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SECURITY OF ASSOCIATION OF SOUTHEAST ASIAN  
NATIONS (ASEAN) MEMBER-STATES IN 1995:  
IS A US MILITARY PRESENCE NECESSARY?

thesis presented to the Faculty of the U.S. Army  
Command and General Staff College in partial  
fulfillment of the requirements for the  
degree

MASTER OF MILITARY ART AND SCIENCE



by

MICHAEL LIM TECK HUAT, MAJ, FA  
SINGAPORE ARMED FORCES  
B.A. (Hons), UNIVERSITY OF CAMBRIDGE (UK), 1981

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MASTER OF MILITARY ART AND SCIENCE

THESIS APPROVAL PAGE

Name of Candidate: MAJ Michael LIM Teck Huat, FA  
Singapore Armed Forces

Title of Thesis: Security of Association of Southeast Asian  
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presence necessary?

Approved by:

John A. Reichley, Thesis Committee Chairman  
Mr. John A. Reichley, M.B.A., M.A.J.

Stuart Lyon, Member, Graduate Faculty  
MAJ Stuart D. Lyon, M.P.A.

James A. Honeychuck, Member, Graduate Faculty  
LTC James A. Honeychuck, M.A., M.S.B.A.

Catherine H. T. Foster, Member, Consulting Faculty  
COL Catherine H. T. Foster, Ph. D.

Accepted this 1st day of June 1990 by:

Philip J. Brookes, Director, Graduate Degree  
Dr. Philip J. Brookes, Ph. D. Programs

The opinions and conclusions expressed herein are those of the student author and do not necessarily represent the views of the U.S. Army Command and General Staff College or any other government agency. (References to this study should include the foregoing statement.)

## ABSTRACT

SECURITY OF ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) MEMBER-STATES IN 1995: IS A US MILITARY PRESENCE NECESSARY? by MAJ Michael LIM Teck Huat, Singapore Armed Forces, 238 pages.

With the recent claimed phased withdrawal of the Vietnamese occupation forces from Cambodia in September 1989, it may appear that ASEAN has at last attained what it had sought for at the UN for the last decade since the Vietnamese invasion in December 1978. Finally, the single most worrisome threat is being removed. But the author contends that this is not the case. Even if the claimed withdrawal is true, there are many other problems that could threaten the stability of the region. These include both external threats that arise as a result of superpower and major power interests in the region, and the internal problems of ASEAN member-states.

This study shows that Soviet interest/influence in the region is a significant potential indirect threat in the next five years. Presently, only a US military presence is able to counterbalance the Soviets'. This US presence also serves to alleviate and attenuate the internal problems of the member-states to a significant extent. The internal problems include economic, racial, political, and social issues.

Possible alternatives to a continued US military presence include a militarily strong Japan, or a Sino-Japanese alliance, both of which are undesirable to ASEAN. Other possibilities include an ASEAN defense pact, multilateral or bilateral defense agreements, security links with external powers, or a combination of these. However, none of these is wholly capable to replace the US presence in the Philippines. This study concludes that the presence of a US military is a lesser evil when compared to the situation without them.

On balance, until ASEAN's concept of Zone of Peace, Freedom, and Neutrality (ZOPFAN) is accepted by the superpowers and major powers, which the author thinks is unlikely, a continued US military presence in the region is essential for the continued stability and prosperity of ASEAN in the next five years.

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## CHAPTER 1

### INTRODUCTION

War is a matter of vital importance to the State; the province of life or death; the road to survival or ruin.

Sun Tzu, The Art of War

### BACKGROUND

Southeast Asia, especially the countries of the Association of Southeast Asian Nations (ASEAN), straddles the vital sea lines of communications (SLOCs) between Northeast Asia and the Indian Ocean. The importance of these SLOCs has been recognized as early as the days of Marco Polo in his voyages to the Imperial Courts of Kublai Khan in China in the thirteenth century. The military significance was also clearly shown by the need of the Soviet Baltic Fleet under Vice Admiral Zinovi Petrovitch Rozhestvensky to pass through the Malacca Straits on his fateful appointment with the Japanese fleet under Admiral Togo at the Battle of Tsu-Shima, at the turn of the twentieth century.<sup>1</sup>

More recently, "the importance of this sea lane is becoming more pronounced with the increased presence of the Soviet Navy at Cam Ranh Bay and the Japanese and Korean dependence on Middle Eastern oil."<sup>2</sup> Any instability in the region will threaten the flow of oil to Southeast Asia and the Pacific.<sup>3</sup>

Conversely, control or influence over this region will enable outside powers/players to be able to protect the right of passage of their merchant shipping and, more importantly, their military vessels through the SLOCs. At the same time, they can limit the availability of the SLOCs to their opponents. Because of this, superpowers and major powers are keen to ensure that they can play an influential role in the region.

This keen competition and "lobbying" of regional support causes concern to the Southeast Asian countries that big power rivalries will be brought to their front yards. This is especially the case for ASEAN countries, which control the Malacca Straits, one of the three busiest straits in the world; and the Lombok and Sunda Straits, two less busy but nonetheless important alternative passages. This strategic location of the region was also instrumental in the rapid economic growth enjoyed by most ASEAN member-states, perhaps with the exception of the Philippines. How well and how long these countries can continue to control their destinies depends to a large extent on the cooperative



efforts of the countries to protect their common interests. The ASEAN countries recognize this and have made a concerted effort to chart a common path into the future. This was one of the reasons for the formation of ASEAN.

ASEAN, formed on 8 Aug 1967, was a "result of the successful cooperation of Malaysian and Indonesian leaders under Thai aegis to end Indonesian President Sukarno's 'Crush Malaysia' confrontation campaign."<sup>4</sup> The agenda for cooperation set forth in the 1967 ASEAN declaration was broadly for the purpose of enhancing economic growth, social progress, and cultural development, as well as cooperation in the technical, scientific, and administrative fields.<sup>5</sup> It is important to note that the ASEAN declaration does not include any military pact. However, it does not preclude the member-states from forming bipartite or even multipartite defense cooperation among themselves or with other major powers.

Faced with limited resources, ASEAN member-states could either concentrate solely on building up their military defenses, or putting more emphasis on developing their economy. They chose the latter. The external threats then were not perceived to be as severe as the internal threats posed by the communistic elements of society who took advantage of the struggling economies and corresponding low standards of living and high unemployment to stir up anties-

establishment feelings. The tactic used by the leaders of the member-states was to build up the economy and improve the standard of living of the people. By having their necessities met, it would be correspondingly more difficult for the communists to create discontent among them. Simultaneously, the governments of the member-states took up the fight with the communists and greatly weakened them so that to this day, only a few pockets of such revolutionary elements remain in some of the member-states.<sup>6</sup>

Because of ASEAN's inability to defend itself against strong aggressors, the member-states relied on the stabilizing presence of the British, Americans, and to much lesser extent the Australians and New Zealanders. The British completed the pullback from east of Suez in 1976; the Australians from Singapore in 1978 and from Malaysia in 1989; and New Zealanders from Singapore in 1989. Only the Americans, who exert the greatest stabilizing influence in the region, still have bases in the Philippines.

Since the Aquino administration came to power in 1986, the Philippine government has announced its desire to limit or even totally close the US Subic Bay Naval Base and Clark Air Base.<sup>7</sup> This issue is complicated by the political, economic and psychological aspects of the relationship between the US and the Philippines dating back to 1898.<sup>8</sup> The closing of these bases would have grave implications on the balance of power between the Soviets and the US in the

area. This is of special significance because of the propensity for significantly increased economic exchange between the developed world and the developing countries of the Pacific rim.

The recent change in Vietnam's persistent refusal to withdraw its occupation forces from Cambodia (previously known as Kampuchea after the Vietnamese invasion in December 1978), its recent claimed withdrawal at the end of September 1989,<sup>9</sup> and Gorbachev's decision to withdraw the Soviet fleet from Cam Ranh Bay, would argue against the need for the proximity of US forces in the region. However, the recent conflict in the Spratly Islands between China and Vietnam<sup>10</sup> clearly indicates that even if the US leaves the region, another force (or forces) would undoubtedly try to fill the vacuum and extend its influence and dominance in the region. ASEAN's ideal of a Zone of Peace, Freedom and Neutrality (ZOPFAN) (see definition below), aims to fill such a gap in the future. The concept seeks commitments from the superpowers and other major powers not to bring their competing rivalries into the region. So far, none of the superpowers have supported or agreed to abide by it. It is assessed that this concept is unlikely to be achievable in the next decade, making it untimely for the US to leave the region before then.

## **PURPOSE**

The purpose of this thesis is to examine whether it is necessary for US forces to remain based in the ASEAN region for the latter's continued security. The findings would be useful to decision makers in ASEAN member-state governments when they deliberate on the alternative facilities within ASEAN that could be offered to and used by the US, should the Bush-Aquino negotiations regarding extension of the lease of the Philippine bases fail. The deliberations are all the more difficult as ASEAN member-states do not agree that continued US military presence is necessary or even good.

Singapore has recently indicated that she is willing to offer some alternate facilities if and when the US leaves the Philippines. This has been met with mixed responses from neighboring countries. This study examines whether Singapore's offer would benefit ASEAN or be a stumbling block to its continued cooperative coexistence or even the maintenance of the member-states' policy of nonalignment.

## **RESEARCH OBJECTIVES**

The focus of this study is to determine if the US military presence is necessary for the security of ASEAN in

1995. To do this, the following list of secondary questions will be examined:

- a. What is the actual and projected threat to ASEAN security?
- b. What would be the effect of the closure of Subic Bay Naval Base and Clark Air Base in the Philippines in 1991?
- c. What are the emerging alternatives to the US military presence and their sufficiency?

#### **ASSUMPTIONS**

This research effort is only meaningful and useful if we make two key assumptions. They are:

- a. The forecast of the security situation in 1995 is dependent on the continued existence of ASEAN. Differing views on significant issues held by its members will not be so unacceptable that the fabric binding the six countries is torn apart. Also, should Vietnam completely withdraw its occupation forces from Cambodia, and Cambodia successfully conducts free elections under UN supervision, there would be some other unifying interests or special efforts by the member-states to continue to hold ASEAN together.
- b. This study also assumes that the present Bush administration (and succeeding administrations within the next five years) will continue existing foreign policies

established during the Reagan administration or earlier with respect to ASEAN.

#### **DEFINITION OF TERMS**

It is necessary to define important terms as well as specify the names of the countries in the region that will be used in this thesis so that the reader will be able to have a common base of terminology and nomenclature when referring to the sources listed in the endnotes.

a. ASEAN is composed of Negara Brunei Darussalam (to be referred to as Brunei), the Republic of Indonesia (to be referred to as Indonesia), the Federation of Malaysia (to be referred to as Malaysia), the Republic of the Philippines (to be referred to as the Philippines), the Republic of Singapore (to be referred to as Singapore), and the Kingdom of Thailand (to be referred to as Thailand).

b. Southeast Asia includes Laos, Vietnam, Cambodia, Burma (Myanmar), and members of ASEAN.

c. China refers to the People's Republic of China, (i.e. mainland China), and not the Republic of China (Taiwan).

d. "Security" refers to a condition that results from the establishment and maintenance of protective measures that ensure a state of inviolability from hostile acts. For smaller nations, the element of political independence is important, especially in the modern international system,

with dominant superpowers and still some degree of ideological bipolarity.

e. "Threat" is defined as any action or intent likely to lead to action that would harm the security of a country, and can be political, military, social, or economic in nature, or a combination. "Threat perception" is what other countries think is the threat. This could be from what they feel either through insight or intuition.

f. US military presence in ASEAN is defined as presence of its armed forces in either the Philippine bases or any others which can be secured within the region as an alternative if the Bush and Aquino administrations cannot come to an agreement. It does not consider the other elements of US national power, i.e. national will, political, economic, or geographical factors.

g. Zone of Peace, Freedom, and Neutrality (ZOPFAN) was first conceived by Malaysia as early as 1966, and brought up at international forums in 1971. This peace formula calls for the great powers to forswear meddling in the affairs of the countries in ASEAN, which would be responsible for their own security. As part of this concept, nuclear weapons are not permitted to enter the region, even in transit. ASEAN has few illusions that ZOPFAN could be achieved other than as a long-term regional solution. Meanwhile, a short-term objective of ZOPFAN was to stabilize

existing intra-ASEAN borders and to reach ASEAN agreement on regional noninterference.<sup>11</sup>

h. The short-term refers to the timeframe of five years. The midterm refers to the timeframe of six to ten years. The long-term refers to the timeframe of more than ten years.

#### LIMITATIONS

The four main limitations of the research are discussed below.

a. The research will be based on unclassified literature published in or translated to English. Owing to the importance of currency of information, other than major issues covered by magazines and journals, the latest source available to the author would be the Singapore Straits Times (overseas edition), which arrives about seven to fourteen days after publication. This newspaper is useful as a source of information, albeit leaning towards the official stand. Information and views included in the ASEAN countries' newspapers printed in the native language would not be available to the author.

b. Due to the current nature of the problem and study, it may be that new insights, plans, and developments are still within the bureaucracies of the foreign offices of the various member-states and are not available to the author.



c. There is much less information and discussion on Brunei compared to the other ASEAN countries. Owing to the recent admittance of Brunei into ASEAN, writings prior to 1984 do not consider the problems faced by it, nor its perceived threat. Discussions in this paper are necessarily restricted by the limited data on Brunei, which often are not analyzed together with the other ASEAN member-states as these have already been covered in some detail in other literary sources.

d. There is paucity of information on the official views of ASEAN member-states on the possible alternatives to the US military presence in the region. Although it can often be heard that the US military presence is no longer needed, no official attempt appears to have been made to study the alternatives to the issue and their sufficiency to substantiate or refute the need for a US military presence.

#### **DELIMITATIONS**

In order to limit the scope of this research effort to manageable proportions, the following delimitations are identified.

a. The study will focus on the essence of ASEAN since its creation in 1967, the fabric that binds it together, and the security situation in the next five years. Owing to the large number of countries in Southeast Asia

apart from ASEAN, e.g. Vietnam, Cambodia, Laos, and Burma, the threat faced by these countries will not be addressed unless it bears directly on the issues discussed.

b. The study will not dwell on the actual US-Philippines Bases Agreement nor on the prospects for renewal. The negotiations between the Bush and Aquino administrations are presently ongoing and will be completed just before the 1991 deadline expires.

c. Owing to the political sensitivity of the offer, it is not the intention of this study to offer solutions to the problem of where US forces can go, if an alternative to stationing in the Philippines is required.

d. The threat perception will be identified and measured through personal analysis rather than by using the US Command and General Staff College (CGSC) Strategic Analysis Model (SAM). This is because there are no published documents specifying the national security strategy of the ASEAN countries available, which are required as inputs to the model. Thus, the threat cannot be analyzed using the CGSC SAM.

e. There is no consensus among the ASEAN member-states regarding threat perception. For instance, Malaysia, the Philippines, and Thailand have diplomatic links with China. However, Brunei, Indonesia, and Singapore do not. Malaysia and Singapore have some reservations regarding China's long-term interest in the region. It is evident

that there is no clear trend running through ASEAN regarding the common threat. The degree of perceived threat is dependent on historical, social, cultural, and political factors between China and each ASEAN country. This is also the case for the superpowers or other major powers. As a result, the author did not discuss the region's overall external threats (chapter 5) from the ASEAN member-states' viewpoints. The analysis was conducted based on the author's observations. Nevertheless, to make chapter 4 complete, where documented information is available, the author has included the separate member-state's perception of the threat from the superpowers or major powers.

f. When discussing the benefits of US military presence in the region, emphasis will be put on the benefits to ASEAN member-states separately and collectively, rather than benefits to the US itself. The latter category would not be relevant when analyzing the security issue from the member-states' viewpoint.

g. The author does not believe that ZOPFAN can be achieved, even in the long-term. ZOPFAN requires that all potential parties respect the neutrality of the region and voluntarily restrain from intervening in the region. Owing to the strategic location of ASEAN, till now both the US and the USSR have not endorsed nor supported the concept. In the foreseeable future, it is unlikely that the strategic

importance of the region will diminish. Hence, it is equally unlikely that the US or the USSR would endorse and support ZOPFAN.

## ENDNOTES

1. Richard A. Hough, The Fleet that had to Die, New York: Viking Press, 1958, 156-158.
2. Mohammed Kalam Azad, Southeast Asian Security, US Army War College, Carlisle Barracks, 1986, 1.
3. Samson M. Mahimer, United States-Philippines Bases Agreement: Prospect for its Renewal, US Army War College, Carlisle Barracks, 1988, 20.
4. Ronald D. Palmer and Thomas J. Reckford, Building ASEAN - 20 Years of Southeast Asian Cooperation, Praeger, 1987, 5. Essentially, Indonesia under President Sukarno was unhappy with the formation of the Federation of Malaysia when independence was granted by the British. As a result, destabilizing elements were despatched to Malaysia to create political disturbances with the hope of bringing about the fall of the Malaysian Government. The situation became very tense and almost resulted in open confrontation between Malaysia and Indonesia. The timely takeover of power of the more moderate President Suharto after the GESTAPU affair in 1965, resulted in the easing of tensions between the two countries. GESTAPU is the most widely accepted acronym for the abortive coup attempt staged in late September 1965.
5. Ibid, 8.
6. The different member-states use different methods to fight the communists. For instance, in Singapore the Communist Party is banned and suspected communists and associated activities are closely monitored. In Malaysia and Thailand, the Governments use arms to combat the communists who have fled into the jungles for refuge. In Indonesia, after the GESTAPU affair, the Communist Party was outlawed. In the Philippines, the Armed Forces plays a crucial role in seeking out and eliminating the communist strongholds. In order to encourage the communists to surrender, the Thai, Filipino, and Malaysian Governments have offered amnesty to the communists if they were to lay down arms and play a constructive role in society. Singapore offers similar inducements.

7. Mahimer, 6-13, 17-40. It should be noted that the antibase feelings immediately after the peaceful overthrow of the late former President Marcos were not as strong in early 1986 as they are now; the people were just beginning to pick up their lives and seek to solve the economic problems of the country which had been mismanaged by the corrupt former president. As such, the base agreements were renewed without much difficulty in 1988. They are scheduled to expire in 1991.

8. Ibid, 1.

9. The Straits Times (weekly overseas edition), 30 Sep 1989, 2. The withdrawal was not subject to proper verification by any neutral party.

10. The Spratly Islands are located in the South China Sea, approximately midway between Malaysia, the Philippines and Vietnam. The islands are separately claimed and occupied by Malaysia, the Philippines, Vietnam, Taiwan and China. Ownership of the islands would significantly extend the territorial waters and the corresponding fishing rights in the fishing grounds there. More importantly, there are potential sources of oil in the region. It would also extend naval projection capability. In March 1988, China protested to Vietnam over firing on Chinese ships in the Spratlys. In early 1989, the Chinese sent some forces and seized two of the islands previously held by the Vietnamese. The situation was very tense but Vietnam did not take any retaliatory measures; she is concerned about the repercussions on her northern border with China if she reacted militarily. Meanwhile, the five parties are still disputing ownership of the various islands.

11. Palmer, 12.

## CHAPTER 2

### LITERATURE SURVEY AND METHODOLOGY

The words of the wise are like goads, their collected sayings like firmly embedded nails.... Be warned...of anything in addition to them. Of making many books there is no end and much study wearies the body.

Ecclesiastes 12:11-12

#### Literature Survey

##### INTRODUCTION

Current literature can be divided into three categories for the purpose of this paper: general works on ASEAN, the threat perception from the individual member-state's viewpoint, and more specific works covering the interest the superpowers and some other major powers have in the region. The literature survey below will follow these categories.

## OVERVIEW OF ASEAN

### Brief Background of the ASEAN Countries

The best way to begin is to have a good understanding of the component countries of ASEAN. How they attained independence, the way the government machinery is run, and other such information would be helpful in interpreting the way the threats are visualized. There is much information on the individual countries and they cover much more than is required in this thesis. The following literature provides sufficient background information for this purpose.

The Journal of Defense & Diplomacy has good and readable write-ups of the individual member countries and discusses the profile, geography, brief history, demographics patterns, brief external and internal threat analysis, government machinery, military organization, and economy. Particularly helpful are the data on the government machinery which are not readily available from other sources. The data on demographics and economy are a little outdated as some of the countries' write-ups are as early as 1985. Although the articles were written to give an overview of the countries for tourists and investors rather than for assessment of military capability, they are helpful in giving an adequate picture of the history behind the form of government adopted and a brief broad-brush view of the perceived threats. They also provide data on demographic patterns and religious inclinations. More accurate data on



Gross Domestic Product could be obtained from the individual Country Reports of the Economic Intelligence Unit which are as recent as 1989 which provide data for 1988. These reports provide an analysis of economic and political trends for investors and businesses. The latest and perhaps most accurate covert data on the military capability of the ASEAN countries can be found in The Military Balance 1988-1989. It provides a comparison of the strength of the various services of the armed forces and details the assets available to them.

#### ASEAN

Before delving into the threat scenarios, there is a need to have a firm grasp of the essence of ASEAN, the reasons for its formation and the developments and successes thus far. There is abundant information on ASEAN and its formation. The aspirations and failures to achieve the desired objectives are adequately covered. The reasons for these failures are also comprehensively analyzed.

Ronald D. Palmer and Thomas J. Reckford Building ASEAN: 20 Years of Southeast Asian Cooperation has a good historical account of the formation of ASEAN, the reasons for its formation and the problems faced. The authors bring us through the development of ASEAN through the years until 1986. They analyze the advances made by comparing the

economies at formation and in the mid-1980s. They conclude that in just one generation, the countries - now including Brunei - have mostly moved to a position of considerable confidence, stability, and prosperity. However, they added that "...a 19-year growth rate nearly double that of the rest of the Third World...success due largely to the achievements of the individual nations, rather than ASEAN as an institution."<sup>1</sup> They find that although the member-states have been able to cooperate well politically and to a lesser extent socially in the economic arena, there is not much to show for it. Problems arise because the ASEAN economies tend to be competitive rather than complementary. ASEAN leaders recognize this and are making a concerted effort to improve intra-ASEAN trade. Palmer concurs that the formation of the ASEAN Task Force on Economic Cooperation set up in 1983 is the way to go.

Alison Broinowski (ed) Understanding ASEAN is a good compilation of essays that also describes the formative years, but in addition makes an attempt to discuss some of the external ties with other countries, mainly Australia and Japan. Of note is the view of Japan which is considered as more than merely of economic interest to ASEAN. Since the mid-1960s Japanese relations with Southeast Asia have developed rapidly on the commercial side such that the total value of Japan's trade with ASEAN countries about tripled between 1962 and 1971.<sup>2</sup> This has given a degree of trade

and economic security to the region. Japan has also contributed to regional stability by extensive aid to and investment in ASEAN countries. On the political side, Japanese Prime Ministers have made overtures to ASEAN countries. Visits by Tanaka and later Fukuda tried to woo ASEAN by promises of aid to ASEAN industrial projects, and Japan's renunciation of the role of military power in Southeast Asia. Since then, successive Japanese Prime Ministers have fostered the growth of Japan-ASEAN relationship and Japan's closer involvement in regional affairs. She concludes that Japan is committed to a policy of cooperation and mutual dialogue with ASEAN and this augurs well for future Japan-ASEAN relations. The book also has a good record of the significant milestone documents of ASEAN. This gives a feel of the discontinuous progress made by the ASEAN Secretariat, as well as the problems faced.

## **ASEAN'S PRESENT AND FUTURE THREATS**

### **Threat Perception**

There is a broad range of related literature which focuses on specific perceived threats to ASEAN. Much work has been done to trace the separate interests of the US, USSR, China, and Japan in Southeast Asia. Not much data is available on India though as traditionally, India has not shown much interest in Southeast Asia. However, detailed

literature in this area tends to have been written three to seven years ago. With changing leadership, interests in the region invariably change, albeit to different extents. Nevertheless, latest updates can be found in some journals.

Robert O. Tilman The Enemy Beyond - External Threat in the ASEAN Region relates the perceived threats of the five original member-states based on interviews with their officials from various governmental ministries. He shows that the threats are rather different, with no common threat running through ASEAN. He concludes that Malaysia and Indonesia still consider China as the long-term threat, whereas Thailand and Singapore view the Soviets and their vassal-state Vietnam to be of more immediate concern. The Philippines being physically a little farther apart from the other states, and under the US security umbrella, views Japan to be of ultimate concern. He traces these differences to the different structural, geopolitical, historical, socio-cultural, and economic influences. As a result, the defensive postures as well as policy emphasis of the member-states usually do not coincide and these cause some problems. Nevertheless, he concludes that ASEAN has managed to give a consolidated front on regional issues, especially the Vietnamese threat which has been the main cause for ASEAN's rapid maturity and prominent international standing at the UN.

James R. Rush ASEAN's Neighborhood discusses the aims of ASEAN and how some have been met while others have not. More important, however, are his views of the current threat. He sees the unreliability of the Western powers in ensuring the continued security of Southeast Asia, e.g. British pullout from Malaysia and Singapore, and the US withdrawal from Vietnam; the longstanding conflicts among the societies of the members; and the internal racial problems as threats to the ASEAN member-states. Like Tilman, he identifies that the local problems are influenced by the differences in culture, race, historical influences, geographical location, and the views of the leaders. An understanding of these factors is important because while nothing much can be done regarding the actions of the super-power or major power actions, something could be done about the regional and local problems. To meet these, there is a need to understand the influencing factors. As such, the influential factors brought up by Rush could serve as the basis of understanding the different viewpoints within ASEAN regarding the perceived threats.

Chang Yao-chiu Communist China's Strategy Towards ASEAN Countries examines critically, perhaps with a slight bias since he is from Taiwan (Republic of China), the permeating and continual efforts of mainland China to communize Southeast Asia. In his opinion, the hand of friendship offered to ASEAN is only temporary - the long term goal is

the ultimate overthrow of the "imperialist" governments. As such, China cannot be trusted and ASEAN countries would do well to be wary of China's motives behind the friendly gestures. He also reasons why China has shifted her efforts from aggressive assistance to local communist insurgencies to political infiltration. Not included, however, are the recent developments: Indonesia has officially indicated that ties with China would be re-established in the foreseeable future; and the recent internal problems faced by the Chinese leadership which led to the killing of unarmed civilians at Tiananmen Square and the resultant problems.

See Poon Kim China's Foreign Relations - New Perspectives Chun-Tu Hsueh (ed) gives a brief insight into the reasons for the change of China's hostility to rapprochement with the non-communist states in Southeast Asia since mid-1970s. China's attempts to balance the influence of the US and (since the publication of this book) that of the USSR's efforts at hegemony, would contribute toward offsetting the vacuum left by the withdrawal of the US, albeit to a limited extent. However, owing to the racial mix in ASEAN countries and the size of the overseas Chinese community, an enhanced Chinese influence would need to be dealt with sensitively. Other than in Singapore, the ethnic Chinese population forms the minority in ASEAN countries. Because they hold a disproportionately larger share of the host

nation's economy, it has made them the targets of suspicion. Their perceived ties with China gives the impression that they are in the host countries to exploit the economy and, as such, further links between ASEAN countries and China need to take the feelings of the other ethnic groups into consideration.

Tajima, T. China and Southeast Asia: Strategic Interests and Policy Prospects also provides good insight into China's possible influence. He describes China's relations with Southeast Asia in the light of competing Soviet-Sino influence in the region. China first "expressed strong misgivings about the formation of ASEAN"<sup>3</sup> as it viewed the latter as a military alliance formed specifically against China. Later, after the visit by President Nixon to China in 1971 and the subsequent normalization of official ties during the Carter Administration in 1979, China began to view ASEAN in a different light. After the coming to power of Deng Xiaoping, and the institutionalizing of the "Four Modernizations," China had started positively wooing the ASEAN states. Not only has it reversed its earlier trend of not dealing with non-communist governments, China has made a reversal to its earlier policy of offering overseas ethnic Chinese dual citizenship in China. This resulted in a considerable softening of the views towards China held by ASEAN states and contributed significantly towards the normalizing of ties by Malaysia, Thailand, and the

Philippines. He concludes that China's interest in the ASEAN region would remain strong as it serves the purpose of counterbalancing the spread of Soviet influence as well as assisting the aim of its "Economic Modernization."

F. Lai Japan's Defense Policy gives a good feel of Japan's interest in the region. In it Lai describes a new dimension in ASEAN-Japanese relations which came about as a result of the US calling for the Japanese to be responsible for the defense of its sea lanes. This is of concern to ASEAN nations as they still remember the atrocities suffered under Japanese occupation during World War II. The rearmament would also go against the ideals of ZOPFAN. The ASEAN nations do not all disagree with Japanese rearmament. Although not enthusiastic about it, on the whole ASEAN recognizes the need to have a counterbalance to the increased Soviet presence in the region. Lai opines that ASEAN leaders would prefer that Japan "can contribute to the defense of the region...giving military aid, transferring military-related technology, and training...[but] not...involve its military forces directly, either in protecting the sea lanes or patrolling the region."<sup>4</sup> More information on Japanese rearmament can be found in the Japanese government's official publication Defense of Japan. This document stresses that the Japanese Self-Defense Force is basically for the purpose of self-defense, and as such it



was not designed or intended to be an aggressive force. Japan's adherence to non-nuclear principles also should ease fears that Japan's rearmament would ultimately lead to Japan's acquisition of a nuclear capability. The article Country Report: Japan would serve to give an outsider view to balance the official report.

Mediansky, F. A. Soviet Strategic Interest in Southeast Asia provides a feel of Soviet interest in the region. Although the Soviets have not considered Southeast Asia to be of immediate concern towards its security interest in the past, partly owing to increased US influence in the region, the Soviets have begun to focus their attention on the region. This began with massive military aid to Vietnam during the Vietnam War, and the presence of Soviet military advisers after the US pulled out in 1975. The use of Cam Ranh Bay and Da Nang also gave the USSR a significant degree of flexibility as its Vladivostok base is not ideal due to its geo-political position. Soviet interest in the ASEAN states also resulted in the former actively wooing the regional states and offering aid and economic assistance and cooperation. Mediansky believes these events are part of Soviet strategy to limit China's and the US' influence in the region.

This can be compared with the useful article by Jay Goldberg Soviet Presence in Southeast Asia. Goldberg identifies Soviet goals in Southeast Asia which boil down to

limiting US and China's ties and influence in the region. The Soviets also want to tap ASEAN's rapid economic growth so as to compete with the region's economic ties with the West. The article also traces the growth of Soviet military power in the Far East, which has been vastly enhanced in both qualitative and quantitative terms. Although Goldberg feels the Soviet Pacific Fleet is no match for the US 7th Fleet, it could effectively "deny access to certain areas, and [also] threaten the vital naval chokepoints between the Pacific and Indian Oceans."<sup>5</sup> He concludes that in spite of stronger Chinese and US influence in the region, there are opportunities for increased Soviet influence. Problems in China's relations with the West, political and economic stability in the region, economic and trade tensions with the US are only some of the factors favoring a stronger Soviet influence.

The Country Report: The Republic of India provides a glimpse of India's threat at the northern borders. The border with Pakistan, although tense, is not likely to erupt into a major war in the near future. The relationship with China is cordial and the status quo is expected. From the article one can deduce the direction of India's interest, to be responsible for its "back yard," the Indian Ocean. Although not much information is available regarding India's

interest in Southeast Asia, the possible threat to ASEAN can be discerned from India's interest in the Indian Ocean.

The focus of the perceived threat from individual ASEAN countries often centers on external and internal threats, the latter of which refers to communism and other opposition movements and the attendant instability resulting from insurgencies. Little is documented about other possible internal destabilizing factors, for instance the aging leaders of the member-states and the possible repercussions of unprepared transfer of leadership. There is also no attempt to integrate all these findings and forecast the likely threats faced by ASEAN member-states separately or jointly in the 1990s, or to assess the impact on ASEAN should the US withdraw from Southeast Asia.

#### **BENEFITS OF US PRESENCE IN THE PHILIPPINES**

The effects of closure of the bases in the Philippines are directly linked to the benefits of a US presence in the Philippines. There is, however, little or no published and unclassified official data on the full effects of the closure of the bases in the Philippines, or about US interests or benefits to ASEAN, other than some isolated official comments found in the Department of State Bulletin. Other benefits of US presence in the ASEAN region have to be deduced from data regarding US interest in the region.

Norman D. Palmer Interacting with ASEAN - Security Relationships in Southeast Asia talks about ASEAN perspectives about the US "...[which] thinks of them...in terms of global security interests...rather than in terms of the region's...needs."<sup>6</sup> More importantly, this article talks about economic relations, military ties, etc between the US and ASEAN. However, according to him, "to paraphrase a common expression, many Southeast Asians seem to fluctuate in their feelings about the United States, sometimes thinking of it as part of the solution and sometimes as a part of the problem."<sup>7</sup> This was amply demonstrated when the US decided to sell lethal military equipment to China in mid-1981. This alarmed ASEAN as many of its member-states view China as a long-term threat in the region. The US relations with Japan also complicate US-ASEAN relationship because they still remember the Japanese occupation and its effects. They would prefer Japan to play an even greater economic role in the region than the US-proposed military role. He also addressed the US security relations in Southeast Asia which are mainly bilateral rather than with ASEAN as a whole.

Samson M. Mahimer United States-Philippines Bases Agreements: Prospects for its Renewal, gives a very good account of the benefits to the Philippines of having the US bases there. Some of these are aid to the Philippine government, employment of Filipino workers in the bases, con-

tribution towards the economy by the servicemen and their families, military equipment, and training in the US. The US presence also confers a degree of stability which encourages foreign investment. Although not much is mentioned about the corresponding effects on the other ASEAN countries, an extension can be drawn from this.

Edward Gene Redmon Thailand as an Alternative to the Philippine Bases Problem: New Wine in an Old Bottle has a good description of the result of US interest in Southeast Asia which is mostly economic. He cites the economic benefits of having US bases in Thailand. These benefits of direct military aid from the US, the employment of locals as a result of the bases, and the boost to the economy from the money spent by soldiers on liberty would also be relevant to the Philippines by having US bases there. Most importantly, he agrees that continued US presence is required to counter the increasing Soviet influence, which began when the Americans left Southeast Asia as a result of the Guam Doctrine. The Philippine bases provide the US the ability to react quickly to military situations out to the Indian Ocean, facilitate the protection of the vital air-sea lanes of the Western Pacific region, as the principal logistics and repair facility, interim stop for support to CENTCOM, act as deterrence to potential adversaries, and demonstrate US resolve to honor commitments to

the security of the region. These capabilities afforded to the US also benefit the region with the resultant increased stability conducive to economic investment.

#### **EMERGING ALTERNATIVES TO THE US MILITARY PRESENCE**

Extension of military cooperation is an option. This is advocated by Cholid Ghazali Enhancing Military Cooperation Among ASEAN Countries who tries to convince political and military leaders in ASEAN countries that such proper application of military cooperation should be fostered to enhance the military capabilities among ASEAN members. The study also discusses the probable external challenges faced by ASEAN and the kinds of military cooperation appropriate to ASEAN. He sees the suitability of bilateral ties over regional ties as the former does not commit the region as a whole and also does not infringe upon the original purposes of the formation of ASEAN.

Mohammed Kalam Azad Southeast Asian Security however feels that the issue of ASEAN military pacts will not happen. He opines that economic development is more important; the threats are different; and differences and suspicions among the member-states still exist. However, he recommends the building up of individual armed forces, with continued assistance from the US, e.g. in the form of foreign military sales (FMS).

Another alternative to US military presence would be greater activity by China, Japan, and India in the South China Sea. Helpful information can be found in the corresponding sources on the respective countries listed in this chapter under "Threat Perception."

### Methodology

#### SEQUENCE OF STUDY

The full extent of the threat faced by ASEAN cannot be understood without an in-depth understanding of the essence of ASEAN and the purpose for its formation. This would involve an appreciation of the political, social, and economic situations at the time of its formation in August 1967. A comparison is then made with the same factors at the present moment to see the areas where the aims of ASEAN have been met and where they have been less successful. The analysis of the reasons for the latter may provide a glimpse at the extent of 'disagreement' among the member-states and the degree of differences among national priorities and how they have influenced the activities of the regional grouping.

Based on the above comparison, an analysis will also be made about the problems that have not changed or have not been resolved, as well as new problems that have arisen in recent years and how these may be used to portend problems

ahead. The repercussions of Gorbachev's recent initiatives of glasnost (openness) and perestroika (economic restructuring) would also need to be addressed.

The study will address the internal threat (as perceived by ASEAN member-states), which can be found in the literature. An analysis of the threats to assess their validity in the future will be provided, and other areas discussed which can also give cause for concern.

The study then examines the interests of the superpowers and how they have changed. The emergence of new powers, the awakening of the mainland Chinese giant, and the rearming of Japan would certainly affect the balance of power in the region. The growth of India as a nuclear power and a regional power cannot be ignored. The threat posed by these interested parties will be analyzed. However, as the ASEAN member-states do not have a common view of the threat from the superpowers and the major powers, the threats will only be analyzed as a result of their interests and not considering the varying views of the member-states.

Next, the study considers the benefits as well as spinoffs of having US bases in the Philippines. The benefits include the direct benefits of military deterrence to potential aggressors; military assistance and alliance with the Philippines; the umbrella coverage of the 7th Fleet stationed at Subic Bay Naval Base; the role of stabilizing



the status quo, vis-a-vis USSR and Vietnam, and the Spratly Islands; and a non-Southeast Asian military partner. The confidence in the stability of the region as a result of a US presence also played a considerable role in the amount of investments flowing into ASEAN countries. All these would be affected to a greater or lesser extent if the US were to leave the region should the Bush-Aquino negotiations fail. The study will identify the critical backlash of the withdrawal.

There could be many possible solutions towards limiting the backlash of a US withdrawal and several theories have been analyzed. However, are such proposals sufficient in extenuating the backlash to an acceptable level? What are the risks involved? What about the suitability, acceptability, and feasibility of such solutions?

Only after the above have been addressed can a considered attempt be made at weighing the loss to ASEAN in spite of the alternative measures.

## ENDNOTES

1. Ronald D. Palmer and Thomas J. Reckford, Building ASEAN: 20 Years of Southeast Asian Cooperation, Praeger, 1987, 127.
2. Alan Rix, "ASEAN and Japan: More Than Economics," ed. Alison Broinowski, Understanding ASEAN, St. Martin's Press, 1982, 171-172.
3. Tajima, T., "China and Southeast Asia: Strategic Interests and Policy Prospects," Adelphi Papers, No. 172, Winter 1981, 15.
4. Francis Lai, "Japan's Defense Policy," Southeast Asian Affairs, 1984, 5.
5. Jay Goldberg, "The Soviet Presence in Southeast Asia: Looking for Links in the Communist Chain," Journal of Defense & Diplomacy, October 1987, 28.
6. Norman D. Palmer, "Interacting with ASEAN: Security Relationships in Southeast Asia," Journal of Defense & Diplomacy, March 1987, 46.
7. Ibid.

## CHAPTER 3

### OVERVIEW OF ASEAN

Know your enemy, know yourself; a hundred battles fought, a hundred battles won.

Sun Tzu, The Art of War

#### INTRODUCTION

The member-states of ASEAN are diverse in many aspects and one of the most important is in the threat perception. Any study of ASEAN's present and future threat must necessarily consider the individual threat perceptions, the reasons behind the differences where they exist, and the extent of overlap or conflicting views.

This chapter begins with an overview of the ASEAN countries individually. This will be followed by a discussion about ASEAN, the reasons for its formation, what it stands for, what it hopes to achieve, and also what it is not.

## BRIEF BACKGROUND OF THE ASEAN COUNTRIES

A map of the region is at page 227. The military statistics are taken from Pacific Defense Reporter, 1990 Annual Reference Edition, Vol. XVI Nos. 6/7, December 1989/January 1990.

### Brunei

Profile. The Sultanate of Brunei is a small coastal enclave on the northwest coast of the island of Borneo in the South China Sea. It is surrounded on the landward side by the Malaysian state of Sarawak. Brunei's population is estimated to be 238,000, and is overwhelmingly Malay. There are also about 39,000 Chinese and 15,000 other people of indigenous races, mainly Ibans and Dusuns. Islam is the official religion of this strictly conservative state.

Brunei's economy revolves around the oil and gas industries, constituting 99 percent of all export earnings and 75 percent of the gross domestic product (GDP). Per capita income is among the highest in the world, and Brunei's massive foreign currency reserves are an effective buffer against oil price fluctuations.

Brunei is an absolute monarchy and control of the government is in the hands of family members of the sultan. After gaining independence from Britian in 1984, Brunei joined ASEAN.

Brunei's armed forces is relatively small; it comprises only of about 4,200 troops. The equipment used are comparatively modern as Brunei has in recent years purchased high technology weapons, such as the Rapier anti-aircraft weapon. The lack of size is the most serious drawback of the effectiveness of the Bruneian Armed Forces.

### Indonesia

Profile. Indonesia is an archipelago of more than 13,500 islands stretching for more than 4,800 kilometers from Southeast Asia to Australia. It shares land borders with Malaysia and Papua New Guinea.

The population in 1988 was estimated to be 173.6 million, making Indonesia the fifth most populous nation in the world. The population is predominately of Malay origin. Ethnic Chinese make up about 2.5 percent of the population. About 90 percent are Muslims; 5 percent Christians; and 5 percent Hindus, Buddhists and others.

Indonesia's economy is dominated by the agricultural and petroleum sectors. Although the country is rich in natural resources, e.g. oil, natural gas, timber, coal, copper, and tin, these resources are largely untapped. Indonesia's foreign debt stood at US\$44.2 billion in 1988.

Indonesia is a republic with a state ideology based on Pancasila, or the Five Fundamental Principles: A belief in one supreme god; a just and civilized humanity; the unity

of Indonesia; the sovereignty of the people, based on deliberation and consensus; and social justice for all. In practice, the government is dominated by a strong executive, backed by the armed forces. Indonesia's President Suharto is a former army general who has been in power since 1966.

Indonesia has the largest army in ASEAN, comprising of about 280,000 active and 800,000 reserve troops. Although large, the Indonesian army's air projection capability is limited because of its lift assets, as well as the previous emphasis on regional law enforcement, rather than oriented against external aggression. The Indonesian navy is the strongest in ASEAN. This is necessitated by the vast areas, islands, and seas under its control.

The Indonesian Armed Forces is closely involved in politics; many senior officers also hold position in congress, and serve as advisers to village and town headmen. The dual function (dwi fungsi) role was ascribed to the Army when President Suharto came to power.

### **Malaysia**

**Profile.** The Federation of Malaysia consists of thirteen states. Peninsular Malaysia, which comprises eleven states, lies on the southern end of the Kra Peninsula, with Thailand to the north and the island nation of Singapore to the south. The other two states, Sabah and

Sarawak, are located on the northern and north-western coasts of the island of Borneo, next to Brunei.

The official population estimate for 1988 was 17 million, 41 percent being Malays or Bumiputras (which means "sons of the land" in the native language, Bahasa Malaysia); 34 percent Chinese; and the rest being ethnic Indians, Pakistanis, and various indigenous groups. Islam is the official religion, practiced by nearly all the Malays. The current of Islamic fundamentalism runs more strongly in Malaysia than in any other ASEAN country. Nearly all the Chinese are Buddhists.

Malaysia is rich in raw materials and minerals, e.g. rubber, palm oil, tin, and oil. Agriculture, forestry, and fishing still constitute the most important sectors in the economy. Malaysia's per capita income is five times that of Indonesia's. Malaysia's external debt stood at US\$17.8 billion in 1987.

Malaysia is a constitutional monarchy with a bicameral legislature. Malaysia's monarchy (the king is called the Agong), is chosen by election from among the sultans of nine of the thirteen states. Control of government lies in the hands of the prime minister who is freely elected. The present prime minister, Dato Sri Dr. Mahathir bin Mohamad, took office in July 1981. Dr. Mahathir has managed to get the upper hand in recent political infighting. The ruling National Front government's dominant partner, United Malay

National Organization (UMNO), faces serious internal problems since a splinter group broke away in 1987 and formed another party, known as the Spirit of '46.

The Malaysian Armed Forces is made up of about 114,000 active and 47,000 reserve troops. In the past decade, the army has reorganized from jungle counterinsurgency warfare to meet conventional threat.

### The Philippines

Profile. The Philippine archipelago lies in the Pacific Ocean to the east of the southeast Asian mainland and the South China Sea. The 7,100 or so islands and islets cover an area of 300,000 square kilometers.

In 1988, the population reached 58.7 million and is growing much faster than the economy. The majority of the Filipinos are descendants of Malayan-Polynesian peoples, and of this group 91.5 percent are Christian (mainly Catholics), and 4 percent Muslim. The Chinese represents one-third of all non-Malays.

The Philippines has immense resources - a skilled, educated, and low-cost work force, and abundant natural resources. Unfortunately, inefficiency and mismanagement have prevented much improvement in recent decades. Since Mrs. Aquino came to power in 1986, the GDP rose 5.9 percent in 1987, and 6.7 percent in 1988. However, the foreign debt



of US\$27.9 billion (1988) siphoned off more than 30 percent of export earnings.

The present government of President Corazon C. Aquino came to power in a civilian-military uprising in February 1986 which ousted President Ferdinand Marcos. The present constitutional form of government was restored following the drafting in June 1986 of a permanent constitution. It largely follows the US model with a bicameral legislature and an executive presidency. Local elections in January 1988 marked the full restoration of democracy to the post-Marcos Philippines, but President Aquino has ensured six attempted coups since taking office.

The Philippine Armed Forces comprises of about 112,000 active and 108,000 reserve troops. It is oriented toward counterinsurgency; its conventional capability is very limited. The army is able to influence the government as it was partly responsible for Mrs. Aquino coming to power.

### Singapore

Profile. Separated from the southern tip of the Malay peninsula by the narrow Straits of Johore, Singapore is the smallest nation in Southeast Asia. The large island (Singapore Island) and 57 islets together cover an area of about 640 square kilometers. The south is bounded by the Singapore Straits, an extension of the Malacca Straits.

The population as of July 1984 was 2.53 million. More than 76 percent are ethnic Chinese; 15 percent Malays; and 7 percent Indians. There are about 20 percent Christians; 15 percent Muslims; 6 percent Hindus; and the rest are mainly Buddhists or Taoists. There is no official state religion; religious freedom is practised.

Having virtually no natural resources other than her labor force, Singapore's economy concentrates on service industries, e.g., transportation, communication, and finance; development of technologically advanced industries, e.g. electronic equipment, computers, oil refining; and light industries, e.g., textiles. Less emphasis is now placed on heavy industries, e.g., shipbuilding. In 1988, the GDP was US\$23.9 billion, and the per capita income was US\$9,010. The foreign reserves amount to about US\$15.5 billion (1989 figures).

Singapore is a parliamentary republic with a unicameral legislature. The president holds a largely ceremonial post. He appoints a prime minister, who acts as the head of the government. Singapore's Prime Minister Lee Kuan Yew has been at the helm of the government since 1959. His Peoples' Action Party (PAP) has a firm hold on the political arena; of the 81 parliamentarians, there is only one opposition member.

The Singapore Armed Forces comprises of 55,000 active and 170,000 reserve troops. The army is subordinated to civilian control and has no political role.

### Thailand

Profile. Located on the Asian mainland, Thailand is bordered by Malaysia in the south, Cambodia in the south-east, Laos in the east and northeast, and Burma in the west.

In 1988, the population was estimated at 55.0 million. Thais are relatively homogenous in language and religion. About 95.5 percent are Thai-speaking Buddhists, which includes the 15 percent Chinese minority who are well assimilated. Less integrated into Thai society are the one million Muslim Malays who live on the southern isthmus bordering Malaysia, and half a million other ethnic minorities residing in the drought-ridden northern hills.

Self-sufficient in food and abundant natural resources, Thailand is mainly an exporter of primary commodities. However, Thailand is attempting to move away from mainly exporting raw materials and the share of manufactured exports continues to rise. In 1988, the per capita income was US\$1,050, and external debt stood at US\$17.8 billion.

Thailand is a constitutional monarchy in which the king performs largely ceremonial functions, while the prime minister exercises broad constitutional powers. The king retains an informal but highly influential role in govern-

ment affairs due to his great popular esteem, and he appoints the prime minister on the advice of the National Assembly. The National Assembly is a bicameral legislature. The present government is a coalition of six political parties, and is headed by Prime Minister Chatichai Choonhavan, who also heads the Chart-Thai Party. Prime Minister Chatichai, a former army general, came to power in 1988 after general elections.

The Thai Armed Forces has about 283,000 active and 500,000 reserve troops. Like Indonesia, the military has a close association with the government. Of the many governments Thailand had since the country was changed to a constitutional monarchy, the military heads of government have been more enduring than the civilian predecessors. In fact, the post of the Supreme Commander is viewed as a stepping stone to the prime ministership.

#### HOW ASEAN BEGAN

The Southeast Asia Treaty Organization (SEATO) was the first post-colonial attempt at forming a regional alliance in Southeast Asia. Formed in 1954, SEATO comprised of the US, UK, France, Australia, New Zealand, Pakistan, the Philippines, and Thailand. Owing to failure of some members to honor their commitments, this treaty organization was soon dissolved, although the treaty survives to today.

Next, the Association of Southeast Asia (ASA) was formed in Bangkok on 31 July 1961 for the purpose of focusing on economic, social, cultural, scientific, and administrative rather than merely political concerns. It was comprised of Malaya (the precursor of Malaysia), the Philippines, and Thailand as founding members. This organization was handicapped by its limited membership. The grouping began to fall apart in 1963 when relations between Malaya and the Philippines soured over the latter's claim in June 1962 to North Borneo. North Borneo later was renamed Sabah and became part of the Malaysian Federation when it gained independence from Britain in September 1963.

About this time, MAPHILINDO, comprised of Malaya, the Philippines, and Indonesia, was formed. This grouping was established during the tripartite discussions in Manila in July/August 1963 which centered on their respective differences over the establishment of Malaysia and the possible resolution. The main purpose was to facilitate the resolution of the differences between the predominantly Malay states. However, owing to the limited purpose of its founding and the emphasis on the common Malay origins of its members, it had limited appeal to the other Southeast Asian countries.

June 1966 saw the formation in Seoul of the Asian and Pacific Council (ASPAC), which included Malaysia, the Philippines, and Thailand, and which endorsed efforts to

"safeguard their national independence and integrity against any Communist aggression."<sup>1</sup> This again was of limited success because it also did not include the other Southeast Asian nations.

It was against the backdrop of these many failed attempts and lessons learned that ASEAN was conceived. The member-states had rejected Malaysia's proposal of having ASEAN's neutrality guaranteed by the China, USSR, and US, in favor of the Indonesian concept of members protecting their own neutrality.<sup>2</sup> This was not an unacceptable proposal as it was the extant view then that the external threat was not as significant as the domestic threat of poor economy, low standard of living, and communist insurgency. This was also in line with the Guam Doctrine (also known as the Nixon Doctrine) which called for countries in the region to be primarily responsible for providing manpower for their own defenses.<sup>3</sup> Mohammed Azad also agrees that this requirement for self-defense was the basis for the Southeast Asia Security Hypothesis which said that the "deterioration of internal security stability enhances the external threat the country faces."<sup>4</sup>

#### THE ESSENCE OF ASEAN

With the threat in mind, the emphasis of ASEAN was on economic, technical, scientific, and administrative

cooperation, and social and cultural development. The Bangkok Declaration, 1967, speaks of the the desire to:

...establish a firm foundation for common action to promote regional cooperation in South East Asia and convinced of the need to strengthen further the existing bonds of regional solidarity and cooperation;

while at the same time recognizing that:

...the countries of South East Asia share a primary responsibility for strengthening the economic and social stability of the region and ensuring their peaceful and progressive national development, and that they are determined to ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples.<sup>5</sup>

The above areas of cooperation can only be fostered within an atmosphere of "respecting each other's independence, sovereignty, equality, territorial integrity, and national identity."<sup>6</sup> The importance of this was recognized by ASEAN and hence this "code of conduct" was included as part of the treaty signed by the ASEAN signatories at the Bali Summit in February 1976.

### ASEAN MATURES

Despite differences in cultural background, religious emphasis, language, and history, by its determination not to allow these differences to impede the efforts to find a common ground on which to cooperate, ASEAN was able to meet the challenge to its unity and diversity.<sup>7</sup> A deliberate attempt was made by ASEAN leaders to focus on common

ground rather than be sidetracked by the many differences existing within ASEAN. Such differences, if not controlled, could give rise to tension and disturbances which are capable of escalation. This was evidenced by the Chinese-Malay racial riots in Malaysia on 13 May 1969, the repercussions of which spilled across the causeway into Singapore.

Slow Progress Made. Many observers seem to be of the view that ASEAN's only achievement was that it survived. However, according to David Irvine, an officer of the Australian Department of Foreign Affairs who served in Jakarta from 1976 to 1979, it is easier

to describe ASEAN's existence between 1967 and 1975 as one of obscurity, isolation, and stagnation, but this ignored the enormous progress in developing the habit of ASEAN consultation, the prudence of allowing time for the concept of regionalism to enter the strongly nationalistic thought-process of the leadership of the individual member countries and the successful application of that concept in minimizing the effects of serious intra-regional disputes and mutual suspicion.<sup>8</sup>

It also took some time for the region-wide bureaucratic roots to be sunk. This was the result of the slow process of its many committees and sub-committees which addressed a wide range of practical matters from a cooperative perspective. Such matters include regional banking procedures, shipping regulations, postal services, monetary policy, tourism, agriculture, and trade. Proposals and agreements from these consultations were then sent to the ASEAN secretariats in each country, the collective secre-



taries general, other ASEAN-wide councils, and finally the foreign ministers.<sup>9</sup> Although most of them were adopted, it took a while before the first fruits were gathered.

Reason for ASEAN's Maturity. It was not economic growth that led to ASEAN's coming of age, but the threat of the communist torrent rushing down from Vietnam through Cambodia into Thailand, then Malaysia and subsequently Singapore. This gave rise to the domino theory of communist hegemony. With the British pullback from east of Suez (announced in 1967 and executed in early 1970s), the Guam Doctrine pronounced by then President Nixon in July 1969, the subsequent US withdrawal from Vietnam in 1973, the fall of South Vietnam to the communist North Vietnamese in 1975, and the setting up of the puppet government in Laos in 1975, ASEAN leaders were beginning to be concerned about their countries' security, and began to seek a common solution to the communist threat. When Cambodia was invaded by the Vietnamese in December 1978, ASEAN had no choice but to make a common representation at the UN. In short, James Rush submits that "confronting Vietnam over the issue of Cambodia...forced ASEAN into the sort of effective policy collaboration envisioned at the Bali Summit in February 1976, and it has given ASEAN a high and positive international profile since."<sup>10</sup> The last ten years of active opposition towards Vietnamese hegemony has given ASEAN a common purpose and has

brought the leaders closer toward a better understanding of their countries' goals, as well as those of their neighbors. The leaders were also able to build up better personal relationships which played a significant role in lessening tensions among the countries. This led to greater mutual respect, trust, and consultation.

Mutual Support. The ability of ASEAN member-states to stand on common ground in the international arena has proved to be very useful. For instance, the ability of Singapore and Malaysia to work together to win economic and technical cooperation from the West Europe Common Market and Canada through the auspices of the British Commonwealth is a good example of the benefits of joint representation.<sup>11</sup> Also, "Indonesia and Malaysia joined in defending the Philippines and Thailand against charges of 'extermination of Muslim people' at the Muslim Nations Association, which resulted in cutting off foreign support for Muslim agitators in the two countries and tightening the ranks of ASEAN countries."<sup>12</sup>

Singapore's Prime Minister Lee Kuan Yew also defended President Suharto's position in 1986 when the Australian press had earlier criticized Indonesia's head of state. The resultant stability and favorable economic environment led to "manufacturing production improvement in all ASEAN nations in 1965-1970, except for the Philippines where production fell largely because of protectionist complacency,

inefficiency, and limited demand."<sup>13</sup> Although trade increased, intra-ASEAN trade only made a minor contribution. In fact, this is one of the areas that needs to be addressed because rather than being complementary, the industrial and economic efforts of the member-states tend to be competitive, thus losing the benefits of economies of scale.

ASEAN cooperation can also be clearly seen in the member-states' joint representation at the UN seeking a political solution towards the withdrawal of Vietnamese occupation forces in Cambodia.

Potential of ASEAN. A significant spinoff of the communist threat was the ASEAN economic ministers coming together and dealing with other trading partners as an entity. With a combined population of more than 305 million, ASEAN is a tremendous potential market for goods from the industrialized countries. This lends weight to a consolidated ASEAN economic front, as amply demonstrated by the joint ASEAN representation to the European Economic Community (EEC), the General Agreement on Tariffs and Trade (GATT), and the United Nations Conference on Trade and Development (UNCTAD), among other similar dealings. Taken as a group, ASEAN is also the world's leading producer of tin, bauxite, rubber, palm oil and is one of the world's major producers of rice, petroleum and other important raw materials. A

consolidated front would also confer better bargaining power for these raw materials, as well as stabilize prices.

Thus, ASEAN has slowly come of age politically and to a lesser extent economically.

### ASEAN TODAY

ASEAN as a regional force gained international recognition for its continued efforts at the UN in getting the international community to isolate Vietnam politically and economically, and seeking a political solution towards the withdrawal of Vietnamese occupation forces in Cambodia. It has successfully fought to retain the Pol Pot seat at the UN,<sup>14</sup> in spite of strong protests from Vietnam and her sympathizers. The essence and strength of ASEAN as discussed above has enabled it to grow from a group of undeveloped/developing countries to the present economic force, vocally active at the UN. And in just over two decades. Indeed, according to James Rush "ASEAN is nothing less than [a] revolutionary configuration of Southeast Asia. Regional states have never before formed such a community."<sup>15</sup>

### ASEAN'S SHORTCOMINGS - WHAT ASEAN HOPES TO RECTIFY

Conflicts. As can be seen, ASEAN did not achieve the sort of union as the constituent states of the US did; that was not the aim. Nor did ASEAN become another EEC. ASEAN simply sought to create a regional environment of

mutual trust, respect, and cooperation especially in economic issues and regional solidarity. It is helpful to note James Rush's observation that the "creation of ASEAN did not wash away longstanding conflict between its constituent societies...but...provided a new structure within which such conflicts could be negotiated and contained."<sup>16</sup> In fact in October 1968, ASEAN's activities were suspended for almost eight months, due to the deteriorating relationship between Malaysia and the Philippines over the 'Corregidor Affair' and a revival of the Sabah dispute.<sup>17</sup> Although the 'Corregidor Affair' has been settled, the Sabah claim by the Philippines was only played down significantly when President Aquino came to power in 1986. Another major incident was sparked by the hanging in Singapore in October 1968 of two Indonesian marines found guilty of sabotage and murder during the "confrontation period," 1963-1966. Although there were angry public reactions and some mild government reprisals from Indonesia, Indonesian-Singapore ties were not affected.<sup>18</sup>

There are still some territorial disputes/disagreements among some of the member-states. For instance, Malaysia has recently again laid claim to the Horsburgh Lighthouse located 46.3km from the eastern tip of Singapore Island (also known as Pulau Batu Putih by Malaysia), on the basis that the latter belonged to the peninsula before the

British colonized both. The lighthouse has been administered by Singapore since 1829 when both were part of the British Empire. The Horsburgh Lighthouse continued to be under the jurisdiction of Singapore after it gained independence from Britain in 1963.

Threat Perception. Differences also exist among ASEAN member-states in their reaction to the Vietnamese invasion of Cambodia; "the size, demography, culture, geographical place, and history of each dictates conflicting perceptions."<sup>19</sup> Thailand, which shares a border with Cambodia, held an uncompromising policy towards Vietnam. The influx of Cambodian refugees and frequent clashes with pursuing Vietnamese forces cause the most concern in Thailand. Singapore, a very small state with virtually no natural resources and which depends considerably on trade, would be badly hurt by instability in the region. As a result, Singapore had lobbied strongly in support of Thailand. However, Indonesia and the Philippines are separated from the Southeast Asian mainland and consequently feel less threatened. This has resulted in less vigorous condemnation of the Vietnamese invasion. Nonetheless, for the sake of ASEAN unity, they supported the overall ASEAN stand at the UN.

Economic Aspects. ASEAN has yet to achieve the desired economic cooperation. With the exception of Singapore, which is industrialized, the produced and exported

primary commodities tend to compete rather than complement each other.<sup>20</sup> As a result, "intra-ASEAN trade represents only 20 percent of total ASEAN trade."<sup>21</sup> Also, there is limited success in the few regional projects embarked upon. These include the Indonesian ammonia-urea project; the Malaysian urea project; the Thai rock salt soda ash plant; the Philippine ammonium sulphate fertilizer plant (which the Philippines later substituted with the integrated pulp and paper project, and still later with the copper fabrication plant); and Singapore's hepatitis B vaccine project.<sup>22</sup> In order to rectify the economic problems, a task force was commissioned and had reported an in-depth "review and appraisal of ASEAN cooperation [and] identify policy measures that would maximize the attainment of ASEAN's goals and objectives and define possible new directions for future cooperation."<sup>23</sup>

#### WHAT ASEAN IS NOT

ASEAN was not set up to be an organization with supranational objectives. The objective has been economic cooperation rather than economic integration. This means that national interests and growth have priority over ASEAN issues. Prathes Decharatanachart, a former student at the US Army War College, agrees that "the tendency for parochial interests to overshadow regional cooperation has been evi-

dent from the outset and is a long way from being resolved."<sup>24</sup> Hence, there was conscientious effort to keep the organizational machinery promoting regionalism diffused, decentralized, and under national control. Decisions are based on consensus and this has resulted in complicated efforts to address the complex trade and financial issues.<sup>25</sup> On balance, the decision-making process is cumbersome and cannot react speedily to external perturbations.

It should be noted that in the Bangkok Declaration there is no mention of military cooperation as part of ASEAN. This was again affirmed by Indonesian President Suharto at the Bali meeting of heads of state in 1976, who stated that:

It must be clear to us and the world that we have no intention of establishing a military pact, as it was misinterpreted by some people. Cooperation among us in the realm of security is neither designed against other nor certain parties. We have neither the capabilities nor the intention to have it. Our concept of security is inward looking, namely to establish an orderly, peaceful and stable condition within each individual territory, free from any subversive elements and infiltrators, wherever their origins might be.<sup>26</sup>

### **SUMMARY**

The ASEAN member-states are rather different in terms of geography, demography, economic status, and form of government. These differences have a direct bearing on how the member-states interact and respond to each other, their priorities, and how they perceive the threats to themselves.



Of immediate note is that in spite of these differences, six nations with different backgrounds but having a linked destiny managed to put aside their differences for the most part and work together for the mutual benefit of all.

Although ASEAN's growth has been slow, its progress has been steady. A careful observer would have noticed that there are still many areas where cooperation has not succeeded very well. ASEAN recognizes this and has made attempts to redress the shortcomings.

## ENDNOTES

1. Alison Broinowski, (ed) Understanding ASEAN, St. Martin's Press, 1982, 9, 10, 15 and 17.
2. James R. Rush, ASEAN's Neighborhood, DTIC, 1987, 10.
3. Ronald D. Palmer and Thomas J. Reckford, Building ASEAN - 20 Years of Southeast Asian Cooperation, Praeger, 1987, 16.
4. Mohammed Kalam Azad, Southeast Asian Security, US Army War College, Carlisle Barracks, 1986, 2.
5. Broinowski, 270.
6. "Treaty of Amity and Cooperation," Bali, 1976, as quoted by Rush, 8.
7. Cholid Ghozali, Enhancing Military Cooperation Among 'ASEAN' Countries, US Army War College, Carlisle Barracks, 1988, 13.
8. David Irvine, "Making Haste Less Slowly: ASEAN from 1975," Broinowski, A. (ed), Understanding ASEAN, The MacMilan Press, London, 1982, 38.
9. Rush, 11.
10. Ibid, 16.
11. Chang Yao-chiu, Communist China's Strategy Toward ASEAN Countries, World Anti-Communist League, China Chapter, Asian Peoples' Anti-Communist League, Republic of China, 1986, 21.
12. Ibid.
13. Palmer, 26.
14. The Pol Pot (Cambodian Prime Minister) regime was in power in Cambodia at the time of the Vietnamese invasion in December 1978. This regime which had earlier ousted the rule of Prince Noradom Sihanouk was accredited with the genocide going on in Cambodia. These activities caused much instability in the country and the fear of the repercussions spilling into Vietnam was the reason given by the Vietnamese for their invasion.
15. Rush, 1.

16. Ibid, 7.
17. Roger Irvine, "The Formative Years of ASEAN: 1967-1975," Broinsowki, A. (ed), Understanding ASEAN, The MacMillan Press, London, 1982, 19. Essentially, the Corregidor incident, which erupted in March 1968, appeared to be the result of a special military force of Muslim recruits that was being trained on Corregidor Island, near Manila. This force was alleged by the Malaysian Government to be prepared for infiltration into Sabah to create civil unrest. The Malaysian Government also announced other evidence of an infiltration attempt and lodged a formal protest. Relations were further aggravated when senior officials met in Bangkok in June and July 1968 for further discussions on the Sabah claim.
18. Ibid, 20.
19. Rush, 17.
20. Ghozali, 15.
21. Claire Starry, Analysis of Southeast Asian Shipping Volume 2: Research Report, SRI International, 1988, 8.
22. Palmer, 90.
23. Annual Report of the ASEAN Standing Committee, June 1982, 9 & 10, as quoted in Palmer, 111.
24. Prathes Decharatanachart, Assessment of Economic, Political, and Strategic Development in Southeast Asia: Significance to Thailand, US Army War College, Carlisle Barracks, 1988, 2.
25. Palmer, 109.
26. J E Metelko, The Potential of ASEAN, US Army War College, Carlisle Barracks, 1985, 11.

## CHAPTER 4

### ASEAN'S PERCEIVED THREAT - PRESENT AND FUTURE

Be prepared in season and out of season.

2 Timothy 4:2

#### INTRODUCTION

In discussing the threat faced by ASEAN member-states either jointly or separately, there is a need to discuss the perceived threats faced by the individual countries, as well as the threat arising from the interests the superpowers or major powers express in the region. Understandably there is significant overlap between the two categories.

To avoid duplication, when each of the ASEAN member-state's threat perception is discussed, the coverage will extend from existing or potential internal problems to perceived external threat as a result of superpower and major power interests.

Although it appears that the Soviets intend to leave Cam Ranh Bay (see chapter 5), as yet there has been no official response from the ASEAN member-states. Hence, the views on the USSR would have to be those held prior to the USSR's announcement of its intended departure from Vietnam.

## THREAT PERCEPTION AND ANALYSIS

### Brunei

Introduction. Brunei's armed forces is small but well equipped. However, the army (about 3,400 soldiers) is unlikely to be able to ward off external aggressors. This is acceptable to Brunei as it does not face any pressing external security threat. According to Tai Ming Cheung, a Far Eastern Economic Review reporter specializing in ASEAN, "of greater concern is the possibility of a low-level insurgency gradually escalating to open rebellion. [Though this]...scenario seems unlikely...the Sultan regularly warns against destabilizing elements and moves quickly to suppress any sign of dissent or opposition against the regime."<sup>1</sup> As it only gained independence from Britain in 1984, not much has been written about the threat faced by Brunei.

Religious Fundamentalism. Although Islam is the state religion, Brunei's form of Islam is a subdued one, with the Sultan as the country's religious leader. Hence, the surge in Muslim fundamentalism which has the potential of causing internal religious and racial conflicts in other

ASEAN countries is not a problem in Brunei. It is also unlikely that Brunei will indulge in a religious conflict with external parties. Nevertheless, there is the danger that strengthening ties with more radical Islamic countries could cause tension between Brunei and its regional partners.<sup>2</sup>

Internal Dissent. The high per capita income enjoyed by the Bruneians and improved standard of living (aided by the absence of personal taxes) leaves little cause for dissenters to work on. Although the Chinese minority does not enjoy as many privileges as the Malays, their numbers are too small to cause problems. Nevertheless, they too enjoy the benefits arising from the many developmental projects funded by the petro-dollars. As Diane Mauzy, an editor with one of the publishing firms specializing in ASEAN affairs, describes, "prosperity is a powerful political opiate."<sup>3</sup> Continued growth in the economy and associated benefits reaching all sectors of society will make internal dissent and instability unlikely.

Rebellion. It is not likely that there will be a repeat of the sort of rebellion against the monarchy as that which took place in 1962, where only the timely arrival of British troops flown in from Singapore succeeded in crushing the rebellion. Life in Brunei is ordered and subject to a strict Islamic code, which was drafted with the assistance

of religious advisers from Saudi Arabia. Since the Sultan is the most senior official of Islam in the country, it gives him that extra influence over his subjects. He also exercises firm control of the government and the key posts are held by close relatives. In any case, he has a praetorian guard of a Gurkha reserve unit comprised of 900 soldiers.

Military Coup. "For a small state, Brunei is bristling with crack troops and sophisticated hardware."<sup>4</sup> Diane Mauzy, also observes that the military presents the main danger to the present system of government. However, the military budget is generous, as are military honors and promotions. Also, the separate British Gurkha battalion and the Sultan's separate Gurkha reserve unit serve to balance the military. For 21 years after the formation of the Royal Brunei Armed Forces, the top echelon was comprised of British expatriates on loan from Britain. Since January 1986, Brigadier-General Pehin Dato Haji Mohammed bin Haji Daud assumed command from Dato Paduka Seri John Freidberger. Now, all command posts are held by Bruneian officers. Nevertheless, there are still some 120 British troops who are in the technical posts and headquarters appointments. In Brigadier Freidberger's view, a totally Bruneian force might be achieved by about 1995.<sup>5</sup> Based on the above, a military coup in the near future seems unlikely.

Spillovers. There are some areas that could potentially cause problems for Brunei. One is the Moro-Muslim secessionist effort on the Southern Philippine island of Mindanao. There is some concern that if this is allowed to escalate, it could spill over into Brunei.<sup>6</sup> The current problems faced by the Aquino administration which resulted in the recent coup attempt in early December 1989 did not help the situation. Nor did a failed attempt in 1989 to pass a referendum on regional autonomy. To alleviate the problem, Brunei has agreed to help finance Manila's economic development plan.

Another possible problem is the conflict in the Spratly Islands in the South China Sea extending into Brunei territory. Set astride the major sea lanes between the Persian Gulf and Northeast Asia, and over rich fishing and mineral-laden seabeds, ownership of the islands is both a strategic and economic prize. Five nations have laid claim to the Spratly group of islands and some of these claims overlap. Only recently, China forcibly evicted the Vietnamese from two of the islands. There has been an uneasy truce since then.

Terrorism. The source of Brunei's wealth is also a source of major concern. The rich oilfields are located on the western enclave of Brunei and also just off the coast. These oilfields are run by Brunei Shell Petroleum and jointly owned by the Brunei Government (50 percent), the Royal



Dutch/Shell Company (25 percent), and the Mitsubishi Corporation of Japan (25 percent). These assets are potential targets for terrorist attacks. Brunei recognizes this and is acquiring surveillance aircraft and other advanced weaponry. It is already operating Waspada fast patrol crafts, each armed with Exocet anti-ship missiles. The air force also owns missile-bearing helicopter gunships. As a result of Brunei's pre-independence negotiations, the British Gurkha battalion of the British Army is tasked to remain in Brunei to defend Brunei's oil and gas installations. The presence of the Gurkhas and some British officers means that an attack on the sultanate would unavoidably involve Britain.<sup>7</sup> Brunei has also forged close links with its immediate neighbors, particularly Singapore, Malaysia, and Indonesia. In addition, it has expressed interest in recent years in joining the Five Power Defense Arrangement (FPDA) comprised of Singapore, Malaysia, Britain, Australia, and New Zealand.<sup>8</sup> Taken together, these should be sufficient deterrence to potential aggressors or trouble makers in Brunei.

Foreign Labor. Another potential source of trouble is a result of the country's economic development which the small labor force cannot sustain. There are many thousands of foreign workers in Brunei, and the Brunei government is aware of the need to rigidly control the influx to prevent the entry of extremists, especially religious extremists who

may use the large number of foreign workers as the destabilizing element.<sup>9</sup>

USSR. With regards to the superpower or major power interests in the region, there is not much documented data other than that Brunei is concerned about the Soviet presence in the air and naval bases at Hai Phong and Cam Ranh Bay in Vietnam, respectively. Taken with these bases, Soviet patrols in the South China Sea show the Soviet ability to maintain a strong air and naval presence in the region. Brunei's oil and gas installations lie well within the range of Soviet strike aircraft and maritime and cruise missile variants when operating from the Vietnamese bases. Although this is a concern to the Brunei government, it does not bear the burden alone; its customers, including Japan, are also keen to preserve the status quo, as any disruption of Brunei's energy exports would have an impact on their economies. For instance in 1983 Japan purchased 68 percent of Bruneian oil produced and all the natural gas exports.<sup>10</sup>

### Indonesia

Introduction. Since independence from the Netherlands which was officially granted in 1949, the only major threat experienced by Indonesia was an attempted takeover by communists in 1965. Since then, "Indonesia has posed more of a threat to its neighbors than it has been threatened by them...Indonesia staged raids into Malaysia from 1963 to

1965, and when it invaded East Timor in 1975."<sup>11</sup> The author of this thesis also recalls Indonesia ventured into Irian Jaya and took over the western half of the island of New Guinea in the 1960s. With the thaw in Sino-Indonesian relationship which is expected to result in the resumption of diplomatic ties in the near future, many Indonesian policy-makers view Japan as a potential threat in the light of its rearmament efforts.<sup>12</sup> Internally, there are some areas of concern which if left unchecked may grow into something problematic.

Communist Insurgency. With the massacre of between 100,000 and one million communists and communist sympathizers after the failed communist-led coup attempt in September 1965, communism is a weak force in Indonesia. With the military firmly in power, the chances of a communist recovery is very slim. Nevertheless, there is a need to monitor cases of possible communist-led insurgencies.

Religious Fundamentalism. One of the five state principles of Pancasila is the call to believe in one god.<sup>13</sup> This was used in such a way as to make it difficult for religious fervor to lead to internal conflict. Muslim opposition groups, although sometimes vocal, are largely ineffective. Although Islam is the main religion, Indonesians enjoy religious freedom. Dr. Leo Suryadinata, a senior lecturer in the Department of Political Science,

National University of Singapore, observes that the effects of religion are played down by adherence to Pancasila and a distinct line is drawn between politics and religion.<sup>14</sup> Furthermore, the Islamic forces are diverse and do not have access to means of violence. However in recent years, there has been a resurgence of Islam. This is a new strain of Islam often referred to as 'secularization' of Islam. This is tolerated by the government, as long as Islam is not mixed with politics. Hence, the effects of Muslim fundamentalism would not be a very significant threat to the stability and internal security of Indonesia.

Student Agitation. Students also represent a political force to be reckoned with. In general, student activists are critical of the government, especially in economic and development policies. Although they cannot challenge the military, they can be used by powerful groups within the military to create unrest, as was shown in the January 1974 Affair.<sup>15</sup> However, presently the students are rumored to be divided in their political orientation and they should not cause much problems in the near future.

Racial Conflict. Ethnic Chinese make up only about 2.5 percent of the population; the rest are predominately of Malay origin. With official encouragement and social pressure, many Chinese even take Indonesian names. The Indonesian government makes similar efforts at "Indonesianizing" the other indigenous ethnic groups.

However in September 1984, an anti-government and anti-Chinese riot erupted in the poverty-stricken and Muslim-dominated port district of Tanjung Priok in Jakarta. The resultant confrontation between the military and demonstrators left many casualties. It was later learned that the riot was caused by Muslim dissatisfaction over legislation requiring all mass organizations to adopt Pancasila.<sup>16</sup> The existing disparity in economic wealth as well as land ownership between the Chinese minority (who on average are much better off than the others) and the Muslims could be a cause for future riots and unrest.

Territorial Disputes. Indonesia still has territorial disputes with Australia (fishing rights involved); Vietnam and China (exploration of oil in the South China Sea involved); the Philippines (fishing rights involved); and Papua New Guinea (land border with Irian Jaya involved). These could prove serious in the future, "especially over the conflicting claims to the Exclusive Economic Zones (EEZ) in the South China Sea, where Indonesia is looking for oil."<sup>17</sup>

Separatist Movements. Because Indonesia is a widely scattered island nation encompassing hundreds of different cultural and linguistic groups, national unity has always been a difficult goal. Major separatist movements operate in reluctant Indonesian provinces as East Timor and Irian

Jaya. Sporadic guerrilla attacks since these provinces were forcibly absorbed<sup>18</sup> mean that significant forces have to be stationed in them to maintain law and order. Although this causes some diversion of the government's attention from other important issues, it is unlikely to be a major problem in the next five years as the number of armed insurgents are not sufficiently large.

Population Explosion and Unemployment. From the population of 161.6 million in 1984, the population is estimated to increase to 210.6 million by the year 2000. The Indonesian economy already cannot provide sufficient jobs for so many people. The significantly increased unemployment is a potential target for social and political unrest. Unless Indonesia is able to control its birth rate, the rate of economic growth would fall below the rate of population increase resulting in reduced standard of living. This could well constitute a significant problem, even within the next five years.<sup>19</sup>

Economy. The heavy reliance of Indonesia on oil revenues has created problems due to the fall in oil and other commodity prices. This led to the devaluation of the Indonesian rupiah by 31 percent in September 1987. Although diversified exports have been encouraged by the Indonesian government, its success has been limited due partly to the world recession.<sup>20</sup> However, continued efforts by the Indo-

nesian government in encouraging diversification may foster greater economic stability for the country.

Transition of Power. President Suharto is presently in his fifth term of office, which ends in 1993. It appears that he has no designated or prepared successor and this has created the possibility of a power struggle should he step down or leave office prematurely (he is 69 years old in 1990). Together with this, there have been recent rumblings in the ranks where people in and out of the military have hinted they want another leader after 1993. Although this is a serious challenge to Suharto's power, Michael Vatikiotis, a reporter with the Far Eastern Economic Review, assesses that Suharto is unlikely to be replaced before his term expires.<sup>21</sup> Should the situation turn "chaotic," the use of the military to quell dissent cannot be ruled out. This would affect the country's investment climate.

Military Coup. The military is presently the strongest group in Indonesia. However, it is not homogeneous and there are many ethnic, divisional, and "generational" cleavages. The Suharto group is the most powerful and holds all the key positions in the country and army. With President Suharto in a predominant position, there has been no contending figure. Even with discontent in the military, this author assessed that there would not likely be a coup while he is still in control. When he leaves office, it

could give rise to a possible power struggle within the military.

Japan. Indonesia has not forgotten Japanese intentions of regional hegemony during World War II. Indonesia is worried that Japan's efforts at rearmament, albeit to protect its EEZ, may trigger radical expansionist minded politicians in the future. Robert Tilman affirms that "some important Indonesian policy-makers tend to be very suspicious of Japanese intentions, and in past years it became apparent that these suspicions were shared by many others in Indonesian society...."<sup>22</sup> Another associated problem is that if Japan finds that its tankers or supertankers need protection, it is likely it will send naval assets to escort the commercial vessels bringing home the critically required petroleum. The naval vessels would likely pass through the Straits of Malacca, Sunda Straits or Lombok Straits. Indonesia is concerned that this would bring the Japanese naval vessels uncomfortably close to Indonesia.

Vietnam/USSR. Indonesia does not view Vietnam as a threat and only went along to isolate Vietnam at the UN to show ASEAN solidarity. In fact in February 1984, Gen. Benny Murdani (the then Chief of Indonesian Armed Forces, and the present defense minister) visited Vietnam and had talks with high-level officials. President Suharto also has visions for Vietnam (together with Laos and Cambodia) to be part of ASEAN.<sup>23</sup> Nevertheless, Indonesia was opposed to Vietnamese



occupation of Cambodia. According to Robert Tilman, based on interviews with officials from Ministry of Foreign Affairs, Indonesia also does not consider the Soviet presence in the region a serious threat, and civilians do not believe the Soviets want or will get permanent naval facilities in Vietnam.<sup>24</sup> This is substantiated by the fact that there is a growing trade link with the USSR. Furthermore, after Soviet Vice-President Mirza Olim I. Ibraginov's visit to Indonesia in January 1989, the highest ranking official to visit Jakarta in 25 years, and President Suharto's return visit in September 1989, there has been significant improvements in Soviet-Indonesian ties. Indonesian ports are now open to Soviet shipping and joint ventures are being discussed.<sup>25</sup>

China. Sino-Indonesian ties were frozen for more than 20 years, when it was discovered that China had a hand in the 1965 communist-led coup attempt. However in 1989, both Jakarta and Beijing announced that the ties would be normalized in the near future.<sup>26</sup> Evidently, President Suharto has had a change of heart and no longer considers China a threat.

### Malaysia

Introduction. Since the end of World War II, the communist-dominated anti-Japanese guerrilla movements turned

their attention toward gaining control of the country. This culminated in a 12-year insurgency that only ended in August 1960 when the combined British and Malay forces defeated the communists, who then went underground. The Federation of Malaya, comprised of eleven states on the peninsula, was formed on 31 Aug 1957. When the Federation of Malaysia (which included Singapore, Sabah, and Sarawak) was created on 9 Jul 1963, Malaysia had problems with the Philippines (due to territorial disputes) and Indonesia (due to ideological, economic, and political factors on Indonesia's part). Internally, Malaysia had its share of communal and communist problems. Even today, apart from threats arising from the big powers' interest in the region, there are dormant issues within the society which if not handled carefully may lead to internal conflict.

Regional Conflicts. The problem of confrontation with Indonesia which resulted from President Sukarno's aggressive policies ended with his downfall in 1966. The territorial dispute with the Philippines was over Sabah, one of the eastern Malaysian states in former British North Borneo which the Philippines under former President Macapagal claimed to be part of its territory. When former President Marcos came to power in 1965, this claim was played down. However, a dispute between Malaysia and the Philippines over Sabah arose in 1968. Because the US refused to assist the Philippines and in fact condemned Filipino ag-

gression, the dispute did not last long. The Sabah claim was subsequently dropped by President Aquino in December 1987 at the ASEAN Summit. Relations with both Indonesia and the Philippines have improved since the respective contentious issues were resolved.

Communist Insurgency. When the communist went underground in 1960, they had more than 10,000 troops. Continued fighting with federal forces took place sporadically, more as a result of Malaysia bringing the fight to the communist to eradicate them. The strongholds at the Thai-Malaysian border were seriously threatened when Thailand and Malaysia cooperated in a combined effort to destroy the communists. These efforts were not conclusive. However recently, Chin Peng, the self-exiled leader of the banned Communist Party of Malaysia (CPM), signed separate agreements with the Malaysian and Thai governments at Haadyai in Thailand, to end the CPM's 41-year war and disband the guerrilla army. But, he also made it clear that the party would not be disbanded, thus fueling speculation that the party may be renamed without the term "communist" to make it legal again in Malaysia to perhaps re-enter the political scene.<sup>27</sup> With that ended the communist insurgent threat. However, there is still skepticism that the CPM would truly give up their struggle. When recently interviewed, former Malaysian Prime Minister Tunku Abdul Rahman insists that

Chin Peng is unlikely to change, saying "once a communist, always a communist."<sup>28</sup> The author, although agreeing with the Tunku, feels that the CPM would make no headway in the Malaysian political scene. The CPM, which is comprised mostly of disillusioned ethnic Chinese, is unlikely to wield much influence in the capitalist society of Malaysia. The majority of the Chinese are doing rather well economically and although they may have disagreements with the ruling National Front (NF) party dominated by the United Malay National Organization (UMNO), it is unlikely that they would turn to communism to redress their grievances.

Communal Conflicts. The racial riot between the Malays and the Chinese in May 1969 was a showdown of the racial disagreements which ultimately led to conflict in which many people died. An emergency state was declared and some constitutional guarantees were suspended. Parliament was suspended, and a National Operations Council ruled by decree. The council was finally disestablished in 1971. Although the racial issues are much less contentious today than they were in 1969, developments since then have tended to favor the indigenous Bumiputra Malays. The New Economic Policy was instituted in 1971 to increase the share of the native Bumiputras in the economic sector to 30 percent, while at the same time decreasing the share of the others. This was because at that time, foreign equity was 55 percent, and for the other races was about 40 percent. Al-

though it met with some unhappiness from the non-Bumiputras, this policy was grudgingly accepted.

The racial differences between the Malays and Chinese in Malaysia is a cause of concern because only 41 percent of the population is Malay, compared to 34 percent Chinese. This means that although the Malays are in the majority, the Chinese voice is not insignificant and must be heard.

Recently the unity of the NF party (a coalition of UMNO; the Chinese Malaysian Chinese Association (MCA); and the Tamil Malaysian Indian Congress (MIC), so as to cater for the multi-racial content of the country) was threatened by the controversial Islamic Law.<sup>29</sup> This was resolved amicably in December 1989 after the group of ten MCA members of parliament threatened to resign. Otherwise, the inevitable split of the ruling NF would deprive it of the Chinese support enjoyed by the popular MCA (compared to the other Chinese-dominated party, the Democratic Action Party or DAP) which would draw away Chinese support from the NF. This would have a destabilizing effect on the government as the elections would likely steer toward communal and racial lines.

This problem of Islamic Law comes not long after the issue of the Education Ministry wanting to institute the rule that only Malays could become school principals. This

on its own is not a problem, but when we consider the existence of Chinese and Indian-language schools, the issue becomes polarized along racial lines. After much unhappiness and public debate, this rule was dropped.

In November 1989, the government decided to drop the controversial clause in the Education Act passed 28 years ago, which allowed the Education Ministry to reclassify Chinese and Tamil-language schools as National or Malay-language schools. This move had been needed for a long time by the Chinese and Indian communities, and is a step in the right direction to ease potential areas in which racial disagreements can become obstacles to national unity. The government must constantly be aware of such issues and try to solve them amicably if a split in the NF which directly affects the stability of the government and country is to be avoided. The existence of this domestic racial polarization must be recognized and considered accordingly.

Muslim Fundamentalism. Originally, the status of Islam was a non-contentious issue. The non-Malays were guaranteed religious freedom under the constitution and hence raised little fuss over making Islam the official religion or having some tax dollars used for building mosques.<sup>30</sup>

The current revival of Islam towards fundamentalist principles in Malaysia has been used by the competing political parties to win Muslim support. This in turn fueled the

revival. It has been found that this revival and emphasis towards Muslims, who are mostly Malays, has caused some alienation of the other communal groups. To non-Muslims, Islam is a personal matter and should not be brought into the political arena. However, fear of a Muslim backlash has prevented action by non-Muslims to influence the government's policies toward Islam. Partly as a result of this, support by non-Muslims for the ruling NF has eroded considerably.

For the immediate future, the revival is unlikely to abate. If the UMNO-PAS (Partai Islam Se-Malaysia, the predominately Malay Islamic opposition party) race to "out-Islam" each other continues, there is danger that it may lead to greater Islamization of the country. This would heighten the sense of insecurity of non-Muslims, and the continued ability of the NF to bridge the communal gap is in question. If left unchecked, this could lead to the loss of power of UMNO to the more extreme PAS, which would further isolate the non-Muslims. Because Islam today threatens to impinge on the daily lives of the majority of the population who are non-Muslim and non-Malay, "the resultant downward spiral to communal dispute on a scale much larger than in 1969 would appear inevitable."<sup>31</sup>

UMNO Split. The split in UMNO occurred in 1987 when the relation between Prime Minister Mahathir and the leaders

of the opposite faction Tunku Razaleigh Hamzah and Datuk Musa Hitam turned sour. The splinter faction left UMNO and formed the Selangor '46 (or Spirit of '46) organization. Divisive differences between these two groups caused a split in the Malay votes for the NF. Support for UMNO has grown with the return to the UMNO fold of Datuk Musa, as well as the recent endorsement of UMNO by the former Prime Minister Tunku Abdul Rahman (who is known as the 'Father of Malaysia' after leading Malaysia into independence in 1957, and who still wields considerable political influence). This rift does not augur well for Malay unity. Should there be a reversal of fortunes for the decreasingly popular Spirit of '46, the stability of the government would be affected.

Struggle Between Rulers and Government. Since Malaysia became a constitutional monarchy, there has been a tussle for power between the hereditary rulers of nine peninsula states and the government.<sup>32</sup> In 1983, the situation worsened to the point where the Agong (the King) refused to sign into law certain proposals by the government. This stalled the machinery of the government. The situation was somewhat resolved when an agreement was reached between Prime Minister Mahathir and the Agong regarding the role of the central government, and the diminished role of the state sultans. Although the power of the sultans is reduced, there still exists unhappiness over the balance of power. This should not cause much concern unless issues were to



arise which threaten what remaining authority the state sultans still have left. Owing to the authority of the sultans who are accorded great deference and loyalty, this could cause significant problems towards the smooth running of the federal government.

Economic Issues. Malaysia is a major world producer of tin, rubber, palm oil, and commercial hardwood. The recent drastic fall in prices of raw materials, a fallout of the October 1987 Stock Exchange crash, caused Malaysia to lose a large amount of foreign exchange. This has caused a severe fall in the balance of payments. Prime Minister Mahathir has warned that developing countries that are "overwhelmed by unbearable external debts, straitjacketed by protectionism, and beggared by volatile interest and exchange rates" cannot become resilient.<sup>33</sup> Export of raw materials as opposed to finished products makes a country more vulnerable to fluctuations in the world economy. Malaysia recognizes this and has emphasized diversification of the economy. However, so long as export of raw materials constitutes a significant portion of the GNP, this problem remains.

China. Although Malaysia was the first ASEAN country to establish formal diplomatic ties with China in 1974, Robert Tilman believes that suspicions linger regarding China's long-term interest in the region. This is especial-

ly so because more than a third of the population is ethnic Chinese. Malaysia was also unhappy about China's material and ideological support for the CPM and also the offer of citizenship in mainland China for all overseas Chinese. Although the then-Premier Zhao Ziyang of China visited Malaysia in August 1981, his visit ended with both sides referring to continuing historic problems that had not yet been resolved.<sup>34</sup> The media incident of Musa bin Ahmad, Chairman of the Communist Party of Malaysia (CPM), in 1981 where he accused China of controlling the CPM and hoping to make Malaysia a Chinese satellite, clearly shows that Malaysia still considers China to be a long-term threat.<sup>35</sup>

USSR/Vietnam. According to Robert Tilman, "although the [Malaysian] Prime Minister regards Soviet behavior as typical of that of any major foreign power, it is clear that he views the projection of Russian power into the region as a greater threat than the American presence."<sup>36</sup> Malaysia is also against Soviet support of Vietnam and the latter's occupation of Cambodia. This is understandable as Malaysia lies immediately to the south of Thailand and is next in line should Thailand fall to the communists. As such, Malaysia supports the ASEAN stand more than Indonesia and the Philippines.

Although Malaysia is against Vietnamese hegemonic efforts (which are likely to have the support of the USSR), it still retains dialogue with Vietnam. Malaysia believes

that Vietnam will ultimately relieve itself of Soviet influence.

Japan. Malaysia is concerned with the Japanese rearmament. Memories of the Japanese Occupation during World War II and the atrocities suffered cannot be blunted easily by her "Look East" economic policy. Being militarily equipped would provide the temptation to expansionist-minded elements to repeat the 1942 saga.

### The Philippines

Introduction. Since the Philippines was ceded to the US under the Treaty of Paris which ended the Spanish-American War of 1898, external security of the country has always taken a back seat. Samson Mahimer is also of the view that for the "Philippines... external security is their last priority as of now."<sup>37</sup> Because of the US military presence and resultant economic benefits, the Philippines' foreign policy is unavoidably influenced. This was probably more so during President Marcos' term of office where he needed American support to buffer his excesses. Although the Philippines was and still is involved in some territorial disputes, e.g. the Sabah claim and the Spratly Islands, only in the former case was there a near confrontation with Malaysia in 1968. However, the government has been making a concerted effort to eke out its own foreign policy so as to

give it an alternative should the base agreement not be renewed. According to Dr. Claire Starry, Director of SRI International's Planning and Analysis Program, "the economy is the primary concern of the Aquino government."<sup>38</sup> The author feels that besides the economy, the Philippines faces a number of other significant internal problems. Owing to the security offered by American military presence, the Philippines is more concerned with internal problems than with possible external threats, perhaps with the exception of Japan.

Economy. The Philippines economy grew slowly but steadily from 1955 to 1965. In the late 1960s faster growth resumed only to slow dramatically by the late 1970s. A severe economic recession which began in the early 1980s caused the GNP to fall 18 percent and prices nearly to double. There was a balance of payments crisis, devaluation of the peso, and large-scale capital flight. The Marcos government was not able to halt the worsening economy despite introducing severe austerity programs. When President Aquino came to power in 1986, more than 100 state-owned enterprises were privatized. By late 1986, the economic decline ceased and there was modest growth. The GNP grew by 5.9 percent in 1987, and 6.7 percent in 1988. It continued to grow in 1989. The main problem faced by the government is the debt service ratio of 30 percent which is the result of a foreign debt of US\$29 billion. This causes the country

to be heavily dependent on the IMF and on individual aid from the US and Japan.<sup>39</sup> It is unlikely in the near future that the Philippines would be independent of foreign aid.

Next Government. President Aquino's term ends in 1992 and she has said that she does not intend to run for a second term.<sup>40</sup> This causes some concern because there is no clear indication of her likely successor. The Philippine Constabulary has reported that Filipino politicians and other "influential people" who intend to run for the general election in the Philippines in 1992 are raising their own armies. On record there are at least 152 private armed groups with about 7,000 men.<sup>41</sup> This is cause for concern, for such groups have been known to be used traditionally to intimidate opponents and force voters to back powerful politicians. Whether the newly established democracy would be seriously threatened would depend on the ability of the presidential contenders to marshal a significant majority. Otherwise, there may be danger of election rigging as happened in January 1986 by former President Marcos.

Communism. The communist New People's Army (NPA) still poses a significant problem to the government. In order to gain its objective of installing a communist government in Manila, the NPA uses murder, bombings, extortion, and attacks on important economic infrastructures and people. By so doing, the NPA causes political instability and

threatens economic recovery by fostering the perception of political instability. The Philippine government has failed to defeat the insurgency. However, there have been recent reports that the communists are purging their ranks of those suspected of being government double agents.<sup>42</sup> If this is true, then the threat faced by the government would be weaker. Still, it is not expected that the communists would cease to be a cause of major concern for the government.

Moro-Muslim Separatism. The Moros are descendents of Muslims who migrated to this part of Southeast Asia before it was conquered by the Spanish. The modern conflict is seen as part of a centuries-long struggle by the Moros to assert their independence and preserve their cultural heritage. The Moro-Muslims in southern Mindanao and northern Cordilleras seek secession from the Manila government. The desire to have a Muslim Mindanao came about because after the Huk Rebellion in the 1950s, tens of thousands of Christians were resettled there to relieve pressure on agriculture land elsewhere, and in the process many Muslims were deprived of their property. The problem continues in that there are some Moro National Liberation Front's (MNLF) demands the Manila government would not concede to and for which the MNLF are prepared to use arms, as they have been doing since late 1960s. The most unacceptable of the MNLF's demands is the establishment of a regional security force to absorb the many thousands of MNLF fighters. Manila's ac-

ceptance of this condition would mean that there would be a constant dagger at its heart. Patient dialogue is needed, but it is believed that this problem could be reduced significantly.<sup>43</sup>

Internal Dissatisfaction in the Ranks. There have been six coup attempts on President Aquino's government since she took office in February 1986. The latest and most serious of these attempts took place in early December 1989 and the Aquino government sought US assistance to deal with the rebels. These rebels came mostly from the military and expressed that they wanted a change in government because they were unhappy with the rate of progress with the present one. Since the military holds arms and it is not illegal to own firearms in the Philippines, it means that future attempts cannot be ruled out. These coup attempts challenge the ability of the government to maintain law and order and cast a deep gloom over the economic and investment climate of the country with a corresponding negative impact. This by far constitutes a more significant immediate threat than the separatists or even the communists.

Pro-Marcos Faction. Even after the ouster of former President Marcos, there are still many of his supporters in the Philippines, some in high and influential positions. Even though the former president passed away in late 1989, President Aquino has not allowed his body to be brought back

to the Philippines for burial. This decision, although appearing cruel, is wise because in 1988 when Marcos' mother passed away, pro-Marcos supporters demonstrated for Marcos to be allowed back to the Philippines to attend his mother's funeral and this incited much unrest. Prathes Decharatana-chart considers that "pro-Marcos and pro-Aquino groups are approximately matched to ensure spirited competition for some time to come."<sup>44</sup> For the case of Marcos' body, the return could provide the opportunity for his followers to incite unrest and even for one of his former lieutenants to take over power. We also cannot rule out the return of Mrs. Marcos, who is presently in exile in Hawaii.

Conflicting Claims on the Spratly Islands. As one of the five countries to lay claim on the islands, there is potential cause for concern arising from the claims. This would be heightened should oil in commercially viable quantities be found in the potentially oil-rich islands. The recent expulsion of the Vietnamese by the Chinese from some of their claimed islands portends an unstable future for the Philippines.

Involvement in US's Conflict by Proxy. Samson Mahimer suggests that the Philippines is concerned the US might use the bases there to launch war or covert operations, which might invite retaliation by those attacked.<sup>45</sup> Although retaliation of a supporting launch country is not common, this concern is justifiable as the aggrieved party



who may not be able to retaliate at the US might do so at the launch country. This is aggravated by the fact that the Philippine Armed Forces is more inclined toward counterinsurgency than conventional warfare.

USSR. Although the Philippines is concerned with the Soviet presence in the South China Sea, the Aquino government views it as a long-term destabilization of the region rather than as a direct threat to Philippine sovereignty. Samson Mahimer indirectly agrees and believes the USSR is viewed as a potential threat because of the probable covert support to homegrown communist insurgents rather than as an external threat to the country.<sup>46</sup> This concern is probably more that of being involved in big-power disputes by virtue of the presence of the US bases in the Philippines, rather than direct conflict with USSR. The USSR has been softening its image by offering economic concessions and cooperation with the Philippines, with the hope of reducing the perception of the USSR as a threat.

Japan. The Philippines has bitter memories of the Japanese occupation and has long been wary of Japanese intentions as the country was devastated and the economy left in shambles after World War II. This has not been helped by the decision of the Japanese government to rearm, albeit to look after its Exclusive Economic Zone (EEZ). One contentious issue is the larger defense role the US had

asked Japan to assume such as taking over the security of the country and the SLOCs out to 1,000 nautical miles from Japan. This coverage overlaps the northern Philippine islands and their own EEZ.

### Singapore

Introduction. Owing to its small size and lack of natural resources and raw materials, "Singapore's economic survival depends on financial and business services, intermediate trade and high technology...."<sup>47</sup> Because Singapore is situated at the strategic waterway linking the Indian and Pacific Oceans, it is vulnerable to major power confrontation. It is difficult to imagine that with its excellent air and naval facilities, Singapore could remain neutral in a major regional conflict. Internally, Singapore is remarkably stable.

Conflict with Neighbors. When Indonesia took over East Timor in late 1975, there was concern that it might try to do the same to Singapore. However, loyalty to ASEAN prevailed.

Because Singapore is so small, it has to purchase its water supply from Malaysia. This water is the major source for the country as its water catchment areas are not able to collect sufficient rain. During the past few years there have been suggestions to cut off Singapore's water supply should she be tempted to act "contrary to the inter-

est of Malaysia." This was the result of several incidents which included anti-Semitic sentiments aroused over Singapore's invitation to and subsequent visit of Israeli President Chaim Hertzog in November 1986, and Singapore's offer to host US facilities in Southeast Asia in July 1989. The Malaysian government acted responsibly by ignoring them. In the future, should a radical government come into power such acts of aggression cannot be ruled out, and this constitutes one of the greatest threats to Singapore. In order to reduce the effects of a sole external source of water supply, Singapore is looking at the possibility of buying water from Indonesia.

Communal Conflicts. Although Singapore is multi-racial, it enjoys remarkable harmony. Singapore is more fortunate than Malaysia in this aspect because there is one "dominant race" - the Chinese. According to Singapore's Minister for National Development S. Dhanabalan, "this means that this community, secure in its domination, allowed talented individuals from minority communities to move up. If the races were evenly balanced as in Fiji, then the potential for conflict was greater."<sup>48</sup> As such, Singapore is unlikely to face communal conflicts.

Communist Subversion. The communists who resorted to armed aggression are a spent force in Singapore as they could not go underground. The jungles have been cleared to

pave way for urbanization and members of the banned Communist Party had nowhere to hide. In fact, they went to join their colleagues in the jungles of Malaysia. Recently it appears that the communists attempted to infiltrate religious bodies and through them spread their message. This was nipped in the bud when the government arrested more than a dozen conspirators. Furthermore, with Chin Peng from the Communist Party of Malaya (CPM) laying down arms, the threat of communism is even more remote. Singaporeans on the large part are well steeped in capitalistic ways and have too much to lose to go the way of communism.

Spillovers from Surrounding Regions. One possible threat to the stability of Singapore would be racial conflicts from neighboring countries spilling over into Singapore. Owing to the proximity with Malaysia and the historical umbilical link, there are many relatives across the causeway separating the two countries. Racial conflict or rioting in Malaysia would surely be felt in Singapore as was evidenced in the May 1969 racial riots.

Problem of Political Succession. Prime Minister Lee Kuan Yew, who had been at the helm of the government since 1959, has said he will step down in late 1990. For the past ten years he had been grooming a younger generation of leaders to take over running the government. Of the old cadre, he is the last of the group. When First Deputy Prime Minister Goh Chok Tong takes over, it will signal the suc-

cessful transition of leadership. However, the recent risk factor rating of 'B' given by the prestigious American business magazine Fortune, grouped Singapore in the same risk category as Hong Kong, South Korea, and pre-Tiananmen China. The magazine stated that the award of a 'B' risk rating was "not lack of democracy and human rights...[but a sober concern over the] uncertainty as to how smooth the political succession will be."<sup>49</sup> Any issue which would seek to hinder the successful transition of power would constitute a serious threat to Singapore, as investors' confidence in the country's stability is what made it what it is today.

USSR. According to Robert Tilman, there has been no doubt regarding Soviet aims to communize the world; e.g. invasion of East Germany (1953), Hungary (1956), Czechoslovakia (1968), and Afghanistan (1979). Soviet influence has exerted through its client state Vietnam in the stationing of about 50,000 men in Laos (1977), and the invasion of Cambodia (1978). The growth of Soviet naval forces in Southeast Asia fits into the grand scheme of Soviet intent on world domination. Other than the US, only the Soviet Union is large and powerful enough to attempt this grand scheme, and as proven by the chain of invasions, Singapore views the Soviet Union as a serious long-term threat.<sup>50</sup>

China. In the process of nation building, Singapore leaders had to cut off the links the ethnic Chinese had with

China. Many of the Chinese were first or second generation migrants from China, and had relatives there. China had been shown to support local communist insurgent efforts and this caused misgivings about the sincerity of China's goodwill. Although the threat of communism in Singapore is no longer significant, the Singapore government is on constant lookout as it believes that China is not spreading her influence because of domestic problems, and not because she has changed her ways. If China can sustain economic recovery and growth it would pose a long-term threat. Although China supports ASEAN in its isolation of Vietnam, she is doing so because she wants to balance Soviet influence in the region.<sup>51</sup> Lastly, Singapore is the only nation in ASEAN that has a Chinese majority. In order to allay possible fears of its neighbors over its links with China, Singapore is determined to be the last country in ASEAN to have diplomatic links with China.

Japan. Singapore recognizes that Japan's rearmament is a matter of time. The US can then divert its military resources to other more pressing needs. Japan's defense capability would ultimately need to be commensurate with its economic might. There is concern that a militarily strong Japan could constitute a long-term threat to the stability of the region. Nevertheless, Singapore does not foresee Japan to be a threat in the near future.

## Thailand

Introduction. Since the end of World War II, Thailand has faced many external threats as well as internal disorders. The Vietnamese communist takeover and setting up of a puppet regime in Laos, and more recently the invasion of Cambodia, are two of the external threats. Internally, Thailand had faced a number of coups, a communist insurgency near the Thai-Malaysian border to the south, Muslim separatist in Southern Thailand, factionalism in the military, and student demonstrations. The presence of the constitutional monarchy provided a considerable degree of institutional stability amidst all these changes and threats.

Communism. Although communism in Thailand can be traced back to the 1920s, armed insurgency did not flourish until 1965. The strength of the insurgency has ebbed and flowed, dependent on outside support, stability of the government, emphasis given to counterinsurgency efforts, and its own unity. However, faced with amnesty by the Thai government, severing of support from communist neighbors, and the lack of political interest of the commoners, the communist party could not establish a stronghold in any sector of the population.<sup>52</sup> In fact, the Thai government no longer considers communism to be a threat and abolished the 37-year-old anti-communist act in late 1989. This was substantiated by the laying down of armed insurgency by the

communists at the Thai-Malaysian border, which culminated in the signing of an agreement between Malaysian-Thai officials and the communist leader Chin Peng. With Eastern Block countries turning toward limited democracy, the Thai government's view seems justified.

Student Dissent. Student dissent could be a possible cause of instability to the government. Recent history has shown that such demonstration has been responsible for bringing down the Thai military government of Thanon Kittikachorn in early 1973. After the successful student-led revolt, a civilian, Sanya Dhamasakdi, was named prime minister. Thereafter "the students found that unity in protest is easier than unity in power...their movement was fragmented."<sup>53</sup> Since then there have not been any serious demonstrations.

Civil-Military Conflict. The recent clash between the acting chief of the Thai Supreme Command and Chief of the Army, General Chaovalit Yongchaiyut with Prime Minister Chatichai Choonhavan's chief policy advisor, Sukhumbhand Paribatra which led to the latter's resignation, belies the influence wielded by the armed forces. Rodney Tasker, a reporter for the Far Eastern Economic Review, felt the Prime Minister was "bowing to the army's pressure."<sup>54</sup> To understand his comment, the reader needs to recognize the intricacies of Thai politics. Most of Thailand's prime ministers have come from the military, with a few exceptions who did



not perform well. Other than the police, the military is the only agency bearing arms to defend the country, and as such, has a greater say. Common citizens recognize the protective influence of the military and accord it due respect. As such, the coups which have taken place came from the military. Any prime minister who hopes to remain in office has to have the backing of the military. There is a "love-hate" relationship between the government and the military. The government could do without the military's interference, but it could not do without its support. The present government of Prime Minister Chatichai is more vulnerable as it is a coalition of six political parties. The power tussle is even more critical since the supreme commander's post is viewed as a stepping stone to the prime ministership. This is the case as the supreme commander would normally have the necessary backing of the majority of the military faction. Although Prime Minister Chatichai is a retired major general, he entered politics from the business circle and not from the military and as such, does not enjoy the support of the military as General Chaovalit does. This could lead to some instability in the government, or if not, would at least undermine its strength. A further power tussle could even lead to the fall of the government.

Muslim Separatism. Muslims in southern Thailand were active in the 1960s and 1970s as they wanted a separate

state from Buddhist Thailand. The Muslim community had been rather quiet for the past ten years as Muslim leaders had been reasonably content with former Prime Minister Prem Tinsulanonda's policies. However, the potential for further unrest remains.

Socio-Economic Issues. According to the previous Thai government of former Prime Minister Prem, "the major challenge to Thai security stems from internal socio-economic problems...no longer comes from insurgency or from Chinese desires for intervention in Southeast Asia."<sup>55</sup> Although the Thai economy is growing consistently and its annual growth rate compares favorably with most Third World nations, there are some remaining problems. One of these is the worrying spiral in consumer goods prices, which is hitting lower-paid, white-collared workers. One of the main difficulties faced by the government is to ensure that a substantial flow of funds reaches the country's poorer rural regions, those in the less fertile northern parts of the country. In summary, Thailand's economy is characterized by economic disparities which cut across all levels of society, concentrating power in a small urban elite, and a large number of farmers (about 11 million) living below the poverty level.<sup>56</sup> This could give cause for discontent among the people, and perhaps even civil unrest.

Vietnam. Being the front-line state to Vietnamese hegemonic efforts in Indochina, Thailand has had many clash-

es with Vietnamese troops that ventured into Thai territory, and which had the potential to increase to a limited war between Thailand and Vietnam. With the recent claims by Vietnam that it had withdrawn all its troops from Cambodia, Thailand changed her policies and has unilaterally (apart from ASEAN) gone ahead to discuss with Prime Minister Hun Sen of the Vietnamese-backed Heng Samrin government in Cambodia, with the intention of "turning the battlefield of Indochina into a market-place."<sup>57</sup> This caught the other ASEAN leaders by surprise. Perhaps this is not surprising, as Prime Minister Chatichai is a businessman rather than a soldier, and it would be natural for him to look at economic potentials rather than be overly cautious about security aspects. However, there is some concern that such links so soon with the Vietnamese-backed regime might undermine efforts to isolate Vietnam and end its hegemonic intentions, and seek the complete withdrawal of occupation forces in Cambodia. If Cambodia's internal problems regarding the leadership are not settled before Vietnam pulls out, there is risk of civil war. Thailand again would face the threat of the conflict spilling into its borders.<sup>58</sup>

USSR. Thailand recognizes Soviet desires for world domination and the influence it wields in communist Indochina. The Thai Foreign Minister, Air Chief Marshal Siddhi Savetsila, said during his address to the Council of Foreign

Affairs in New York on 20 May 85 that "the threat comes from the Soviet Union through its proxy Vietnam. Beyond this expansionist design, they have parallel security interests."<sup>59</sup> As such, Thailand does not see Vietnam's dependence on the USSR being reduced.

China. Although Thailand is friendly with China, it views the latter as a "tiger in the woods," i.e. only a potential threat, compared to the Soviet Union and Vietnam which constitute an immediate threat.<sup>60</sup> China should not pose a significant threat in the near future. China has proved 'useful' in counterbalancing the Soviet threat. The Chinese border conflict with Vietnam in March 1979 over the latter's invasion of Cambodia is evidence of the value of China as an ally.<sup>61</sup> China has sold much military equipment to Thailand at "friendship prices."

Japan. Thailand's memories of World War II die hard and deep anti-Japanese sentiments exist despite Japan's economic penetration of Thailand, and the Japanese-Thai relationship. It is not expected that this relationship will change in the near future; it will likely remain at even keel and a low level of activity.<sup>62</sup> Japan could pose a long-term threat if conditions exist for its expansionist efforts.

## **SUMMARY**

For the immediate future, the author agrees with Robert Tilman that "no ASEAN country is seriously concerned with external threats...[but more the] foreign economic penetration, unplanned importation of alien cultural values and practices, political and economic implications of technology transfer [which threatens the indigenous value systems]."63

ASEAN member-states individually face different types of threats - most of them internal. Some common threats include political continuity, spillovers from problematic neighboring regions, rapidly expanding population, income inequality, and social issues of race and religion. These threats are also faced by other developing or third world countries. The close proximity of ASEAN member-states serves somewhat to cause their problems to be interrelated and likely a cooperative solution is required. This ASEAN realizes, and has made progress in countering some of these threats. As for external threats, the different ASEAN member-states do not share a common perception of the threats caused by the interests of the superpowers and major powers. Because of this, it would be more meaningful to address the external threats by country, followed by the author's analysis, rather than merely taking the often conflicting opinions of the ASEAN countries. This is the essence of the next chapter.

## ENDNOTES

1. Tai Ming Cheung, "The Mouse that Roared," Far Eastern Economic Review, 22 Sep 1988, 29.
2. Prathes Decharatanachart, Assessment of Economic, Political, and Strategic Development in Southeast Asia: Significance to Thailand, US Army War College, Carlisle Barracks, 1988, 4.
3. Diane K. Mauzy, "Addendum: Brunei, ASEAN's Newest Member," Politics in the ASEAN States, Marican & Sons (Malaysia) Sdn Bhd., 1986, 303.
4. Ibid, 304.
5. K. U. Menon, "Brunei Darussalam in 1986: In Search of the Political Kingdom," Southeast Asian Affairs 1987, Institute of Southeast Asian Studies, 1987, 96.
6. Tai, 29.
7. "Special Report: Negara Brunei Darussalam," Journal of Defense & Diplomacy, June 1986, 28.
8. The Five Power Defense Arrangement (FPDA) is not a formal treaty. Rather, it is a series of exchanges of letters spelling out proposed undertakings by the agreeing parties. The FPDA called for the United Kingdom, Australia, and New Zealand to station forces of modest size, mostly Australian, in Singapore and Malaysia, and to consult with Malaysia and Singapore in the event these countries were subject to an external attack or threat. The FPDA provided a framework for cooperation between Malaysia and Singapore in the early 1970s. Ronald D. Palmer and Thomas J. Reckford, Building ASEAN: 20 Years of Southeast Asian Cooperation, Praeger, New York, 1987, 122.
9. "Special Report: Brunei," 28.
10. Ibid, 28 and 30.
11. "Special Report: The Republic of Indonesia," Journal of Defense & Diplomacy, July 1984, 31.

12. Robert O. Tilman, The Enemy Beyond - External Threat Perception in the ASEAN Region, Institute of Southeast Asian Studies, 1984, 10. These feelings were also shared by many civilians and resulted in many anti-Japanese riots the worst of which occurred during Japanese Prime Minister Tanaka's official visit to Indonesia in 1974.

13. Pancasila (or Five Fundamental Principles) is the state ideology enshrined in the 1945 constitution when Indonesia first declared independence from the Dutch. They are: A belief in one supreme god; a just and civilized humanity; the unity of Indonesia; the sovereignty of the people, based on deliberation and consensus; and social justice for all. This ideology is used as the basis of running the country. The requirement of all socio-political organizations to accept the State ideology was passed by congress in March 1983.

14. Leo Suryadinata, "Indonesia," Mauzy, D. K. (ed) Politics in the ASEAN States, Marican & Sons (Malaysia) Sdn Bhd., 1984, 126.

15. Ibid, 128. Before the January 1974 Affair, there was a power struggle between Gen. Sumitro, the security chief, and Gen. Ali Murtopo, the president's assistant. There were indications that Gen. Sumitro was making use of the students to get rid of his rival. But the authorities, backed by the army, moved firmly against the students and succeeded in quelling the unrest. Gen. Sumitro was subsequently removed from office.

16. Ibid, 135-136.

17. "Special Report: Indonesia," 31.

18. Ibid, 31.

19. Ibid, 34.

20. Suryadinata, 131.

21. Michael Vatikiotis, "Rumbles in the Ranks," Far Eastern Economic Review, 3 Aug 1989, 26 & 27.

22. Tilman, 10.

23. James R. Rush, ASEAN's Neighborhood, DTIC, 1987, 30.

24. Tilman, 9.

25. Michael Vatikiotis, "Message for Moscow," Far Eastern Economic Review, 1 February 1990, 15.
26. "Jakarta and Peking on Course to Normalize Ties," Far Eastern Economic Review, 17 Sep 1989, 14.
27. Tan Lian Choo, The Straits Times, 2 Dec 1989, 1 & 24.
28. Ibid, 24.
29. According to the new Islamic Law in the state of Selangor, non-Muslim minors who have reached menstruation age need not have parental consent to be converted to Islam. The Chinese are against this because they say young teenagers are extremely vulnerable and can be easily influenced by their teachers. This was backed by two cases of Chinese teenage girls who converted to Islam without parental consent. The Federal Constitution states that those under 18 years of age cannot decide on their religion without parental approval.
30. Diane K. Mauzy, "Malaysia," Politics in the ASEAN States, Marican & Sons (Malaysia) Sdn Bhd., 1985, 173.
31. Ng Yat Chung, Political Impact of Islamic Revival in a Plural Society: The Case of Malaysia, US Army CGSC, Fort Leavenworth, Kansas, 1989, 85-91.
32. In nine of the states, there are hereditary Rulers, who act as the head of the executive for that state. In Penang, Malacca, Sabah, and Saraway where there is no royalty, governors are appointed to 5-year terms to head the executive. The sultans and governors have control over religious matters and they are supposed to heed the advice of the state chief ministers who are appointed by the Federal Government. However, they have on occasions objected to particular chief ministers and refused to give assent to papers confirming their appointment or signing documents providing the state with working revenue.
33. New Straits Times, as quoted by Rush, 23.
34. Tilman, 11.



35. Ibid. Musa bin Ahmad spent twenty-five years in China before returning to Malaysia in January 1981. The Malaysian government put him on the national television where he accused China of controlling the CPM with the aim of making Malaysia a Chinese satellite. By parading Musa on television, the government knew the event set limits to any improvement in Sino-Malaysia relations that might have been expected as a result of Zhao's visit later that year.

36. Ibid.

37. Samson M. Mahimer, United States-Philippines Bases Agreement: Prospect for its Renewal, US Army War College, Carlisle Barracks, 1988, 2.

38. Starry, 18.

39. "Special Report: The Republic of the Philippines," Journal of Defense Diplomacy, July/August 1989, 47 & 48.

40. During President Aquino's term of office, the Philippine Constitution was amended such that the president could only serve a maximum of one term of six years. There was some debate regarding whether the amendment applies to President Aquino or that since she was already in office when the amendment was brought about, she could seek election for another term. Mrs. Aquino put the debates to rest when she declared that she did not intend to seek another term in office.

41. Abby Tan, "Filipino Politicians 'Raising Own Armies for 1992 Polls,'" The Straits Times, 11 Nov 1989, 11.

42. John McBeth, "Mindless Massacre," Far Eastern Economic Review, 3 Aug 1989, 16.

43. John McBeth, "Aspiring to Autonomy," Far Eastern Economic Review, 7 Sep 1989, 41 & 42.

44. Decharatanachart, 4.

45. Mahimer, 30.

46. Tilman, 13; "Country Report: Philippines," 46; and Mahimer, 23.

47. "Special Report: Republic of Singapore," Journal of Defense & Diplomacy, January 1985, 30.

48. N. Balakrishnan, "The Balancing Act," Far Eastern Economic Review, 7 Sep 1989, 35.

49. Fortune, as cited by the editorial of The Straits Times, 28 Nov 1989, 12.
50. Tilman, 15.
51. Ibid, 16.
52. C. D. Neher, "Thailand," Mauzy, D. K. (ed), Politics in the ASEAN States, Marican & Sons (Malaysia) Sdn Bhd., 1984, 32.
53. Ibid, 28.
54. Rodney Tasker, "Adviser Axed," Far Eastern Economic Review, 17 Aug 1989, 26.
55. Neher, 55.
56. Ibid, 50.
57. Zara Dian, "The Return to ASEAN Solidarity," Asia Defense Journal, August 1989, 3.
58. Strategic Survey 88-89, 114.
59. Siddhi Savetsila, Address to the Council of Foreign Affairs, in New York in 1985, as quoted by Decharatanachart, 18.
60. Tilman, 18.
61. Decharatanachart, 17.
62. Tilman, 18-19.
63. Ibid, 51.

## CHAPTER 5

### INTERESTS OF AND THREATS FROM SUPERPOWERS AND MAJOR POWERS

When your weapons are dulled and ardor damped, your strength exhausted and treasure spent, neighboring rulers will take advantage of your distress to act. And even though you have wise counsellors, none will be able to lay good plans for the future.

Sun Tzu, The Art of War

#### INTRODUCTION

This chapter will discuss the varied interests the superpowers (the US and USSR), and major powers (China, Japan, and India) have in the region. The approach taken in this chapter is to discuss the interests each of these powers have in the ASEAN region, and then analyze the resultant threat, all from the author's viewpoint.

The author does not consider Vietnam a threat because after more than ten years in Cambodia, it has not been able to subdue the resistance movement. Vietnam's economy is in a deplorable state and it depends to a very great extent on Soviet aid. As such, it is assessed that Vietnam

would not pose a threat to ASEAN member-states for the next ten years, until it has solved its economic problems first. Hence, Vietnam will not be discussed in this chapter. This chapter also does not discuss the threat from the superpowers and major powers as perceived by individual ASEAN member-states. This is because the views are varied and there is no consensus regarding the ASEAN threat.

## **UNITED STATES**

### **Introduction**

It may surprise the reader why the US is included as a potential threat when it is evidently a major ally to two member-states of ASEAN. Clearly the US does not harbor hegemonic desires. However, in the opinion of some, the US does not view Southeast Asian nations as entities in their own right, but rather as "pawns" which can serve its purpose of countering Soviet designs of world domination. Like other states, the US conducts foreign policies based mainly on its national interests and these may conflict with the interests of ASEAN.

### **US Interest in Southeast Asia**

According to Mr. Frank C. Carlucci, US Secretary of Defense in his annual report to the Congress for FY 1990, US "paramount security interest will remain the preservation of

the United States as a free and independent nation, with our fundamental institutions and values intact."<sup>1</sup> The US security interest and concern in Southeast Asia focuses on the strong Soviet interest, presence, and influence in the region. It can be expected that US would seek to negate or counter Soviet influence there.

In the economic arena, Southeast Asia provides a lucrative market for US goods and services. In turn, the region is a source of many important raw materials needed for US industries, e.g. rubber, tin, palm oil, petroleum. The US has also invested heavily in the region and has many companies based in the ASEAN countries.

Based on the security and economic issues, the US supports ASEAN positions on a Vietnamese withdrawal from Cambodia and Cambodian self-determination. The US also supports the continued success of the elected governments in ASEAN.

#### Assessment of US Threat as a Result of its Interests

According to James Rush, "powerful friends could be nearly as dangerous as powerful enemies, and sometimes more so."<sup>2</sup> This is in line with an old Chinese saying which explains that one is generally more wary of enemies and hence prepares for any eventuality, whereas one is more unguarded with friends, and hence can be more easily hurt.

A parallel can be seen in Chinese history during the Ming Dynasty when its southern states broke away to form a separate grouping. The Ming Emperor requested the assistance of the Manchus to help restore the empire. The Manchus did go in to help quell the rebellion, but refused to leave. They eventually overthrew the Ming Dynasty and set up the Ching Dynasty in 1644. The US can be an indirect threat in a number of ways as discussed in the following paragraphs.

US Presidential Elections. There are many areas where the US poses a threat to the ASEAN region. One of these is the US presidential election held every four years. With possible new incumbents, especially when there is a change in party, considerable changes in foreign policy can occur. This loss in continuity causes confusion to ASEAN governments because their foreign policies react to the superpowers. Because of active alliance with the US, Thailand and the Philippines feel this more strongly than the other four ASEAN countries. Such changes of policy can also cause changes to national programs and activities, with the attendant political and economic costs. However, the strong Republican victories in the past three elections have lent a degree of stability to US foreign policies.

US National Interests. Another possible area of concern lies in what the US considers to be its national interest. The US has supported revolutionary or opposition groups when it does not agree with the government of that

country. Nicaragua is an example of the first case. Until recently (in early 1990) when the government of General Daniel Ortega lost the mandate of the people, the US supported the Nicaraguan Contra rebels while at the same time recognized the Sandinista government of General Ortega. Should the US decide that it does not agree with an ASEAN nation, similar support for rebel or opposition groups could occur. This would be considered as foreign intervention of domestic affairs and leaves a nagging doubt in the region regarding US intentions. The author assesses that all ASEAN governments are either pro-US or, at least, not anti-US. As such, the likelihood of the US supporting local insurgents or rebels is acceptably low.

Reliability of US Foreign Policy. The US has also been accused of not being firm about its foreign policy. The ASEAN states viewed the US withdrawal from Vietnam as quitting and leaving the region to the communists. They question the reliability of US commitment. More recently, the Reagan administration's hot and lukewarm links with ASEAN reinforces this point. Although the US endeavored to win ASEAN confidence, former President Reagan cancelled his scheduled state visit to ASEAN in November 1983, thus signifying the lack of importance the US attaches to the region. This is also exemplified by US transfer of military technology to China, who ASEAN member-states view as a long-term

threat to the region. With the continued rising importance of ASEAN in recent years, it is perhaps more likely that the US would give adequate attention to the region and be more committed to it.

Trade Barriers. Another source of unhappiness is the US decision to set up trade barriers to imports. The preferential tax treatment given to the developing nations of ASEAN was withdrawn and they have had to compete with developed countries. This hurts their balance of payments considerably, and indirectly affects military budgets.

Soviet Retaliation. The presence of the US in the Philippines causes some anxiety because ASEAN fears the region might suffer from Soviet retaliation if the US uses the bases in ASEAN to launch an offensive. This threat is more severe considering that the surface vessels at Subic Bay include nuclear-powered and nuclear-capable vessels, and it is reasonable to conclude that in a crisis or war nuclear-capable vessels would carry nuclear weapons. Perhaps a small consolation can be derived from the fact that it is also to the Soviet's interests that ASEAN continues to prosper. This fact will be elaborated on later.

Sino-US Ties. The resumption of US-Sino ties as well as the technology transfer to China is cause for worry as some of the ASEAN countries view the Chinese as a long-term military threat (refer to later paragraph on China for detailed analysis). The desire of the US to use China to



force the Soviet to deploy forces in its eastern flank has thus caused a change in the balance of power in the region. The rise of the Chinese as a major power is a potential threat when one bears in mind that China has often given material and ideological support to insurgents in ASEAN countries in the past. Although China has reduced its contacts with local communist insurgents, it is thought to be only temporary; when China has sorted out its economic problems and strengthened its military, it is likely to proceed to increase its influence overseas. China is unlikely to want to look northwards because of the Soviet Union. The desert regions in central and western China, and the mountain ranges in the west and southwest make it difficult for China to extend its physical influence westwards or southwards. The presence of nuclear-capable India also make it more difficult. The US has given assurance that it would regulate the transfer of technology to China, and at the same time consider the feelings of and implications to ASEAN nations. If the technology transfer is properly controlled and regulated, this threat from China is not as severe.

World's Policeman. The US' inclination to act as the "world's policeman" also causes some uneasiness. The US invasion of its neighbors, e.g. Grenada and Panama, causes alarm. It shows what the US is prepared to do to solve the threat to its national interests.<sup>3</sup> However, the assistance

given to President Aquino to crush the attempted coup in early December 1989 gives some assurance that the US might only assist when requested.

Summary. The US does not have any malevolent designs in the Southeast Asian region. However, the potential threat to the region from the US as a result of its national interests should be recognized. The US also has not been known for its consistent and reliable foreign policy and this causes some concern in the region. Nevertheless, the continued Republican presence in the White House has lent a degree of continuity and predictability on US economic and political action or inaction. On balance, the US is not considered a significant threat to the ASEAN region.

## UNION OF SOVIET SOCIALIST REPUBLICS

### Introduction

Central Europe and not the Far East has been both the US' and USSR's center of attention for many years. Only after Soviet leader Mikhail Gorbachev's speech at Vladivostok in July 1986 where he made known that the USSR intends to play a more active role in the Far East, was the Far East brought into more immediate focus. The increased efforts of the Soviets to play a more active role both politically and economically in the Far East was seen in its continued build-up of the Soviet air force and fleet at Da Nang and Cam Ranh Bay in Vietnam up to end of 1989. These efforts

and the continued Soviet support to the Vietnamese occupation of Cambodia and the Vietnamese-backed Heng Samrin regime of Cambodia were also causes for concern, albeit considerably reduced as a result of ASEAN's efforts at isolating Vietnam at the United Nations (UN).

However, at end of January 1990, the Soviet ambassador to Cambodia announced that the Soviet intends to withdraw from Cam Ranh Bay.<sup>4</sup> This has necessitated a review of the Soviet threat to ASEAN. Owing to the recency of the announcement, official stands from the ASEAN countries, as well as ASEAN, have not yet been made. As such, this thesis will attempt to postulate the present and potential Soviet threat to ASEAN, taking the proposed withdrawal into consideration.

Background. The USSR has always been more concerned with Central Europe and the NATO threat than Southeast Asia. Southeast Asia was too distant to be considered important in the security of the Soviet Union. Hence, the Sino-Soviet Treaty of 1950 placed Southeast Asia under China's sphere of influence.<sup>5</sup> In the late 1950s, the Soviets realized they had reached a stalemate in Europe and could expect no headway in expanding their zone of influence beyond the borders of the Warsaw Pact countries. They then started to look towards Southeast Asia. The Soviet's renewed interest in Southeast Asia presented some problems as they did not have

any experience in dealing with the people there. What made it more difficult was that most Southeast Asian nations are anti-communist. Malaysia and Singapore have been plagued by internal communist insurgencies and shared no love toward another communist influence. Thailand and the Philippines were and are still "under" the US security umbrella. In Burma, the leftist President U Nu had been overthrown by General Ne Win. In Indonesia, the unsuccessful communist-led coup attempt resulted in the replacement of the pro-communist President Sukarno by General Suharto. In fact, only Indochina presented a possible ground for the Soviets to spread their influence. Soviet-Vietnamese links were established by the plentiful supply of much-needed military hardware for North Vietnam to continue its efforts in reuniting Vietnam. The withdrawal of the US from South Vietnam in 1973 and the subsequent fall of Saigon in 1975 left communist North Vietnam in firm control of the whole of Vietnam. They were dependent on the Soviets for their assistance and continued aid. This was the start of the strong Soviet presence in Southeast Asia.

### Soviet Interest in Southeast Asia

There are many reasons why there was a surge in Soviet interest in Southeast Asia in 1978. These will be discussed below.

To Contain and Isolate China. After the historic Bandung Conference of the Non-aligned Nations in April 1955 which Chinese Premier Chou En-Lai dominated, the Soviets concluded that China could emerge as the leader of the Third World, thus posing a challenge to the Soviets as leader of the communist world.<sup>6</sup> This contributed to the ideological split with China, which was complete by 1961. The Soviets viewed the US and China to be their main threat, and sought to contain the influence of both in Southeast Asia. According to J. E. Metelko, a former student of the US Army War College, "there appears to be no doubt that the overall Soviet strategy calls for the eventual encirclement of China."<sup>7</sup> China's revised approach of establishing ties with non-communist governments and the subsequent improvements in trade, and Sino-Soviet border skirmishes caused the Soviets to boost their interest in the region. Most recently, there is a very definite Sino-Soviet detente, with a reduction of Soviet forces on the Chinese border. This could be the result of Gorbachev's emphasis on building up the Soviet economy. Less troops at the border with China would mean a smaller military budget, and also more labor available for the industries. Hence, the plan to encircle China appears to have been shelved.

To Compete with the US for Influence in the Region. The Soviet-US competition for influence is not only taking place in Southeast Asia, but all over the world. Since

World War II, the East-West "competition" is manifest in NATO vs Warsaw Pact, whose main patrons are the US and the USSR respectively. This superpower tussle for influence has also come to Southeast Asia. The USSR has bases in Vietnam, and the US has bases in the Philippines and a mutual war-stock agreement with Thailand. The war-stock agreement permits in an emergency the Thais to use the ammunition stockpile the US maintains in Thailand. Because of US strengths and anti-communist stances of ASEAN countries, the USSR cannot out-influence the US in the region. The US is trusted much more than the USSR.

In order for the USSR to "out-maneuver" the US in winning influence in the region, one of the best solutions would be to force the US to leave the Philippine bases. This is addressed later under "assessment of Soviet threat."

To Project Military Forces in the Region. Since Soviet leader Gorbachev's speech at Vladivostok, where he said in no uncertain terms that the USSR, also partly an Asiatic nation, would want to exert its rightful influence in the Asia-Pacific region, there had been a boost in the build up of the Soviet naval forces at Cam Ranh Bay.

David Winterford, from the Department of National Security Affairs Naval Postgraduate School, confirms that "it is now abundantly evident that Moscow's goal is to firmly establish the Soviet Union as both a European and an

Asian power."<sup>8</sup> The Soviet Pacific Fleet now comprises about one-third of all its naval forces, and is the USSR's strongest fleet. The intention to have a strong naval base in Vietnam is due to the location of the Vladivostok base. Geopolitically, Asiatic USSR is flanked on land by China, and offshore by the US with its bases in Japan and the Philippines. The fleet at Vladivostok has to pass through the Soya Strait (between Hokkaido and Sakhalin), the Tsugaru Strait (between Hokkaido and Honshu), or the Tsu-shima Strait (between Honshu and Korea). The Soya Strait freezes over during the winter, and the Tsugaru and Tsu-shima Straits are easily closed by Japan and South Korea.<sup>9</sup> As such, the establishment of major base complexes at Cam Ranh Bay and Da Nang gives the Soviets a considerable degree of freedom of maneuver it has not enjoyed before. Furthermore, the Vietnamese bases give Soviet naval vessels easy access to the Malacca Straits and its bombers are able to reach the ASEAN states, Southern China, and as far east as Guam. The Soviet influence in Southeast Asia is viewed as reinforcing its claims to superpower status.

Economic Penetration. The Soviet economy has been sluggish and the current initiatives of glasnost and perestroika are aimed at invigorating the domestic economy. According to Sheldon Simon, Professor in the Political Science Department and Faculty Associate of the Center for Asian Studies, Arizona State University, Gorbachev's chal-

lenge is "to rebuild the economic, political, and social basis of his country - the underlying structure of the USSR as a superpower...."<sup>10</sup> As such, the USSR has begun to woo ASEAN by proposing joint ventures, ship repair contracts for the Philippines and Thailand, and ship building contracts to Singapore, to buy rice from Thailand, and expand trade relations with each ASEAN member. It has even offered to assist the Philippines in its economic recovery by a multi-million dollar assistance package of loans, grants, and technical aid.<sup>11</sup>

To Prevent the Formation of Anti-Soviet Blocs.

After a decade of occupation, Vietnam still does not wield complete control over Cambodia. The resistance movement comprising the followers of Prince Sihanouk, and those of Son Sann and the notorious Khmer Rouge still causes a significant problem and it is apparent that a comprehensive solution of Cambodia would be some sort of power sharing until national elections are held. The Soviets realize that their support of Vietnam places them in very bad light in the view of the ASEAN governments, and have sought to woo the latter through economic inducements to prevent them from forming stronger ties with the US, China, and Japan.



Assessment of Soviet Threat  
as a Result of its Interests

The threat from Soviet interests essentially lies on the ways and means the Soviets adopt to meet their interests in the ASEAN region. These must be considered in light of the role of superpower that the Soviets view is their rightful role. This will be addressed below in light of the actual situation taking place.

"Unilateral" Disarmament. As things stand, the Soviets lag behind the US in influence in Southeast Asia. Even in the foreseeable future, if there is no change in trends, it is unlikely that the Soviet influence will outweigh that of the US.

Initially, the Soviets have challenged the US to leave its Philippine bases; in exchange they will leave their Vietnamese bases. Owing to the US' stronger links to the region, the Soviets have less to lose if both leave. This at first glance appears as a very attractive proposal, and would certainly make it easier for ZOPFAN to be a reality. Whether it would work depends on how much the Soviets keep to their word. The US has not officially responded to the Soviet offer. Recently, the Soviets have since mounted additional pressure on the US by declaring their intention to withdraw from Vietnam. This comes at a moment when the Philippine bases agreement negotiations are scheduled in a few months' time. This statement of withdrawal considerably

erodes the US' position that its presence is required to counterbalance the Soviets, and anti-base proponents in the Philippines now have added "ammunition" when lobbying to get the Americans out. Also, there are many in the US Congress and Senate calling for a cut back in forces in the Pacific as a result of the budget deficit. The Soviet initiative has given additional grounds for reducing the US forces overseas.<sup>12</sup> Refusal of the US Department of Defense to leave the region or to cut back on its forces would give the impression that it is the US who wants to have a dominating influence on the region, not the Soviets. The cutback of the Soviet forces also serves to reduce the Soviet military budget and free manpower for industries, if they return to civilian life.

A US departure from the Philippine bases would seriously affect the region. First, once the US forces leave the Philippines, it would be difficult for them to return. The bases would have been used for alternative commercial purposes. Furthermore, the US would lose face in world opinion. There would also be tremendous difficulty to get the US Congress' approval for the return. However, the Soviets do not face such difficulty in returning to Vietnam. It is believed that no such plans for commercializing the Vietnamese bases are afoot and should the Soviets decide to return in the immediate future, they would still be available. This is substantiated by the fact that when the US

left Cam Ranh Bay in 1975, it was still available to the Soviets later.

Second, the Soviet Armed Forces are largely conscript, compared to the US overseas forces which are volunteer. Mobilization of demobilized Soviet soldiers would be easier and more acceptable than doing so for the US. As such, the Soviet forces in the Pacific could more easily surge to previously high levels.

Thus, it would be unwise for the US to take up the Soviet challenge or respond to the Soviet initiative by leaving the Philippine bases and thus having a reduced presence in Southeast Asia. The Malacca Straits is far too important for the Soviets to forswear leaving the region. The author believes that no matter what, the Soviets would want to be able to militarily ensure the continued use of the straits. It is unlikely that they, or the US for that matter, would support ZOPFAN. Should the US forces leave, it would ultimately end up being "unilateral" as the potential for Soviet return is significant. The end result would be a stronger Soviet presence and possibly influence, in the long term.

Edward Rowny, the Reagan administration Arms Control Advisor, on 30 Nov 1988 agreed with this when he argued that the West should not underestimate the importance of the

military to the Soviets and should approach the proposal with caution. In his words,

While it is not unreasonable to believe that Gorbachev would like a respite from military competition in order to permit him to pursue perestroika, it would be imprudent to conclude that the Soviets have abandoned...[the] goal [of] dominance of the Eurasian land mass and diminution of the influence of the US.<sup>13</sup>

Richard Armitage, the then US Assistant Secretary for International Security Affairs, also warned that in spite of Gorbachev's peace initiatives, there is still the unrelenting military build up in the Far East. The Soviets have "increased their aid to Vietnam, to a level of over US\$3 billion a year...[and] deepened their strategic alliance with the violent regime in North Korea."<sup>14</sup> Also, according to Admiral Huntington Hardisty (the Commander in Chief of the Pacific Command) although the number of Soviet vessels appear to have been reduced, their quality has been significantly improving. Hence, the overall fighting capability and ability to counter the US 7th Fleet has likewise increased.<sup>15</sup> This was also substantiated by the Commander of the US 7th Fleet, Vice Admiral Henry H. Mauz Jr. who said in an interview that although the "Soviet forces lately have been staying closer to home and spending less time at sea...the Soviet Union continues to modernize its Pacific fleet."<sup>16</sup> The author believes that should US policy makers make the mistake of agreeing to the Soviet proposal of

leaving the Philippines, it could signal a surge in Soviet presence in the mid-term never seen before.

The US recognizes the dangers of unilateral disarmament, and is moving with caution. However, this does not put the US in very good light as it appears that the US is unwilling to endorse ZOPFAN and hence is viewed as a potential threat to the region, and not the Soviets. The creation of a rift between the US and friendly nations in the region is one of the Soviet objectives. The possibility of the US succumbing to political pressure from the region which might result in "unilateral" disarmament is the other associated threat.

It is difficult to believe that the Soviets would leave ASEAN alone to pursue the latter's economic interests (which indirectly affects the Soviet economy). It goes against the basic tenets of Soviet socialism which calls for communization of the world. The author believes that Soviet reticence is only temporary; when its economy improves sufficiently, it would attempt to reassert itself.

Sino-Soviet Rapprochement. The thaw in Sino-Soviet relations took place over a long period, beginning in 1976 after the death of Zhou Enlai and Mao Zedong, the subsequent removal of the "Gang of Four," and the coming to power of Deng Xiaoping. This culminated in Gorbachev's visit to Beijing in May 1989. There are fears that the rapprochement of the two biggest communist giants would result in the form

of alliance that existed in the 1950s, in which they might no longer compete with each other. This would mean that the non-communist countries cannot depend on one counterbalancing the excesses of the other. This would be a severe threat to the continued stability of non-communist countries in the region. However, China has assured the West, especially the US, that such a form of cooperation is unlikely.<sup>17</sup> Owing to the different views of socialism held by the Chinese and the Soviets, the latter's initiatives of glasnost and perestroika have caused the Chinese to see the Soviets as no longer on the right path to socialism. It is thus unlikely that the Chinese would want to associate too closely with the Soviets. Also, the Chinese are still competing with the Soviets for leadership in the third world. Enhanced cooperation between the Chinese and the Soviets would undermine Chinese efforts.

On one hand, the Soviets hope to work towards a closer relationship with China, but, on the other hand, they hope to contain the expansion of Chinese influence in the region. According to Prathes Decharatanachart, one of the Soviet goals is:

...to contain the expansion of Chinese influence by working on the Southeast Asian countries' fears of Chinese intentions; by highlighting China's "expansionist nature" as well as "special relationship" between Beijing and the Overseas Chinese; and by emphasizing the "exploitative" character of the latter's economic activities and their potential as a "fifth column."<sup>18</sup>

The above may also take the form of supporting the communist insurgents, e.g. in the Philippines, and putting the blame on China. The vulnerable nature of the "China-Overseas Chinese links" against Soviet propaganda attack can be inferred from the presence of ethnic Chinese in all the nations of ASEAN, even in the absence of hard evidence of any subversion.

Soviet Expansionist Tendencies. Even if the Soviets leave the Vietnamese bases, the continued increase in the strength of the Soviet Pacific fleet betrays Soviet long-term interests in the Asia-Pacific region. Since the Soviets would likely return in larger numbers should the US leave the Philippines, their temporary departure would not alter their ultimate intentions for the Southeast Asian region. It must be remembered that there has not been any rescission of the original intent of the Vladivostok speech. Hence, the author maintains that the Soviets still retain the desire to exert influence throughout the Southeast Asian region. The Vietnamese bases give them greater flexibility militarily.

According to Dr. Michael Leifer, a Reader in International Relations at the London School of Economics and Political Science, one of the three primary sources of threat to the security of sea lanes is "from naval deployment by an external maritime power, intended to interrupt

passage either in maritime narrows or at any suitable point along the extensive routes between the Indian and Pacific Oceans."<sup>19</sup> The Soviets would use all its means to ensure unhindered passage for Soviet naval and merchant ships through sea lanes controlled by ASEAN states.

Associated with Soviet expansionist intentions are Soviet efforts to expand their economic, political, and military influence with a view to consolidate gains in Indochina and make inroads into the ASEAN region.<sup>20</sup> This would appear to benefit the ASEAN nations in the short-term. However should they become too reliant on Soviet trade and economic assistance/cooperation, the Soviet influence over a nation might become an albatross to ASEAN. Vietnam is a case in point. The Soviets would use the influence they have over that nation to advance their ultimate political goal of world domination. The threat to ASEAN can be reduced by being aware of the long term implications of seemingly friendly Soviet overtures.

It appears that the USSR would not stand to benefit by physically occupying any of the ASEAN nations. Any impingement on Thai or Filipino soil would likely bring about a US-Soviet confrontation. Indonesia is too massive and dispersed to take over. Successful occupation of Malaysia, Singapore, or Brunei would cause a critical downturn of the economy as a result of loss of investor confidence. This would be of no value to the USSR. It is assessed that



the Soviet current intent for ASEAN is to be able to exert significant influence over the region, military and to a lesser extent economic. Soviet influence over ASEAN would not only guarantee free passage of its shipping through ASEAN waters, it could also permit the selected denial of the same waters to Soviet competitors, other than the US.

The author believes that the Soviets would unlikely want to be militarily involved in the region. Even when China attacked Vietnam in December 1980, or later when China expelled Vietnam from two of the islands in the Spratlys in early 1989, the Soviets based in Vietnam did not get involved. The main threat to ASEAN as a result of enhanced Soviet presence and influence lies in the effect this has on investors and businesses in the region. The perceived balance of power between the US and the Soviets, and the past examples of Soviet adventurism in other parts of the world may give investors and businessmen the wrong signal that the ASEAN region is no longer as stable as before. This could discourage further investors from coming to the region, and might even cause those already in the region to leave.

Failure or Reversal of Glasnost/Perestroika. Soviet leader Gorbachev's embrace of glasnost and perestroika aims to pull the economy out of the current problems of inefficiency, low productivity, poor quality control, and other

similar ills associated with a poorly managed economy. In the process, the traditional priority enjoyed by the military needs to take a back seat. This however, has yet to be done. With the current initiatives, Gorbachev has opened Pandora's box: common Soviet citizens now know what is available in the West, how life is there, and what they do not have in comparison. If these initiatives fail to achieve the desired economic reforms, fail to deliver the goods as promised to the people, fail to improve the standard of living of the general population, or fail to increase the Soviet stature in the eyes of the world, the Soviet military or hardline Marxists could well exploit the discontent and restlessness of the population and remove Gorbachev, either peacefully or otherwise. The USSR would become unstable and aggressive. This would very likely lead to an upset in the balance of power in the world. The West, which would have already reduced its arms in accordance with the arms reduction talks, may not be able to increase them adequately to meet a suddenly increased Soviet military capability. Even if glasnost and perestroika do not fail, if they do not offer tangible results within the scheduled time frame, the more impatient militant hardliners may take the opportunity to stir up discontent among the people and leaders. This may also lead to the removal of President Gorbachev, the repercussions of which would be as severe as failure or reversal of glasnost/perestroika for ASEAN be-

cause of the unpredictability of the conservatives who oppose Gorbachev's initiatives. Also, the inability to react against a rapid changeover of policy would weaken ASEAN's consolidated position.

Summary. Although the Soviets have a track record of invading countries to meet its ultimate goal of world domination, the author believes the USSR is unlikely to want to invade any of the ASEAN member-states. The main threat to ASEAN from a strong Soviet presence and influence in the region would be what investors and businessmen perceive the threat to be. If they interpret the Soviet intent as that of adventurism, it could significantly affect the economic stability of the region. The potential danger of unilateral disarmament, and the intricate nature of glasnost and perestroika may aggravate the uncertainty. It is only the US presence which neutralizes the effects of the Soviet presence and influence and prevents it from escalating in the short-term. The details of the US presence and stabilizing effects will be discussed in chapter 6.

## **CHINA**

### **Introduction**

Although China has flexed her military muscles against Vietnam in the Spratly Islands recently, it is presently not capable to pursue its hegemonic desires in

ASEAN. The main threat from China lies in its support and ultimate influence on the communist rebels in the ASEAN member-states, as well as on the economically significant Chinese population.

Background. After the takeover of China by the Chinese Communist Party in 1949, China attempted to spread communism in Southeast Asia. However with the demise of Chairman Mao Zedong in 1976, and the subsequent overthrow of the "Gang of Four," there have been changes in China's attitude towards the ASEAN countries. China had originally opposed the formation of ASEAN, claiming that it was an alliance of US "stooges" and was actually a military alliance directed at China, but disguised in the name of economic cooperation.<sup>21</sup> Coupled with ASEAN's declaration of the ideal of ZOPFAN in 1971, the withdrawal of the US troops from Indochina in 1973, and the resumption of Sino-US ties in 1979, China changed her negative opinion of ASEAN. The rising influence of the USSR in Indochina also helped China see ASEAN in a different light: as a help to counterbalance Soviet influence.

### China's Interests in Southeast Asia

Before we can appreciate the Chinese threat, there is a need to understand China's interest in the ASEAN region, which can be identified by looking at its strategy towards Southeast Asia. This strategy can be seen in four

stages, which can overlap depending on the degree which other countries choose to develop relations with China.<sup>22</sup>

First, China is attempting to repair its image abroad which has been severely impaired by the Cultural Revolution of the late 1960s. This stage is largely over as Malaysia (in May 1974), the Philippines (in September 1974), and Thailand (in July 1975), established ties with China. Indonesia will likely be establishing ties with China in 1990. Singapore will probably have diplomatic relations with China after that. Brunei has no plans to normalize diplomatic ties with China in the near future.

The next stage is to establish a region that is at best favorable to, and at worst not antagonistic towards, China. This will prevent the encirclement China currently feels the Soviets are establishing around it. As such, China encourages ASEAN's goal of reducing US and USSR influence in the region, as well as supports the promotion of relations which ASEAN nations have with the developed countries. This would minimize and possibly prevent the penetration of the Soviet Union into the region. It would also encourage regional states to side with China against Vietnam and the USSR.

Third, China recognizes that it needs external assistance to achieve the "Four Modernizations" Program (introduced in 1978), through trade and economic relations,

and by mobilizing the support of the "Overseas Chinese." This interest would manifest itself in the form of joint development programs, investment by foreigners in China, especially in the areas of construction, building up the infrastructure, and transfer of technology.

Lastly, China hopes to see the region free from dominant influence of any power including the US, Japan, and Western Europe, but especially that of the Soviet Union and Vietnam.

#### Assessment of Chinese Threat as a Result of its Interests

Modernization of the Military. One of the "Four Modernizations" is modernization of the military. Presently, the Chinese navy has more than 50 major warships and some 114 submarines. This at first glance appears formidable. However, Tai Ming Cheung suggests that "although the navy is thinking in blue-water terms, the reality is that it is still an essentially coastal water force."<sup>23</sup> Former US Secretary of Defense Frank Carlucci presents the official US view and reassures that "major advances in Chinese military capabilities are unlikely in the near term due largely to economic constraints and the immense task of restructuring the military."<sup>24</sup> Although China is bending toward a form of socialist-capitalism in its easing of state control of the economy, there are still numerous problems which make it

difficult for China to make the transition to a laissez-faire economy other than in a much longer time frame. According to the Strategic Survey "the mix between the command controlled economy and free markets resulted in opportunities for corruption, ineffective/inefficient productivity...inflation is as high as 30 percent."<sup>25</sup> Thus, of the "Four Modernizations," modernization of the military is given a low priority, and therefore, there is no significant direct Chinese military threat to ASEAN.

The international condemnation of the military crackdown at Tiananmen Square in 1989 had caused a slowdown in the economy. This was the result of embargoes and freezing of international loans. Because of this, and the resultant instability in the communist party leadership, it is unlikely that China would want to involve itself in any military venture in the ASEAN or South China Sea region in the short-term.

Although China is seeking transfer of military technology from the US, Carlucci's report to Congress is reassuring to ASEAN. In it, he assures that "[US] will continue to pursue high-level dialogue, functional military exchanges, and military-related technology cooperation... [but] also will take into account the interests of other friends and allies in the region."<sup>26</sup> Furthermore, the sanctions against China for its suppression of the pro-democracy movement at Tiananmen include bans on arms

sales.<sup>27</sup> This would make the military threat to ASEAN even more remote in the near future if the bans are maintained.

#### China's Alleged Support of Local Communist Forces.

Even after diplomatic ties have been established with some of the ASEAN countries, some people in ASEAN countries believe that China has continued to give material and ideological support to the local communist parties or forces. The Chinese government faces a dilemma; on one hand it feels obliged to support local communist groups that pledge themselves to the Chinese Communist Party, on the other hand it seeks to woo the friendship of non-communist governments. It feels that if it ignores the regional communist parties, they may turn to the USSR or Vietnam. The recent ceasefire agreement between the Communist Party of Malaysia, Malaysia, and Thailand reduces this threat considerably. China has also made efforts to scale down its support to these regional communist groups. Its pragmatic approach arises from its need of the goodwill, economic investment, growth, and continued relationship with the governments of these countries. Metelko agrees that "so long as the Sino-Soviet dispute continues, it is likely that Peking will want to continue support for these [revolutionary] movements."<sup>28</sup> Other than the Philippines, it would be accurate to say that communism has lost its main chance to takeover power in other ASEAN countries. In the Philippines, although it is



suspected that the NPA will continue to receive aid from outside the country, no names have been mentioned. There is perhaps a small threat in the Philippines from possible Chinese support of the NPA.

Spratly Islands. The current dispute over the claim of the Spratly Islands, which culminated in China's military seizure of two islands held by the Vietnamese, causes concern for Malaysia and the Philippines, which also claim part of the chain of islands. Nevertheless, it is assessed that China is not yet able to project sufficient forces to occupy all the islands. Coupled with the strong relationship with ASEAN, it is unlikely that China would risk it by forcibly occupying the islands presently being occupied by Malaysia and the Philippines. However, if the modernization of the military proceeds smoothly, and if there is an oil strike in the region, in the long-term it cannot be ascertained that China will still maintain the status quo.

Links with Overseas Chinese. There are more than nineteen million Overseas Chinese, of which seventeen million are in Southeast Asia. Although the Overseas Chinese amount to about 5 percent of the total population of Southeast Asia, they often hold strong economic positions in the country of residence. Other than in Singapore, where the Chinese constitutes about 76 percent of the population, the Chinese in other ASEAN countries are in the minority. Other than in Thailand, the other ASEAN member-states with Chinese

minorities have not been wholly successful in assimilating them.

Owing to economic disparity, the Chinese have often been the source of problems for the government. The fact that communist elements that existed in Indonesia, Malaysia, and Singapore were comprised mainly of Chinese does not help the issue. The Chinese language forms the basis of Chinese culture, and it has been a barrier to assimilation. Together with the above, China's former policy of offering dual citizenship to overseas ethnic Chinese has caused suspicion and resentment toward the Chinese, who were viewed as "fair-weather" citizens, ready to leave when the going gets tough. During the Malayan Emergency (1948-1960), many returned to China. The Chinese are also viewed as a latent channel through which China could spread her influence overseas. In attempting to relieve the fears of Southeast Asian countries, a law was passed by the Chinese National People's Congress in 1980 which would effectively ban dual citizenship.<sup>29</sup> It is assessed that the link between overseas ethnic Chinese and mainland China is not so strong as it was once thought to be. Today's Overseas Chinese are likely to be second or third generation Chinese who have enjoyed the affluence of a capitalist society. It is very unlikely that they would find it attractive to want to associate closely with China or to live there. The recent

military crushing of the student protest at Tiananmen Square reveals the intolerant attitude of China's leaders and is a stark reminder for all Overseas Chinese who are thinking of a closer relationship with China. Also, the exodus of professionals from Hong Kong which is scheduled to be returned by Britain to China in 1997 is an indication of how people view transferring from a capitalist to a communist society.

Factional Infighting in the Chinese Leadership. The power struggle between left wing conservatives and right wing liberals gives confusing signals to outsiders over the likely foreign policies to be adopted. However, the coming to power of Li Peng, who was believed to be responsible for the Tiananmen crackdown, could perhaps delay China's economic modernization efforts. One consolation is that there is no one comparable in calibre to Mao Zedong who is able to advocate the extremist line successfully. As such, it is unlikely that we will see a complete reversal in policy. Hence, there appears to be even less threat till the leadership is united.

China's Economic Modernization. The continued growth of ASEAN is beneficial to China's economic modernization efforts. Tajima opined that "China is interested in mobilizing the financial resources and management skills of Southeast Asia on a much larger and wider scale to assist her own industrial development."<sup>30</sup> Hence, ASEAN's continued

friendship is required if Beijing is to continue its "economic modernization" program.

Summary. On balance, it is assessed that China does not pose a significant threat to ASEAN member-states in the near future. Only when the leadership is united, and the "Four Modernizations" have achieved sufficient success would China be more confident and capable of projecting her influence more forcefully in the ASEAN region. This is unlikely to take place within the next five years.

## **JAPAN**

### **Introduction**

The main threat from Japan as perceived by ASEAN arose from Japan's rearmament. In order to better understand how much of a threat Japan constitutes to the region, we need to consider Japan's interest in the region, the origins of the rearmament effort, and benefits it offers to the region. These will enable a qualified analysis to be made.

### **Japanese Interests in Southeast Asia**

It has been noted that Japan has achieved economically what she failed to gain militarily. The Japanese economy is strongly dependent on raw materials from ASEAN countries. Some 90 percent of Japan's crude oil and iron

ore requirements pass through the Straits of Malacca and the Lombok Straits. In fact, about 40 percent of Japan's total world imports pass through ASEAN waters. Japan also buys 30 percent of ASEAN's total exports. ASEAN countries are also a strong market for Japanese products. As such, the "stability and predictability of the ASEAN region is a national interest of high priority to the Japanese."<sup>31</sup> Japanese investment in ASEAN is also very heavy: Asia as a whole, represents the second largest area of foreign investment for Japan; of this amount, 71 percent is in the ASEAN countries. As such, it is to Japan's benefit that ASEAN remains a viable, strong organization and it is unlikely it will go about deliberately destabilizing ASEAN.

Background to Rearmament. The Meiji Restoration of 1868 ended a 200-year period of self-imposed isolation. Foreigners who had been expelled from the country in the early part of the 17th century were permitted to enter Japan and thereby facilitated the assimilation by Japan of Western technology. This led to rapid industrialization for Japan. From the late 19th century to World War II, Japan was involved with a series of territorial expansions: The wars with China (1894-1895) and Russia (1904-1905); the annexation of the Korean peninsula in 1910; fighting on the side of the Allies in World War I; the invasion of Manchuria (1931); and the invasion of China (1937), which actually signalled the beginning of World War II in the Far East.

With the detonation of the two atomic bombs which effectively ended World War II, Japan was occupied by the Allies and stripped of its overseas possessions. Since the end of World War II till the 1980s, Japan has not posed a military threat to ASEAN countries.

New Constitution. The new constitution, which was based on the US model, was promulgated in 1960 and was guided by the principles of peace and democracy. Some provisions outlawed the maintenance of an offensive military force and also stipulated all-civilian cabinet-level officials. This would prevent a recurrence of having the military in a position to start aggressive actions, as was the case for Japan joining the Axis Powers in World War II.

Close US-Japanese Ties. Owing to the close US-Japan relationship which began with the US occupation of Japan and subsequent developmental assistance, Japan was able to build up the country and economy under the protective umbrella of the US presence. Ties with the US were strengthened, and in 1951 Japan signed a security treaty with the US, in which the US would come to Japan's defense should the latter be attacked. It should be noted that the treaty is not reciprocal.

In fact, the 1980s have seen the emergence of Japan as a global economic power. This is partly due to Japan's ability to channel the resources it would have needed to

spend on defense to other areas of direct economic benefits. According to Brian Bridges, Research Fellow of Royal Institute for International Affairs, especially during the second half of the 1970s "concern began to be increasingly expressed in the United States that Japan was getting a 'free ride' on defense at the expense of the US taxpayer."<sup>32</sup>

Taken together with the growing trade imbalance between the US and Japan and the accumulation of a substantial bilateral trade surplus in the latter's favor (of the order of US\$50 billion in 1988), as well as the perceived need to relax the US military burden in East Asia, there has been increased pressure on Japan to take on more responsibilities for its own defense. This pressure took on a turning point in 1981. During Japanese Prime Minister Suzuki's visit to the US in May, the US requested Japan to establish a 1,000 nautical mile defense perimeter or zone extending from Guam to Tokyo and from north of the Philippines to Osaka. This would substitute for the shortage of US forces in the Asia-Pacific region. Also, during US Defense Secretary Weinberger's visit to Japan in March 1982, he suggested that the annual growth rate of Japan's defense expenditure should reach 11-12 percent, and to amount to 1.8 percent of the GNP by 1990. However, the Japanese felt it would be too unrealistic and decided to aim for the 1976 targets which would set defense spending at around 1.0 percent of the GNP.<sup>33</sup>

Japan's agreement to defend up to the 1,000 nautical mile zone is well communicated in Frank Carlucci's Annual Report to the Congress FY 1990;

Japan has pledged to defend its territory, airspace, and sea lines of communications out to 1,000 nautical miles, and is making solid progress towards this goal. Japan no longer limits defense spending to a designated percentage of GNP, but rather seeks to fulfill its defense goals in response to the threat within the context of domestic and regional political constraints.<sup>34</sup>

Japanese Response. However, Japan is not keen to fully take over the responsibility of its own defense. There are four reasons for this. First, even though the US and Japan share a consensus in their general perception of the Soviet Union, they do not agree on how to contain Soviet expansionism. Although the US wishes to include Japan in its global strategy, Japan prefers dialogue to confrontation. It is also not keen to be deeply involved in the US-Soviet arms race for fear of provoking greater Soviet military pressure. Its view is that greater military responsibilities would only benefit the US.

Second, Japan prefers to put emphasis on the country's economic growth - in short, to achieve security by combining diplomatic, economic, political, military, and cultural means.

Third, in Article 9 of Japan's Constitution, war is proscribed as an instrument of Japanese foreign policy.



Fourth, Japan is concerned that arms expansion would injure its image as a "peaceful power."<sup>35</sup>

That Japan did not initiate the suggestion to protect up to 1,000 nautical miles does to a great extent project a softer image of the rearmament effort. Although some liberals within Japan's Liberal Democratic Party have urged the revision of Article 9 of the Constitution, their advocated amendment to the constitution that armed forces not be constrained for self-defense was denounced by the other political parties as well as the general population. However, the need now is to identify the repercussions of the rearmament rather than dwell on the original intent.

#### Assessment of Japan's Rearma- ment/New Defense Policy

Enhanced Naval Capability. According to Tai Ming Cheung, "Japan's navy already possesses more than 60 major warships, with others on order... compared with China's 53 and India's 31....By 1990, the Japanese navy will have some 60 blue-water warships."<sup>36</sup> It appears that with the continued increase in the defense budget, Japan's fleet might pose a significant threat to ASEAN. However, the editors of the Strategic Survey are of the view that "[Japan] Self-Defense Force's capability for sustained combat still leaves much to be desired, with many air bases and radar sites...left unprotected."<sup>37</sup> This view is also shared by Kaihara Osamu,

a former Secretary-General of the National Defense Council, a civilian advisory committee on defense policy, who has been quoted as saying that the defense of Japan's sea lanes "is...impossible in an emergency."<sup>38</sup> Some critics have even claimed that "not even the great Imperial Japanese Navy of the 1930s had the capability to defend such long sea lanes."<sup>39</sup> Hence, it might appear on closer analysis that Japan's agreement to honor the commitments made by Suzuki was in the political sense - to justify for greater defense expenditure and also signal to the US that greater efforts are being made to defend itself and that the US naval forces can move to other more pressing areas. If this is truly the case, Japan's rearmament efforts should not pose a significant danger to ASEAN countries.

The author further believes that Japan does not have the necessary ground forces required for projection into the region. Also, Japan already has access to the region's resources and need not resort to use of force. Hence, it is unlikely that Japan would want to establish another Greater Eastern Co-prosperity Sphere, as in World War II.

Nuclear Capability. There are some who argue that Japan's rearmament efforts would only be a step away from it acquiring a nuclear capability. This would run counter to ASEAN's ideal of ZOPFAN. This fear can be somewhat reduced because of Japan's strict adherence of the first two of the three non-nuclear principles of "not possessing nuclear

weapons, not producing them, and not permitting their introduction into Japan."<sup>40</sup> Because of strong public sentiments over nuclear weapons, it is assessed that Japan would continue to adhere to these principles.

Actual Sea Lane Defense Proposal. Originally it was thought that the 1,000 nautical mile limit was measured from the shores of Japan's southern islands. During former Japanese Prime Minister Nakasone's tour of the ASEAN countries in April-May 1983 and subsequent elaborations, he clarified that the "1,000 nautical miles would be measured from Osaka and Tokyo, so that the patrol area would barely extend beyond the southernmost island of the Japanese Ryuku islands."<sup>41</sup> This being the case, the concern of Japan intruding into the national waters of ASEAN member-states has probably been overplayed.

Striking a Military Balance. Since the end of the Vietnam War, there has been a shift in the military balance in the ASEAN region. Until very lately, the Soviet Union had been increasing its military presence at Da Nang and Cam Ranh Bay. In contrast, there had been reduced US military presence as a result of the Guam Doctrine. China's internal problems of political consolidation and modernization efforts prevented it from contributing significantly to the new military balance in the region. Although ASEAN's growing viability and effectiveness as a regional organization

has given stability to the region, only Japan's current defense buildup is sufficiently large to maintain a balance between Soviet-supported and US-supported states.<sup>42</sup> This is perceived as a stabilizing force in the region, even though Japan appears to lack the will to act in Southeast Asia. For this reason, Japan's rearmament is a significant advantage for the non-communist countries in the region.

New Dimension in ASEAN-Japan Relations. Memories of Japan's atrocities in Southeast Asia die hard. Up to now, Japan's dealings have been mainly economic. New rules must be set up on how to deal with a militarily strong Japan. For instance, how would ASEAN countries react if Japan's proposed sea lane protection would require it in an emergency to extend its military activities into the Straits of Malacca and other ASEAN waters.<sup>43</sup> This scenario is not unrealistic as there is every likelihood that Japan would use warships to escort oil tankers from the Persian Gulf should there be problems in that region. Although the overt intention is clear, there is some concern that Japan's warships will be sailing just off the coast of the ASEAN member-states. Japan's proposed acquisition of its first aircraft carrier by 1993 further aggravates this concern. However without the necessary ground forces, the submarine does not constitute an offensive capability to occupy ASEAN territory.

Changing Nature of Japanese Assistance. For the past decade, Japan has been the largest aid donor to ASEAN countries. ASEAN prefers to see Japan contribute more in terms of economic aid, in-country investment, and technology transfer rather than to see Japan patrolling the region and sea lanes of ASEAN waters. Japan's rearmament might also cause a relocation of funds available for existing economic programs.<sup>44</sup>

On the other hand, Japanese aid could be changed to the form of transfer of military-related technology and possible cooperation in the defense-related industry, things which are currently against Japanese government policy. Although this would provide ASEAN countries with another source, there is concern that this may escalate the arms race among ASEAN nations. This would threaten the concept of ZOPFAN.

US' Watchdog Role. Although the role and capability of the Japan Self-Defense Force (SDF) as reflected in the official publication Defense of Japan is very defense-oriented, and there are self-restraints on Japan acquiring a more assertive military posture (for instance its Basic Policy for National Defense, the three non-nuclear principles, and civilian control) there is no guarantee that these would not be circumvented if it suited the Japanese. Only if there is another force capable of policing the SDF's adherence to its self-proclaimed role could it be likely

that Japan would not overstep its boundary. The present influence the US plays in Japanese defense fits this role. Hence, so long as American influence is still strong, as is expected to be the case for the immediate future, it would be less likely for Japan to deviate from its present role. In any case, the lengthy process of equipment acquisition means that it would take at least six to eight years before Japan can completely replace its obsolete equipment and acquire the latest aircraft. Although the SDF is the second most modern armed force in Asia (second only to the Soviets) it is not able to exert much independent influence in the region because of anti-war sentiment in Japan and Japanese government policy. Nathaniel Thayer, from the Johns Hopkins University's School of advanced International Studies, states that "the Japanese military presence poses no threat so long as the Japanese are allied to the US which will not tolerate any Japanese adventurism in Southeast Asia." In fact, he highlights another benefit arising from this US-Japan link, "recognizing that Japan has the ability to influence American policy...Japanese interest in Southeast Asia may dampen large swings in the US interest in Southeast Asia."<sup>45</sup>

Summary. The continued stability of ASEAN is important to Japan's continued prosperity. Japan already has access to the necessary raw materials from the region re-

quired for its industries and there is no need for it to resort to force as in 1941-1945. Most importantly, strong US-Japan ties mean the US would not permit Japan to misuse its military might; the SDF will be used for self-defense only. On balance, Japan's rearmament effort is not a threat to ASEAN in the next five years.

## **INDIA**

### **Introduction**

It may not seem obvious to the casual observer why India could pose a threat to ASEAN nations. Throughout the centuries, since early civilizations started in the Indus Valley more than two thousand years ago, India has never been known to be a naval power. Bounded by great mountain ranges in the north and the Indian Ocean to the south, India forms a natural subcontinent in South Asia. Its sheer size, large population, and the presence of overland trade routes meant it was not critical for India to go across waters to trade to subsist. Even during the "Golden Age" of the Gupta Empire, the empire was essentially a land-based one. In recent years, India has decided to play a larger role in policing the Indian Ocean which it now regards as its backyard. The author feels it is for this reason that India should be studied to see how enhanced naval capability could possibly be a threat. This will be discussed below.

### India's Interests in Southeast Asia

Although in the past India has fought with her two major neighbors, Pakistan and China, she does not expect a full-scale conflict with either of them in the short-term or midterm.<sup>46</sup> The other neighbors, Nepal, Bhutan, Bangladesh, and Sri Lanka, are not major players. India's relations with these range from cool to tense but due to differences in size, they do not factor significantly in India's security considerations.

Internally, India faces problems of militant Sikhs in Punjab seeking autonomy, a separatist movement in Kashmir, violence in Assam arising from illegal Bangladeshi immigrants, and Hindu-Muslim ethnic clashes. The central government under former Prime Minister Rajiv Gandhi managed to reduce these problems. Also, "the once daunting problems of feeding its people have largely been solved, with increasing efficiency in administration and management."<sup>47</sup>

Over the long-term, however, "Indian leaders worry about the prospects of a superpower confrontation in the Indian Ocean."<sup>48</sup> The increase in USSR naval presences in the Indian Ocean, and the US-British base at Diego Garcia caused India to move towards upgrading its own naval power with the hope of protecting itself from being involved with any future superpower conflict.



India is also concerned about the vulnerability of its offshore oil facilities and its island territories.<sup>49</sup> Other considerations include India's "7,000 km long coastline, over two million square kilometers of EEZ."<sup>50</sup> Another reason for boosting its naval power is because of concern that internal problems in neighboring countries could spill over into the subcontinent. The ongoing Sri Lankan Tamil insurgency is a result of ethnic differences, and in July 1987 India responded to requests by the Sri Lankan government by sending troops into Sri Lanka to help solve the conflict. India has also sent troops to the Maldives in 1988 to restore the government after a coup d'etat.

On the whole, since the northern borders are not in imminent danger, India now considers that as a regional power it should exert a greater influence in the Indian Ocean. It is building up its naval forces to be able to effectively patrol the Indian Ocean. It has already acquired two aircraft carriers and intends to build an indigenous one. In addition to many submarines, India has leased two nuclear-powered submarines from the USSR. Since 1969, the "naval facilities at Goa and Cochin were further upgraded.... 1972 also saw the development of Port Blair in Andaman Islands.... Foundation stone for the country's largest naval base...at Karwar was laid...in 1986."<sup>51</sup> In particular, the naval base at the Andaman Islands would

serve as the point of control for the SLOCs coming from the Malacca Straits.

The Indian government has recently decided to sell some retired defense production units and assembly lines to Vietnam.<sup>52</sup> This technology transfer includes the MiG-21, T-55 main battle tanks, and armored personnel carriers. This sale appears to signal growing Indian interest and influence in Southeast Asia. This is substantiated by the fact that "India regards all Indians as her nationals, even overseas Indians...[and] is trying to build up her power to...project herself up to Fiji...50% of the population are Indian."<sup>53</sup> This being the case, it seems that India has designs to fill the vacuum created by the departure of the Soviets from Vietnam.

#### Assessment of Indian Threat as a Result of its Interests

The planned naval base in the Andaman Islands is a significant potential threat to ASEAN because control of the seas around the Andaman Islands and the Nicobar Islands effectively seals the northwestern approach to the Straits of Malacca. As mentioned earlier, the continued opening of this SLOC is critical to the continued prosperity of ASEAN member-states, especially those that rely heavily on trade. Although India has sought to stay non-aligned, the existence of the Indo-Soviet Treaty of Peace and Friendship of 1971 is

worrisome. India's own desire to express itself as a major power in the region must also be considered. It is assessed though that India on its own would not use the ability to seal off the Straits of Malacca to blackmail the regional states. However, should a superpower conflict in the Indian Ocean occur, India may be forced to take sides and seal off the Straits of Malacca to prevent naval reinforcements from either Subic Bay or Cam Ranh Bay, whichever the base of alignment may be. This would have a direct impact on ASEAN. Nevertheless, with the continued improvement of East-west relations and Gorbachev's initiatives, it is unlikely that we will see a superpower conflict within the next five years. Hence, there is little likelihood of the closure of the northwestern approach to the Straits of Malacca in the near future.

India's "concern" for overseas Indians could result in her acquiring a projection capability. In the past, India has shown no hesitation to flex her military muscles in the Maldives and Sri Lanka. Should conflict arise between the minority Indians in Southeast Asia and the other peoples, India's attempts at influencing the situation cannot be ruled out. Considering the present capability of the Indian armed forces, it is unlikely that this could take place in the near-term. Furthermore, the overseas Indians in ASEAN countries are generally making a sufficient living and are not in need of such external "assistance."

Summary. The status quo on India's northern borders with China and Pakistan leaves India free to expand its control of the Indian Ocean for which it considers itself responsible. This increased span of influence backed by aggressive patrols could become a potential threat to the continued free passage of shipping through the Straits of Malacca, Lombok, and Sunda. However, India as yet seems to have no designs on Southeast Asia and is unlikely on its own to want to close the region's major source of prosperity. Hence, it does not pose an immediate threat in the next five years.

#### SUMMARY

Based on the projected balance of power, the US, China, Japan, and India do not pose a threat to ASEAN member-states in the next five years. Although the Soviet Union does not appear to constitute a direct threat, it poses an indirect threat; the perception investors and businessmen have in Soviet presence and influence in the ASEAN region. This is to a large degree balanced by the influence and presence of the US military in the region, rather than the Soviets' desire to maintain the status quo. Any relative change of Soviet interest/presence in the region compared to the US would affect investors/business-

men's perception of stability in the region. It would then be a self-fulfilling prophecy.

Alternatively, should there be a significant shift in US military presence, it would upset the balance of power. The USSR and the major powers (China and India) would be strongly tempted to move in to fill the vacuum. The much increased proximity and activities of these powers would severely threaten the continued stability of ASEAN.

On balance, only the Soviets present a threat in the next five years, and this is indirect in nature. This will be used as the yardstick when comparing the merits of the alternatives (chapter 7).

## ENDNOTES

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31. Decharatanachart, 39 & 40.
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34. Carlucci, 55 & 56.
35. Zhang, 5 & 6.
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37. "Japan's Reequipment Program," Strategic Survey, 1988-1989, 123.
38. Japan Echo, Summer 1983, 8 as quoted by Brian Bridges, 6.
39. Brian Bridges, 6.
40. Defense of Japan 1988, Japan Defense Agency, 1988, 76. The nuclear-capable US warships that harbor in Japan most likely contain nuclear weapons. Japan has found it expedient not to raise it as an issue in view of the strained relations between New Zealand and the US when the former forbade US nuclear warships from entering its waters.
41. Brian Bridges, 13.
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## CHAPTER 6

### VALUE/ROLE OF US MILITARY PRESENCE IN ASEAN

When your weapons are dulled and ardour damped, your strength exhausted and treasure spent, neighboring rulers will take advantage of your distress to act. And even though you have wise counsellors, none will be able to lay good plans for the future.

Sun Tzu, The Art of War

#### INTRODUCTION

US presence in the Philippines is not primarily for ASEAN's benefit. According to Richard Betts, Senior Fellow at the Brookings Institution, "the overwhelming proportion of US interests in Southeast Asia is economic."<sup>1</sup> Dr. S. Bilveer, a political scientist specializing in the region, elaborates:

The American interests in ASEAN stem from the population size of its member-states, the importance of raw materials, especially strategic and energy resources, the region's importance for investments and market outlets, the presence of strategic waterways....<sup>2</sup>

Other significant considerations of the Philippine bases are that they afford the US:

...the capacity to protect vital sea and air-lanes of the Western Pacific...proximity to the Indian Ocean and Northeast Asia...location near important strategic points...staging and refuelling [role] for deployment of ships and aircrafts....Most important of all...balance and counterweight to the rapid expansion of Soviet military power in the region, especially since 1978.<sup>3</sup>

While the bases primarily serve US national interests, there are also spinoffs for the Philippines and the Pacific rim littoral states, including ASEAN countries.

This chapter will discuss the benefits of the Philippine bases to ASEAN. Since the US is already in the Philippine bases, attention must also be paid to what the effects on ASEAN might be should US forces withdraw. Benefits discussed fall into the broad categories of military deterrence and cooperation, and economic spinoffs. This will give a complete picture of the loss to the region should the US-Philippine base talks fall through, or the US decides to leave the bases for any other reason.

#### **BENEFITS OF US PRESENCE TO ASEAN**

The benefits of having a US military presence in ASEAN include direct benefits of military deterrence to potential aggressors; military assistance and alliance with the Philippines; umbrella coverage of the 7th Fleet using Subic Bay Naval Base; the role of stabilizing the status

quo, vis-a-vis USSR and Vietnam, and the Spratly Islands; and partnerships between the US and non-aligned ASEAN nations. The confidence in the stability of the region as a result of a US presence also plays a considerable role in the amount of investments flowing into ASEAN countries. It must be remembered though that even if the US were to leave the Philippine bases, they would still want and be able to exert strong influence in the region, albeit to a lesser degree than if they had remained at the bases. Most of the benefits and "penalties" are not absolute, perhaps with the exception of the economic benefit to the Philippines. These will be elaborated below.

#### Military Deterrence to Potential Aggressors

The Philippines. According to Gaston Sigur Jr., US Assistant Secretary for East Asian and Pacific Affairs, the Philippine bases virtually guarantee "the external security of the Philippines...[as part of] the US-Philippines mutual defense pact."<sup>4</sup> Other than during World War II, the US military presence has indeed served to protect the Philippines from external aggression. The Philippine Armed Forces are geared towards guerrilla warfare against the communist New People's Army and are not optimized to counter conventional aggression. The US military presence has permitted this to continue so that the Philippines' limited defense budget can be allocated to more pressing needs. In fact,

the US military presence has another benefit clearly demonstrated during the December 1989 coup attempt against President Aquino. Faced with mounting difficulties in suppressing the coup attempt, Mrs. Aquino obtained the necessary US military assistance to crush the rebels. The coup might even have succeeded if the US had not responded.

ASEAN. Since President Gorbachev's Vladivostok speech in 1986, there had been a significant increase in Soviet military presence in Southeast Asia. The Soviets added eight new surface combatants with five new missile systems to their Pacific Fleet; introduced new ultra-quiet submarines; nearly doubled the long range bomber fleet; added four divisions (for a total of 57 divisions); and modernized their fighters, bombers, tanks, personnel carriers, self-propelled artillery, and helicopters. The earlier Sino-Vietnamese conflict had forced Vietnam to go to the Soviets, which permitted the entrenchment of the Soviet anchor in Vietnam.<sup>5</sup>

As discussed in chapter 5, when the Soviets leave Vietnam, the likelihood of their return is great, and with increased numbers to fill the void left by the US. The Soviets may not be able to realize the expected economic advantages of enhanced Soviet-ASEAN relations. The poorer quality Soviet goods may not find a market in ASEAN. When the Soviets realize that they did not derive any benefit

from leaving Vietnam, they may want to return. However, this is unlikely to take place within the next five years.

Furthermore, even if they are no longer based in Vietnam, the Soviet Pacific Fleet can still exert a strong presence in the regional waters, albeit not as strong as when based at Cam Ranh Bay. Hence, when we discuss the Soviet threat, we need to consider the potential threat as well, in spite of the proposed withdrawal from Vietnam.

Only the US is capable of countering the Soviet military, and likewise only a US presence can block the efforts of the Soviets to increase its overall influence in the region. Until ZOPFAN can be achieved, ASEAN member-states would not be able to thwart Soviet intentions. In the meantime, a US military presence is required to counterbalance Soviet influence. The US policy of forward deployment is a good manifestation of US resolve to honor its commitments to the region, and hence, the Philippine bases could act as effective counterbalance to the Soviet presence in the Western Pacific and Indian Oceans. This would serve to maintain a balance of power in the region.<sup>6</sup>

In addition to countering the Soviets, Mohammed Azad, a former student from the US Army War College, opined that the "presence of US forces in the area stabilizes the status quo...and also the Spratly Islands."<sup>7</sup> As mentioned in earlier chapters, the Spratly Islands represent a potential trouble area in the ASEAN region. The numerous claim-

ants and the recent Sino-Vietnam skirmish attests to that. Although the US-Philippines mutual defense pact does not cover the Spratly Islands, it provides a damper to any desires China, Taiwan, or Vietnam may have in forcibly evicting the Philippines from the islands she currently occupies. This possibility cannot be ruled out especially if oil in commercially viable quantities are found there. The presence of the US Navy and its access to satellite intelligence could reduce any attempts by potential aggressors to use military force to resolve the disputing claims.

Negation of the Need for  
a Militarily Strong Japan

In place of the US, only a militarily strong Japan or a combination of a Sino-Japanese alliance can counterbalance the Soviet presence and influence. ASEAN is already concerned over Japanese rearmament to defend its Exclusive Economic Zone. It is unlikely that the member-states would agree to a Japan that is militarily capable to counter the Soviets, whether on its own or with China. This would make the Japanese a significant threat to ASEAN's security. A US presence negates the need for such a strong Japanese military force and is a lesser evil.

### Buying Time for ASEAN

US involvement in the Vietnam War was sometimes viewed as a lost cause because of the lack of US national will. However, the years spent in combatting the Vietnamese became critical for ASEAN member-states to develop and strengthen themselves.<sup>8</sup> The Taiwanese academic Chang Yao-chiu also believes that "American containment and its taking part in Vietnam had delayed the communization of the three Indochinese states by more than 10 years, giving time to ASEAN to work for their survival."<sup>9</sup> If the US had not "bought time" for ASEAN by slowing down the communists, the domino theory might have been proven right.

Today, there is a parallel situation. Instead of the Vietnamese, there are the Soviet interest and influence in the region, increased Chinese interest, and Japan's rearmament efforts. With the geo-political situation in such flux, should there suddenly be a partial power vacuum left by the US departing from the Philippine bases, ASEAN nations would not be sufficiently equipped to deter foreign aggression or even increased foreign presence and influence in the region. The member-states have embarked on equipping programs that aim to "beef up" the technological sophistication of their weaponries. This would give them an enhanced chance of protecting themselves. However, equipment acquisition and technological transfer takes time, sometimes as much as eight to ten years. Owing to current levels of



technology in the armed forces and financing available, ASEAN nations could only begin to seriously upgrade their armed forces a few years back. US presence in the Philippines provides the stability in the region that gives time required by the member-states to acquire the necessary hardware so they can protect themselves and the region without the need for foreign military presence.

#### Rapid Reaction to Trouble Spots

The Philippine bases serve as strategic staging and refuelling points for the projection of US armed forces to secure the opening of the Straits of Malacca which connect the Indian and Pacific Oceans. Should major powers (Japan, China, or India) desire to close the Straits of Malacca or the Sunda and Lombok Straits, this would affect the economic well-being of ASEAN nations, and US assistance in relieving the blockade would be required. More importantly to ASEAN, US presence in the Philippines could possibly be called on quickly to assist in civil unrest, should the situation deteriorate to that extent. Although this is not usual, the assistance rendered by the US to President Aquino in December 1989 is a case in point.

### Partnership Between the US and Non-Aligned ASEAN Nations

With increased US naval presence, it also means that the US navy can spend more time conducting bilateral maneuvers with the separate naval forces of ASEAN countries. This facilitates cooperation and mutual understanding between ASEAN member-states' military and the US. Such understanding would be very useful when a need for actual joint operations arises. These joint exercises are also applicable for the air forces. The ability of ASEAN armed forces to operate in conjunction with US armed forces means that should ASEAN countries be attacked, the aggressor would have to possibly contend with an effective joint military task force from the two countries. Although there is no treaty requiring the US to come to ASEAN's assistance, the ability to do so would have to be factored into the potential aggressor's solution.

### Use of Base Facilities by ASEAN Countries

The Clark Air Base facility provides training of aircrews from other friendly countries.<sup>10</sup> For instance, Singapore is one of many countries to make use of the US Air Force's live firing range and flight simulators in the Philippines.<sup>11</sup> Owing to space constraints in the home country, the use of such facilities is necessary for effective training.

### Economic Benefits

The Philippines. US facilities in the Philippines are the second largest employer in the country (employing more than 68,000 Filipinos directly and indirectly) and contributing an estimated US\$500 million to its economy annually.<sup>12</sup> Furthermore, the US gives base-related aid (amounting to about US\$481 million in FY1990) to the Philippines. The eviction or voluntary departure of US military forces from the Philippine bases would probably deprive the Philippines of the sum total of about US\$1 billion. Although anti-base proponents argued that the bases can be converted into industrial and commercial concerns (Clark could be an alternative to Manila International Airport which is due for relocation, and Subic could be converted into a commercial shipping, ship repair, and maintenance center for the Asia-Pacific area<sup>13</sup>) there are doubts as to whether these proposals can work. The immediate effect would be loss of revenue to the government and an increase in unemployment.

ASEAN. Not unique to the Philippines are indirect economic benefits to the rest of ASEAN. The strong US presence in and commitment to the region has made it possible for ASEAN member-states to allocate less for their defense budgets than would be the case if there was no stabilizing US military presence. The "additional" funds

were concentrated instead on economic development thereby enhancing the stability of the member-states.<sup>14</sup>

Another benefit to ASEAN is in the area of economic relations with the US. According to Norman Palmer, a member of the US Council on Foreign Relations and the Association for Asian Studies, "the US is the second largest trading partner of the ASEAN countries...and the ASEAN states are now the fifth largest trading partner of the US."<sup>15</sup> Samson Mahimer agrees that "other countries see the US presence in the Philippines as a guarantee of security and are, therefore, more willing to pour investments into the country."<sup>16</sup> The same is probably true for other ASEAN nations. The comforting proximity of a US military presence instills a sense of confidence in the region. The adverse effects of no confidence in a country can be seen in the case of "capital flight" and the emigration of professionals from Hong Kong, which Britain has scheduled to return to China in 1997. Should there be loss of confidence in ASEAN as a result of perceived lesser US commitment to the region, the withdrawal of capital by the multi-national corporations would harm the ASEAN economies to a significant extent. Mass emigration of professionals would signify the beginning of the end for countries such as Singapore which have no natural resources and rely heavily on the labor force for economic growth.

## **EFFECTS ON ASEAN OF US WITHDRAWAL**

Should the US leave the Philippines before ZOPFAN is realized, if ever, there would be several losses to ASEAN member-states. The discussions below will be based on the benefits of the US presence in the Philippine to ASEAN.

### **Military Deterrence to Potential Aggressors**

The Philippines. Should the US leave the Philippines, it is unlikely for the US-Philippine mutual defense pact to continue. Because of decrease in US commitment, the Philippines would have to assume a significantly larger external defense role. The Philippines would then have to review their external security threats as they can no longer rely on the US umbrella which they have done for the past nine decades. This would divert the Philippine government's attention from the more severe insurgency threat. This would be unavoidable as the Philippines would have to consider the security of her assets spread throughout the archipelago. The conflicting claims on the Spratlys present a problem that the Philippines would have to resolve themselves. As the Philippine Armed Forces are geared towards counterinsurgency, considerable expense and increase in manpower would be required to orientate towards meeting both the external security demands and the insurgency. All these place additional burdens on the Philippines.

Furthermore, response to calls for help may not be as prompt as in December 1989 when President Aquino asked President Bush for help in crushing the attempted coup.

ASEAN. Closure of the Philippine bases would not remove the benefit of the US being able to counter the Soviet presence. The US 7th Fleet would still be sailing in the vicinity of the region. However, the benefits of forward deployment are diluted as US response would not be as quick or as strong. This may be perceived by investors and businessmen as lower US profile and commitment to the region, with the attendant economic backlash. This hopefully should be attenuated by the presence of the war stockpile the US maintains in Thailand. If it is recognized that the stockpile represents US commitment to the region and facilitates US deployment there, the economic repercussion may not be as severe.

Negation of the need for  
a Militarily Strong Japan

The closure of the Philippine bases could be used by the US to pressure the Japanese to take on an even greater role in the defense of the Asia-Pacific region and the South China Sea. This would not be well received by ASEAN. ASEAN is already apprehensive about current Japanese rearmament efforts. Further rearmament to partially replace the diminished US presence would aggravate ASEAN's concerns.

### Buying Time for ASEAN

When the US withdrew from Vietnam in 1975, it left a power vacuum which was exploited by the Soviets. There was no regional military power sufficiently capable to fill the role vacated by the Americans. The Soviets expanded links with the North Vietnamese during the Vietnam War, and began to move in and make use of the assets at Cam Ranh Bay and other facilities left behind by the US. According to Ronald Palmer, ASEAN recognized this was an "inviting power vacuum in the region for Soviet and Chinese adventurism."<sup>17</sup> However, should the US military leave its Philippine bases, it can still exert influence in the region, albeit at a reduced level. The US fleet would still be sailing in the region, perhaps for shorter periods at a time.

Hong Kong journalist Tai Ming Cheung feels that "US naval presence...[is the] central pillar of Asia's strategic balance...any pullout...[would leave a] power vacuum...[and we] could see China or India attempting to fill the gap."<sup>18</sup> Should the US forces leave the Philippines, for a while there would be a "double vacuum," as the Soviets would have left Vietnam. It could attract the unwelcome presence of greater Chinese or Indian influence in the region.

### Rapid Reaction to Trouble Spots

The ability of the US to project combat power to various parts of Southeast Asia depends on its ability to secure other alternative bases or facilities in place of Clark and Subic. Some of the Philippine facilities can be transferred to Japan, Singapore, and Lumut but owing to size and other constraints, the capabilities are reduced compared to the Philippines. Consequently, US ability to respond to ASEAN's distress is reduced.

### Partnership Between the US and Non-Aligned ASEAN Nations

US departure from the Philippines would not affect the bilateral maneuvers between the US and the separate naval forces of ASEAN countries. Both the US and ASEAN member-states recognize the value of such bilateral cooperation and are unlikely to want to stop it.

### Use of Base Facilities by ASEAN Countries

Should the US leave its Philippine bases, the Clark base facilities would no longer be available at the same efficiency or even functionability to some friendly countries, including Singapore. Although some of these countries have multi-year use which were separately approved, lack of proper maintenance of the facilities as well as



technical support would degrade their usefulness and the associated training value.

### Economic Benefits

The Philippines. Closure of the bases would already exact a heavy monetary penalty on the Philippines. The US would unlikely continue to grant the Philippines aid to the same amount of US\$481 million as this quantum is specifically base-related. To maintain goodwill, a significantly reduced sum may be given. The difference would unlikely be made up by converting the bases to commercial concerns, especially in the short-term. The 68,000 or so Filipinos would have to seek alternative employment and with a troubled economy, it is unlikely that the Philippines can absorb such large localized numbers.

ASEAN. Should the US leave the Philippines, it could signal the beginning of an investment drain from the region. Without the enhanced stabilizing presence of the US military bases in ASEAN, it could be interpreted that the US considers the region to be of low priority. In this instance, the presence of the US forces in the South China Sea has a different impact as the presence of US assets in the Philippines. The former speaks of US commitment at a much lesser degree. It would also be assessed that the region would be more susceptible to destabilizing elements and this affects the business risk assessment. This is especially

the case for multi-national corporations which could easily transfer their operations to less risky countries. This negative effect on the investment climate would not augur well for ASEAN.

#### **SUMMARY**

As discussed above, the benefits of having a US military presence in the Philippines are numerous. Most importantly, it serves to counter Soviet influence in the region. It also signifies US commitment to the security and stability of the region. This served to "buy time" for the ASEAN member-states to work out their own solution toward achieving ZOPFAN. Meanwhile, the resultant stability confers investor confidence in the region and boosts the investment climate. Of direct economic benefit is the aid the US gives to the Philippines as a result of the use of the bases. On the other hand, should the US military leave the Philippines, the Philippine economy would be hit hard. The facilities at Clark and Subic would not be available to friendly users. Closure of the bases leaves a power vacuum which would most likely be filled by the major powers in the meantime and a likely return of a stronger Soviet influence and presence in the midterm or long-term. We also cannot discount possible withdrawal of current investment as a result of higher investment and business risks.

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## CHAPTER 7

### EMERGING ALTERNATIVES AND THEIR SUFFICIENCY

Sometimes drive a wedge between...allies....  
Make them mutually suspicious so that they  
drift apart. Then you can plot against them.

Sun Tzu, The Art of War

#### INTRODUCTION

In order to assess whether the current US military presence in the Philippines is able and required to help ASEAN member-states meet their perceived external and internal threats, either separately or collectively, there is a need to consider the emerging alternatives that can replace the US military presence. This thesis looks at the requirement for a US military presence in 1995 and the possibility that these new alternatives could become sufficiently mature to adequately meet the various projected threats.

Based on the discussions in chapter 5, it is assessed that the US, China, Japan, and India do not pose a threat to ASEAN in the next five years.

The US does not harbor any malevolent designs in the region. Although there seems to be some inconsistency in its foreign policy, continued Republican control has given it some continuity and predictability.

China currently faces internal problems which have delayed the modernization of its military. The divided leadership and significant economic problems mean that China is unlikely to want to saddle itself with additional external problems at this juncture.

Japan has achieved economic dominance in the region and is unlikely to want to upset the stability of the region. Its continued prosperity depends to a certain extent on the continued stability of ASEAN.

India currently does not have the capability to project sufficient forces to the region and is unlikely to achieve it in the short-term. Although it has designs on extending its influence in the region, this would more likely be in the midterm.

It is also assessed that the Soviet Union does not appear to constitute a direct threat in the short-term or midterm. This assessment takes into account the recent announcement by the Soviet Union of its planned withdrawal from Cam Ranh Bay.<sup>1</sup> However, the indirect threat of strong

Soviet presence and influence with respect to the US, are the effects these have on investors and businessmen in the region. When the Soviets leave Vietnam, it would be much easier for them to return than for the US to return to the Philippines once the latter leaves. The brief absence in the region allows some respite to the economic burden of the military and gives the Soviet government a better chance at improving its economic situation.

Should there be a significant shift in US military presence, the Soviets would most likely want to return and fill the vacuum and become the main power in the region (see chapter 5); then it would become a midterm threat. In the short-term, the relative change of Soviet compared to US presence and influence would already become an indirect threat.

To counter Soviet influence and ultimately strong military presence in the long-term, alternatives to a US presence need to include a defense agreement within ASEAN or with external powers; an enhanced economic agreement will not suffice. Presently, possible alternatives to a US military presence include:

- a. Militarily strong Japan.
- b. Sino-Japanese alliance.
- c. ASEAN defense pact.

d. Multilateral and/or bilateral intra-ASEAN defense agreements.

e. Security links with external powers.

f. Combination of the above.

This chapter will identify and discuss these various emerging alternatives. The discussion will then focus on the ability of the alternatives to counter primarily the Soviet presence and influence, and also analyze the extent to which these alternatives would negate the setbacks of US military withdrawal from the Philippines (see chapter 6). An analysis will be made on ASEAN's likely view of the alternatives and their acceptability. A comparison will then be made of the alternatives.

Attention will be paid to the ability of the alternatives to meet the internal threats faced by individual ASEAN member-states (see chapter 4). Although the current US military presence in the Philippines may not contribute to attenuating all the internal problems of ASEAN member-states, the ability of the alternative to alleviate these problems would affect its acceptability and thus its perceived sufficiency. This is important as the current perception of the ASEAN member-states places higher importance on internal rather than external threats.



## EXISTING SITUATION IN ASEAN

It would be misleading to give the reader the impression that presence of the US bases in the Philippines is solely responsible for the security and stability in the region. Beneath the US security coverage, is a web of bilateral and multilateral cooperation which increases mutual understanding among the various member-states. This is important because since World War II, other than Thailand, the other member-states have not faced significant external threats against national survival. Of greater concern are the internal threats.

Within ASEAN, although there is no defense pact, the member-states enjoy a series of bilateral agreements. Thailand and Malaysia have an agreement regarding security of their common border, especially against the communist elements there. Malaysia and the Philippines have an agreement concerning the pirates operating in the South China Sea. Indonesia and Malaysia have a border agreement for Kalimantan (North Borneo). There have also been numerous bilateral exercises in the region, and the member-states have attended each other's Armed Forces Staff Colleges. Singapore also trains in Brunei, and recently in 1989, an agreement had been reached with Indonesia for the Republic of Singapore Air Force to train in Sumatra.

At the other end of the spectrum, Malaysia and Singapore are part of the Five Power Defense Arrangement

(FPDA)<sup>2</sup> and enjoy the military cooperation of forces from the UK, Australia, and New Zealand. Many exercises have also been conducted with the US Navy and Marines.

Some of the alternatives to be discussed below build on what is presently taking place between and among the member-states.

### ALTERNATIVE 1 - MILITARILY STRONG JAPAN

#### Details of Proposal

As discussed in chapter 5 under Japan's interest in the ASEAN region, the US has been pressuring Japan to take on a more active role in her own defense. This culminated in Japanese Prime Minister Suzuki's visit to the US in May 1981 when the US requested Japan to establish a 1,000 nautical mile defense perimeter or zone extending from Guam to Tokyo and from north of the Philippines to Osaka. The US intent is for increased Japanese presence to substitute for the shortage of US forces in the Asia-Pacific region. However, Japan was not keen to fully take over the responsibility of its own defense.

Should there be a change in Japan's resistance to take on more of her share of defense so that the US' limited resources can be channelled to other more urgent requirements, she should have no problems in filling the role. To take it one step further, Japan could also change her mind

and expand her armed forces not only to substitute for a shortage of US forces, but to replace them completely. Presently Japan spends only around 1.0 percent of her gross national product (GNP) on defense,<sup>3</sup> compared to most other countries which spend from 3.0 percent to 6.0 percent of their GNPs. Should Japan decide to increase her defense budget, she would be able to significantly increase her defense capability to effectively counter Soviet influence. Although there may be manpower shortages, high technology equipment and weaponry can partly offset this. This increased capability could also include a nuclear capability, should Japan forgo her three non-nuclear principles.<sup>4</sup> This possibility cannot be ruled out if Japan were to be very concerned about US departure from the Philippines, and decide to increase its military capability to fill the "vacuum" left by the US. In this case, Japan may want to extend its influence beyond the 1000 nautical mile perimeter.

### Sufficiency

Against ASEAN's External Threats. Other than the US and the Soviet Union, Japan currently has the strongest navy in the Asian region.<sup>5</sup> Increased allocation for defense would permit Japan to improve her air warfare capability and enable her to effectively secure her SLOCs. The Japan Self-Defense Force has the second most modern army in Asia,

after the Soviet Union, albeit oriented toward active defense. The ability of Japan to replace the US military presence depends on her willingness to assume a stronger military posture and her resistance to acquire foreign technology. Although Japan is not adverse to slowly increasing her defense budget, owing to her huge GNP, the current amount allocated to defense already far exceeds US\$27 billion.<sup>6</sup> This is more than the GNP of many countries.

One of the problem of Japan being able to take over the US' role is her reluctance to purchase foreign made military hardware. Lack of economies of scale because of its constitution forbidding external sales, means that the high defense budget can only purchase significantly less of locally produced equipment than foreign ones. Whether it is because of national pride or balance of payment reasons, the result is that it is unlikely that Japan can significantly improve her airpower. Equipment development takes time, and the recent decision by Japan to develop her own advanced fighters rather than purchase them from the US means that Japan would still be significantly inferior to the Soviet Union in the air for a longer period of time.

After Japan's defeat in World War II, there has been a change of attitude towards the military as a career. The military samurai spirit no longer burns in the people. This

samurai spirit has since been channelled to the economic arena. As such, there have been recruitment problems in the Japan Self-Defense Force. Without conscription, a surge in the size of the force is unlikely.

Hence Japan's ability to take on the US' role in countering the Soviets is incomplete.

Ability to Offset Setbacks of US Withdrawal. An enhanced Japanese military could be a deterrence to potential aggressors in the region. Since Japan does not have a mutual defense pact with the Philippines, the latter would feel the immediate need to reorganize its armed forces to meet a conventional threat. The Philippine Armed Forces is oriented toward counterinsurgency guerrilla warfare and has not paid much attention to a conventional threat. As a result of the US defense umbrella, she has been sheltered from foreign threat for more than forty years. The loss of the umbrella would be a crying need for limited funds to be diverted from more immediate economic returns toward conventional defense. The Philippines cannot really afford such a shift. The need to reallocate funds to defense would result in sub-optimization in both defense and the areas from which the funds would be channelled.

Because Japan is not involved in the conflict in the Spratly Islands, a strong Japanese naval presence could provide a degree of stability in the area. In this instance, Japan could provide similar benefits of stability

and satellite intelligence to forestall aggressive actions by claimants to resolve the disputing claims. It is believed that Japan would want to reduce and if possible prevent conflicts in the South China Sea as conflicts there would affect her sea lines of communications. This situation has a parallel in US presence in the Persian Gulf during the Iran-Iraq war. Again the absence of a Japan-Philippine defense pact would increase Filipino vulnerability to any desires by China, Taiwan, or Vietnam to seize her claims.

Just as the US military presence bought time for ASEAN member-states to enhance their defense capabilities, a strong Japanese military presence could offer the same service to ASEAN while ASEAN member-states build up their own capabilities. The likelihood of Japan embarking on a hegemonic exercise in the region is slim. Japan has already achieved economically what her involvement in World War II failed to accomplish militarily: the access to necessary raw materials and market for her products. Also as discussed in chapter 5, it is to Japan's advantage that ASEAN retains its autonomy and related economic prosperity.

Although Japan's desire to keep the Malacca Straits open is primarily for her own economic benefit, it still serves the same outcome as the US military presence in the Philippines.

Without the Philippine bases, the duration of physical US naval presence in the sea lanes in the region is reduced. This is because of the longer sailing time from other US bases. This could be compensated by a corresponding increase in a Japanese naval presence which also confers stability to the region.

A US military withdrawal from the Philippines does not end the series of bilateral maneuvers the US navy conducts with the separate naval forces of ASEAN countries. These maneuvers could and should continue. On top of this, a strong Japanese naval presence could lead to bilateral maneuvers between the Japanese navy and ASEAN naval forces. This increases the benefits of ASEAN having non-ASEAN military partners.

Economically, the investment and business climate of ASEAN countries in general would not be significantly affected if the transition from a US military presence to an enhanced Japanese military influence is smooth. This assumes a world perception that Japan has no desire to interfere but act as the region's policeman. An outflow of investment as well as a brain drain could be prevented or at least minimized. The only country to suffer a severe repercussion would be the Philippines. The result of US withdrawal would be the loss of direct and indirect employment of locals and a likely reduction of US base-related aid. Immediately the Philippine economy would lose an estimated

US\$500 million, the result of direct and indirect US employment.<sup>7</sup> The resulting unemployment of more than 68,000 Filipinos would also cause hardship and the associated social and political problems. There would also be uncertainty regarding the continuation of US base-related aid which amounts to about US\$481 million. Even if the bases could be converted into industrial and commercial concerns as claimed by anti-base proponents,<sup>8</sup> it is unlikely that such conversion could be done in a short period of time. Meanwhile, the likely lack of proper maintenance of the bases could result in more obstacles to their conversion. The ultimate loss to the Philippine government would be very severe.

Against ASEAN's Internal Threats. The internal threats (chapter 4) include: Political continuity (as in Indonesia, the Philippines, and Singapore); spillovers from neighboring regions (as in Brunei from the Philippines, and Singapore from Malaysia); rapidly expanding population and resultant unemployment (as in Indonesia); income inequality (as in Indonesia, Malaysia, and Thailand); social issues of race and religion (as in Indonesia, Malaysia, and Singapore). Other internal threats include poor economic performance (as in the Philippines); heavy reliance on export of raw materials (as in Indonesia, Malaysia, the Philippines, and Thailand); religious fundamentalism (as in



Brunei and Malaysia); terrorism (as in Brunei); communist insurgency (as in the Philippines); separatism (as in Indonesia, the Philippines, and Thailand); and civil-military conflict (as in Thailand).

It is assessed that none of the above internal threats are alleviated by a strong Japanese military presence in the region.

ASEAN's Response. ASEAN recognizes that the current Japanese defense buildup would be sufficiently large to maintain the current balance between Soviet-supported and US-supported states.<sup>9</sup> To replace the US presence, a significantly enhanced buildup would be required.

Although ASEAN acknowledges the need for a Japanese buildup, it has misgivings about its repercussions. There is concern that Japanese naval forces would intrude into the national waters of the member-states. Also, ASEAN fears that the current high level of Japanese aid to the region would be reduced and diverted to Japan's defense budget.<sup>10</sup> With appropriate changes to the constitution, it is also possible that Japan may want to change the form of its aid to military-related technology, as it would make the ASEAN countries more dependent on Japanese industrial support. This may trigger an increased arms race among ASEAN countries.<sup>11</sup> These repercussions would be significantly accentuated should Japan's buildup aim to replace a US military presence in the region, and not just to complement the US.

Summary. On balance, it appears that Japan could possibly increase her military capability and replace the current US military presence. The immediate impact on ASEAN is the substantial loss in revenue to the Philippines. This is worsened by the Philippine government's need to upgrade the armed forces for conventional defense. The other benefits of Japan providing stability to the region are not very different to those produced by the US military presence. With regard to ASEAN's internal problems, this alternative is not able to contribute much toward their alleviation. There is a likelihood that Japan may decrease the amount of aid given to ASEAN, or change the nature of the aid. The enhanced danger to ASEAN if a radical government comes to power in Japan is similarly increased. On balance, this alternative does not appear to replace the US military presence satisfactorily.

## ALTERNATIVE 2 - SINO-JAPANESE ALLIANCE

### Details of Proposal

Another alternative would be the formation of a Sino-Japanese alliance to replace the US military presence. This alliance need not be in the form of a mutual defense pact; it could be just an agreement to allocate certain waters for each other's navy. Basically, it is an agreement where the result is the combined presence of both the Chi-

nese and Japanese Navies in the ASEAN region. This alternative is similar to the earlier alternative, with the main difference being China entering the scene. In this case Japan need not embark on an enhanced military buildup as in alternative 1, but would be more than what it is currently doing.

### Sufficiency

Against ASEAN's External Threats. In terms of size, the Chinese navy is just behind the Japanese Navy.<sup>12</sup> The combined Sino-Japanese naval power would be quite formidable in terms of quantity. However the Chinese fleet's blue-water capability is limited and upgrading of the military is currently accorded a low priority in its "Four Modernization" program. Faced with these constraints, it is unlikely that China's naval capability would be significantly enhanced in the near future.

Compared to alternative 1, the advantage of this alternative is that the combined effectiveness of both Chinese and Japanese assets would be immediately available and there would not be a wait for the long process of equipment acquisition.

Since only the current rate of military buildup is required, there is less threat of Japanese hegemonic intentions. However the fact that China is governed under communist ideology complicates the issue. Also, as two major

powers are involved, there is greater risk of a conflict between them as a result of friction in the course of executing this alternative. This is not helped by the fact that China and Japan have a long history of conflicts.

Ability to Offset Setbacks of US Withdrawal. As China is one of the claimants of the Spratly Islands, it does not augur well for the Philippines or Malaysia in their claims. China's enhanced role in this alternative may cause the Chinese to act with impunity in the resolution of the territorial conflict.

The losses to the Philippine economy are the same as in alternative 1. There is no difference whether it is a solely Japanese military presence, or a Sino-Japanese military presence; the withdrawal of the US would still cause the similar losses in revenue.

The presence of two major powers in the region could cause alarm to investors who are concerned with the Chinese leadership's instability and high-handedness, as was evident in the June 1989 Tiananmen Square crackdown on unarmed civilians. The resultant investment climate in ASEAN in this alternative is not as rosy as in alternative 1.

Against ASEAN's Internal Threats. Compared to alternative 1, there is no additional benefit to ASEAN. Conversely, there are two additional threats that ASEAN needs to be aware of. The closer proximity of a Chinese

military could trigger stronger communal conflicts in Malaysia and Indonesia where the Chinese minority has not been assimilated into the mainstream of the country's political and social life. This is a potential problem that these governments must address.

Another problem is that communist elements in ASEAN countries may be more active. The easy access they would have to the Chinese military could give them a new lease on life and cause renewed trouble and instability to ASEAN countries.

ASEAN's Response. Although most ASEAN countries have diplomatic links or intend to have such links with China in the near future, it is unlikely that they would be comfortable with such close proximity of China's armed forces. As it is, Malaysia (because of her Chinese minority) and the Philippines (because of her communist insurgency) still harbor some reservations about China's long-term intent for the region. They would not fail to recognize the associated problems of enhanced communal and communist problems this alternative brings. A side economic benefit would be that Japan would probably not cut as much from the current aid given to ASEAN as compared to alternative 1.

Summary. On balance, the additional problems this alternative brings overcome any incremental benefits it may have over alternative 1. This alternative is thus a poorer option.

## ALTERNATIVE 3 - ASEAN MILITARY PACT

### Details of Proposal

In this alternative, the essence of ASEAN would be extended from being merely economic to also include military concerns. This more military-oriented ASEAN means that should one country be attacked, the others would send forces to assist that country. For this to work, Metelko stresses that "there must be complete cooperation to make a mutual defense system work, and all assets must be pooled to ensure success and allay suspicion among members."<sup>13</sup> This is perhaps a more extreme version of a pact -- an agreement where the rest would go to the aid of a member in trouble would suffice. Pooling would be difficult to achieve. Also as the countries face different perceived threats, internal focus, and would likely be reluctant to release forces, pooling of assets would cause further complications when a decision must be made to commit assets. Hence, this alternative will only focus on agreements to assist each other, rather than a pooling of resources.

### Sufficiency

Against ASEAN's External Threats. Since the 1970s, most of the armed forces of ASEAN member-states began to create or increase their air and naval forces. This shift

from being concerned mainly with internal insurgencies to the establishment of conventional forces with limited projection capability was because of the Nixon Doctrine, subsequent US withdrawal from Vietnam, and later the Vietnamese invasion of Cambodia in December 1978. After more than a decade of equipment acquisition, the combined capability of ASEAN is quite significant. Taken together, ASEAN has 854,000 active troops and can call up about 1.63 million reservists. It has a combined total of 522 combat aircrafts, 27 frigates, and 208 patrol and coastal crafts. Compared to an adversary of Vietnam's size (1.25 million active soldiers, 2.5 million reservists, 394 combat aircrafts, 7 frigates, and 62 patrol and coastal combatants),<sup>14</sup> ASEAN seems to be able to put up a fight. However, ASEAN's assets are spread over an area as far apart as 2,000 miles from the western end of Indonesia to the eastern end of the Philippines. Since ASEAN does not have sufficient assets to lift a sizeable force to the various parts the region,<sup>15</sup> its ability to combat an aggressor as large as Vietnam is questionable. ASEAN definitely would not be able to stand against the Soviet Pacific Fleet; in the balance of power, the strength of the US 7th Fleet and the Japanese fleet would have to be included to counterbalance Soviet capabilities. In such a situation, using the Vietnamese force capability as a guide, an ASEAN military pact would be sufficiently strong to counter other external threats. The

difficulty, however, of getting elements from six different armed forces to operate jointly is considerable. The operation of joint assets would not be as effective against an aggressor operating a single armed force of equivalent strength. The deterrence factor of ASEAN's military potential is still considerable to a more distant power, eg India.

Ability to Offset Setbacks of US Withdrawal. As with alternatives 1 and 2, the Philippines would suffer the same economic loss as a result of US withdrawal. The absence of the US protective umbrella can be replaced by the presence of an ASEAN pact; even though ASEAN troops would unlikely be stationed in the Philippines, the ability to respond quickly to the Philippines' call for assistance would also offer her some security. However, the Philippines would still need to divert significant funds to acquire some conventional capability. This diversion would be at the expense of other programs.

An ASEAN pact would help to keep the Malacca Straits open. It could also help protect Malaysia's and the Philippines' claims in the Spratly Islands when potential aggressors realize they have to contend with a united ASEAN than just Malaysia or the Philippines separately. In this latter case, this alternative serves Malaysia's and the Philippines' interest better than the earlier two alternatives.



The ability of ASEAN to protect itself from external aggression means that the investment and business climate of the region would not be hurt. In fact the guaranteed response from other ASEAN member-states would give investors and businessmen even greater confidence in the region than the present US presence in the Philippines.

The close cooperation of the individual armed forces means that there is good likelihood of sharing more facilities with other member-states' armed forces than what is presently the case. This would be an improvement over the other alternatives mentioned above.

Against ASEAN's Internal Threats. Owing to the different internal problems of the member-states and the sensitivities involved, it is unlikely that the military pact would include the automatic assistance of other member-states in the event of severe internal threats erupting. It would give the appearance of one member impinging on the sovereignty of another. If the problem deteriorates uncontrollably, it is possible that assistance could be sought from neighbors, regardless of this agreement. Hence, there is no additional advantage of having an ASEAN military pact as compared with alternatives 1 and 2.

ASEAN's Response. One of the prerequisites to having a military pact integrated into ASEAN would be a "shared notion of a common adversary."<sup>16</sup> Although ASEAN made a strong representation at the UN against Vietnam, the

claimed withdrawal by Vietnamese occupation forces from Cambodia and recent overtures by Thailand to begin having commercial links with Vietnam means that Vietnam could no longer be used as the basis of a common threat. Although ASEAN considers the Soviet Union to be a threat to a greater or lesser extent, the inability of ASEAN to stand against the military might of a superpower undermines the case for setting up such a pact. In order for combined ASEAN forces to be able to meet different threats, a lot of money must be spent on upgrading present equipment.

In the event of calling for assistance from neighbors, an ASEAN country may have difficulty later to get them to leave. The case of India coming to Sri Lanka's aid but later reluctant to leave when requested is a case in point. There appears to be little reason for ASEAN to embark on this alternative.

There is also no change by any members from the official statement made by President Suharto at the Bali Summit in 1976 that ASEAN has no intentions of establishing a military pact.<sup>17</sup> Nevertheless, we cannot rule out the possibility of a pact (perhaps even secret) because US withdrawal from the Philippines would have changed the security scenario. The conditions would be quite different from 1976 and may warrant a review of ASEAN's stand.

Summary. This alternative is only able to provide external security against the major powers, at most. It is not suitable in countering the Soviet Union. The pact would serve to confer confidence in investors and businessmen but cannot offset the losses the Philippines would suffer as a result of a US withdrawal. Against attenuating the internal threats of the individual member-states, the pact is not able to offer any additional advantages. There is also the difficulty of getting six nations' forces to operate closely with each other. Overall, this alternative is no better than alternative 1. Most importantly, the reluctance of ASEAN leaders to extend ASEAN to include military concerns makes this alternative difficult to achieve.

**ALTERNATIVE 4 - BILATERAL/MULTILATERAL  
INTRA-ASEAN DEFENSE AGREEMENTS**

**Details of Proposal**

This alternative differs from alternative 3 in that not all member-states need to be involved in the same agreement. This has the advantage of reducing potential causes of conflict especially in defining the threat. Likeminded countries with a common perspective of perceived threats could agree to assist each other in the event of external aggression. Countries that harbor a different threat perception or have different priorities need not be involved.

This form of multilateral or bilateral intra-ASEAN agreement does not exist presently. The closest thing is the border agreements between Malaysia and Thailand, and between Malaysia and Indonesia in their fight against communists in the first case, and against communists and bandits in the second.

This alternative would be separate and distinct from an actual ASEAN pact. This is necessary as should such bilateral/multilateral agreements fail, it should not undermine ASEAN cooperation.

### Sufficiency

Against ASEAN's External Threats. The deterrence value of bilateral or multilateral defense agreements would be less than for alternative 3, a full ASEAN military pact. Obviously the combined capability of two or more of the member-states is less than the combined force of all six member-states. As such, the ability of such pacts to replace the benefits of a US presence is limited, even when the presence of the US 7th Fleet and Japanese navy in the South China Sea are considered.

Ability to Offset Setbacks of US Withdrawal. The ability of bilateral or multilateral pacts to offset the penalties is likewise less than the case for a full ASEAN pact. Owing to the strength of the pact and resulting muscle it can flex, the degree of confidence offered to

investors and businessmen would be correspondingly less. If there should be more than one multilateral or bilateral agreement so that there is "adequate coverage" for all six members, then there is a possibility of conflicting interests among the different agreements. So long as the US withdraws, no agreement in this alternative can alleviate the loss to the Philippine government. The other benefits that can be obtained from this alternative are watered down versions of the case of an ASEAN military pact.

Against ASEAN's Internal Threats. As with the case of the ASEAN military pact, it is similarly unlikely that members of a pact would be asked to help out with the internal problems of other members of the pact.

ASEAN's Response. This arrangement is neater than alternative 3 as it would be easier to iron out differences that may exist among potential members of a pact. Other than that, the other benefits are less strong, but the pitfalls are similar. ASEAN member-states find this alternative more acceptable as such agreements do not send out wrong signals to other non-ASEAN neighbors as compared to a full ASEAN military agreement which may appear more militant. As such, although not part of a pact, a total of 23 intra-ASEAN bilateral or multilateral exercises were conducted from 1979 to 1984.<sup>18</sup> This is an indication of the member-states' inclination to go along this approach.

Summary. On balance, although this alternative is more acceptable to ASEAN leaders when compared to the first three alternatives, it is less effective in replacing the current US presence in the Philippines as compared to a full ASEAN military pact (alternative 3).

**ALTERNATIVE 5 - BILATERAL/MULTILATERAL DEFENSE AGREEMENTS WITH NON-ASEAN COUNTRIES**

**Details of Proposal**

ASEAN recognizes that the region's capabilities are insufficient when compared to the potential of the superpowers or major powers. Even if the member-states' armed forces can operate jointly with each other (they currently face some problems) the difficulties of language and doctrine of so many different countries present some problems.

An agreement with a major power would not only have the advantage of limiting the problem to a lesser extent since less parties are involved, it also offers better military capability than just an intra-ASEAN pact. The agreement need not be for complete mutual protection like the case between the Philippines and the US. It can also consist of limited agreements (e.g., the US ammunition stockpile maintained in Thailand). In the simplest case, it can be just an agreement for an ASEAN member-state's armed forces to hold joint exercises with a superpower or major power. This enhancement in joint capability in which the US

or major powers can come to the assistance of the target ASEAN nation and operate without much problem would already offer a deterrence value to potential aggressors.

Such pacts can involve more than one ASEAN country at the same time. A good example is the Five Power Defense Arrangement (FPDA), which comprises of the UK, Australia, New Zealand, Malaysia, and Singapore. Or it can just involve one ASEAN nation, e.g. the Philippines with the US.

### Sufficiency

Against ASEAN's External Threats. This alternative provides a substantial deterrence value as the ability of ASEAN armed forces to operate jointly with the US or major powers makes the joint party more formidable than merely an intra-ASEAN agreement or even a full ASEAN pact. This would be able to serve as a sufficient counter against Soviet presence in the region, as it is unlikely that the Soviets would want to come into direct confrontation with the US or a major power.

Ability to Offset Setbacks of US Withdrawal. The Philippines still stand to lose economically if the US was to withdraw. Nevertheless, the joint capability would give a degree of confidence to investors and businessmen to commit their assets in the region.

This alternative benefits the ASEAN countries that are directly involved in the Spratly claims. The existence

of these pacts and the frequent physical presence of ASEAN's non-ASEAN partners would deter potential aggressors from taking advantage of the weaker claimants.

As argued previously, ZOPFAN is unlikely to be realized in the near future. In the meantime, such bilateral or multilateral agreements could also serve the purpose of buying time for ASEAN to further upgrade its military capability and operational readiness.

These agreements would be able to confer confidence to investors and businessmen, although slightly diluted compared to a US military presence. The commitment of major powers to maintain peace in the region augurs well for the region's stability.

Against ASEAN's Internal Threats. As with the above alternatives, it is unlikely that under normal circumstances the assistance of the non-ASEAN partners would be sought to deal with internal problems, unless the situation exceeds that government's ability to control. In that event, the ability of non-ASEAN partners to help is limited by their physical proximity, which is definitely further away compared to the US bases in the Philippines.

ASEAN's Response. Some ASEAN countries already have such agreements. FPDA exercises are held annually; the most recent exercise was held in Singapore in 1989. The agreement is slanted in favor of two ASEAN members in that in the



event of aggression, the UK, Australia, and New Zealand would meet and consider how best to assist Singapore and/or Malaysia, but not vice versa.

Although some ASEAN countries are not averse to adopt this alternative, others are less inclined to follow suit because they do not want to be perceived as being "aligned." Indonesia is currently seeking the chair to the Non-Aligned Movement and would unlikely want to be involved in agreements with external powers. Indonesia, as the largest ASEAN country, would also not want to appear weak by having an agreement with external powers. She seems to want to exert more influence in ASEAN and be the "bigger brother" to the other ASEAN members, as commensurate with her size and military capability.

ASEAN is also comfortable with having a joint capability with the US. Other than the Philippines, other ASEAN countries do not have a defense pact with the US. The US maintains an ammunition stockpile in Thailand for either party's use. The US 7th Fleet conducts regular joint exercises separately, and occasionally with two of ASEAN's navies.

ASEAN member-states would probably be unwilling to enter into a full-fledged mutual defense pact with a superpower or major power as they would not want to be involved in any power struggle. Thailand's involvement in Vietnam as a result of US bases in Thailand is a case in point.<sup>19</sup>

Summary. This alternative is less attractive than alternative 4 as it may send the wrong signal to other countries that ASEAN is strongly inclined to resort to military responses in the event of a threat. It might end up being a self-fulfilling prophecy. Although it has limited ability to alleviate ASEAN's internal problems, this alternative has enhanced value in countering Soviet presence.

**ALTERNATIVE 6 - COMBINATION OF SOME OF THE ABOVE ALTERNATIVES**

**Details of Proposal**

The most attractive combination is to have multilateral and/or bilateral intra-ASEAN agreements, and also have pacts with the US and/or major powers. This offers the advantages of both, and yet generally suffers only the same disadvantages as either of them.

**Sufficiency**

Against ASEAN's External Threats. ASEAN member-states' military can operate well with each other and also with external powers and this ability provides an enhanced counterbalance to Soviet presence in the region. Potential aggressors would need to think carefully before impinging on the sovereignty of ASEAN member-states. This alternative offers enhanced security against Soviet influence. However,

its deterrence value is less than for alternative 1 where a major power has taken upon itself to maintain security in ASEAN waters. In this alternative, dependent on the type of extra-ASEAN agreements, non-ASEAN countries may not be as committed to come to the defense of the region if its national interests are not directly threatened.

Ability to Offset Setbacks of US Withdrawal. Other than its inability to alleviate the economic loss to the Philippines, the benefits of this alternative is a combination of the benefits of alternatives 3 and 4.

Against ASEAN's Internal Threats. Similar to the options above, it is unlikely that ASEAN countries would take advantage of the agreements to ask for help from fellow member-states.

ASEAN's Response. ASEAN currently has both agreements with non-ASEAN powers, and intra-ASEAN bilateral or multilateral cooperative agreements. FPDA is an example of the former, and the "tacit" agreement between Singapore and Brunei is an example of the latter. However not all ASEAN countries are willing to embark on this alternative. As mentioned earlier, Indonesia would probably not want to reveal its "need" for foreign assistance and lose its "big brother" status.

Summary. This alternative is the best of the six as it draws on advantages of alternatives 4 and 5, and suffers

disadvantages of either. The flexibility afforded ASEAN member-states in forming their own agreements ensures that all members agree because they want to and not because they have to. There is flexibility to accommodate member-states that do not want to be involved. However, it is unlikely that this will be able to alleviate the region's internal problems. This alternative also is not able to completely offset the penalties of US withdrawal, especially the economic penalties the Philippines would have to suffer. As such, even though it is the best of the six alternatives, it is an inadequate substitute for US presence in the region.

#### SUMMARY

Based on the arguments above, it can be concluded that alternative 6 is most suited to the needs of ASEAN. A militarily strong Japan (alternative 1) poses a significant threat to ASEAN itself. Even if current intentions are good, the possible threat of future Japanese adventurism remains if the ability to project her forces exist. Although remote, such an ability could be exercised by a radical government. Alternative 2 which allows for a Chinese presence in addition to the Japanese presence in the region brings along with it possible unwelcome instigation of communal and communist activities in ASEAN countries. Alternative 3 which calls for an ASEAN pact restricts the unenthusiastic members unnecessarily. The difficulty of

agreeing to a common threat is a major stumbling block to the formation of a NATO-like ASEAN. Alternative 4 which advocates bilateral/multilateral intra-ASEAN agreements is attractive in that it permits like-minded ASEAN nations to cooperate on a closer basis without involving the others. Alternative 5 which calls for defense agreements with non-ASEAN partners is able to provide a stronger deterrence value to external aggression. Best of all, alternative 6 offers the combined advantages of alternatives 4 and 5 but only suffers the common disadvantages of either.

Based on the best option, alternative 6, the analysis shows that agreements with a distant partner cannot be compared to the effectiveness of the US as a partner which is in close proximity to the region, i.e. at the Philippine bases. The physical presence of the US military in the Philippines is able to provide the speed of response that cannot be matched by other partners. Withdrawal of the US from its Philippine bases would already exact a severe economic penalty from the Philippines.

Similarly the deterrence value of a pact which includes partners who are not committed to be physically present cannot be compared to the US military presence in the region. Closely associated with this is the investment and business confidence which matches the deterrence value of the alternative.

Most importantly, only the US military can counterbalance the Soviet military, and only the physical US military presence can effectively counterbalance the likely future Soviet military presence. None of the other major powers presently can replace the US military in this context. The ability of an option to best counter Soviet presence and influence would be perceived by investors and businessmen to be most suited to the continued economic stability of the region. Hence, that option would be considered as being best able to meet the region's external short-term "threat."

Alternative 6 does not offer any additional benefit compared to current US presence toward the alleviation of ASEAN's internal threats.

On balance, it is concluded that none of the emerging alternatives identified above can effectively and sufficiently replace the effects or offset the benefits of a US military in the region.

## ENDNOTES

1. Announcement by Soviet ambassador to Cambodia as reported by Radio Australia, 1300 UT, 31 Jan 1990.
2. See footnote 8 of chapter 4.
3. Zhang J. L., "The New Romanticism in the Reagan Administration's Asian Policy," ASEAN Survey, Vol. XXIV, No. 10, October 1984, 5.
4. Defense of Japan 1988, Japan Defense Agency, 1988, 76.
5. Tai Ming Cheung, "Command of the Seas," and "Sealanes' Strategy," Far Eastern Economic Review, 27 Jul 1989, 18 & 20 respectively.
6. Editorial comment, The Straits Times, Singapore, 10 Jan 1990.
7. David F. Lambertson, "Future Prospects for the Philippines," Department of State Bulletin, May 1989, 45.
8. Samson M. Mahimer, United States-Philippines Bases Agreement: Prospects for its Renewal, Air War College, Alabama, May 1988, 41.
9. Frances Lai Fung-wai, "Japan's Defense Policy and its Implications for the ASEAN Countries," Southeast Asian Affairs, 1984, 1 & 2.
10. Ibid, 3.
11. Although the Japanese constitution prohibits the sale of military hardware, a more radical government could initiate amendments to overcome this problem. The quality of Japanese commercial technology, e.g. cars, is an indication of the quality of Japanese defense technology.
12. Tai, 18 & 20 respectively.
13. J. E. Metelko, The Potential of ASEAN, US Army War College, Carlisle Barracks, 1985, 54.
14. Pacific Defense Reporter, 1990 Annual Reference Edition, December 1989/January 1990, 163-173.
15. Metelko, 22.
16. Ibid, 52 to 53.

17. Ibid, 11.

18. Ibid, 23 to 25.

19. Cholid Ghozali, Enhancing Military Cooperation Among "ASEAN" Countries, US Army War College, Carlisle Barracks, April 1988, 17.



## CHAPTER 8

### CONCLUSIONS

War is a grave concern of the state;  
it must be thoroughly studied.

Sun Tzu, The Art of War

### PURPOSE

The purpose of this thesis was to examine whether it is necessary for US forces to remain based in the ASEAN region. The findings would be useful to decision makers in ASEAN member-state governments when they deliberate on the alternative facilities within ASEAN that could be offered to and used by the US, should the Bush-Aquino negotiations regarding extension of the lease of the Philippine bases fail. The deliberations are all the more difficult as ASEAN member-states do not agree that continued US military presence is necessary or even good.

This thesis was written with two important assumptions. First, the forecast of the security situation in 1995 is dependent on the continued existence of ASEAN.

Differing views on significant issues held by its members will not be so unacceptable that the fabric binding the six countries is torn apart. Also, should Vietnam completely withdraw its occupation forces from Cambodia, and Cambodia successfully conducts free elections under UN supervision, there would be some other unifying interests or special efforts by the member-states to continue to hold ASEAN together.

Second, this study also assumes that the present Bush administration (and succeeding administrations within the next five years) will continue existing foreign policies established during the Reagan administration or earlier with respect to ASEAN.

#### SUMMARY OF FINDINGS

Overview of ASEAN. The study showed that despite differences in cultural background, religious emphasis, language, and history, ASEAN was able to meet the challenges to its unity. These challenges are largely internal and include territorial disagreements and economic rivalry between the member-states. The deliberate attempts by ASEAN leaders to focus on common ground has enabled ASEAN to slowly progress in cooperating in the areas of regional banking procedures, shipping regulations, postal services, monetary policy policy, tourism, agriculture, and trade.

However, the main impetus to ASEAN maturity was the threat of communist torrent coming from Vietnam. With the British pullback east of Suez in 1970s, developments in Indochina, and the fall of Saigon and later the setting up of the puppet government in Laos in 1975, ASEAN leaders were concerned that if nothing was done, Vietnamese hegemony would not stop. This concern proved true when Vietnam invaded Cambodia in December 1978. It was only ASEAN's united stance at the UN which succeeded in turning world opinion against the Vietnamese, and it is this same consultative cooperation that has fostered ASEAN's growth. However, such cooperation does not extend well into economic issues, where the economies are largely competing rather than complementary. ASEAN also faces internal disagreements, for instance the recent renewed Malaysian claim to the Horsburgh Lighthouse which is under Singapore's jurisdiction, and the Philippine claim to Sabah.

Most importantly, with regards to this thesis, ASEAN members do not share a common threat. The internal threats are also varied. However, the close proximity of the region, and the historical ethnic and cultural ties and differences cause these threats to be interrelated in a greater or lesser degree. Problems in one country could affect those in other countries, or could even spillover the effects to others.

### ASEAN's Threat Perception - Present and Future.

That ASEAN does not share a common threat has been amply shown in the thesis. For the immediate future, ASEAN countries are more concerned with internal problems than with threats from the superpowers or major powers. ASEAN member-states individually face different threats, mostly internal. Some common ones include political continuity (as in Indonesia, the Philippines, and Singapore); spillovers from neighboring regions (as in Brunei from the Philippines, and Singapore from Malaysia); rapidly expanding population and resultant unemployment (as in Indonesia); income inequality (as in Indonesia, Malaysia, and Thailand); and social issues of race and religion (as in Indonesia, Malaysia, and Singapore). Other internal threats include poor economic performance (as in the Philippines); heavy reliance on export of raw materials (as in Indonesia, Malaysia, the Philippines, and Thailand); religious fundamentalism (as in Brunei and Malaysia); terrorism (as in Brunei); communist insurgency (as in the Philippines); separatism (as in Indonesia, the Philippines, and Thailand); and civil-military conflict (as in Thailand).

It is such internal problems that have the immediate attention of the ASEAN leaders rather than concern about external threats.

Interests of and Threats from Superpowers and Major Powers. This thesis has shown that the US, China, Japan,

and India do not pose a threat to ASEAN member-states in the next five years. Although the Soviet Union does not appear to constitute a direct threat in the short-term, a strong Soviet presence and influence relative to the US would be perceived by investors and businessmen in the region that the US now considers the region to be of low priority. The perceived reduction of US commitment to the region's security would adversely affect its economic climate. Hence, a strong Soviet presence and influence in the ASEAN region constitutes an indirect threat.

The recent proposed withdrawal of Soviet forces from Vietnam appears to signal a general Soviet pull back from the region. The author contends that this is not so. The withdrawal is probably only a temporary measure to put more pressure on the US to leave the region especially in view of the coming base negotiations. The temporary absence from the region, also permits the Soviets to concentrate their efforts on rebuilding their economy.

Once the US leaves the Philippine bases, the region would be open for major powers like China, Japan, and India to increase their influence. The Soviet Union too may find it timely to reassert a stronger influence in the region. This is possible as it would be easier for the Soviets to return to the Vietnamese bases than for the US to return to

the Philippine bases. The increased presence of these powers would threaten the continued stability of ASEAN.

Value/Role of US Military Presence in ASEAN. The current presence of the US military in the region, i.e. at the Philippine bases, provides a range of benefits to ASEAN countries, collectively and separately. These include military deterrence to potential aggressors; military assistance and alliance with the Philippines; umbrella coverage of the 7th Fleet using Subic Bay naval base; the role of stabilizing the status quo, vis-a-vis USSR and Vietnam, and the Spratly Islands; and partnerships between the US and non-aligned ASEAN nations. The US presence also offers indirect benefits of investment/business confidence in the region, as a result of perceived US commitment in the region.

The Philippines enjoy the economic benefits of direct and indirect employment which together with the base-related aid given by the US amount to about US\$1 billion annually. Presence of US forces in the Philippines also indirectly boosts tourism and demand for goods from the region.

Should the US military leave the Philippines, the facilities at Clark and Subic would likely not be available to friendly users. The resultant power vacuum simply invites the interests of the major powers and perhaps even the eventual return of a stronger Soviet influence. The possi-

bility of outflow of investment and business cannot be discounted.

Emerging Alternatives and their Sufficiency. Of the six alternatives proposed, alternative six (combination of intra-ASEAN bilateral/multilateral security links and agreements with non-ASEAN powers) is considered most capable in meeting the benefits of current US military presence in the Philippines, while at the same time minimizing the penalties of US military withdrawal. However, alternative six still falls short of the benefits of US presence in the Philippines to the region. The effectiveness of agreements with a distant partner(s) cannot be compared to the effectiveness of the US as a partner which is in close proximity to the region. The physical presence of the US military in the Philippines is able to provide the speed of response that cannot be matched by other partners. Also, withdrawal of the US from its Philippine bases would already exact a severe economic penalty from the Philippines.

In the same vein, the deterrence value of a partner committed to be physically present in the region is far greater than the transient presence of other partners. This would have an effect on investment and business risk assessment of the region.

Most importantly, only the US military can counter-balance the Soviet military, and only physical US military

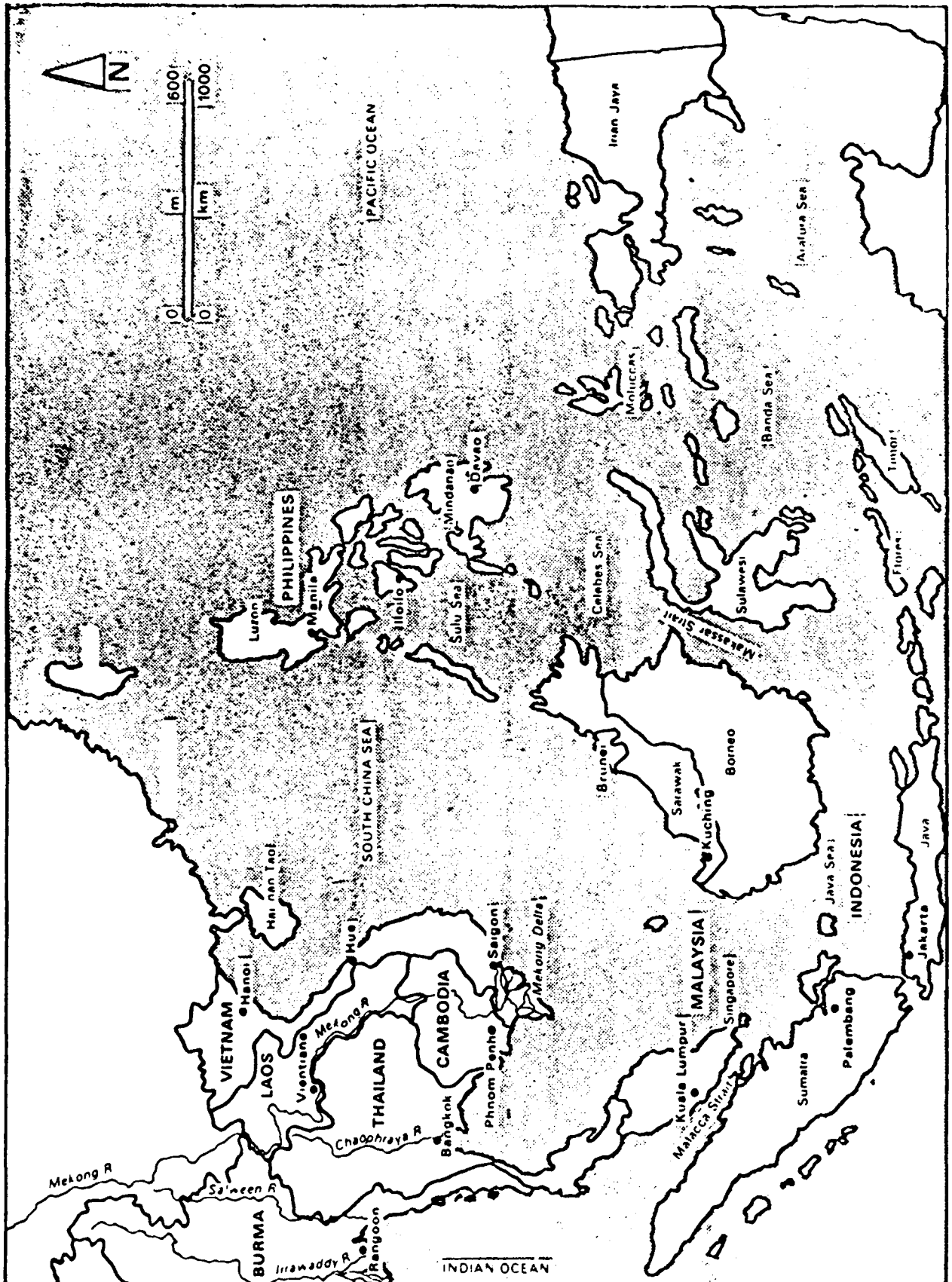
presence can effectively counterbalance likely future physical Soviet military presence. None of the alternatives is sufficient in this respect. Hence, it can be concluded that none of the emerging alternatives can effectively and sufficiently replace the US military presence in the region in the next five years.

#### RECOMMENDATIONS FOR FUTURE STUDY/RESEARCH

There have been thoughts of bringing the Indochinese countries and Burma into ASEAN. Under what conditions would these be possible, and what would be the effect on the existing ASEAN agreement? How would ASEAN's relationship be with Vietnam which has for the past forty odd years been fighting with her French colonial master, with herself, the US, and with her neighbors? How would the more vibrant economies of ASEAN countries interact with the stagnant economies of the newcomers? This could be a useful study as the above could come to pass within the next ten or fifteen years.



SOUTHEAST ASIA



## BRIEF BACKGROUND OF AUTHORS QUOTED

- Azad, Mohammed - student at the US Army War College
- Bilveer S. - political scientist specializing in the ASEAN region
- Bridges, Brian - Research Fellow at Royal Institute for International Affairs, Chatham House, UK
- Carlucci, Frank - US Secretary of State
- Chang Yao-chiu - Taiwanese academic specializing in China affairs
- Decharatanachart, Prathes - student at the US Army War College
- Irvine, David - officer from the Australian Department of Foreign Affairs who served in Jakarta from 1976 to 1979
- Leifer, Michael - Reader in International Relations at the London School of Economics and Political Science
- Mahimer, Samson - student at the US Army War College
- Mauzy, Diane - editor with one of the publishing firms specializing in ASEAN affairs
- Metelko, J. E. - student at the US Army War College
- Palmer, Norman - member of US Council on Foreign Relations and the Association for Asian Studies
- Palmer, Ronald - former US ambassador to the ASEAN region
- Rush, James - specialist in ASEAN affairs
- Sigur, Gaston Jr. - US Assistant Secretary for East Asian and Pacific Affairs
- Simon, Sheldon - professor in the Political Science Department and Faculty Associate of the Center for Asian Studies, Arizona State University
- Suryadinata, Leo - senior lecturer in the Department of Political Science, National University of Singapore

**Starry, Claire - Director of SRI International's Planning  
and Analysis Program**

**Tai Ming Cheung - reporter with the Far Eastern Economic  
Review**

**Tajima, T. - specialist in China affairs**

**Tasker, Rodney - reporter with the Far Eastern Economic  
Review**

**Thayer, Nathaniel - from John Hopkins University's School of  
Advanced International Studies**

**Tilman, Robert - specialist in ASEAN affairs**

**Vatikiotis, Michael - reporter with the Far Eastern Economic  
Review**

**Winterford, David - from the department of National Security  
Affairs, Naval Postgraduate School**

**(Note that the credentials of the authors quoted are accu-  
rate at the time of publication of their works.)**

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USACGSC  
Fort Leavenworth, Kansas 66027-6900
5. Major Stuart D. Lyon  
Department of Joint and Combined Operations  
USACGSC  
Fort Leavenworth, Kansas 66027-6900
6. Lieutenant Colonel James A. Honeychuck  
Department of Joint and Combined Operations  
USACGSC  
Fort Leavenworth, Kansas 66027-6900
7. Colonel Catherine H. T. Foster  
8760 Chestnut Circle  
Kansas City, MO 64131
8. Major James H. Bralley  
The Center for Army Tactics  
USACGSC  
Fort Leavenworth, Kansas 66027-6900

9. Mr. & Mrs. Sheldon Bernstein  
12209 Mohawk  
Leawood, Kansas 66209
  
10. Mr. & Mrs. Tom Lyerly  
418 Hither Green  
Lansing, Kansas 66043
  
11. Major & Mrs. Don J. McGhee  
132 Williams Street  
Springdale, Pennsylvania 15144
  
12. Mr. & Mrs. Lou Hammond  
33-B, New Road  
Impington, Histon  
Cambridge, CB4 4LU  
UK
  
13. Major Indra B. Karki  
KA. NA. PAN. 3,  
GHA, 3, 643  
Tamsipakha  
Kathmandu, NEPAL