes for those bases, such a development could produce an enormous jolt to U.S. credibility in the region.

### ***The Unraveling of U.S. Alliances and Relationships***

As the 1980s began, the U.S. alliance with Japan was under considerable strain because of mounting U.S. trade deficits with Japan and a growing feeling in the United States that Japan was not doing its proper share of contributing to the Western defense burden. A number of congressional hearings were held in the spring of 1982, and during the summer several protectionist type bills were being discussed. On the Japanese side, on the other hand, there was a growing feeling that the United States was using Japan as a scapegoat for its own economic inadequacies, and there was little inclination to increase Japanese defense spending by substantial amounts. Unless these issues are handled with great care, prudence, and sophistication on both sides, they have the potential gradually to undermine the U.S.-Japan alliance.

At the same time, U.S. relations with China were coming under a cloud as a result of the Taiwan issue. China had first demanded that the Reagan administration cut off all arms sales to Taiwan. It later retreated to the position that the United States should at least announce in principle its intention to end all arms sales to Taiwan. The Reagan administration was unwilling to do this, but it did rule out, at least for the time being, the sale to Taiwan of the advanced jet fighter that the Taiwanese had originally requested. Whether this would mollify Beijing was still unclear. What was apparent was that the Taiwan issue had still not been resolved and was bound to cause additional strains in U.S.-Chinese relations in the years ahead.

Finally, there continues to be some mistrust of the United States among the ASEAN countries, some of whom are far more suspicious of China than

of the U.S.S.R. and who, therefore, view with alarm the prospect of U.S. arms sales to the Beijing government.

### ***A Soviet Breakthrough with Japan***

A third avenue for a Soviet comeback in Asia might be a breakthrough in relations with Japan. If Japan were to become increasingly disenchanted with the United States because of U.S. hectoring over trade and defense issues and if the Soviets were to demonstrate greater flexibility toward Japan than they have shown in the past, there might be some improvement in Soviet-Japanese relations. The one great barrier to such a development, however, remains Soviet intransigence on the territorial question, and it is very difficult to imagine any change in this Soviet position. The Soviets fear that any territorial concessions to Japan may lead to demands by other nations from whom the Soviets gained territories during World War II, and they do not want to establish such a precedent. Moreover, the Kurile island chain is assuming increasing strategic significance to the Soviets as they seek to develop their Pacific Fleet and to project their naval power. Still, even if the Soviets were to remain intransigent on the territorial question, there is the possibility that they may yet lure the Japanese into greater participation in Siberian economic development on the grounds that if the Japanese do not participate in this venture, they will lose most of the potential profits to the Europeans. Over time, Japan, like West Germany, might then become increasingly dependent on trade with the Soviet Union.

### ***Soviet Breakthrough with China***

Particularly if Soviet-American relations deteriorate further, and if the Soviet economy continues to run into serious difficulties, the Soviets will have strong reasons for wanting to reach an accommodation with China in the 1980s. The chances are, however, that they will not offer the Chinese substantial enough incentives to make such an accommodation worthwhile. Moreover, the Chinese know the Soviets too well to believe that they can deal with Moscow from a position of weakness, and China will remain much weaker than the U.S.S.R. in the foreseeable future. Finally, the Chinese know that if they move closer to Moscow, they will lose in their relationship with the United States, and this is a relationship that Beijing values highly both for economic and for strategic reasons.

The key to any Sino-Soviet accommodation probably remains in the hands of the United States. If the United States continues successfully to contain the expansion of Soviet power in the 1980s, China will not see much profit in reaching an accommodation with the U.S.S.R. But if the United States fumbles or fails in this effort, Beijing may conclude that it has little alternative to an accommodation with Moscow.

### ***Soviet Military Power***

If, in the 1980s, Soviet military power in East Asia were to grow substantially greater than that of the United States, some U.S. allies and friends might be tempted to take out insurance with Moscow. Measuring the military balance in any region is very difficult, but there can be little doubt but that Soviet ground, air, and naval power in the Pacific-Asian region all increased substantially in the 1970s and that a

continuation of this trend would be extremely alarming to all of America's friends in the region. Thus, much will depend on how successful the United States is in responding to this Soviet military build-up by increasing its own naval and air power in the region, by getting some of its allies such as Japan to do more, and by reassuring its allies and friends that the United States intends to remain very strong in the Pacific.

In sum, there may be opportunities for the Soviet Union to make a "come-back" in Asia during the 1980s, and Moscow's successes or failures will hinge to a considerable extent on how successfully the United States manages its Pacific coalition.