



INTERNATIONAL STUDIES CENTER

**STUDY PAPER**

July 2021

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# **COLLECTION OF PAPERS AND PROCEEDINGS (1987-1992)**

## **Part I**

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จัดพิมพ์โดย ศูนย์ศึกษาการต่างประเทศ กระทรวงการต่างประเทศ กรุงเทพฯ  
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# Foreword

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Following the publication of the Collection of Study Papers (1988-1991) in July 2020, the International Studies Center (ISC) decided to publish other papers from the same period in this volume in order to preserve the important record of the ISC's early works for future reference.

This second volume is published under the title Collection of Papers and Proceedings (1987-1992) in two parts:

**Part I** contains the following documents in English: “Thailand and Major Powers”; “Prospects for Thailand-China Relations” and “Prospects for Regional Security Cooperation in Southeast Asia in the 1990s”

**Part II** contains the following documents in Thai: “25 ปี อาเซียน ปณิธานและผลงาน” (ASEAN at 25: Aspiration and Achievements); “ปัญหาและลู่ทางการส่งออกของไทยไปยังตลาดประชาคมเศรษฐกิจยุโรป” (Problems and Prospect of Thai Exports to EC Market); “ยุโรปในทศวรรษ 1990” (Europe in the 1990s); “ปัญหาพรมแดนไทย” (Issues regarding Thailand's Borders) and “การสัมมนาโต๊ะกลม เรื่องการต่างประเทศของรัฐบาลนายกรัฐมนตรีอานันท์ ปันยารชุน” (Summary of the Roundtable Discussion on Foreign Policy in the Anand Panyarachun's Administration).

The ISC wishes to express its appreciation to the authors, editors, seminar participants and all those previously involved in undertaking the tasks of preparing, editing and publishing proceedings of the relevant seminars. Their papers continue to serve as valuable sources for the study of diplomatic history and international affairs.

International Studies Center

July 2021





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- Thailand and Major Powers
- Prospects for Thailand-China Relations
- Prospects for Regional Security Cooperation in Southeast Asia in the 1990s”

## **Part II**

- 25 ปี อาเซียน ปณิธานและผลงาน  
(ASEAN at 25: Aspiration and Achievements);
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(Summary of the Roundtable Discussion on Foreign Policy in the Anand Panyarachun's Administration).



THAILAND  
AND  
THE MAJOR POWERS

Executive Summary  
on  
Policy Recommendations

International Studies Centre

Institute of Foreign Affairs

Bangkok

August 1989



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# Foreword

This executive summary is the result of three round - table meetings organised during May 1988 - March 1989 by the International Studies Centre of the Institute of Foreign Affairs, Bangkok, on Thailand/ASEAN - major powers relations.

Consisting of a number general as well as specific policy recommendations on Thai relations with these powers (the United States, the Soviet Union, the People's Republic of China, Japan, and the European Community), the summary has drawn almost exclusively upon the diverse views and opinions of the round - table participants from Thailand and other countries, particularly those from ASEAN and the major powers. In their respective capacities of academicians, policy - makers or former policy - makers, high - ranking public officials, or representatives of the mass - media and the private sector, they offered invaluable comments and suggestions for Thai foreign policy - making.

The round - table project arose from the perceived need for the ASEAN countries to re - evaluate the trends and implications of their relations with the major powers and to explore appropriate policy directions in the context of changing major - power relationships.

The major powers in fact constitute the most important external environment within which ASEAN has to operate. Already at the Manila Summit in December 1987, the ASEAN countries outlined their perceptions of the security situation in which they found themselves - and in which their relations with the major powers figured most prominently. This clearly demonstrated their awareness of, and consensus on, the importance of this relationship.

The present urgency to understand the trends and implications of ASEAN - major powers relations has emerged from the growing signs of policy changes and adjustments by the major powers. The Soviet diplomatic offensive in the Asia - Pacific region, the reduction in major - power tensions or the new developments in regional conflicts including the Kampuchean problem are only among the most readily discernible trends with potentially significant implications for Southeast Asia. The round - table project was the first major attempt at an in - depth assessment of Thailand/ASEAN - major powers relations.



The round-table meetings were structured in a 'dialogue' form in which the participants were mostly policy-makers and other high-ranking public officials, apart from a limited number of academics and members of the interested public. The purpose was not only to enhance an awareness of the trends and developments in this relationship and their implications for ASEAN as a whole as well as for the policy positions of its individual member states, but also to develop practical policy recommendations.

The first meeting, held on 12-13 May 1988, was an international one with participants from the ASEAN countries and the five major powers mentioned above. The other two round-table meetings were organised, on 14 September 1988 and 22 March 1989 respectively, on a national basis with an emphasis on the Thailand-major powers relationship. Drawing upon the results of all three meetings, the recommendations below deal exclusively with this relationship.

The project was a collaborative effort aiming to encourage policy inputs from public discussion of foreign affairs and thereby to foster a democratic process in foreign policy-making. It, in particular, benefited a great deal from a fruitful co-operation between academia and the policy-making circle.

The insights and suggestions were provided by the participants in their individual capacities. However, the policy recommendations formulated thereupon reflect neither their individual preferences nor the positions of the organisations with which they were affiliated. In fact, their contributions were not the recommendations as such but the views and comments upon which these recommendations have been based.

**Phan Wannamethee  
Sarasin Viraphol  
Wiwat Mungkandi  
Theera Nuchpiam**

# Policy Recommendations

## A. General Principles

**1** In the midst of significant changes in major - power relations, Thailand has been afforded greater opportunities for a more active and constructive role not only in furthering her own interests but also in promoting regional peace and prosperity.

**2** Thailand has always maintained positive bilateral relations with the major powers. She is now in a good position to develop a more positive and balanced relationship with these powers and thereby to assume an enhanced constructive role in regional and even extra - regional affairs.

**3** Thailand has a crucial stake in the current development in major - power relations. Failure to appreciate their direct or indirect implications and to formulate timely and appropriate policy responses thereto would incur important costs.

**4** As a regional country now relying mainly on export - induced economic growth, Thailand, in looking beyond her immediate regional environment and particularly in dealing with the major powers, should continue to regard regional solidarity and co - operation as a cornerstone of foreign relations.

**5** As an independent nation with long and impressive diplomatic history, Thailand has a wealth of diplomatic experience to draw upon in charting the future course of her

foreign policy. In pursuing her policy goals, she should, as a matter of general principles :

- exercise caution and moderation, that is, to follow a '*middle path*' in any major foreign policy enterprise;

- draw upon past experience, and be aware of her own present position, before attempting a projection of the future ;

- observe the strength of traditional Thai diplomacy of being active but unobtrusive ;

- develop and maintain good relations with all nations while being vigilant and fully cognizant of where threats and opportunities lie ;

- maintain all possible options and make use of, direct or indirect, an appropriate approach, or a combination of approaches or instruments, depending on specific circumstances ;

- preserve and strengthen the external goodwill and traditional friendship Thailand has cultivated in the economic, political and military spheres, and in trying to supplement these, not be compromised by her own actions ; and finally,

- maintain internal unity in the formulation and conduct of Thai foreign policy through co - ordination of all interested parties rather than compete for personal and/or group power and prestige.

## B. Specific Recommendations

### B.1 General Approach to the Changing Environment

With respect to the changing external environment, the following policy guidelines may be contemplated for Thai diplomacy :

**1** Given the current development of a 'peaceful' international environment and her current economic boom, especially in tourism and export trade, Thailand should make every effort to maintain both the favourable international atmosphere and her improved position.

**2** Given the decline of the Cold - War confrontational outlook and in ideological imperatives in inter - state relations, Thailand may seek to promote further peace not only through such current efforts as in the Kampuchean problem but also by encouraging region - wide co - operation and contacts at all levels.

**3** Thailand should, at the same time, be well aware of real and potential differences, between her and the major powers, in outlook and policy objectives, and therefore seek all possible ways and means of minimising their negative effects.

**4** Thailand should also be concerned that despite reduced major - power tensions and military activities, power rivalry and competition are likely to remain long - term trends. A long - term policy concern is thus to make sure the country will not be drawn into any possible alignment or re - alignment but maintain its independent posture.

**5** Despite significant progress in arms control and nuclear - arms reduction, the nations of this world, especially the major powers, remain heavily armed. Thailand should thus recognise the long - term relevance of the perennial concept of 'balance of power.'

**6** Multilateral frameworks such as ASEAN should be maintained and indeed strengthened, and the option of exploring possibilities for other, perhaps larger, new frameworks, such as an Asia - Pacific one, with their potential for co - operative ventures and as sources of negotiating power, should not be overlooked.

**7** In conducting her foreign economic relations, Thailand should proceed 'discriminately' on a country - by - country and/or issue - by - issue basis.

**8** In trying to diversify her export market, Thailand should be fully aware of all political and security implications of the new market opportunities.

**9** In negotiating trade matters, it is advisable to link 'buying' (for example, defence procurement and other important deals) with 'selling.'

### B.2 Country - Specific Recommendations

(The major powers included in this summary are the United States, the Soviet Union, China, Japan and the European Community.)

#### The United States

As regards the United States, the following policy guidelines may be taken into consideration :

**1** Thailand should not expect to depend on the United States, while trying, at the same time, to maintain fundamentally good and positive relations. In formulating a policy towards this major power, Thailand should make a distinction between immediate issues

and long-term common interests/values. The changing environment of major-power relationship would affect some but not other aspects of the bilateral relationship. The Thai government should recognise that in the long run the United States will remain the **least** threat to Thailand.

2 Whereas Thailand should continue to uphold the ideal of ZOPFAN, the balance-of-power considerations would serve to caution Thailand against seeking a rapid dismantling of the U.S. military installations in the Philippines, given the Soviet military presence in Vietnam and the need to maintain regional power balance in the interest of regional stability.

3 Recognising, nevertheless, the negative aspects of the U.S. bases (a condition facilitating the growth of communist insurgency in the Philippines and a contradiction with ASEAN's ZOPFAN concept), Thailand, in close consultation with ASEAN, may have to consider the prospect of a gradual phasing out of the **permanent** bases and a retention of the U.S. military presence, including use of base facilities on a **non-permanent** basis.

4 Thai-U.S. security arrangements should be maintained, though Thailand should be more flexible in matters relating to military co-operation. For example, the country may have to consider diversifying its arms procurement, training and stock-pile arrangements.

5 Likewise, Thailand should attempt to diversify her export market while trying, at the same time, to retain her U.S. market share (which constitutes more than 20 per cent of the total Thai export) through, for example, gaining access to and lobbying decision-makers in Washington, D.C.

6 On a short-term basis it might be advisable, in dealing with the United States, to

utilise such issues as narcotics, refugees, Thailand's front-line position, weapons procurement, etc., as bargaining chips.

7 Thailand should be well aware of the importance the U.S. government attaches to 'human rights'-related issues including the future role of the Khmer Rouge in Kampuchea and Washington's attitude towards post-Tiananmen Beijing. Major differences in policy approaches and orientations in this area could arise which may affect fundamental mutual understanding between the United States and Thailand.

8 In the immediate circumstances, the central difficulty in Thai-U.S. relations lies in how to manage issues arising from the changing needs and interests of both parties. As the relationship is evolving from 'dependence' to 'exchange,' such 'management' is likely to be more business-like in character and orientation.

## The Soviet Union

With regard to the USSR, Thailand may take the following policy guidelines into account:

1 Thailand should retain 'good' relations with the Soviet Union. The current Soviet emphasis on improving her image and standing in the Asia-Pacific region has created a unique opportunity for Thailand to expand economic and other contacts with this major power.

2 Care must, however, be exercised to minimise real and potential negative effects of an expanded relationship - for instance, potential Soviet influence in the Thai labour movement and/or certain political and cultural groups as well as possible increased Soviet propaganda and other covert/overt activities.

3 At least some kind of loose alignment will continue to characterise regional international politics. Vietnam (and perhaps the whole of Indochina) will remain, more or less, 'aligned' with the socialist camp, particularly the Soviet Union. Thus, while Thailand should make every effort to develop positively enhanced relations with the Indochinese states, the realities of regional alignment and its implications, especially in terms of the limitations it imposes on such a relationship, should not be disregarded.

4 The current policy line adopted by Moscow entails a 'new thinking.' However, it remains questionable in view of its internal factors if implementation by Moscow of such a policy line is possible. Moscow has thus far demonstrated conflicting signals and gestures : for instance, the peace moves such as those embodied in the Vladivostok and Krasnoyarsk speeches by General Secretary Mikhail Gorbachev occurred amidst the continued Soviet military build-up in the Northeast Pacific.

5 Soviet détente with China and the United States has certainly resulted in a relaxed international atmosphere. Its regional impact has been reflected in a greater willingness demonstrated by these major powers to be more directly involved in the efforts to resolve regional conflicts (most notably the Kampuchean problem). However, insofar as the Soviet Union is concerned, the fact that she is not directly committed militarily in Kampuchea, as has been for her in the case of Afghanistan, may partly explain Moscow's apparent willingness to maintain the low-risk posture of supporting Vietnam.

6 Hence, in the short run, Thailand should not expect to count on the Soviet Union to substantively act to actualise a compromise solution over Kampuchea. Furthermore, the Soviet inclination towards, and willingness or indeed ability to influence the settlement of, the

Kampuchean problem remains somewhat ambiguous.

7 On both shorter- and longer-term bases, Thailand should maintain the 'Soviet option.' She should, nevertheless, deal with it in a proper and measured way : i.e., while mutual understanding should be further cultivated, Thailand should avoid being enticed into ultimately serving the Soviet policy line and interests.

## The People's Republic of China

With respect to the PRC, the following policy options may be considered :

1 Thailand should develop the friendship and economic ties, particularly in trade, investment and tourism, with this major power, on the basis of the Five Principles of Peaceful Co-existence including non-interference in domestic affairs.

2 In insisting on the non-interference principle, Thailand should be particularly careful not to allow her 'human-rights' concerns to jeopardise mutual understanding.

3 In developing a future relationship which is likely to be dominated by both co-operation and competition, it is important to focus on mutual interests and minimise differences.

4 Despite the recent internal disturbances in China, this major power should not be left in isolation, especially in view of its real and potential influence on Southeast Asian security. In view of the continuing Moscow-Hanoi alignment and particularly insofar as Vietnam still manifests hegemonic designs on Indochina (if not beyond), the Chinese friendship and goodwill will continue to be of



specific value to Thailand.

5 In her politico - military co - operation with the PRC, Thailand should take care that it would not cause Thailand to become dependent on Beijing for her security or signify an alignment **in opposition to** any specific power.

6 Thailand's China policy should take into account ASEAN's sensitivities, and to the extent possible Thailand should contribute to better understanding and even co - operation between the PRC and this regional grouping.

7 While she should certainly undertake her own initiatives over Indochina, Thailand should be sensitive to the possible reactions of Beijing.

## Japan

In dealing with Japan, Thailand may consider the following options :

1 Relations should continue to focus on trade and investment. Thailand should strengthen her efforts to make the Japanese more responsive to her grievances **vis - à - vis** these matters. Although Thailand lacks a strong economic bargaining leverage on Japan, the latter seems to require Thai goodwill in cultivating a more favourable image and maintaining continuing economic, if not, at the same time, political, influence in this region.

2 Japan's current economic restructuring (including greater market access) may open up greater opportunities for Thailand in terms of both trade and investment. Thailand's central concern is to lessen Japan's economic dominance through negotiation of better terms of all these dealings. Disruptive measures (including various forms of anti - Japanese activities) could be counter - productive. However,

tougher bargaining, more '*political*' in character, may be necessary.

3 Thailand should also be particularly concerned that there are various forms of economic domination and that domination is also possible in other spheres.

4 ASEAN's joint efforts and perhaps some larger regional co - operation frameworks represent greater bargaining leverage **vis - à - vis** Japan.

## The European Community

Thailand's relations with the European Community may follow the following guidelines :

1 Greater effort should be made to encourage greater involvement of the EC in Southeast Asia, particularly in trade and investment, specifically by eradicating the perception that this region is under the Japanese influence.

2 The economic and political potential of the EC (a market larger than that of the United States) should be more seriously considered. The ASEAN framework, through which to deal with this major - power grouping, needs to be strengthened and more effectively utilised.

3 The implications of the EC being a single market in the year 1992 should be more clearly understood. This prospect offers better opportunities (possible access to a huge single market) and, at the same time, poses perhaps greater difficulties (conflicting interests within the Community may dampen such a prospect).

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(June 1992)



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Thanat Khoman

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#### APPENDIX II Programme of the Seminar

## EDITORS' NOTE

The editorial work in this volume has been done with some constraints. First, all seminarians are using English as their second or third language. Second, some presentations are not based on papers; consequently, presentations number 1, 2, 3, 7, 13 are transcribed from recorded tapes. Third, the tape recording for this seminar is in poor quality. Without reliable note taking and tape recording we have been forced to exclude discussions and comments from this publication. Finally, the editor has permitted divergences in style and even spelling used by paper or verbal presenters.

Khien Theeravit

Monique Thormann

June 1992

## OPENING REMARKS

Phan Wannamethee

His Excellency Ambassador Chai Zemin, His Excellency Dr. Thanat Khoman, distinguished delegates from the Chinese Institute of Foreign Affairs, participants, ladies and gentlemen:

On behalf of the International Studies Centre, may I have the pleasure of extending our warm welcome to His Excellency Ambassador Chai Zemin and members of the Chinese People's Institute of Foreign Affairs to the second joint seminar on Thailand-China relations. I would also like to thank the distinguished Thai participants who kindly joined us at this meeting.

As we all know, Ambassador Chai Zemin was the first ambassador of the People's Republic of China to serve in Thailand after the establishment of diplomatic relations between our two countries. He has since played an active role in promoting and strengthening the close ties of friendship between the people of the two countries. It was during his tenure of office as vice-president of the Chinese People's Institute of Foreign Affairs (CPIFA) that the arrangement for the cooperation between the International Studies Centre and CPIFA was established in 1988.

The cooperation between the two institutions comprises exchange of visits between academics and personnel and joint projects such as joint seminars. The first joint seminar, for instance, was held in Beijing in July last year on the occasion of the 15th anniversary of the establishment of diplomatic rela-

tions between the two countries. The Thai delegation was headed by His Excellency Dr. Thanat Khoman, Chairman of the International Studies Centre Policy Board.

At the first meeting, we had focused our discussion mainly on various dimensions of bilateral relations, including politics, economics, culture, science and technology. After this first joint seminar, it was decided that in order to maintain the continuity and momentum of our cooperation such joint seminars should be held regularly. Thus, we are now happy to host the second joint seminar here in Bangkok. Such an opportunity will also allow us to reciprocate the warm hospitality and generosity extended to us during our stay in Beijing last year.

At this seminar, we will broaden the scope of our discussion to include not only bilateral relations but also regional and global issues relating to our two countries. Our first session will begin with the topic "Future Direction of Thailand and China Relations" in which we can explore various areas of positive and fruitful cooperation that will render maximum benefit to both countries. In the succeeding sessions, we shall discuss and exchange views on our perceptions of South-east Asia, Asia/Pacific and the so-called new international order.

Distinguished participants, good will and understanding are the underlying bases of sound relations between nations. This is exactly the aim and purpose of cooperation between our two institutions, and it is exactly what we desire to result from

this seminar. We hope that you will all benefit from the discussion and presentations of this seminar.

Thank you very much for your attention. And now may I have the pleasure of inviting Dr. Thanat Khoman, Chairman of the Policy Board of the International Studies Centre, to give the opening address.

## OPENING PRESENTATION

## OPENING ADDRESS

Thanat Khoman

Your Excellencies, Ambassador Chai Zemin, Ambassador Wang Shu, distinguished guests of the Chinese People's Institute of Foreign Affairs, and my distinguished friends, ladies and gentlemen from the Thai delegation:

Thank you very much for being with us today. I should like to join Mr. Phan Wannamethee in welcoming the distinguished participants from the People's Republic of China, particularly Ambassador Chai Zemin and Ambassador Wang Shu.

The reasons are quite evident -- Ambassador Chai Zemin was not only the first Chinese diplomatic representative in Thailand but he also laid the foundation of a very solid relationship between the two countries. The friendship established by the arrival of Ambassador Chai Zemin in Bangkok and the succeeding years that allowed such a friendship to grow is the result of various factors: understanding, sympathetic cooperation, and a sense of realism and practical considerations. Indeed, both the Chinese and the Thai people have learned from a memorable history that nothing is more important than living on solid ground for a stable society.

China has had many great philosophers and Thailand has also had thinkers who have laid the foundation of our philosophy and our traditions. It is fortunate that the two nations, China,



the great nation of Asia and Thailand, the old nation of Southeast Asia, have found a way to work together in a confident and mutually beneficial manner in pursuit of our interests.

Mr. Phan Wannamethee has referred to the first bilateral meeting between the CPIFA and the International Studies Centre of Thailand in Beijing last year which proved to be practical and successful. We continue now with the second session and we look forward to continuing with close cooperation and exchange of views in the effort to serve the best interests of our two countries.

You are aware, of course, of the great changes that have occurred since our first meeting in Beijing. I may say without exaggeration that the changes that have taken place during the past couple of months or so have been the most momentous since World War II.

The change of the political, economic and social framework of Europe is bound to have wide repercussions, not only in the European continent, but all over the world. This is why I believe that this meeting also is a timely occasion for us to join our heads together to try to envisage what effects and repercussions have occurred since the recent changes in Europe. Also, we should attempt to assess what impact these changes have brought to our region of the world, to the Asian continent and also to Southeast Asia which is a part of the great continent of Asia. Our thoughts will contribute in joining together to think about what we should do to face the changes and cope with the

effects and consequences which no doubt will happen in the months and years to come.

Only a couple of weeks ago, Beijing and the Chinese government sponsored a symposium in that great capital city to assess what we in Thailand believe will be the most important occurrences that will take place in the near future. I am referring to what is called the new world order. That meeting was very timely and very important as a first attempt to appraise the consequences of the transformation of Europe. We saw at that meeting how the Western nations joined together in supporting their ideas. They, the non-western nations, tried very hard to convince us, that the change that has taken place in the world, the change from the multi-polar system, or at least bi-polar system, of the world into a uni-polar system should be good for us. In particular, the American participants in the meeting made repeated efforts to tell all the participants that we should not be afraid but look with equanimity and perhaps even with enthusiasm to this new organization of the world.

This is a new system whereby the superpower will exercise the supervision or control of the rest of the world because there will be no more rivalry between the two main superpowers, namely, the United States and the Soviet Union, due to the breakdown of communism in the Soviet Union. Now, there is only one superpower, and the new concept enunciated in the Congress of the United States not long ago about the so-called New World Order will yield a new face of the world.

The symposium in Beijing may not have decided anything or everything, but at least it made the people who participated in it aware of the momentous new shape of the world.

Now in Bangkok, as our Chinese friends have come to meet with us, let us join in our efforts to look into the future what effects there will be on relations between Thailand and China. Again, we do not expect to decide everything or anything, but we should try to begin to give our thoughts to such an important occurrence in the international arena. Perhaps we could even suggest to our leaders in our respective countries the necessity to devote more attention and more time to this matter.

This is in addition to bilateral questions that may be taken up during our deliberations here. Questions of developing our relationship in many fields -- political, economic, cultural, technical, social -- and any questions which may benefit our two countries can be raised by the Chinese or Thai delegations. This will allow us to share our ideas for better understanding of problems or inquiries which may crop up during the months to come until we can meet again.

In short, we are very happy that you have come to be with us and made the trip to devote your time, energy and efforts to think aloud the difficulties which may face us in the future. Thank you very much.

## KEYNOTE ADDRESS

Chai Zemin

Distinguished Dr. Thanat Khoman, Ambassador Wang Shu, Ladies and Gentlemen and Friends:

On hearing the opening speech by Dr. Khoman, I quite agree with him when he raised all the questions surrounding Sino-Thai relations and the new world order, and I am sure they will form the centers of our discussion in the next few days.

Today, the Chinese People's Institute of Foreign Affairs is here together with the well-known specialists and academics from Thailand to attend another seminar on Sino-Thai relations to explore new channels for further development, and also to exchange views on the regional and international situation of our mutual concern. Since July last year, great changes have taken place in the regional and international scene. As rightly pointed out by Dr. Khoman, the world situation is changing from bi-polar confrontation to the present state where the multi-polar world is still evolving into an uncertain future and where no set pattern has occurred yet.

Germany is reunited and momentous changes have taken place in Eastern Europe and the Soviet Union. These changes are indeed the greatest ones since World War II. The Yalta pattern, which has existed for 45 years since its inception from World War II, has unraveled. Therefore, while the old shape of the

world is unraveling, the new one is yet to be formed. With old forces either disintegrating or regrouping, the world is in a stage of a turbulent transitional period filled with uncertainties.

Enormous changes have also occurred in the Asia/Pacific region. Towards the end of last August, Cambodia's Supreme National Council meeting was convened. Substantive problems were resolved such as the disposition of factional forces and also the relationship between the SNC and the United Nations Transitional Authority in Cambodia (UNTAC). The resolution of these problems seems to indicate that much progress has been made in the political settlement of Cambodian issues. It will not be long before there is complete settlement in Cambodia.

Against the fast changing regional and international situation, we are quite fortunate to have this opportunity to gather here together to explore with our Thai hosts the channels of furthering our bilateral relations in the political and economic fields, as well as exchanging views on the regional and international situation. We think it is a significant occasion.

Dr. Khoman suggested that the new international order should be included into the agenda of the second seminar. I think this is a very good suggestion. As Dr. Khoman also pointed out, a recent symposium was held in Beijing to deliberate on the new international order. It is true this issue is very important because what we are confronted with is the issue of our common

concern. Therefore, it is correct to include this topic into our present seminar in order to delve into this issue.

I hope all the participants will exchange and express their own views freely. I am sure this will be a successful seminar if we all pull our wisdom together. Also, the purpose of this seminar is to enhance friendship, cooperation and mutual understanding between the two sides, as well as to push forward bilateral relations between China and Thailand. In conclusion, I would like to wish this seminar great success. Thank you very much.

## **THAILAND-CHINA RELATIONS : POLITICS AND ECONOMICS**

- **Model of Friendship and Cooperation between Countries of Different Social Systems**

**Chai Zemin**

- **Future Direction of Thailand-China Relations : Agenda for the 1990's**

**Chulacheeb Chinwanno**

- **Broad Prospects for Sino-Thai Economic and Trade Cooperation**

**Li Wei**

- **Comparative Economic Situations of Thailand and China**

**Suchart Thada-Thamrongvech**



## MODEL OF FRIENDSHIP AND COOPERATION BETWEEN COUNTRIES OF DIFFERENT SOCIAL SYSTEMS

Chai Zemin

In July last year, we celebrated the 15th anniversary of the establishment of diplomatic relations between China and Thailand. Interested officials, specialists and academics from both countries held a joint seminar in Beijing to review the historical process of Sino-Thai relations and to look into the future. Today, we have gathered in Bangkok to continue our exchange of views on the establishment and development of Sino-Thai Relations. We believe it is a highly significant event.

In 1983, I left the United States to go back to China. After my return to China from abroad, I worked for 8 years with the Chinese People's Institute of Foreign Affairs. During that period, I visited Thailand three times and have always been interested in the development of Sino-Thai relations. Thereafter, I maintained friendly contacts with Thailand with frequent economic and cultural exchanges.

Since the Yuan dynasty, cultural, political and economic links have been enjoyed between Thailand and China. Various dynasties saw large numbers of Chinese migrating to Thailand, closely interacting with the Thai people. By and by, ties with the Thai as neighbor-cum-relative were forged. I make that recollection of history of Sino-Thai relations to indicate that the friendly cooperation between the two countries is not an



isolated case in our historical tradition.

In recent years, the friendly and cooperative relations between China and Thailand have continued to grow smoothly. There has been a continuous exchange of visits between the senior leaders of both countries. In November 1988, for example, Premier Li Peng paid an official goodwill visit to Thailand. In August last year, he called on Thailand again after visiting Indonesia and Singapore. Likewise, former Thai Prime Minister Chatchai visited China three times, respectively, in March and October 1989, and in November 1990. The exchange of five visits between the prime ministers of the two countries in just two years is a clear indication that the two countries are indeed enjoying cordial relations of an extraordinary nature.

Last June, President Yang Shangkun paid a state visit to Thailand and was warmly and elaborately received by His Majesty the King, the Royal Family, as well as the government and people of Thailand. What should also be mentioned in particular is that the Royal Family of Thailand has injected lots of enthusiasm and made special contributions to the development of Sino-Thai relations.

His Majesty the King has granted cordial audience several times to visiting Chinese leaders. With His Majesty the King's personal attention and support, members of the Royal Family have visited China on different occasions. Her Royal Highness Princess Maha Chakri Sirindhorn and Her Royal Highness Princess Galyani Vadhana have visited China several times in

recent years. In addition Princess Sirindhorn has written highly celebrated books on China entitled, A Visit to the Land of the Dragon and A Long Journey Through the Desert. This is yet another contribution to Sino-Thai friendship.

The leaders of the Chinese government, China's National People's Congress as well as persons from other sectors have continued to exchange visits with their Thai counterparts. According to incomplete statistics, in 1990 the number of visits amounted to 1000. This regular exchange of visits has enriched and broadened friendly and cooperative relations between China and Thailand in the political, economic, cultural, scientific and technological, educational, trade and military fields.

The two countries share the same or similar views on many of the major international issues, remaining in close contact with each other. The cooperation between China and Thailand in areas such as economics and trade also has been highly valuable. According to statistics provided by China's customs office, in 1990 the trade volume between the two countries had reached US\$ 1,100,940, exceeding the trade volume initially agreed to by China and Thailand. By 1990, cumulative investment amounted to US\$ 1,500,000. In addition, the number of projects with joint investments has continued to grow rapidly.

Since 1978 when the two countries signed the scientific and technological cooperation agreement, the collaboration in science and technology has been steadily enhanced. Cooperative projects in these fields have increased on a yearly basis. Last

year, 61 cooperative project agreements had been reached. Of these, the Chinese are responsible for 35 projects while the Thais are responsible for 26 projects.

Although the trade volume between the two countries has been growing quickly, it has also fluctuated in recent years for multi-faceted reasons. Indeed, as the international climate changes, many countries are now readjusting and restructuring. Economics and science and technological exchanges are increasingly closer among countries. China and Thailand are no exception. We are both Asian/Pacific countries proceeding from the general interest of strengthening our Sino-Thai friendship and regional economic cooperation in a joint effort to actively explore the new market, as well as properly readjust the exporting of goods to provide products of high complementarity. Our years of friendly and cooperative relations as neighbor and relative indeed are built on solid ground.

Although China and Thailand are not similar in their respective social systems or economic and cultural backgrounds, the development of relations between the two countries has been very dynamic. In my presentation last year, I attributed this dynamism to the Five Principles of Peaceful Co-existence. In brief, I described it as a model of friendly cooperation between countries of different social systems.

Mutual respect for sovereignty and territorial integrity, non-aggression, non-interference in each other's internal affairs and mutual benefits and equality are the five

main principles. Non-interference, in my opinion, is the most important. In general, we strive for peace and common development through these principles. Thus, we strictly abide by the Five Principles of Peaceful Co-existence. As a result, relations between our two countries have been able to maintain a smooth and healthy manner which has reaped fruitful products.

It is known to all that the history of Sino-Thai relations over the past 2000 years is a history of friendly contact. With the continuing efforts made by the government and people of China and Thailand, our relations have made great progress because of the mutual understanding and the nature of our two countries.

Moreover, political and economic relations have been based on a firm foundation. There is no fundamental conflict of interest between our two countries. We both wish to have a stable internal situation and a peaceful external environment in which we can accelerate our national cause. This is where the common aspirations and interests of the peoples of our two countries remains.

In recent years, Thailand has enjoyed dynamic economic growth. Thailand is emerging as the fifth dragon head, or what is more commonly referred to as NIC. China is also exploring economic growth, but per capita GNP is much lower than that of Thailand. The ten-year plan for national economic development adopted by the National People's Congress last March has indicated that by the end of this century, per capita GNP in

China will have risen considerably. In addition, in the process of maintaining peace as well as developing our respective national economies, we shall learn from each other, cooperate and supply each other's needs.

The development of Sino-Thai friendly relations are obviously in the interests of the peoples of the two countries. Such a solid relationship is also conducive to stability in Asia and in the world.

The current international climate is complex. Germany is reunited, massive changes have taken place in Eastern Europe and the Soviet Union. While the old pattern is disintegrating, the new one is yet to be formed. Hence, it is a traditional transition from the old to the new. Our two countries have a lot to do under the new international climate in enhancing friendly Sino-Thai relations. The international kaleidoscope will change.

The economic and trade relations between our two countries will be examined later by the division chief of the Ministry of Economic and Trade Relations with Foreign Countries.

Thank you very much.

## FUTURE DIRECTION OF THAILAND - CHINA RELATIONS :

### AGENDA FOR THE 1990S

Chulacheeb Chinwanno

Thailand and the People's Republic of China have enjoyed a close and cordial relationship since the establishment of formal diplomatic relations on July 1, 1975. The friendship between the two countries has been warm in the past sixteen years as bilateral cooperation has expanded in cultural, political, economic as well as military fields.

Moreover, in the 1980s China and Thailand formed a strategic partnership in an effort to bring about troop withdrawal and political settlement in Kampuchea after it was invaded and occupied by Vietnam. Now, Vietnam has withdrawn her troops from Kampuchea and all the Khmer factions have been able to agree among themselves to set up a coalition under the "Supreme National Council (SNC)". The SNC is soon to be jointly represented in the United Nations. It has often been misperceived that Thai-Chinese relations are only based on the mutual interest of security in the Kampuchean conflict, and that when the Kampuchean problem is solved and peace returns to Southeast Asia, Thai-Chinese relations may not be as close or may even drift apart. In fact, Sino-Thai relations have a strong and solid foundation based on sixteen years of multi-dimensional cooperation. This relationship will continue to expand in the future.



This paper aims at analyzing the future direction of Sino-Thai relations, especially during the 1990s. The paper is divided into three parts. The first part is a brief review of Thai-Chinese relations over the past sixteen years from the establishment of diplomatic relations in 1975 until now. The second part will analyze recent global and regional changes which may affect Thai-Chinese relations in the 1990s. Finally, the third part will focus on the future direction, particularly political and economic cooperation between our two countries.

Thailand-China Relations 1975-1991 : Sixteen Years of Multi-dimensional Cooperation

The relationship between Thailand and the People's Republic of China after the establishment of diplomatic relations in 1975 has developed slowly but firmly<sup>1</sup> since the two sides started to get to know each other again after twenty-five years of mistrust and misunderstanding. The cultural similarities of our two peoples also have become an important factor in the warming up of our bilateral relations. In addition, the increase in economic transaction, especially trade and investment, also brought the two countries closer to each other. Moreover, the Kampuchean conflict caused by the Vietnamese invasion and occupation of Kampuchea in 1979 consolidated the relationship.

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<sup>1</sup>See Chulacheeb Chinwanno, "Thailand-China Relations : An Overview," paper presented at the First Sino-Thai Relations Conference, organized by the Chinese People's Institute of Foreign Affairs," Beijing, People's Republic of China, July 11-13, 1990.

Both the Thai and the Chinese governments have become close friends and forged close cooperation in many fields, including politics, economics, culture and the military. Both governments fully realize the benefits to be derived from such cooperation, and, as a result, have set up the necessary framework and mechanisms for mutual cooperation during the past sixteen years, particularly in the 1980s.

On the political front, Thailand and China have periodic consultation and exchange of views on global and regional situations. Since the Vietnamese invasion of Kampuchea in 1979, China and Thailand have cooperated with other ASEAN countries, Japan, as well as the United States, in pressuring Vietnam to withdraw her troops from Kampuchea and to bring about the political settlement in Kampuchea.<sup>2</sup> The close relations between Thailand and China have been reflected in the high and senior level exchanges of visits. From the Chinese side, former President Li Xiannian visited Thailand in 1985 while President Yang Shangkun just visited Thailand a few months ago this year. Prime Minister Li Peng visited Bangkok in 1988. Thai leaders also visited China many times. Former Prime Minister General Chatchai Choonhavan had visited China three times in three years from 1988-1990. Prime Minister Anand Panyarachun is about to

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<sup>2</sup>Sukhumbhand Paribatra, "Dictates of Security : Thailand's Relations with the PRC since the Vietnam War," in Joyce K. Kallgren et al., ASEAN and China : An Evolving Relationship. (Berkeley, University of California Press, 1988), pp. 292-325.



visit China next week, the first country he will have visited outside ASEAN. In fact, it has become a tradition for the new Prime Minister of Thailand to visit China after touring neighbouring ASEAN countries, signifying the importance of China in Thai diplomacy.

Moreover, members of the Thai Royal Family also visited China several times. HRH Princess Sirindhorn visited China twice in 1981 and 1990. HRH Princess Galyani, H.M. The King's Elder Sister, also visited China four times. The Crown Prince Vajiralongkorn has made two visits to China. The visits of the members of the Royal Family and the exchanges of state visits by the leaders of the two countries have strengthened our bilateral relationship.

In addition to the political cooperation and consultation, economic relations between the two countries also have expanded significantly in the past sixteen years since 1975. In 1975, bilateral trade between Thailand and China increased from 735 million baht to 6,511 million baht in 1979, and to 14,169 million baht in 1986 and more than 35,098 million baht in 1991. Thailand often had a trade deficit with China because Thai exports were mainly low-priced agricultural products while imports from China were expensive diesel oil, steel and machinery. (See Table 1)

Investment in both countries also increased notably after the signing of the Agreement to Promote and Protect Investment in 1985. A Thai Multinational Enterprise, Charoen

Pokpand or CP, has invested in more than 20 projects in 11 provinces in China including feedmills in many major Chinese cities, as well as a motorcycle assembling plant and a beer brewery factory in Shanghai. China also invested in several joint-venture projects in Thailand ranging from construction to travel agencies, shopping centers, housing estates and factories. (See Table 2)

Scientific and technical cooperation is another area of cooperation between Thailand and China. On March 31, 1978, during the visit to Beijing of Prime Minister Kriangsak Chomanan, an Agreement on Scientific and Technical Cooperation was signed by the Foreign Ministers of the two countries, namely, Dr. Upadit Pachariyangkul of Thailand and Mr. Huang Hua of the People's Republic of China. It was the first time that Thailand had signed such an agreement with a socialist country. A Joint Committee on Scientific and Technical Cooperation also was established in order to identify areas of cooperation and to implement the agreed projects.

The first session of the Joint Committee, held in Bangkok, in November 1978, approved 29 projects for 1979; 17 were to be taken by the Chinese side and 12 by the Thai side. A decade later, the program of cooperation doubled to 56 projects for 1991, 30 to be undertaken by the Chinese side and 26 by the Thai side. In all, the program for Thai-Chinese scientific and technical cooperation since 1978 has amounted to more than 370 projects, covering diverse fields including mining, medicine, food science, agriculture, wildlife conservation, sports

training, language training and rural development, amongst others.

The bilateral cooperation between Thailand and China also expands into the military area. From 1981 onwards, there have been many exchanges of visits by high-ranking military officers on both sides. In 1985 China provided 36 pieces of 130 mm. artillery to the Thai armed forces in order to defend the border area against Vietnamese incursions. Two years later in 1987, the Thai Army decided to purchase a wide range of Chinese arms at a "friendship price" including T-69-II tanks, armoured personal carriers (APCs), anti-aircraft guns and large amounts of 130 mm. ammunition.<sup>3</sup> In 1988, the Thai army purchased more T-69-II tanks, APCs and a quantity of artillery shells, and the Navy ordered 4 Jianghu class frigates and two more in 1989. The advantage of buying Chinese arms was the quick delivery and attractive payment terms. The quality was also quite satisfactory.<sup>4</sup>

It is important to note here that the relationship between China and Thailand has developed and expanded during the past sixteen years. Multi-dimensional cooperation in various fields has provided a firm foundation for strengthening the future development of our bilateral relationship.

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<sup>3</sup>The Nation, 22 March 1987, p. 1

<sup>4</sup>"China : Cheap and Deadly," Far Eastern Economic Review, May 21, 1987, p. 33.

### Regional and Global Changes : Impact on Thai-Chinese Relations

In the past few years, there have been many changes in international politics at the global as well as regional levels. These changes may have some impact on the future direction of Thai-Chinese relations.

The first important change was the domestic development in the Soviet Union. Gorbachev's dual policies of Glasnost and Perestroika have had far greater impacts on the Soviet economic and political structure. They exposed the internal weakness of the Soviet system. The recent events including the failed seizure of power and the breakup of the 15 Republics will further reduce the power of the central Soviet government. This will force Gorbachev and other Soviet leaders to focus their attention on domestic problems, political as well as economic, and limit their external role. This will further reduce Soviet influence in the world arena.

The second important change is the new pattern in the relationship among the major powers. The recent detente between the US and the Soviet Union resulted from the Bush-Gorbachev summit. Moreover, the Soviet Union, confronting many domestic problems, can no longer play a forceful role in competing with or balancing out the United States. On the other hand, Sino-US relations have been tense because the United States continues to pressure China with the human rights issue, especially after the Tiananmen incident in 1983. In addition, The trade dispute between the two countries and the MFN issue have also worsened their relationship.

Table 1

## Thailand's Trade with the PRC, 1975-1990

(Million Baht)

Year	Export	Import	Total Trade	Balance
1975	391.3	343.9	735.4	47.4
1976	1,265.9	1,462.5	2,728.4	-196.5
1977	2,081.6	1,370.6	3,452.2	711.0
1978	1,497.6	1,703.7	3,201.3	-206.1
1979	1,571.9	4,939.5	6,511.4	-3,367.6
1980	2,530.7	8,535.1	11,065.8	-6,004.4
1981	4,063.8	6,983.0	11,046.8	-2,919.1
1982	7,053.0	5,374.5	12,427.5	1,678.5
1983	2,467.5	6,099.2	8,566.7	-3,631.7
1984	4,295.1	7,448.8	11,743.9	-3,153.7
1985	7,367.2	6,073.2	13,440.4	1,294.0
1986	7,252.8	6,917.1	14,169.9	335.7
1987	9,974.7	12,967.9	22,942.6	-2,993.2
1988	12,008.3	17,191.3	29,199.6	-5,083.0
1989	13,899.0	19,175.5	33,074.5	-5,276.5
1990	6,815.0	28,283.5	35,098.5	-21,468.5

Source : Department of Business Economics, Ministry of Commerce,  
Thailand

Table 2

Projects approved with investment from the  
People's Republic of China

(Thousand Baht)

	1986	1987	1988	1989	1990
Number	10	15	23	12	21
Investment	1,025,112	1,328,034	1,544,237	1,782,380	2,900,910
Registered capital	290,000	278,960	522,780	543,600	4,146,370
- Thai	187,685	229,720	398,131	342,024	3,579,389
- Chinese	93,665	52,748	85,963	149,550	235,810
Thai employees	2,734	5,791	3,384	4,972	9,571
Chinese employees	32	117	88	30	84

## BROAD PROSPECTS FOR SINO-THAI ECONOMIC AND TRADE COOPERATION

Li Wei

China and Thailand are close neighbours who enjoy very good relations. Friendly relations between the two countries can be traced back to ancient times. Since the establishment of diplomatic relations in 1975, there has been cooperation in the fields of politics, economics, science and technology, culture and sports, as well as other areas between the two countries. China and Thailand have witnessed rapid, comprehensive and substantial development on the basis of the Five Principles of Peaceful Co-existence. We are very pleased to have this opportunity to visit Thailand to exchange views with our friends on the progress of bilateral economic and trade cooperation and to explore ways to push Sino-Thai economic and trade relations into a new stage of development.

### I. The Current Situation of Bilateral Economic and Trade Relations

The long term historical trade contacts between China and Thailand date back by more than 2000 years. The volume of direct trade between the two countries in 1932 was US\$ 25 million. Since the establishment of diplomatic relations in July 1975, Sino-Thai economic and trade relations have gained substantial development. The economic and trade agreement signed by the two governments in the year of 1978 has laid a solid foundation for the smooth development of bilateral trade.



Satisfactory results have been achieved between our two countries in the fields of trade, mutual investment, project contracting, labour services, and other sectors especially since the two governments signed the Agreement on the Establishment of the Joint Committee on Economic Cooperation and the Agreement on Encouragement and Protection of Investment in 1985. According to China's customs statistics, the bilateral trade volume hit a historical record in 1989, amounting to US\$ 1.256 billion, which was 60 times more compared with the figure of US\$ 21 million in the early days after the establishment of diplomatic relations, and an increase of over 300% compared with the 1985 figure.

According to our customs statistics, the total import and export volume between our two countries amounted to US\$ 1.194 billion in 1990 of which China's imports from Thailand accounted for US\$ 370 million and exports US\$ 823 million, an increase of 3.3 times and 3.2 times respectively compared with the 1985 figure. Moreover, in the first half of this year, the bilateral trade volume amounted to US\$ 627 million with an increase of 24.7% over the same period of last year. China's imports and exports from Thailand totaled US\$ 218 million and US\$ 409 million, respectively. Thus, imports increased by 32.4% while exports increased by 20.9% from trade statistics taken over the same period of last year. Taking the complete process of the development of Sino-Thai trade into account, therefore, it can be seen as increasing at a fast rate. At present, the major Chinese export commodities to Thailand are high-speed diesel, steel, coal, machinery and equipment, cement, chemical raw materials,

cotton, textiles, light industrial products, etc.. The main items imported from Thailand include rice, maize, raw sugar, rubber, tobacco, chemical fibre, herbal medicine, arts and crafts, etc..

Thai investment in China has also been developing quickly. By the end of 1990, Thai businessmen had established 133 solely Thai-funded ventures, equity joint ventures and contractual joint ventures with a contractual value of more than US\$ 200 million that ranks ninth in terms of the amount of foreign investment in China. These projects include inter alia, fodder-processing, livestock raising, breeding, plastics, printing, chemical fibre, textiles, food processing and so on, among which the large-scale ones include Shanghai Erok Chor Motorcycle Co.Ltd., Shanghai Lian-hua Chemical Co.Ltd., Fu-da-fu Co.Ltd. and Xiamen Changlin Enterprise Co. Ltd., etc.. The C.P. Group is the largest Thai investor in China with an investment of more than US\$ 100 million. It also outdid the other Thai investors in terms of project numbers. The projects range from grain fodder, the raising of chicken, shrimp and pigs to petrochemical industry, motorcycle manufacture, etc..

Chinese corporations began to invest in Thailand in 1980. By the end of 1990, 60 non-trading equity joint ventures had been set up in Thailand and the total investment amounted to US\$ 73.78 million, among which China invested US\$ 30.21 million making up 41% of total investment. Most of the ventures are in the manufacturing sector and involve salt refining, chemical raw



materials, founding and forging, rubber products, pharmaceuticals and health-products, food and oil processing, shrimp raising, assembling and repairing of vehicles and vessels, household electrical appliances, artificial gems, wooden products processing and so on. Most of them are projects which have been encouraged by the Government of Thailand.

Positive development have been achieved in cooperation for mutual benefits, and project contracting and labour services cooperation conducted by Chinese corporations in Thailand have now taken shape. By the end of 1990, 26 contracts for project contracting and labour services cooperation were signed with the total value amounting to US\$ 384.08 million. Of these, 11 are contracts for project contracting with a value of US\$ 377.17 million, and 15 are contracts for labour services with a value of US\$ 6.91 million.

Good economic and social results have been gained in mutual investment and cooperation for mutual benefit, and are highly evaluated by the businessmen and industrialists of the two countries.

From the aforementioned information, we can see with satisfaction that since the establishment of diplomatic relations, Sino-Thai economic and trade cooperation has achieved substantial development and expansion on the basis of the principles of equality and mutual benefit, supply each other's needs, and common development. Sino-Thai economic and trade relations have continuously been consolidated and developed.

This has resulted from the full support of the two governments and their cooperation, and it is also the result of the common efforts made by our two countries' businessmen and industrialists. Furthermore, it is fully in conformity with the interests of our two peoples.

## II. The Prospects of Sino-Thai Economic and Trade Cooperation

At present, both China and Thailand are facing the same task of speeding up the development of their respective national economies, pursuing the policy of opening to the outside world, and encouraging the development of economic and trade relations with other countries. All these facts render it necessary to further strengthen Sino-Thai economic and trade cooperation. Meanwhile, China and Thailand also share similar views on many issues and have supported and cooperated with each other in international affairs. We enjoy good relations and a solid foundation for further expansion of economic as well as trade collaboration. Therefore, with the broad prospects, it is no longer possible but probably that bilateral economic and trade relations through our common efforts will be further developed.

This year, China has conducted further reform with the aim to perfect its foreign trade system. The main idea is to start with the practice that foreign trade enterprises shall bear their own losses and gains in order to move them on the track of a unified policy, self-responsibility for losses and profits, competition on equal footing, self-management, combination of foreign trade with industry and agency system on the basis of the

adjusted rate of Renminbi. This reform demonstrates the spirit of China's continuing efforts to open to the outside world. It also makes our foreign trade system more adaptable to the international trade norms required by GATT, and thus further enables China to conduct international economic cooperation and exchange on a broader scale.

We attach great importance to positively promote bilateral cooperation in the fields of economy and trade. In recent years, rice and petroleum have been the main commodities exchanged in Sino-Thai trade. Apart from this, Thailand also exports to China raw sugar, rubber, maize while China exports to Thailand coal, steel and other goods which are conducive to the economic construction and the peoples' livelihood of our two countries. Consolidating and expanding the exchange of such traditional commodities is one of the important ways to further develop bilateral trade. However, items of trade between the two countries are uncertain. China's imports from Thailand a few years earlier, for example, fluctuated in accordance with the existing agricultural production. Hence, in some of those years China imported large quantities of grains including raw sugar from Thailand. China, a large country with a population of 1.1 billion, cannot rely on importing grains. Furthermore, China also as an agricultural country must base herself on the development of the agricultural sector. The Central Committee of the Communist Party with Comrade Jiang Zeming at its core has placed great importance to agriculture and emphasized that agriculture is a top priority in developing our national economy. We have,

therefore, witnessed continuous bumper harvests in our agricultural production in recent years. For instance, the output of grain reached the highest historical record last year and the quantity of grain and sugar imports was reduced accordingly. In the import of grains, the main item is wheat. With regard to rice, however, instead of importing we even have a certain amount for export. This is why China's imports from Thailand has decreased. As a result, Thailand's trade with China has turned from a consecutive five years' trade surplus into a trade deficit. Therefore, both China and Thailand should, on the basis of positively developing trade in traditional commodities, explore new items that suit each other's needs so as to make appropriate adjustments in the import and export commodity mix, to supply complementary commodities, and to encourage direct trade to reduce intermediate links. This will not only facilitate the further expansion of Sino-Thai trade, but also provide the key to resolving the trade imbalance between our two countries.

In recent years, Thailand has gained gratifying achievements in its economic development. Further development in industry, agriculture, science and technology has laid down a substantial foundation for exporting more and better products. Such a foundation will make it more conducive to diversify the import and export commodity mix of our two countries. In order to realize the Four Modernizations, China will open more widely to the outside world and develop its foreign trade. If Thailand can supply the goods needed by China, we are willing to give positive considerations to imports from Thailand.

In the fields of mutual investment and reciprocal cooperation, both sides have achieved certain positive results, which in themselves should further strengthen such cooperation. In China, there are over 100 corporations specializing in contracting international engineering projects and involving labour service cooperation. They have been conducting various economic cooperation businesses in 138 countries and regions all over the world. China is fairly enriched with technical forces and in possession of technology, equipment, specialists and experts in all fields that would suit Thailand's needs. On the other hand, China can also make reference to the experiences accumulated in economic development by Thailand. The two countries are close to each other, not only in distance, but also in life styles. Our relations are good, and we have convenient and frequent exchanges of personnel. All these advantages are conducive to the development of mutual cooperation. With the deepening of our country's reform and process of opening up, we would welcome more Thai entrepreneurs to invest in China. China will also encourage its own corporations to conduct various forms of cooperation for beneficial purposes.

We firmly believe that the economic and trade cooperation between our two countries will extend to more fields, and through various forms of cooperation, each side could exert its own interests, open up new resources, and develop new products. Such cooperation will surely promote a general and healthy development of bilateral economic and trade cooperation.



## COMPARATIVE ECONOMIC SITUATIONS OF CHINA AND THAILAND

Dr. Suchart Thada-Thamrongvech

There are four main topics that I will discuss in this paper: (1) economic indicators, (2) the current economic situation of China and Thailand, (3) the economic relationship for trade and investment, and (4) future cooperation prospects.

### Economic indicators

China is a country with a population of 1.2 billion, which is 20 times greater than Thailand's population. China is also 20 times larger than Thailand. The gross national product (GNP) is also about four times higher in China than in Thailand. This is because of the differences in per capita income. I am sure that if we include underground economy, China would be more than four times larger than Thailand.

To give another perspective on the economy, let us look at countries like Japan and the United States. Japan's economy is 32 times larger than Thailand's while the United States economy is 61 times higher than Thailand's. The Soviet Union is also 6.3 times larger than Thailand when comparing gross domestic product (GDP). This means that China is about 60-70 percent of the Soviet Union, so our both countries are not small economies.

### The current economic situation of China and Thailand

This year, China will have nearly the highest GDP of the region. What we expected in 1991 was that China would have a GDP of 7-7.5 percent, which is about the same in comparison with Thailand's figures. It is also interesting to consider that in 1992 we expect China to have a GDP growth of 9-9.5 percent while Thailand will still have an 8 percent GDP growth. This is because of China's policy to allow more ease monetary policy compared with two years ago when there was a very tight monetary and fiscal policy to curve a very high inflation rate in 1989. In 1990, the Chinese government tightened monetary policies which brought down inflation to only 2 percent.

Next year, however, what I see as a major problem is China's inflation rate which is going up this year from 7 percent to 14-15 percent. So, where monetary and fiscal policy is concerned, the government should be more cautious to try to maintain a stable policy.

In Thailand next year, we plan to have a lower inflation rate. This year, inflation remained at 6 percent while next year we hope for 5.5 percent. A major instrument to control inflation is through having a high domestic interest rate. Thailand always seems to be a country that has high interest rates.

Another figure for comparison is exports. In terms of value, China exports more than twice of Thailand. For example, in 1991, China's exports were US\$ 60 billion while Thailand ex-

ports were US\$ 27 billion. Next year, we expect China to export some US\$ 67 billion, and Thailand around US\$ 32 billion.

With regard to imports, China has for 2 years been importing less than exporting. Imports now are at US\$ 53 billion while next year the figure will possibly reach US\$ 66 billion. Thailand, on the other hand, has more imports than exports. This year, imports account for some US\$ 35.5 billion; next year this number should reach nearly US\$ 42 billion. Therefore, this creates a different picture of trade and the current account deficits of China and Thailand. In 1990, China had a current account surplus of US\$ 8.7 million. This year, it will be again over US\$ 8 million. Next year it will be US\$ 1 billion. Thailand has had a current account deficit in 1990 of US\$ 6.1 million. This year there will be a deficit of US\$ 8.5 million, which is just about equal to the surplus of China.

This serves as an interesting comparison between the two policies. Developing countries like us may need to import more technology and capital goods so that we can develop faster rather than trying to export capital. We would need external stability, meaning that we would have incurred not too much debt to the rest of the world for development expenditures. Too much debt means we may not be able to finance debt at an appropriate level. In 1990, the external debt of China was US\$ 53 billion. China also has, however, foreign exchange reserves of US\$ 38 billion. Therefore, the net debt would be less than US\$ 20 billion. In terms of GDP, the net debt to GDP is only 4 percent,



which I consider quite low. For developing countries, it is good to incur debt at a higher level so as to have enough resources to develop the domestic economy. By doing this, countries will have a higher growth rate. It also would allow for an overall better standard of living.

Thailand has an outstanding debt of US\$ 28 billion; at the same time, we have foreign reserves of around US\$ 15 billion. In net terms, we have an outstanding debt of 15 percent of GDP. Thailand used to have outstanding debt of 40 percent of GDP. This figure is similar to that of South Korea's high growth rate of the country.

In my opinion, Thailand also has incurred too small a debt. We should bring in higher imports of capital, technology and machinery so we can develop faster. The figure that would show whether or not we have external stability is the so-called deficit measure. This means the amount of principle repayments plus the whole interest payment divided by the whole export earnings.

Thailand this year is going to service debt of 9 percent, which is low. The appropriate level would be around 15-20 percent. The figure for the Philippines, however, is quite high at 30 percent, particularly with an economy that does not grow. I do not have the relevant figures for China, but I suspect it would be lower than Thailand's. China has better terms and conditions for foreign borrowing, especially for official aid from the World Bank and other international organi-

zations. This is due to the fact that China is able to borrow from the IDA (International Development Agency), whose free interest means only paying the front fee with 20 years of maturity. Thailand is not allowed to borrow from IDA.

All above is the general comparative situation of our two countries. We can see that we are going to have high economic growth next year. However, in longer terms, one should bear in mind that since Eastern Europe and the Soviet Union are going to need a lot of capital, Western savings will flow into those regions rather than to our own region. Overall, then, the interest rate of the world economy will be on the high side. Essentially, this would mean that the cost of our countries' development would also increase.

#### The economic relationship for trade and investment

I will try to be brief about the third topic on investment and trade relations between China and Thailand. It has been said already that Thailand has incurred quite a high trade deficit with China. The main reason is that we export basic commodities such as grains and sugar. China, however, is the largest producer of these two commodities. These products are mainly consumed within the country due to the large size of the economy and population.

On the Thai side, however, we do not worry much, (eventhough we are somewhat concerned with this bilateral trade deficit) we should look instead towards the multilateral level. In that vein, then, we incurred not only the trade or commodity

deficit, but also we exported more capital, in terms of investment, into China than China invested into Thailand.

In terms of percentage, though, the figures are still small. For Thailand, the trade figure for exports into China is only 3 percent of total exports for the past few years. Also, Thailand's import rate from China ranges from 3-3.5 percent. In any case, we should try to increase this percentage.

#### Future cooperation prospects

The last topic which I would like to address is about potential cooperation in the future. First, at the bilateral level, we should try to reduce both tariff and non-tariff barriers. Some barriers are the result of each of our country's lack of basic infrastructure, such as roads, harbors and telecommunications. However, certain laws and regulations are still major impediments of our bilateral trade.

Second, I would also like to encourage more technology transfer from both sides because we specialize in different areas. What I heard is that China is most skilled at labour contracts, construction and so on. We may be able to learn from the Chinese people in this manner. On the Thai side, we can help in terms of modern technology and integrated agriculture activities. I think many Thai companies are more than willing to transfer their technology to China.

Third, I fully agree that we should, in addition, try to identify new and special commodities for Thailand and China to

develop. Such a venture would inherently be mutual bilateral trade. We should also try to identify joint commodities between Thailand and China to export to the rest of the world.

Finally, I would like to examine prospects for future world development. I think that in the future, political conflict will be dampened and we will face more economic wars. Maybe the economic problems will be played from one polar, namely, the United States. If this is the case, then perhaps we need to join other Asian countries in a multilateral effort to try to ensure that the economic situation will be conducted freely and with mutual benefit for all.

THE STABILITY AND PROSPERITY OF ASIA-PACIFIC REGION :  
PROBLEMS AND OPPORTUNITIES

- Stability and Prosperity of the Asian-Pacific Region :  
Problems and Opportunities

Theera Nuchpiam

- On the Economic Cooperation and Social Stability  
in Asia-Pacific Region

Wang Shu

## SINO-ASEAN RELATIONS IN AN EVER-CHANGING INTERNATIONAL ENVIRONMENT

Chen Baoliu

I am very pleased and feel greatly honoured to attend this symposium and become acquainted with friends who have conducted in-depth studies on Sino-Thai relations as well as contributed to the building of Sino-Thai friendship. I believe that with the thoughtful arrangement of our host and through our joint efforts this symposium, like the first one, is surely to reap rich fruits which will promote and enhance further consolidation and development of Sino-Thai relations.

The title of my speech today is "Sino-ASEAN Relations in an Ever-Changing International Environment." It is my view that in recent years China's relation with ASEAN have advanced smoothly, creating a good foundation for the development of the Sino-ASEAN relations in the days to come. I am optimistic about the prospect of Sino-ASEAN relations. I am going to elaborate my views on the following three aspects:

### I.

The New Development in the International Environment  
and Its Influence on the Asia-Pacific Region

Over the past few years, the international community has witnessed the most profound changes since World War II. The old world pattern which lasted for more than forty years has been

broken, while a new pattern is yet to be formed and the trend of multipolarization is developing. The thaw in the relations between the United States and the Soviet Union has had impacts to varying degrees in different regions of the world. Although this has promoted the settlement of some difficult problems, it has not brought peace and tranquility to the world. International imbalance of power has aggravated old conflicts and sparked new contradictions, and thus the world becomes more turbulent and volatile.

The profound changes in the international situation have had complex impacts on the Asia-Pacific region. Because of the improvement in the relations between the super powers, there are some new changes and new features in the situation of the Asia-Pacific region. Generally speaking, the situation of the Asia-Pacific region is moving towards stability and relaxation. The impetus of political cooperation is growing, and the troubled areas of this region are being subdued step by step. The political situation in most countries is quiet now. Economies are developing with a speed faster than the world average and sustain a relative vitality. The development of economy is conducive to a general stability of the political situation in this region.

We have noted with pleasure that under this new situation, ASEAN's solidarity and cooperation have been further enhanced, especially at this year's 24th ASEAN Ministerial Meeting and Post-Ministerial Conference. Asean countries have increased



their cohesiveness by seeking common ground while reserving differences, working together and speaking in one voice. In addition, intra-regional economic cooperation has also shown greater momentum. Malaysia's proposal to set up an "East Asian Economic Grouping" (EAEG), the Philippines' suggestion of an "ASEAN Economic Cooperation Treaty" and Thailand's proposal for an "ASEAN Free Trade Area", all put forward ways and means to strengthen economic relations, trade, scientific and technological cooperation among the countries of this region. I think that this kind of new situation not only brings options for development of Sino-ASEAN relations, but also creates a good environment. We should seize the opportunity to promote further development of Sino-ASEAN relations.

## II.

In recent years, the relations between China and the ASEAN have undergone considerable development. This lays down a good foundation for further cooperation between China and ASEAN.

For example, in August 1990, China restored diplomatic relations with Indonesia. Two months later China established diplomatic relations with Singapore. The process of establishing diplomatic relations between China and Brunei has also started. A Brunei delegation headed by Mr. Lim Jock Seng, Permanent Secretary of the Foreign Ministry, has just concluded a visit to China. The delegation exchanged views with the Chinese about initiating diplomatic relations between the two countries. China's relations with ASEAN countries has entered a new era of



overall development.

Also, in 1990 Chinese Premier Li Peng, managing to find time from his busy schedule, visited five ASEAN countries which have diplomatic relations with China in two visits. President Yang Shangkun visited Indonesia and Thailand by invitation in June this year. The leaders of ASEAN countries also visited China consecutively. The exchange of visits between leaders has increased mutual understanding and trust on major international questions, thereby propelling bilateral relations to develop in greater depth and breadth.

In July this year, State Councillor and Foreign Minister Qian Qichen for the first time attended, at the invitation of ASEAN, the opening ceremony of the 24th ASEAN Ministerial Meeting and held informal dialogues with six ASEAN foreign ministers. China expressed its readiness to establish dialogue partnership with ASEAN in the political, economic, scientific and technological, security and other fields, which was widely welcomed by the six ASEAN countries. This is the first formal contact between China and ASEAN, thus opening a new chapter in Sino-ASEAN relations. H.E. Manglapus, Secretary of Foreign Affairs of the Philippines and Chairman of the Standing Committee of the next ASEAN Ministerial Meeting, has invited Chinese State Councillor and Foreign Minister Qian Qichen to attend the 25th ASEAN Ministerial Meeting which will be held in Manila next year. China's relations with ASEAN are maturing continuously.

In recent years, economic and trade cooperation between China and ASEAN countries have been carried out smoothly and the volume of trade has increased constantly. In the year of 1990, for example, the turnover of trade between China and ASEAN reached US\$ 6.69 billion. Significant headway has also been made in shared investment and mutually beneficial cooperation with a quickening.

Over a long period of time, China and ASEAN have had close collaboration in the resolution of sensitive regional issues. One example is the remarkable success of political settlement in Cambodia. Now the Supreme National Council of Cambodia, headed by Prince Sihanouk, is functioning normally and has reached agreement on some substantive questions. And thus, the political arrangement in Cambodia has entered the last critical stage.

China attaches prominent importance to the role of ASEAN and hopes that ASEAN plays an increasingly larger role in international and regional affairs. China is also willing to establish relations for closer cooperation with ASEAN in various fields. This year, China, at the invitation of the Philippines and Indonesia respectively, sent delegates to attend the "Symposium on Prospects for Security Cooperation in ASEAN and the Asia-Pacific Region" and the "Workshop on Managing Potential Conflicts in the South China Sea." These facts fully indicate that the fields of cooperation between China and ASEAN are expanding continuously.

To sum up, it is not difficult for us to reach the conclusion that today China and ASEAN not only have similar or identical views on international situation and major international questions, but also have a good foundation for cooperation in bilateral relations as well as economic and trade relations. All this has provided conditions and paved the way for the further development of relations and the enhancement of cooperation between China and ASEAN.

### III.

The reason why the progress of China's relations with ASEAN has high potential can be seen from the analyses of the following innate factors:

1. China is a developing country with a large population. In the last ten years or so since we adopted the policy of reform and opening to the outside world, the Chinese economy has achieved rapid progress. Great changes have taken place in China. We are engaged in large-scale construction in accordance with the 8th Five Year Plan and the Programme for the 90's. Therefore, we need a peaceful and stable international environment, especially tranquil relations with our surrounding neighbours. Second, we need to strengthen our international economic exchanges and cooperation. In particular, we need to increase friendly relations and collaboration in various fields with neighbouring countries. This is why we are ready to maintain and develop long-term and stable ties with ASEAN. This is the basic state policy of China, not an expedient. In November 1988, when

Premier Li Peng visited Thailand, he stated in all seriousness the four principles of the development of China's relations with ASEAN countries. First, in inter-state relations, China will strictly abide by the Five Principles of Peaceful Coexistence. Second, under any circumstances, China will adhere to the principle of opposing hegemonism. Third, in economic relations, persisting in the principles of equality, mutual benefit and common development will be China's goal. Fourth, in international affairs, China will uphold the principles of independence, mutual respect, close cooperation, and mutual support. These principles will still be norms and foundations that guide the development of China's friendly relations and cooperation with ASEAN.

2. ASEAN, as a regional organization full of life and vitality, is playing an increasingly important role in international and regional affairs. China respects and supports ASEAN's propositions to establish a Zone of Peace, Freedom and Neutrality and a Nuclear-free Zone in Southeast Asia. It also supports ASEAN governments in their efforts to intensify intra-regional economic cooperation and safeguard their own resources and economic rights and interests. Both China and ASEAN are developing countries which face the same task of developing their economies and raising people's living standards. Under the current changed international situation, both China and ASEAN stand for establishing a just new international political and economic order based on the principles of non-interference in each other's internal affairs, mutual respect for sovereignty and territorial integrity and other such principles. We are all

opposed to one or a few countries dominating the world. The broad common understanding between China and ASEAN on international affairs is an important cornerstone for further advancing cooperation.

3. The economic cooperation between China and ASEAN has great potential and vast fields. Rich in natural resources, ASEAN countries' industry, especially the manufacturing industry, has been developing very fast. Many products are needed by China. China's technology, on the other hand, especially machinery and electronic products, are fit for the need of the ASEAN countries' economic development. Therefore, the trade complementarity is quite strong. There is the possibility of further expanding bilateral trade ties.

The volume of mutual investment by China and ASEAN countries has increased constantly in recent years. It has reached more than one billion U.S. dollars. The economies of China and ASEAN have formed inherent characteristics or special features. Both sides have extensive opportunities for cooperation in industry, manufacturing industry, mining industry, agriculture, finance, insurance and tourism.

After several decades of efforts, China's science and technology has made considerable progress and borne impressive results. In a spirit of "common progress", China is ready to share with ASEAN countries her achievements of development in science and technology. For instance, China is willing to advance cooperation with ASEAN countries in fields of high

technology, including satellite launching, aviation, information, micro-electronics, integrated circuit, biological engineering, new materials and personnel training and interchanges so as to promote development of each other's economy.

Finally, I would like to say, it must be recognized that China and ASEAN countries are different in their social systems and ideology, not to mention level of economic development. This should not, however, be the obstacle to advancing friendly relations and cooperation. I believe that with our joint efforts, by enhancing exchanges and dialogue, Sino-ASEAN relations and cooperation based on the Five Principles of Peaceful Coexistence will surely continue to be strengthened in the days to come.





## CHINA AND SOUTHEAST ASIA IN THE CHANGING INTERNATIONAL ENVIRONMENT

Khien Theeravit

### Introduction

The turbulent changes in Eastern Europe and the USSR have resulted in the disintegration of the old world order. At this moment, the situation remains imbalanced and volatile. The Western wind is strong : the US is trying to master the shaping of the new world order. The process of change has not been totally independent from the developments in China and Southeast Asia, and some of the changes are inter-related to Sino-Southeast Asian relations which is the subject presently under consideration. Since the Soviet Union and the United States are the main actors in the process of restructuring a new world order, this paper will examine how they have played and may play a part in the Sino-Southeast Asian relations. This will be followed by personal observations on various issues concerning Sino-Southeast Asian relations in the midst of the changing international environment. Emphasis will be placed on the existing realities, and possible future trends. As we are dealing with quite a volatile situation, some of the points will be raised in order to seek better wisdom rather than to give intelligent answers.



1. Sino-Soviet Relations and Their Impacts on Sino-Southeast Asian Relations.

The process of normalization of relations between China and the Soviet Union has been completed since the exchange of visits between the two top Communist Parties' leaders in May 1989 and May 1991, respectively. The coup attempt in the Soviet Union and the subsequent disintegration of the Communist Party and the Union have not had much effect on Sino-Russian relations. Although Beijing might wish to see the downfall of Gorbachev, as many observed, official Chinese announcements made it clear that the coup attempt in the Soviet Union was an internal matter.

How does the current state of the Sino-Soviet relationship affect Sino-Southeast Asian relations? Assuming Gorbachev's policy lines remain, the impacts may continue, but they will be nothing dramatic.

First, Sino-Vietnamese relations will continue to improve. This is mainly because Hanoi's ideological stance is closer to Beijing than to Moscow, and, in the eyes of the Hanoi leadership, it can no longer rely on Moscow, politically and economically. For instance, Moscow was silent when there was a military clash between the Chinese and the Vietnamese forces over the Spratly Islands. Whether this trend will encourage the Chinese to expand further over the chain islands or encourage both parties to seek a compromise remains an open question.

Second, some ASEAN members, notably, Indonesia and Malaysia, used to view the conflict between China, on the one hand,

and Vietnam - Soviet on the other, as a positive factor for peace in ASEAN. However, when this factor disappears, the balancing act between the two giants is no longer in existence. Thinking along this line, one cannot help but have concerns over whether or not Beijing will be less conciliatory toward ASEAN, especially, when Beijing and Hanoi are on good terms! How will this be manifested in terms of territorial claims over the South China Sea and Economic rivalries?

## 2. Sino-American Relations and Their Impacts on Sino-Southeast Asian Relations

Unlike the disintegrated Soviet Union, China still commits itself to the "socialist system." Although Beijing proclaims its commitment to an open-door economy, in the political sphere China has shown only few signs of liberalization. In international politics, China has replaced the Soviet Union in selectively opposing the American world domination. A few of these issues have ramifications for Sino-Southeast Asian relations.

First, in the last two years since the Tiananmen incident in June 1989, Sino-American relations have been going in an opposite trend from Sino-Soviet relations. The main reasons for souring Sino-American relations are the so-called "human rights violation in China" and trade frictions. On both issues, the Americans seem to have problems with nearly all Southeast Asian nations. Hence, in the years to come, if the Americans keep on raising these issues, the authorities in China and Southeast Asia may very well find rallying points to develop closer relations with

each other.

Second, while Moscow is removing its military presence from Southeast Asia and elsewhere and the US has shown no indication to do likewise, there is a sign that people in East and Southeast Asia will increasingly oppose American military presence in the region. For example, the Philippine Senate voted on September 16, 1991 to reject the US - Philippine treaty to retain the American naval base at Subic Bay for an additional 10 years. We do not know how the fight over the retention of the US military presence will develop, but instability in the Philippines will be a cause of concern for ASEAN. Moreover, China has a long record of opposing foreign military bases, either in the Philippines, South Korea, or elsewhere. The question is how China will play a role regarding the American base issue and how many people in Southeast and East Asia will join with China in opposing the US if the latter is showing no sign of removing its military presence in the area.

### 3. Sino-Vietnamese Relations

Sino-Vietnamese relations hit the breaking point in 1978-79. This was symbolised by the Vietnamese invasion of Cambodia, and the Chinese military incursion into four northern provinces of Vietnam. The change of Soviet policy towards Vietnam, the successful normalization of Sino-Soviet relations, the strong opposition by world communities, and the effective resistance of the Cambodian forces made it difficult for Vietnam to maintain its original objective of domination over all of Indochina. This made it necessary for Vietnam to "reverse" its policy and to seek

accommodation with China. The process of Sino-Vietnamese normalization of relations will probably be completed when the two top leaders of the Communist Parties meet in Beijing by the end of 1991.

What is the implication for peace and stability in Southeast Asia? The Cambodian problem will be discussed shortly. Once, there were people in some ASEAN countries who believed that Vietnam was a balancing force vis a vis China, or a buffer state between China and the rest of Southeast Asia -- assuming that Vietnam could hold Laos and Cambodia under its leadership. Now, that concept is no longer valid.

Moreover, this same group of people is now concerned over the possible adverse effect of the Sino-Vietnamese rapprochement. Now, Vietnam alone is no longer threatening peace and stability in Southeast Asia. Its economy is in shambles. However, a new alarming question is raised: How will these two Asian Communist countries behave when they get along well?

#### 4. The Cambodian Problem

One of China's basic interests in Indochina is independent status for Vietnam, Laos and Cambodia -- hegemonism of one country over the others is objectionable. This has been consistently demonstrated by China's positions in the Geneva accords on Indochina in 1954 and 1962 and lately confirmed by the Chinese position over the Vietnam-Cambodia conflict.

Such a proposition rejects the widespread misconception which argues that the Cambodian tragedy is essentially a conflict between Vietnam and China.<sup>1</sup> It emphasizes the aggressiveness of China in using Democratic Kampuchea as a proxy against Vietnam.

This contention sounds incredible for two main reasons : it suggest that the Pol Pot regime is a credible force to be used by China against Vietnam, and that China is too weak to use direct means to deal with Vietnam by itself.

It is clear from the start of the Vietnamese invasion of Cambodia that China has consistently supported not only Democratic Kampuchea but all Vietnamese resistance factions, in their efforts to regain national independence. Inherent in this ultimate aim is to get the Vietnamese troops out of Cambodia, and the most effective means is by a political solution. This can never be achieved, however, without a military pressure. Does Beijing want something else? This question can be answered only by the Chinese leadership in Beijing.

The fact one can hardly deny is that without China's participation in opposition to Hanoi's expansionism by military and political means, prospects for independent status of Cambodia and Laos would have not been so good.

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<sup>1</sup>Jusuf Wanandi, "China in the Regional and Global Context," The Emerging Relations between China & Southeast Asia, Limitations and Opportunities (Proceedings and Papers of ASEAN-China Hong Kong Forum 1987, on 3-5 June 1987, published by Centre for Asian Pacific Studies, Lingnan College, 1988), p. 10



Now, peace in Cambodia is within reach. The Supreme National Council (SNC) has been set up with Prince Sihanouk as its head. It represents the Cambodian sovereign body in place of all factional governments still in existence. The parties to the conflict have agreed to accept the UN peace plan. In essence, a United Nations Transitional Authority in Cambodia (UNTAC) will be set up. Its main functions are to verify the complete withdrawal of the Vietnamese troops, to monitor cessation of foreign arms supplies, to supervise a complete disarmament of all Cambodian troops, and to supervise free and fair general elections.

The latest agreement reached at Pattaya on 26-29 August 1991 was that the rival armies were to be cut down by 70%, with the remaining troops regrouped in cantonments under UN control and supervision. The previous agreement on cease fire has not been effective. We have no reason to believe that the UN peace plan can be put into practice smoothly. Internal struggles may go on for some time before general elections can be held. However, the nature of the conflict is now shifting from the battle field to the political arena. And the external dimension of the conflict is ending.

What is the implication of the latest development for Sino-Southeast Asian relations? The UN role in the Cambodian peace process has been greatly enhanced, although it was initially objected strongly by Hanoi-Phnom Penh. If the UN peace plan can find a way to reach its ultimate aim of setting up a government through national elections, much of the credit must be given to ASEAN and China. Their national prestige will be duly enhanced.

## 5. The South China Sea

The chain of islands in the South China Sea consists of the Paracel Islands, Spratly Islands, and over 10 other islands. They are claimed by China, Taiwan, Vietnam, the Philippines, and Malaysia. There are no aborigines on these islands, but now all countries mentioned above have stationed forces of various kinds in their respective islands and still seek opportunities to expand to others. So, this is potentially an explosive area in Southeast Asia where territorial disputes involve many countries.

China fought a brief war with South Vietnam in 1974 over the Paracel Islands and consequently, occupied the whole group of islands. In 1988 it sent naval forces to dislodge the Vietnamese forces on some islands in the Spratly group. Although in the past China limited its military operations only to areas controlled by Vietnam, its growing military presence in the South China Sea has caused concerns in ASEAN.

The Philippines occupy at least nine islands in the area. Malaysian troops are now occupying 3 atolls in the Spratly chain of islands. Malaysia plans to construct a 1.5 km airstrip on one of the occupied islands when a feasibility study is completed. The danger for an armed conflict is increasing whenever a country involved unilaterally expands its area of occupation, or, even more, initiates a project to exploit under-water resources.

This problem certainly deserves our attention. The present regional environment is more favorable than ever before for

all conflictual parties to settle this problem as soon as possible. The first step to be taken by all parties concerned is to keep the status quo. The next step is to set up regional mechanisms to settle the problem peacefully. I believe that the problem is manageable. Let us share some thoughts in this meeting to suggest some practical means to resolve the problem peacefully.

#### 6. The Overseas Chinese

A peaceful environment naturally encourages increasing economic interactions. Elsewhere in Southeast Asia the overseas Chinese are active in the economic sector. How to use them as assets, and not liabilities to both their homeland and the country of residence is a big question. Issues to be taken into considerations are as follows:

First, China should not intensify its demands in trying to lure investments or charity contributions from the overseas Chinese. Too much flows of assets will invite distrust among the local communities who also need the same kind of contribution. If ill feelings between the overseas Chinese and the native people emerge divided loyalties may follow. One ideal model is to let contributions flow naturally. Overseas Chinese have the wisdom to balance economic development in their homeland and their country of residence.

Second, governments in Southeast Asia should be aware of the gravity of the negative impacts of an ethnic conflict on national development, and try every means to avoid creating ill feelings against each other. The Chinese government has



positively played a part by trying to resolve the problem of dual nationality. Its law on citizenship stipulates that the overseas Chinese holds the citizenship of the country of residence, and thus automatically renounces Chinese citizenship when he resides in another country. Should he return to live in China, he will automatically regain his citizenship. This practice is alleged by some in Indonesia as having ill intention: to open the way for older overseas Chinese people "to return to China to die." In reality, though, how many overseas Chinese still want to return to China to die? The argument goes on to allege that such treatment could undermine the loyalty of the overseas Chinese towards their country of residence.<sup>2</sup> Adopting this attitude to interpret the Chinese law is unlikely to help promote goodwill toward each other, between the native and the overseas Chinese.

## 7. Sino-ASEAN Relations

In the last few years China has successfully improved its relations with ASEAN, although a few problems still remain.

Indonesia, China's natural rival for regional influence, has often perceived China as a major long-term security threat. It completed the process of normalizing of relations with China by officially resuming diplomatic relations on August 8, 1990. Opposition to this move among Indonesian nationalists was still strong, but President Suharto, supported by his Foreign Ministry and Indonesian Chamber of Commerce and Industry, was convinced

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<sup>2</sup>Jusuf Wanandi, op.cit., p. 9

that Indonesia could no longer afford to isolate itself from the rest of the world. Neighboring countries friendly to both China and Indonesia such as Thailand and Japan often have volunteered to give good offices in an effort to further a peaceful environment for the region. Internally, Indonesian businessmen also hope to improve their competitive position with others.

Lee Kwan Yew of Singapore had his own reason not to outsmart his good neighbors, Indonesia and Malaysia, in establishing diplomatic relations with China. He was aware that his fellow countrymen trusted Indonesia and Malaysia no more than China, but he did not want his country to be seen as "China's henchman" in Southeast Asia. In less than two months, on October 3, Singapore officially signed a joint communique announcing the establishment of diplomatic relations with China.

These two cases are symbolically important. China and ASEAN are now friendly countries in theory and practice. Be that as it may, a few more issues remain to be resolved.

First, ideological difference has not been completely forgotten by most ASEAN members. Their suspicions against "the Chinese communist expansionism" still vary in degree according to the records of the communist movements in their countries. Many Indonesians and Malaysians are still resentful against Chinese communist supporters. They have never accepted and are not prepared to accept the official Chinese explanation which differentiates between "party-to-party relations" and "state-to-state relations." What can be done with the past political

legacies? The best way for China to follow is to prove herself in concrete terms that it will never do as it was alleged whatsoever, either by party or state, official or non-official. This seems to be in line with present Chinese policy.

Second, there are people in ASEAN who fear that China has a vastly growing economy with cheap labor and large variety of agricultural products, and will be a formidable economic competitor in the world market. Such a concern does carry some weight, as China still mainly has a centrally-controlled economy, and her huge volumes of exports in textiles and garments are viewed as threatening.

In reality, this fear is premature. In many instances, China was ASEAN's natural ally in trying to open markets in developed countries. Moreover, China still imports certain agricultural products. In Thailand, such a fear is minimal. Many people believe in economic complementarity.

In view of the fact that China can potentially harm ASEAN's relatively small economies, it is essential that the Chinese government should refrain from using its political strengths to boost its competitive capability -- so long as the socialist economy remains the dominant sector. Free and fair competition will work only in the same system of free market economy.

Third, China wants to develop a special relationship with ASEAN. At the last ASEAN Foreign Ministers Meeting in Kuala

Lumpur, China's Foreign Minister was invited to attend the meeting as an observer. China hopes to be accepted as an ASEAN dialogue partner like the US, Japan, Australia, Canada, and EEC. This process of China entering ASEAN's dialogue partner may not take too long if China continues to improve its relations with ASEAN.

About security matters, China has consistently supported ASEAN's efforts to safeguard regional peace and stability. It has, from the beginning, expressed support for the Kuala Lumpur declaration on the establishment of a zone of peace, freedom and neutrality (ZOPFAN) in Southeast Asia. This is a positive sign.

In the years to come, the issue of China's arms sales may emerge. Thailand is the first ASEAN member to have received military aid from China in 1985. Since then arms purchases from China have included tanks, armored personnel carriers, artilleries and ammunitions, anti-aircraft guns, anti-aircraft missiles, and submarines. These purchases are said to be at "the friendship price." One source puts it as at one third that of the US price of a weapon of equal quality,<sup>3</sup> and another puts it as cheap as 5% of the market price.<sup>4</sup> We do not know how such arms deals will positively or negatively influence Sino-ASEAN relations in the long run, but a study on the implications and impacts would be worthwhile before further arms sales are extended to other ASEAN members.

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<sup>3</sup>Nation, December 25, 1987, p. 1

<sup>4</sup>Nation, August 2, 1989, p. 3.

## Conclusion

Changes in the international environment have resulted in the readjustments of policies of China and Southeast Asian countries. The development has so far enhanced international positions of both China and ASEAN. The decade-long culprit in Indochina, Vietnam, is on its way to becoming a "good guy." How China, ASEAN, and the international community welcome Vietnam as a constructive member for peaceful development in international community remains to be seen. How the international community can reshape Cambodian future is a difficult task. As US influence is waning in Southeast Asia, how Japan will play a political and security role in the region is also an issue. Psychologically speaking, people in ASEAN remain insecure. Some still keep on asking whether China will want to make Southeast Asia its sphere of influence. How other external military powers can be brought in to safeguard Southeast Asian regional peace is still an issue. There seems to remain psychological gaps between China and its Southeast Asian neighbors.



STABILITY AND PROSPERITY OF THE ASIA-PACIFIC REGION :  
PROBLEMS AND OPPORTUNITIES

Theera Nuchpam

It now seems quite conventional to take the end of the Cold War as a crucial point of departure for a discussion of current world affairs. The world has indeed undergone dramatic changes during the past few years,<sup>1</sup> and this has set a new tone for regional and international politics alike.

The post-Cold War period is essentially one of greater optimism - of new hopes and perhaps better opportunities. With the winding down of superpower conflict which was the hall-mark of the Cold War world, one could reasonably expect a more stable international environment and from this a prospect for greater prosperity. The purpose of this paper is to examine problems and opportunities relating to these prospects in the Asia-Pacific region.

Does the end of the Cold War actually enhance regional stability? What are problems limiting such a prospect? Is the changing world situation favourable to regional prosperity? What are possible threats to the pursuit of this opportunity?

Towards 'Big-Power Unilateralism'?

When considering the impact of the winding down of the Cold War on a specific region, one must be well aware that developments in each region have their own coherence and momentum.

In the Asia-Pacific, which was an important Cold War setting, this phenomenon may have provided a main theme for regional politics. However, the region has also had its own 'side shows' which might still proceed with their own 'sub-plots' even after the close of the main event.

On the other hand, there is almost no doubt that the end of superpower competition has significantly improved the security situation in the Asia-Pacific region. Reduction in regional tensions in general, like improving prospects for the settlement of regional conflicts, most notably in Afghanistan and Cambodia, have resulted primarily from US-Soviet understanding and Moscow-Beijing rapprochement.

Potentially, explosive regional situations still exist. Among these are the complicated security situations on the divided Korean Peninsula and the territorial disputes in the South China Sea. In the Korean case, the prospect for a German style re-unification is unlikely in the near future, and North Korea's reported development of nuclear weapons could only heighten the existing tension. The dispute over the island groups in the South China Sea involving China and several Southeast Asian countries has also been identified as a major point of conflict and thereby a possible source of regional instability.

The improved regional political atmosphere might or might not be particularly conducive to the eventual settlement of such conflicts. It is sometimes argued that insofar as the

reduction of general tensions involves superpower disengagement, regional actors like North and South Korea would have greater freedom to settle their differences. The current situation thus remains inherently unstable.<sup>2</sup>

Perhaps following the same line of argument, one also tends to speculate that the 'power vacuum' resulting from superpower withdrawal would probably be filled by regional power aspirants, such as China, Japan, and even India. The implication is that there could be highly de-stabilising regional power competition and even regional arms races. Hence, according to this view, the United States, in particular, should continue its presence as a stabilising influence.

Even with the winding down of the Cold War, the Asia-Pacific region still remains "a complex web of tensions" with a potential of deteriorating into flashpoints involving regional as well as major powers.<sup>3</sup> Therefore, US presence would serve to maintain a strategic equilibrium in this region. This is a widely held view which is often taken for granted.

There seems to be more questions about the US presence. Even with the removal of its military installations in the Philippines - which is now very likely - the US force level and power position would not be drastically altered. According to a recent study, "...the Americans have given no sign that they plan to make any fundamental changes in their military posture or strategy in the Asia-Pacific region".<sup>4</sup>



The question of the United States maintaining a strategic equilibrium thus appears far less relevant than the political posture it would adopt in this region in the post-Cold War period. Since its triumph in the Gulf War in early 1991 this issue has acquired even greater significance.

There has already arisen a concern about the possibility of a 'unipolar world' in which the United States would assume a dominating role. Such a concern is not entirely unfounded given the further weakening and in fact disintegration of the Soviet Union, its former arch-rival. Indeed, the conduct of the Gulf War, in which the US was effectively calling the shots, was, if anything, a full show of power arrogance. Would Washington take on such arrogance in dealing with other issues or powers? Would it still be trying to call the shots even if it was no longer in the battlefield?

There is some evidence indicating such an intention. The initiation of the 'new world order' with the emphasis on peaceful settlement of conflict, solidarity especially under the UN banner against aggression, human rights and control of arms transfer, is obviously a unilateral attempt to set the international rules of the game.

Fears have already been expressed that this is simply a cloak for Pax Americana.<sup>5</sup> Such an apprehension may not be totally unjustifiable. More relevant, however, is the big-power unilateralism inherent in the new-world-order concept; and there have already been cases of its application - especially in

matters of human rights, trade, and arms exports, not to mention, of course, the Iraqi invasion which had been severely dealt with by this new-world-order rule. The problem is that in almost all cases it entails either the practice of double standards or interference in other nations' affairs.<sup>6</sup>

Truly effective Pax Americana would seem impossible; but in trying to impose its new world order, the United States seems to have brought into being a new source of international instability. By creating frictions and fears - and, for that matter, nationalist sentiments and perhaps 'anti-imperialist' emotions, the new world order cannot but have crucially destabilising effects.

#### Towards Regional Trade Blocs?

All de-stabilising factors mentioned above could naturally have unfavourable consequences for regional growth and prosperity. Nevertheless, the most immediate, and in fact most serious threat to the pursuit of this goal is the possible collapse of free trade under the GATT system and the advent of regionalism and managed trade.<sup>7</sup>

Japan, the Asian NIE's, ASEAN and China, among others, have all benefited from the open trading system. Their principal markets are the EC and the United States. The present concern is that these export outlets may be closing with the EC becoming a single market in 1992 and the United States being integrated into the emerging free trade area under the North American Free Trade Agreement (NAFTA) incorporating the United States, Canada and

Mexico. How would the Asia-Pacific region maintain its economic prosperity and dynamism in the face of such adverse prospects? There is no simple answer to this issue. Only a few central problems will be raised here.

Of course, an emergence of rival discriminatory trade blocs would be a very unhealthy sign. Even so, a further problem arises: Has economic integration among the countries of East Asia reached a point where they could risk alienating their Western trade partners by forming their own regional economic bloc in response to the moves in Western Europe and North America in that direction? This is not yet to mention the practical feasibility of such a venture, especially in view of the vast diversity of this region.

Japan's economic involvement in East Asia has been rising rapidly, but the volume of US trade and investment remains very large. Indeed, economic integration across the Pacific, including the United States, has been as strong as it has within East Asia. Would it then be advisable to form a grouping that excludes the United States, such as in the form of East Asian Economic Grouping (EAEG) proposed by the Prime Minister of Malaysia in December 1990?

In case of the breakdown of the GATT system, EAEG, according to its proponents, would serve as a framework for the re-creation of GATT-type conditions of non-discriminatory trade and the lowering of barriers within the EAEG region. Reflecting the growing intra-Asian trade, and given its non-discriminatory

character, EAEG would actually not be an exclusive regional trade bloc, and hence not a retaliatory response to the current drift towards economic regionalism and managed trade.

A practical implication must be taken into account here. Would the Asian countries be prepared to accept Japan's economic leadership? Indeed, the United States would loathe being left out, even though it is forming a more discriminatory economic bloc.

The United States is in favour of the Asia-Pacific Economic Cooperation (APEC) with its loose framework. The Japanese have been trying to play down the possibility of East Asia constructing its own regional grouping, stressing that other countries in the region would not want to be part of a bloc dominated by Japan. Perhaps out of this concern, more importantly, in order not to alienate the United States which still takes the largest share of East Asian exports, even Malaysia's ASEAN partners have not been very receptive to the Malaysian initiative.

It might be that East Asian countries could no longer afford this wait-and-see attitude. Fears about the impact of NAFTA and the consolidation of the EC have already been reinforced by the real possibility of Western aid and investment being diverted to the Soviet Union and Eastern Europe from Asia. Or would we be adopting an every-man-for-himself strategy by trying to strike bilateral deals with the United States and the EC? That might soon be no longer possible.

If economics is the name of the game in the post-Cold War period, the real challenge to Asia-Pacific prosperity is probably the drift towards economic regionalism and protectionism. Needless to say, frictions in this area could also be a source of regional instability. Just a few years back developments like Sino-Soviet rapprochement could have created widespread international interest. Now the international community greeted news of the meeting of Chinese Communist Party Chief Jiang Zemin and his counterpart in Moscow in May 1991 with almost indifference. Demonstration of such an attitude is at any rate a highly positive sign: it could mean that the Sino-Soviet rapprochement is no longer regarded as threatening regional peace and stability. On the contrary it has perhaps strengthened the already fast improving international as well as regional security scene.

## Endnotes

1. We are in fact still living in a rapidly changing world. Events are moving very speedily and sometimes in a most unexpected manner.
2. This line of argument is not quite plausible. North Korea did take matters in its own hands at the height of the Cold War and at the time when the Soviet Union was supposed to have a monolithic control over its power camp - when it invaded South Korea in 1950.
3. The view of Philippines Defence Secretary de Villa. Bangkok Post, 4 September 1991.
4. Akio Watanabe, "The End of the Cold War and the Asia-Pacific Region," Japan Review of International Affairs, Spring/Summer 1991, p. 18.
5. Far Eastern Economic Review, 7 March 1991, pp. 10-11.
6. For example, the rich world has the right to set the rules for lucrative arms deals - and to blame China, among others, for breaking them. Moreover, US insistent demands on human rights could not but be perceived as infringement on what the Chinese may see as their own affairs.
7. See Far Eastern Economic Review, 25 July 1991, pp. 52-56.

CHINA AND SOUTHEAST ASIA IN THE CHANGING  
INTERNATIONAL ENVIRONMENT

- Sino-ASEAN Relations in an Ever-Changing  
International Environment

Chen Baolin

- China and Southeast Asia in the Changing  
International Environment

Khien Theeravit

## ON THE ECONOMIC COOPERATION AND SOCIAL STABILITY IN ASIA-PACIFIC REGION

Wang Shu

Economic development in the Asia-Pacific region has continued to attract increasing attention from the international community. The rapid economic growth since the last decade has turned this region into one of the most dynamic economic development blocs in the world and into a motive force for the world economy. Although it is estimated that the annual growth rate in the Asia-Pacific region would slow down to a certain extent compared with previous years, it will still be higher than in other parts of the world.

But we should not be satisfied with what we have achieved. There is still a long way towards common progress and prosperity. This region comprises of countries and areas with different economic development levels, and most of which are developing countries with different social systems and structures, religions, nationalities and traditions. What this region needs is closer and closer regional cooperation. Further economic progress can only be achieved on the basis of the common desire for common development.

Furthermore, the new industrial-technological revolution earmarked by microelectronics, new materials and biotechnology, has evinced a great vitality. With this revolution, it is indicated that consecutive breakthroughs will be achieved in some



of the most advanced branches of science and technology during the early years of the next century, and that the application of the achievements in production and daily life will dramatically boost the development of the social productive force. However, there exists a possibility of intensifying international competition and protectionism in such fields as economic exchanges, technological cooperation and transfer of know-how which will greatly affect the development of economic cooperation in the region. Therefore, we have to know that it is in the interest of every nation's economic development to enhance international cooperation and help each other, to oppose national egoism and trade protectionism, to safeguard a stable market, and to prevent the further widening of a North-South gap.

In brief, further economic progress in this region depends on more cooperation among nations, regardless big or small, developed or developing, on the basis of equality and mutual benefit, and of common development and prosperity.

Like other areas in the world, this region has been experiencing tremendous changes that are creating a favourable atmosphere for enhancing regional cooperation. The strong complementarity among regional countries and areas in capital and technology, natural resources and manpower, provides great potential for regional economic cooperation. If this kind of regional cooperation could be gradually realized, it could form an enormous market for the nations in the region as well as in the world.

As the political leaders in ASEAN countries have stated, the new world order which we should strive for is not only one that is free from the threat of war, but also a world that provides equal economic opportunity and easy access to modern technology, prevents trade protectionism and discrimination, and brings fair trade and equal cooperation to all countries and peoples in the world. We have to prevent the possible polarization between industrialized Northeast Asia and the basically primary product Southeast Asian producers.

Moreover, peace and stability is also an important goal for the Asia-Pacific region. No economic growth can be attained without a peaceful environment. What is now needed is the removal of potential threats in the region, as well as those in other parts of the world so as to ensure a favourable global environment for common development.

It is regrettable that no substantial changes have been secured regarding the United States-Soviet Union military presence in the region. Both of them still maintain massive offensive military forces in the region. These military "hot spots" or forces have yet to be removed and the disputes among certain countries remain unsettled. Further efforts must be made to enable the reduction of forces and strengthening of friendly cooperation.

It is extremely necessary to establish norms of inter-state relations and to develop peace, stability and cooperation in the region. All countries and areas should establish their

economic and political relations on the basis of principles of mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit and peaceful coexistence. All disputes between countries should strictly be resolved peacefully through negotiations and consultations. The countries concerned should as early as possible reach a fair and reasonable political settlement on current "hot spot" issues in the region.

The US and Soviet Union should hold special responsibility in maintaining security and stability in the region, and should take the lead in reducing their offensive military forces and nuclear activities, as well as the number and size of manoeuvres in Pacific regions.

The Southeast Asia nuclear weapon free zone and the Indian Ocean peace zone should be established so as to achieve de-nuclearization in the region. In general, all countries should treat each other equally and live in harmony for the goal of common development and common progress. Peoples in the region hope to have an early augmentation of economic cooperation in order to meet the coming industrial-technological revolution.

China has all along attached importance to and taken a positive approach towards economic cooperation in the region. China needs a long-term, peaceful external environment as well as a long-term stable internal environment. Therefore, China will work hard together with the rest of the region to promote peace,

stability and prosperity in the region and make contributions in this regard.

However, it is still too early to say, as some people have done, that the 21st century will be an Asia-Pacific century. But we hope that the Asia-Pacific region will be an example to the establishment of a new international economic and political order based on the principles of peaceful coexistence.

## A NEW WORLD ORDER : CHINA'S AND THAILAND'S VIEWS

- Some Preliminary Views on the New International Order  
Wan Shuyu
- Toward a "New World Order"  
Thanat Khoman

## SOME PRELIMINARY VIEWS ON THE NEW INTERNATIONAL ORDER

Wan Shuyu

After China's call for the establishment of a new international political and economic order as early as in 1988, in recent years, due to the dramatic transformation of the world situations, the eruption of the Gulf War in particular, the establishment of a new world order has again become a central topic, arousing tremendous articulations. Following are our brief observations on this subject.

In our opinion, to establish a new international order means to set up certain principles and mechanisms, commonly abided by the international community and inter-state relations, to facilitate peace and development in the world.

The new international order is the opposite of the preceding old international order. The two are substantially different from each other in the following aspects: (1) They have different objectives. The new international order aims at and would be conducive to world peace and human progress. The old international order witnessed the seeking of military superiority for world domination by the superpowers. (2) They are different in nature. The new international order has peace, friendship, equality and cooperation as its essence while the old one was characterized by hegemonism and power politics. (3) They represent different interests. The new international order goes

along with the interests and willingness of the majority of nations and people in the world. The old one, on the other hand, reflects the interests and pursuits of a few big powers and power groups.

The new international order is currently a trend with popular support. Its inevitability is closely linked with the following facts:

1. The collapse of the old system and pattern provides the necessary foundation and conditions for the establishment of the new order. At present, the "Yalta system", characterized by the separation of Germany, the confrontation between the Warsaw Pact and NATO, and the antagonism between the United States and the Soviet Union, has crumbled; The Soviet Union is unquestionably on the decline, the United States is relatively getting weaker, Japan and Western Europe are rapidly rising, and China grows stronger and has raised her status in world affairs accordingly. All these developments have catalyzed the shifting from the bipolar world to a multipolar one. During the transitional period from the old system to the new one, the old international order based on hegemonism and power politics has been withering, gravely impeding world peace, stability and development. It is being poorly supported. Meanwhile, the appeal for a new international order is becoming a spring tide surging throughout the globe.

2. Although the international tension is easing during the transitional period, various changeable turbulent factors exist and need to be curbed and eliminated by the new world

order. These unstable factors include the disputes and conflicts caused by ethnical, national and religious contradictions and territorial claims, new forms of power politics, and the arms race among big powers for superiority.

3. It brooks no delay to alter unjust economic relations and to ease North-South contradictions. After the Second World War, the developed capitalist countries, the socialist countries and the Third World countries all achieved a certain degree of economic development. But throughout the years, the contradiction and gap between the North and the South have been constantly broadened basically due to unequal exchange, a typical example reflecting the injustice international economic relations. According to statistics, the population of the developing countries accounts for four-fifths of the world total, but the gross national products of these countries account for only less than one-fifth of the world total. In 1980, the GNP per capita of the North was 10 times larger than that of the South, while in 1988, the figure jumped to 20. From 1981 to 1989, the number of the world's most underdeveloped countries increased from 31 to 41. In recent years, their conditions have further deteriorated, with export income sharply declining, production investment shrinking, and the debt burden becoming unbearable. The situation is so bad that for several succeeding years we witnessed a reverse flow of capital from the poor countries to the rich ones. In essence, the rich are becoming richer and the poor are poorer. This tendency appears to be more prominent than ten years ago. Should his situation be allowed to develop further, it would definitely harm even more severely both



the developing and developed countries, and hence put world peace and stability in jeopardy. The "Paris Declaration" endorsed by the United Nations-organized second conference to aid the most underdeveloped countries pointed out that in a world of interdependence, maintaining and widening the gap between the rich and the poor proves to be the root of tension. Without common development, there will never be a lasting peace. Therefore, we think that to establish a new international order with justice, equality and mutual benefits to completely reverse the present situation is a task of immediate importance.

The new international order should be based on the Five Principles of Peaceful Coexistence, that is, mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

The Five Principles highly summarize the most fundamental principles of international law and fully conform to the aims to maintain international peace and security, to develop friendly relations among all countries and to promote international cooperation, and the principle that all member states are equal in sovereignty. International disputes should be settled by peaceful means. All member states should refrain from the use or threat of force, violating another country's territorial integrity and political independence, and interfering with other nations' internal affairs.

The Five Principles are universally applicable to countries of different social systems, of different political orientations (the western capitalist countries, socialist countries and developing nationalist countries) and who are at different development stages (the developed, the developing and the least developed). Past and present experiences have proved that as long as all countries abide by the Five Principles of Peaceful Coexistence they can develop friendly relations with each other, no matter how different their social systems are or how many twists and turns they have undergone in their mutual relations. On the contrary, any violation of these principles can cause friction and conflict among countries, sometimes even chaos and turbulence.

The Five Principles have great vitality. Since 1954 when the Five Principles were first defined, they have stood the test of time for more than 30 years. During the past 3 decades, these principles were acknowledged time and again in the treaties, communiques, declarations and statements China has signed or issued with more than 90 countries in the world. This fact has made it clear that the Five Principles are in the fundamental interest of the peoples of all countries, beneficial to world peace and security, and have been accepted by an increasing number of countries.

The core of the new international order should be mutual non-interference in each other's internal affairs, equality and mutual benefit. As the present world is manifold and the differences between countries are manifested, each

country has the right to choose its own social system, ideology and way of development according to its own special situation. No permission is given to any country to interfere in the internal affairs of other countries or impose its own politico-economic system, values and modes of development on any other country. It is unlikely that one can maintain world peace and promote common development and prosperity unless all countries refrain from interfering in the internal affairs of other countries and co-exist peacefully.

The basic principles and frameworks of the new international order should include:

1. All countries, big or small, are equal. All countries, big or small, strong or weak, rich or poor, are independent and should be treated equally. We are opposed to the practice of the big suppressing the small, the strong bullying the weak and the rich exploiting the poor in international affairs.

2. International issues should be settled according to the principle of equality and consultation. International issues should be resolved through consultation with all countries on the basis of equality; international decisions should not be monopolized only by a few big powers. This, however, does not mean to negate the important role and influence of the big powers. On the contrary, big powers bear particular responsibilities and obligations in maintaining world peace and security, disarmament, and promoting the development of all countries. But the recognition of the big powers' important role

in international affairs does not include admitting their "special privileges" of monopolization of international affairs.

3. International disputes should be solved by peaceful means. Under the precondition of mutual respect for sovereignty and territorial integrity, international disputes should be settled reasonably through peaceful negotiations without resorting to the use or threat of force and armed invasion.

4. The arms race should be stopped and arms should be limited. For a long period of time, the arms race has been a key element that has caused the international climate to become very tense. The increasing escalation of the arms race not only threatens world peace, making the people of all countries live in an environment of terror and war, but also hinders economic development and the improvement of people's living standards by adding a military budget, which is a heavy burden on a national economy. Therefore, our view is that, first of all, the arms race should be stopped and the efforts to seek military superiority by any country opposed. Second, arms control should be carried out according to comprehensive, balanced and defensive principles, which require that all countries take part in the arms control process without a double standard and with the inclusion of all weaponry. Each country's military forces should be reduced to a low level that is sufficient only for self-defense and abandon its ability to attack other countries. To achieve the aim of realizing military balance at a low level, the countries that possess offensive abilities and the largest amount of arms should take a lead in the reduction of their stockpile of

arms. Third, efforts should be taken to prevent the proliferation of atomic, biological and chemical weapons. Finally, it is highly necessary to set up some new mechanisms to govern arms control and to prevent the proliferation of weapons of mass destruction on the basis of the signing of a multi-lateral disarmament treaty by most of the countries in the world.

5. International cooperation on the basis of equality should be strengthened to promote common development. The increasing integration of the world economy has made economic inter-dependence among all countries much closer than before. Such cooperation has offered a realistic possibility for countries to expand their economic cooperation of mutual benefit. However, the injustice and inequality in the current international economic order results in a severe imbalance in the economic relations between the developed and the developing, and further widens the gap between the rich and the poor. Such a state of affairs must be altered. The new international economic order, which should be established on the basis of equality and mutual benefit, will create an equal and mutually beneficial opportunity for all countries to cooperate, develop and compete. In addition, the North-South dialogue and the South-South cooperation should further expand, with the developed countries expected to make more contributions to improve the international economic environment.

6. It is necessary to bring the UN into playing a larger role in dealing with international issues. The UN has more than 160 member states and consists of 6 big organizations (General Assembly, Security Council, Economic and Social Council,



etc.) and 30 sub-organizations. At present, the UN is the only international organization with the widest representation in dealing with all kinds of international issues. Therefore, the expansion of the UN's role has become an important guarantee in establishing and maintaining the new international order. In more specific terms, the UN is required to fully represent the interests and demands of many countries in the world, as well as to have more authority in handling international affairs.

The establishment of a new international order in a protracted and torturous process is not so simple.

1. It is hard to bridge the apparent divergence of views of varying degrees held by numerous countries on a number of aspects of a new international order. There either has to be compromise and coordination or competition and contest.

In terms of the objective of the new international order, the US and some other western countries advocate to apply multi-party parliamentary democracy, private market economy and Western values to countries of different systems and ideologies and countries of the third world. This would set up in the end a "new free world" "from West to East, North to South," apart from ensuring the security and interests of the West. Large third world countries, on the other hand, generally emphasize that the goal of establishing a new international order should be to give impetus to the development of the two major world currents of peace and development.

As to how to set up a new international order, we hold that all countries in the world, big or small, should equally participate in the process, and that the UN should be given a full role in erecting and maintaining regional and global peaceful order. The US advocates that the new world order should be under US leadership with Japan, Germany and the UK as its nuclear, its western allies as the main body, while selectively gaining "international support". Japan and Germany stand for a "tripolar leadership" of US-Japan-Europe as an attempt to participate in and share the US leadership. The UK's view is to strengthen cooperation between the UK and the US under the leadership of the latter. France maintains that the Security Council should play a dominant role in the formation of a new world order. The USSR favours multi-polar coordination among the big powers.

On the issue of the substance of the new world order, various countries have their own intentions and concerns even though they have certain common points like preventing regional and international conflicts, arms control and stressing the role of the UN. For example, what many developing countries are concerned about most is economy and development-related matters, and what they seek is "fairness" and equality among nations. The US and other western countries' emphasis is on regional security, the prevention of proliferation of nuclear, chemical and biological weapons, westernization and human rights. The USSR's attention is focused on detente and economic and technological cooperation with the West.



There is also a variety of viewpoints on what should be the basis of the new international order. We stand for the Five Principles of Peaceful Coexistence. Japan prefers dialogue and cooperation to be the foundation. Germany states that the new world order should "be based on the esteem for human rights and self-determination of the peoples." France holds that the new order needs to be founded on the unity of the South and the North.

2. Major problems pending the process of setting up a new international order are deep-rooted and cannot be solved within a short period of time. Here are some illustrations.

First, the problem of inequality in international economic relations and the widening gap between the rich and the poor may well develop further in the 1990s. Exchange at unequal value and debt are two manifestations of an unequal economic relationship. It is particularly evident in the four following aspects: (1) The shortage of funds. Funds required to develop the economy of third world countries mainly come from abroad. Over 75% of the total capital input of the low-income countries are made up by development aid funds from the developed countries. In the 1990s, because of the sluggish development of world economy, overall critical shortage of international capital, the dramatic changes in Eastern Europe and the Gulf War, the funds from the developed countries will shift to the Gulf region and Eastern Europe while funds flowing to other developing countries will shrink sharply. (2) Heavy burdens of debts. According to the statistics of the World Bank, in 1990 the aggregated

foreign debts of the developing countries have reached US\$1340bn. Creditor countries have not responded to the requirements of developing countries to tackle the debt problem jointly and have not adopted concrete and effective measures thus far. There will be no way out of this problem during the 1990s. (3) The slump in prices of primary products. Primary products account for more than 30% of the GDP of the developing countries. It is estimated that the rise in prices of manufactured goods will by far surpass that of primary products and the price scissors will widen further in the 1990s due to advancements in science and technology and the level of industrialization and monopoly of international market. (4) Increasingly exacerbated trade protectionism. In the 1990s, because of the further development of the grouping of the world economic market, the completion of the Single European Market, the forming of the US-Canada-Mexico free trade zone and the intensified competition in the international market, the developed countries will practise trade protectionism mainly through non-tariff barriers. As a result, the balance of payments of developing countries will deteriorate still further.

Second, it is impossible to fully realize arms control because disarmament and the arms race are proceeding at the same time in the world. At present, the arms race is mainly reflected in the competition for military superiority in hi-tech fields among major countries. For example, the only item in the US 1992 defense budget that has increased substantially is the expenditure on new weaponry research and development, which increased by 15% from US\$34.55bn in 1991 to US\$39.92bn in 1992. The US

will carry on with its plans for the modernization of offensive strategic weapons and plans for developing a new generation of hi-tech conventional weapons in the 1990's. The Soviet military leaders have stressed repeatedly the need to "develop high-precision weapons and to consummate as soon as possible the quality of military equipment of the Soviet forces."

The Soviets are developing 5-6 new types of long-range ballistic missiles to reinforce their mobile deployment. It is vigorously developing strategic bombers and hi-tech conventional weapons. In short, the Soviets are actively trying to catch up with the West in overall quality of weaponry.

After the Gulf war, some regions and countries are also speeding up their armament expansion in order to protect themselves. However, these efforts cannot be put on par with the arms race among big powers to vie for superior quality.

Third, regional conflicts with complicated backgrounds rise up one after the other and will not die out easily. Since the end of the Gulf war, progress of political solutions of varying levels has made headway in Kampuchea, Angola, Ethiopia, Guatemala, El Salvador and South Africa due to the efforts of the UN and the countries concerned. But at the same time, regional issues, which have long historical backgrounds reflect the divergence of present interests and involve religious, national and racial problems as well as territorial and resources disputes. Such conflicts are very complex. In addition, new conflicts or disputes erupt while existing ones are unable to make breakthroughs over a long period of time. Even if

reconciliation is reached there will be setbacks. We may take two examples. First is the Middle East issue. Although the parties concerned have agreed to hold the Middle East peace conference this year, they have put forward numerous conditions. Only on the issue of the PLO's representation are Israel, the PLO, and other parties extremely antagonistic. If the conference were convened grudgingly, it would be rather difficult to make much progress on the substantive issues, such as the return of the occupied Arab territories and the recognition of Palestinian national rights. Another is the recent national conflicts in Croatia and Serbia. Even though a truce agreement was already reached between Yugoslavia and the parties concerned, there are still conflicts occurring in the region.

To summarize, it is the common wish of many countries and people to set up a new international order favourable to world peace and development. However, it depends upon long term joint efforts and dedication of all countries.

We respect and support the proposal put forward by the ASEAN countries to create a peaceful, free, neutral and nuclear-free zone in Southeast Asia, and we support ASEAN efforts in strengthening regional cooperation and establishing a just and equal new international order.

## TOWARD A "NEW WORLD ORDER"

Thanat Khoman

I will talk with a pragmatic and realistic viewpoint about the New World Order (NWO). Mr. Wang Shu presented the concept of NWO from a theoretical and legalistic standpoint, so my presentation will be somewhat different.

The first point is that the NWO is a by-product of the 1991 Persian Gulf War. In turn, the Gulf War was a by-product of the end of the Cold War, especially due to former President Mikhail Gorbachev's policies of perestroika and glasnost. Without the end of confrontation in the Cold War, the Gulf War would not have taken place. Indeed, if the Cold War had not ended, it is almost certain that the U.S. would not have embarked on the Gulf War. Why? Because the Gulf War was aimed against Iraq, a country that was a close friend and ally of the Soviet Union. However, if Mr. Gorbachev did not impose the aforementioned policies of reform, the Soviet Union would have made the venture of the Gulf War very risky for the U.S., as well as an international conflagration.

However, Mr. Gorbachev has implemented the basically successful policies of glasnost and perestroika that emboldened the U.S. to enter not only the Gulf War but also to invade Panama in 1990. The war in Panama was a kind of testing ground before the Gulf War. As you may remember, the main tools of the Gulf War, particularly the A-171 A plane, or the Stealth bomber, as

well as other weapons, were tested in Panama. These same weapons, in addition to new uniforms and helmets for troops, were later used in the Gulf War. Thus, we can trace the origin of the concept of the NWO to the end of the Cold War and to the policies of Mr. Gorbachev who was trying to establish friendlier and closer relations between the Soviet Union and the U.S..

A couple of days ago, on CNN International television, Ms. Becker, a writer, attributed the success of the struggle against the Soviet Union to Mr. Ronald Reagan. In particular, she referred to Reagan's Strategic Defense Initiative (SDI) which genuinely frightened the Soviet Union. She went on to say that by enunciating the policy of SDI, the Soviet Union felt threatened because it knew it could not compete in the arms race started by the U.S. due to lack of funds and i priori technology. According to Ms. Becker, then, Mr. Gorbachev initiated perestroika, glasnost and rapprochement with the U.S. as a means of protection from the SDI plan. Indeed, since that time, Mr. Gorbachev has been welcomed, cajoled and adulated by the U.S. and Western nations such as Great Britain, France, Germany and Japan. Even Japan thought it could deal with the Soviet Union like Germany, that is, by starting a unification policy that united the two Germanys.

It is a mystery as to why Mr. Gorbachev did not play his cards as well as he played them with Germany and Western nations. If he had come to some kind of agreement with Japan he would have received at least US\$ 25 billion in his pocket. It is

well-known that the Japanese did not make this a secret; indeed, they were prepared to hand out large amounts of money. Was it that Mr. Gorbachev was too good a politician or afraid of losing some of the territories either in the Muslim republics, particularly the Baltic republics? He did not condescend to make any deals with Japan at all.

Now with hindsight, we can see that even though he was afraid of losing the Baltic states, he has lost them in any case, as well as US\$ 25 billion. It shows that Mr. Gorbachev was too far tilted toward the Western nations. In my opinion, I do not agree with the idea that it was SDI that brought about the disintegration of the Soviet Union. I think it was caused by the fact that Mr. Gorbachev accepted numerous proposals made to him by the Western nations.

What are these proposals? First, it was the suggestion to the Soviet Union to adopt a market economy system instead of retaining its centrally-planned state economy. Mr. Gorbachev accepted this change of systems and tried to completely restructure the Soviet economy. This created a great deal of turbulence. Simply, it is not an easy task to suddenly switch from a system that has been intact for some 70 years to a totally new one. Yet, Mr. Gorbachev accepted this idea.

Second, Mr. Gorbachev agreed to the proposal by the U.S. and Western nations to reduce armaments. Ironically, the reduction of Soviet armaments is at a much higher percentage than that imposed on the U.S. It is easy to understand why the Soviet



armed forces would not be pleased with such an arrangement.

The third factor is that Mr. Gorbachev also allowed for the conversion of military installations, industries and manufacturing from the defense industry into civilian factories. This means that the entire defense industry in the Soviet Union would be fully transformed, creating a loss of power and privileges for the Soviet armed forces.

Of course, the U.S. and Western nations must have had a number of objectives for proposing such changes. The first one was to reduce the military potential of the Soviet Union. This means that if the Soviet Union accepts the change from military to civilian industries, it will no longer be a rival of the U.S.. Therefore, confrontation against the U.S. and other Western nations would be unthinkable. The second objective was to transfer the important role the Soviet Union played in the arms market to Western nations. In this way, the Soviet Union would not have any effective arms to contribute to the market, especially in the Middle East. This objective was very important to the U.S., and the fact that the Soviet Union accepted a lesser role in the arms market meant a diminution of Soviet military capability and potential. Again, such a proposal was not designed to make the Soviet armed forces very happy.

Another rather flimsy factor that some Americans think is the reason for the disintegration of the Soviet Union, is that wife of Mr. Gorbachev, Raisa, is so fond of Western fashion that she wanted improved relations with the West. It is true that

wherever she went on state visits, particularly to France, England and the U.S., she would shop for the latest haute couture in clothes.

All these factors have helped to end the Cold War and make Mr. Gorbachev lose his confrontational power. With such a situation, the U.S. knew it could act with impunity. These are the origins of the NWO. At the end of the Gulf War, President George Bush proudly went to the U.S. Congress to announce "I proclaim to the world that the U.S. is going to launch the New World Order." It should be noted that Bush did not say "New International Order" which would mean there was an acceptance by other nations. The NWO suggests a unilateral decision not yet passed or posed by the rest of the world. Therefore, Mr. Bush's words meant he launched this new concept knowing that other nations did not accept this idea.

From the legal and theoretical viewpoint, especially after listening to all the opinions from the Chinese side in Beijing, the Chinese all insisted on the Five Principles of Peaceful Co-Existence. This concept was accepted at the Afro-Asian Conference in Bandung. In short, the Chinese have stated that they would like the NWO based on the five principles. Although no one objected to this idea, the NWO will not be formulated accordingly.

I can give you some indications. Soon after President Bush announce the new concept in the U.S. Congress, Time magazine, an important periodical in the U.S., printed that Bush

presented a new idea called "Global Corps", in other words, "World Policemen". This represents the understanding of the American people about Bush's future plans for the NWO.

To use the terms of Mr. Gorbachev, the NWO is a completely new house with many rooms concerning politics, economics, social issues, technology, armed forces and so forth. Of course, President Bush did not announce how he conceived the NWO because he did not have time to elaborate. Maybe he did not want to elaborate but instead let the world make guesses as to the NWO strategy. There have indeed been many guesses. I have told you about the guess made by the American people who consider the U.S. as "World Policemen". From that would follow the authority to rule not only on political matters but on social issues, especially economic ones.

In my papers from Beijing, I attempted to present the scenario of the NWO. It is presumed that there would be a directorate, meaning there are directors at the top of the structure. Who are they? The super director, or chairman, would be the U.S. because president Bush has proposed that the U.S. should lead the NWO. Under the super director would be a number of other directors. I am apologetic that Thailand and China will not have a chance to become directors. The directors will probably be the Group of 7 or G 7 comprising the U.S., Canada, the United Kingdom, France, Germany, Italy and Japan. Then there will be the financiers. Two financiers will be Japan and Germany because they have been tilted to play that role by financing the Gulf war. Indeed, because these two countries cannot supply troops,

they will supply necessary monetary funds. That is exactly the same system as the feudal system that existed many centuries ago. Most probably if the NWO comes into existence, then those who cannot supply soldiers will give money instead. I think this concept will have to be revised.

Of course, the rest of the world will be considered like foot soldiers or fleets, to use the Roman term, in the NWO. Those who are not docile, like Thailand and China, will be dealt with appropriately. In our case, we have experienced a few measures of discipline meted out to us by the U.S., such as restrictions on trade, cutting of quotas, and threats about the use of the Super 301. With China, the U.S. has been using the human rights device as a means of pressure in spite of the fact that much more serious human rights violations have taken place in other parts of the world.

For instance, in the case of Israel, whose inhabitants have slaughtered hundreds of Palestinians, the U.S. have not spoken out at all while Western nations are completely muted on the matter of such a massacre. I heard another story on the issue of human rights recently. On July 14 last year, France had a large celebration for the bicentenary of the French Revolution. France invited many dignitaries, including former Prime Minister Mrs. Thatcher of the United Kingdom. French President Mitterand announced that in addition to celebrating the anniversary of the French Revolution, they would also like to honor the birth of the human rights concept. Mrs. Thatcher, known as the Iron Lady,

immediately stated that it is impossible to celebrate human rights in the Place de la Concorde, which is the center of Paris and the place of Celebration, when hundreds were guillotined during the period of the French Revolution. On the following day, Mr. Mitterand, who did not appreciate the comment, removed Mrs. Thatcher from her front row seat to a seat far behind the other visiting dignitaries.

The NWO will be applied with strict discipline and docility. In the case of China, undoubtedly they will continue to use the human rights weapon. In Thailand's case, they will use trade measures, the Super 301, as well as other devices, against us. For example, a few months ago during the Gulf War, they used a peculiar weapon to pressure Thailand. The U.S. State Department issued travel advisories to Americans claiming that Bangkok and the rest of Thailand would become the center of terrorist activities. This was done three times in an attempt to dissuade potential tourists to come to Thailand. Of course, there were no incidents of terrorism here, but there were some in the Philippines. In brief, such a measure was a punishment against Thailand because we did not support the U.S. enough in the conduct of the Gulf War.

Therefore, even though the NWO has not yet come into existence, we have already experienced measures of pressure of blackmail from the U.S. against us. And even though thousands elsewhere are being killed, such as in Yugoslavia and Palestine, the U.S. and the U.K. use organizations based in their respective countries to pressure us for the violation of the

Agreement on Wildlife. For instance, members from these two countries claim that we in Thailand are harming dolphins. As a result, these countries have sent over delegations to inspect how many dolphins are being maltreated. The slaughtering of hundreds of thousands of Iraqi people, however, is admissible. In the Western mind, then, it appears as if dolphins are more important than human beings. This is a taste of the yet unfinished formulation of the NWO.

To conclude, what is the possibility to counter this threat to the welfare of our nations? Other countries, such as those in Africa, Asia and even Latin America, not only Thailand and China will suffer from the unilateral discipline from the directors of the NWO. How can we meet this danger?

From what I can surmise, we may use what has been used before in threatening instances to our nations. For example, let us examine the danger of Vietnam to ASEAN countries some time ago. At that time we did not have enough military power to counter the Vietnamese threat of expansionism. Instead, we found a way through political and diplomatic means to control the problem after the Americans left us in a difficult situation. Thailand, along with ASEAN, used these negotiating tools to halt The Vietnamese invasion. Later, of course, we received support from China.

Thus, if we need to counter the NWO in the future, we will not use military force but political and diplomatic means. We will also have to raise awareness among nations around the



world against this plague. The decision of the Chinese Academy of Science to hold that symposium in Beijing was a good measure that has been the first step in creating the awareness of people who may be in danger of the NWO. The more we can make others realize the danger, our position will be commensurately strengthened. This should not be done by China and Thailand alone, but with other nations who are non-directors or plebes in the NWO. Therefore, an effective way to counter potential danger is to unite us, the endangered species, of the NWO.



## APPENDIX I

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INTERNATIONAL ROUNDTABLE



PROSPECTS FOR REGIONAL SECURITY COOPERATION  
IN SOUTHEAST ASIA IN THE 1990'S



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# INTRODUCTION

Significant changes in the international political environment continued to unfold throughout the year 1991. With the end of the Cold War, it was essential to envisage what kind of a new regional order would emerge based on changed security conditions. Security is that multidimensional state which comprises various political, economic and socio-economic elements necessary for the maintenance of peace and orderly development. It is universally held that conflict is an anathema that peaceful cooperation for the common good is the order of the day. With the regional states' commitment to economic imperatives, there is a growing consensus among them in determining a direct correlation between the region's and their own security requirements, as well as in devising an optimal approach to take advantage of the lowered global tension and conflict to work out a cooperative security arrangement.

In June 1991, the Department of Foreign Affairs of the Philippines and the Ministry of Foreign Affairs of Thailand jointly sponsored the first of a two-part dialogue aimed at discussing regional security cooperation. The meeting in Manila examined the perspectives of the major powers including Japan, China, the United States and the Soviet Union on this timely subject. It was agreed then that the follow-up meeting in Bangkok would focus on ASEAN's perspectives and specific issues of regional security cooperation.

Consequently, the international roundtable on "Prospects for Regional Security Cooperation in Southeast Asia in the 1990's" was organised in Bangkok on 4 - 6 November 1991 as the follow-up meeting. The Bangkok meeting addressed the topics from three dimensions, namely: political, military and socio-economic, as part of the general effort to consolidate regional peace and development in the post-Cold War era, at a time when the various regional states are endeavoring to restructure their relationships based on perceived mutual benefits. Invited as participants were senior diplomats, government officials, academics and other experts from ASEAN, Indochina, and other countries in, or concerned with, the Southeast Asian region.

With the successful conclusion of the Bangkok Roundtable, we wish to express our appreciation to all those involving in organising the seminar and to all the participants who had greatly contributed to the meeting. Finally, special thanks must be given to the Canada-ASEAN Centre for its financial support to this roundtable.



# SUMMARY REPORT

## THE INTERNATIONAL ROUNDTABLE ON PROSPECTS FOR REGIONAL SECURITY COOPERATION IN SOUTHEAST ASIA IN THE 1990'S

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### **1. BACKGROUND**

1.1 As a follow-up to the Manila seminar on 6-7 June 1991 on "ASEAN and the Asia-Pacific Region: Prospects for Security Cooperation in the 1990's," an international roundtable was organised in Bangkok on 4-6 November 1991, to assess the security situation in Southeast Asia in the post-Cold War context and to explore ways and means of ensuring lasting regional peace and stability.

1.2 ASEAN remains the focal point from which to evaluate regional security situation. A region-wide perspective is nevertheless adopted, which directs greater attention to prospects for truly regional security cooperation in the present decade.

1.3 The rationale for this undertaking is the growing awareness of the need for ASEAN to have a greater control over its own regional destiny and show a strong resolve both to meet the challenge of the more peaceful but increasingly complex international environment and to work out practical modalities for peace and prosperity. The regional states must decide on their own needs and priorities; and, it is believed, if they are prepared to engage in collective efforts, the future will increasingly be theirs.

### **2. GENERAL OBSERVATIONS**

2.1 Fundamental changes have occurred in the international environment. The end of the Cold War has truly transformed the post-war world. Though disagreements exist on the exact nature

and implications of these changes -- most notably has the breakdown of global bipolar structure resulted in unipolarity or multipolarity? -- it is quite clear that new thinking, new attitudes, and new approaches on the part of all nations are urgently necessary in this rapidly changing environment.

2.2 Security -- a term usually hardly well defined or clearly perceived, and thereby often misused or abused for various specific purposes -- needs to be re-defined, or reformulated, in order to lend itself to more comprehensive connotations.

2.3 With the declining relevance of the military dimension of security, its economic and other non-conventional aspects have been more widely appreciated. Even though military strength remains vital to national defence, not only is it not profitable to seek security through military might, the remaining role of the forces of arms is also subject to change.

2.4 Also, national security cannot be detached from its regional and even global settings. While security should be primarily based upon the 'inner strengths' of the state, it is at the same time contingent upon the external conditions -- on its intra-ASEAN dimension, on ASEAN's relations with other Southeast Asian nations, and on the broader Asia-Pacific context, if not beyond.

2.5 At the time when power conflict and competition are at a minimum -- when not only superpower rivalry but also regional sources of regional instability such as the Cambodian problem are on the decline -- security is not so much a safeguard against a particular threat but rather 'common security' or arrangement for collaborative strategies for the maintenance of regional peace and stability.

2.6 In the post-Cold War era, ASEAN, it is believed, is on the threshold of forming, at this stage, a truly region-wide order by involving other Southeast Asian countries in this 'common security' concern. Will ASEAN's leaderships have the political will power to cross this threshold? Or will this be hindered by lingering hegemonic designs or possible economic opportunism?

2.7 The security postures of the Asia-Pacific powers remain highly relevant to the pursuit of regional security: the general trend in the post-Cold War era is towards 'constructive engagements' of these powers.

2.8 It is argued that while the ASEAN framework remains relevant in the post-Cold War world, for it to continue to serve as a strong and effective vehicle for regional stability and prosperity, it must collectively take bold initiatives to gear itself to the challenge that lies ahead. Areas in which such initiatives are possible, and in some cases imperative, include the strengthening of ASEAN economic cooperation, consolidation and enhancement of its institutional arrangements, and expansion of a multilateral dialogue on political-security development in the Asia-Pacific region.

### **3. POLITICAL ASPECT OF SECURITY COOPERATION**

3.1 ASEAN should take into consideration the current strong prospect for the development of a region-wide security order. Vietnam, in particular, shows a desire for closer relations with ASEAN by indicating its intention to accede to the Treaty of Amity and Cooperation in Southeast Asia before being considered in future for full membership. The principles underlying this treaty, along with the Five Principles of Peaceful Co-existence and the Ten Principles of Bandung would, in the Vietnamese view, provide common grounds for a dialogue on regional security.

3.2 As a mechanism for regional peace and stability, such a dialogue would be in the form of a 'loose forum.' In view of the existing differences, both in the nature of political regimes and levels of economic development -- differences which, according to some opinions, call for the so-called two-track approach to ASEAN-Indochina relations -- this loose forum initiative seems to be a workable mechanism for regional dialogue.

3.3 Within the ASEAN framework, there already exists certain mechanisms of this nature,

especially the ASEAN-PMC. This latter mechanism has already been utilised as a dialogue forum on Cambodia, the refugee problem, Afghanistan, and many other issues. Moreover, the 12 members widely represent the Asia-Pacific region -- from Northeast Asia, through Southeast Asia, South-West Pacific, to Northeast Pacific, with some other powers including China becoming prospective ASEAN dialogue-partners. Finally, the ASEAN-PMC would supplement, in the political-security field, APEC, which is still in formation, with its focus on economic affairs.

3.4 With respect to intra-ASEAN cooperation, its political-institutional structure and processes should be strengthened and consolidated. The ASEAN Summit meeting, in particular, should be held more regularly, and be supplemented by informal meetings of heads of government, for policy coordination and initiation at the highest level. The process would ensure consultation and minimise misunderstanding. The Secretariat should be upgraded in conformity with the 1976 Agreement's original vision, whereas the secretary-general's role should also be enhanced in order to be more productive.

3.5 The strengthening of ASEAN's organisational structure and consolidation and enhancement of security initiatives should be the two primary areas in which the association proceeds to revitalise itself, no matter whether it has lost its cohesiveness and active role after the Cambodian settlement. It could assume a positive role in the restoration and maintenance of peace in Cambodia and in engaging other regional states in ensuring durable regional peace and security.

3.6 Inasmuch as ASEAN represents regionalism in a new form -- not an exclusive, discriminatory grouping -- it should aim to constructively engage external states. In undertaking this, ASEAN needs, among other things, to readdress ZOPFAN, which is yet to be realised, under the present changing conditions.

3.7 In such extra-regional engagements, ASEAN may also have to adjust its attitudes, or at least be prepared to come to grips with certain issues. If external powers, especially Western powers, are to be fruitfully involved, issues like human rights in their universal aspects might have to be confronted, with the recognition that these should not be pushed by certain countries for certain specific national interests.

#### **4. MILITARY ASPECT OF SECURITY COOPERATION**

4.1 It is proposed that with the end of the Cold War, it is desirable to shake off the Cold-War mentality by adjusting or abandoning concepts and policy orientations associated with it. Of particular policy relevance here are the idea of forward deployment, the Manila Pact and the Five Power Defence Arrangement which should be reviewed in search of new concepts or models.

4.2 In a world of lessening tension and without specific sources of security threat apart from certain hotbeds of conflict such as conflicting territorial claims in the South China Sea, ASEAN should direct more attention to conflict-resolution and conflict-avoidance mechanisms. The Indonesian proposal for those South China Sea claimants to put aside the sovereignty issue and collaborate in developing its resources, represents a constructive approach to this problem.

4.3 It is also relevant to ask what kind of war might arise in future. Acts of aggression, as in the case of Iraqi invasion of Kuwait, could not be definitely ruled out. However, a more urgent concern is to avoid inadvertent war, and for this some kind of 'reassurance strategy' may be required. States still need credible national deterrent forces, but deterrence should be balanced by reassurance. A policy question here is to work out an appropriate combination of deterrence and reassurance, that is, to build up strong defensive forces without instigating suspicion through certain confidence-building measures.

4.4 Non-military threats must also be taken into account and appropriate mechanisms worked



out for their management. Such threats include the refugee problem, drug-trafficking, AIDS, human-rights conflict, environmental issues, and so on. Non-ASEAN states or extra-regional powers must be involved in settling or managing these issues.

4.5 In regard to the operational aspect of military cooperation, the experience of defence planning in medium-size powers ( like Australia ) may be of some interest. For the ASEAN countries, with modest military budgets and now without specific perceived security threat, the difficulty lies in planning defence against ' uncertainties ' about the future -- that is, planning defence without clear-cut military threats.

4.6 An area of growing concern is the maritime environment, where many other issues ranging from drug-trafficking to environmental pollution are also involved. For ASEAN, with modest military budgets and now without specific security threats, the focus should be on the unique geography of the individual member countries and planning weapons acquisition that would serve such a purpose. They should, in particular, not be lured by the sophisticated systems used in the Gulf War.

4.7 With limited budgets, optimisation of factors like intelligence and surveillance might be an area for cooperative efforts. Sharing defence burdens in these terms ( for example, sharing intelligence ) may at the same time boost mutual confidence.

## **5. SOCIO-ECONOMIC ASPECT OF SECURITY COOPERATION**

5.1 The time frame for establishment of an ASEAN Free Trade Area ( AFTA ) should be accelerated and brought forward. With the possibility of being proposed to be accomplished within a period of between 5-15 years, various steps towards this goal could be immediately undertaken following the ASEAN Summit.

5.2 Steps should taken to increase awareness of ASEAN among the public and private sectors in the ASEAN countries. To this end, an ASEAN-studies programme might be founded and lectures on ASEAN given at various ASEAN universities. Exchanges of trade missions and visits by business and cultural groups from ASEAN countries should be encouraged in order to strengthen trade, economic and cultural ties among the ASEAN members.

5.3 The role of the private sector should specifically be encouraged to promote greater collaboration and understanding among the ASEAN member countries and especially to quicken the process of long-overdue economic cooperation as well as expansion of trade.

5.4 Economic cooperation is now imperative in view of the rising competition from various areas of the world. All different ideas concerning this undertaking proposed by the individual member states, should be integrated in a single framework document to be used as a guideline for economic co-operation.

5.5 In proceeding in that direction, built-in measures should be instituted to ensure that ASEAN's cooperative efforts do not evaporate over time. Some kind of time frame should be established for actions to be taken since little will be accomplished if only loose goals are set.

5.6 As APEC is still loose and has not been institutionalised, measures must be further explored to ensure its effectiveness, including, perhaps, the strengthening of its framework. It should also address both political and economic issues, taking the initiative on critical problems like trade liberalisation.

5.7 ASEAN needs to remain the core of APEC and must not be marginalised. The basis of ASEAN's support for APEC rests on two considerations: ( i ) ASEAN will not be fragmented and ( ii ) APEC will not be dominated by any particular power.

5.8 The role of EAEC is to provide a forum for East Asian nations to discuss their views, in the context of APEC and other processes. APEC and EAEC should not be viewed as mutually exclusive or competitive.



5.9 ASEAN needs to take the initiative in bridging the socio-economic gap between ASEAN and non-ASEAN states in Southeast Asia, with the Treaty of Amity and Cooperation serving as a framework for undertakings in this direction. ASEAN welcomes Japan's role in the programme for the rehabilitation and reconstruction of Cambodia. This programme should be based on the UN framework to be proposed at the international conference in Tokyo.

## **6. CONCLUSION**

6.1 A valuable regional security dialogue has now been established and it should be further pursued through the appropriate mechanisms. The Manila and Bangkok seminars have played a particularly useful role in focusing attention to the development of the dialogue.

6.2 ASEAN's cohesion and role in the maintenance of security in Southeast Asia will continue, notwithstanding the attainment of an agreement on Cambodia and the diminution of external threats. The immediate challenge for ASEAN is to effect a long-term, stable relationship with the neighbouring countries of Indochina and Myanmar. The signature of those countries of the Treaty of Amity and Cooperation would be the first step in this process.

6.3 Any complete consideration of issues affecting national and regional security should include awareness of non-military threats to security and should acknowledge the reality that the stable management of such threats requires multilateral cooperation.

# OPENING ADDRESS

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H.E. MR. ARSA SARASIN

*Minister of Foreign Affairs of Thailand*

Your Excellency Dr. Thanat Khoman,  
Your Excellency Mr. Raul Manglapus,  
Excellencies,  
Distinguished Participants,  
Ladies and Gentlemen,

It gives me great pleasure to welcome you all to this International Roundtable on "Prospects for Regional Security Cooperation in Southeast Asia in the 1990s." This occasion represents the second major international conference in Bangkok over the past three weeks, coming close on the heels of the World Bank/IMF Annual Meeting. You may not be as rich as those bankers at last month's gathering, but I know that the vast array of talents and expertise represented here are no less impressive.

This meeting constitutes the second portion of a two-part dialogue aimed at discussing security cooperation in the Asia-Pacific region. The first Seminar held in Manila last June focussed on the subject of regional security from the perspectives of the major powers in the region.

The focus of this International Roundtable continues to centre around the same subject of regional security cooperation, but this time will be viewed from the standpoint of Southeast Asian nations.

The convening of this International Roundtable is indeed timely. It comes less than two weeks after the historic signing in Paris of the Cambodian peace agreement. We are meeting in the midst of unprecedented political changes stemming from the end of Cold War and rapprochement among major powers. This Roundtable also comes right after the historic visit of the Vietnamese Prime Minister to several ASEAN countries. Such a goodwill visit, the first time in the past decade by a Vietnamese leader, augurs well for a promising future of Southeast Asia.

The major task ahead of us now is to devise ways of ensuring that such positive development would be maintained so that it would lead to a lasting peace for Southeast Asia. The focus and timing of this International Roundtable thus make its conclusions all the more important.

Political equation today changes very rapidly. It makes traditional concepts of security outmoded. The significance of the political and military components have declined, while the economic element has assumed far greater prominence. Socialist governments are now taking steps to embrace

free market philosophy. Other governments are rethinking security needs. They are now more concerned with the livelihood of their people. The post-Cold War era in Southeast Asia is characterised by lessening tension and heightening cooperation.

Such a positive outlook should enhance regional peace and harmony. It is my hope to see Southeast Asia reach a stage where the economies of all the states in the region are interdependent through various forms of cooperation. Through better understanding and greater cooperation between regional states, peace and harmony can thus be enhanced. It is also my hope that ultimately peoples in the region will all enjoy freedom, liberty, social justice and a decent standard of living and that their governments will be responsive to their will and needs.

As a preliminary step, Thailand is determined to do its part to contribute towards an environment conducive to peace and prosperity. We seek to strengthen cooperation in all fields with our immediate neighbours. Our objective is clear. We wish to act as a bridge to enable them to cross and share together the prosperity and well-being which the Southeast Asian region has in store. This region is well-endowed with resources and the pie is certainly more than large enough for all of us.

A peaceful Cambodia is a prerequisite to the building of peace, stability and prosperity in Southeast Asia. May I stress that the peace agreement signed on 23 October in Paris means that the actual journey towards a lasting peace has just begun. Our resolve to achieve a durable peace must therefore be stronger than ever before. All parties concerned must render fullest support to the United Nations' peace plan.

Following the restoration of peace in Cambodia, what would be an appropriate regional security arrangement that would sustain peace and stability and enhance future prosperity? Such an arrangement must first of all be acceptable to all countries in the region. To me, it is found in the ASEAN Treaty of Amity and Cooperation in Southeast Asia. It spells out an approach for peaceful and cooperative relations among nations in the region. It is gratifying to note that Vietnam has formally informed ASEAN of its wish to accede to the ASEAN Treaty of Amity and Cooperation in Southeast Asia.

Since its inception in 1967, ASEAN has played an important role in the promotion of regional peace and stability. ASEAN was conceived in Bangkok by Southeast Asians for Southeast Asia. One of its Founding Fathers, Dr. Thanat Khoman, a respected statesman of Thailand, is sitting right here with us today and will be guiding the deliberations of this Roundtable to a successful conclusion.

Over the years, ASEAN is cited as one of the most successful regional groupings. Its cohesiveness and leadership role in finding a comprehensive political settlement in Cambodia have been fully recognised. That was the challenge ASEAN took up well in the past. For ASEAN to remain a strong and relevant vehicle for regional stability and prosperity, it must collectively take bold initiatives to gear itself to the challenge that lies ahead. I submit that such challenge is in fact economic competition and disparity as well as social injustice which may in turn pose a far greater threat to regional security than any other form.

While the future of the Uruguay Round remains uncertain, development in Europe and North America points to a definite direction. To safeguard its own interests, ASEAN too must take a definite and new direction in its economic cooperation. Such action would enhance ASEAN's own credibility, restore confidence and generate further interests from ASEAN's trading partners. ASEAN must therefore intensify its economic cooperation that would clearly produce tangible results such as the realization of an ASEAN free trade area by the beginning of the next century. ASEAN's increased economic strength together with its efforts to extend cooperation to the rest of Southeast Asia would certainly guarantee a lasting peace and shared prosperity for all.

The discussions and conclusions of this International Roundtable as well as the Manila Semi-

nar should form an important set of recommendations for the consideration of ASEAN governments. Your thoughts and visions will help shape the future direction of Southeast Asia. I myself look forward to learning more from all of you.

I now have the honour to declare open this International Roundtable on “ Prospects for Regional Security Cooperation in Southeast Asia in the 1990s ”. I wish you every success in your deliberations. I also wish all the distinguished visitors a pleasant stay in Thailand.

Thank you.

# KEYNOTE SPEECH

## THE REGION : THE NEW PROPELLANT

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HON. RAUL S. MANGLAPUS

*Secretary of Foreign Affairs of the Philippines*

It is an honor for me and a felicitous quick replay of history, as it were, that I should find myself again in the same hall this morning with His Excellency, Mr. Arsa Sarasin, the Foreign Minister of the Kingdom of Thailand. Only last week, Mr. Sarasin and I, along with more than a dozen foreign ministers, were together in Paris for a ceremony which pleased the world. It was the signing of an agreement on Cambodia, the end of a process which had begun with informal meetings in Jakarta.

The process that we continue today also began in Jakarta. It was in that fair capital of the Republic of Indonesia where the assembled foreign ministers of the Association of Southeast Asian Nations agreed to our proposal that it was time for ASEAN to complete our control of our own regional destiny, to begin a dialogue on our problems of security.

That was July 1990. The Cold War had, albeit perhaps unofficially, come to an end but only a week after that Jakarta meeting the Middle East was to explode into a military crisis. The Philippines was just beginning to talk with the United States about the American military presence in our country while Singapore was about to conclude its own negotiations to grant naval and air access to the United States.

### **SECURITY DIALOGUE: MODALITY FOR PEACE**

It was the Government of Thailand that took the initiative to invite the Philippines to co-sponsor a series of seminars to implement the Jakarta ministerial decision for a dialogue on security. The first one took place in Manila last June.

It was felicitous that only the month before that event the United Nations Disarmament Commission meeting in New York had produced a Chairman's paper which recognized "regional consultative forums on security" as modalities for peace. That enabled us more readily to parry any attempt to label our effort at dialogue as a militant, hostile act, a call to arms, a summons for the collective erection of ramparts against a discerned, or perhaps even fancied, potential aggressor.

Let it be reiterated that this dialogue is a move for peace. It is an endeavor by ASEAN to



solidify its position to meet the challenge of its new peaceful but complex relations with other nations and regions of the globe.

The political image of ASEAN may now be properly regarded as unitary and secure. Various proposed formulae for our economic solidarity are also now in the furnace of most serious deliberation and getting ready for forging.

It is in the substance of security that ASEAN has not yet begun its own integration. On the level of defense ministries and armed forces, ASEAN security cooperation has reached a fairly sophisticated intensity. Joint exercises are no longer uncommon. In the matter of military relations with outside powers, particularly with the United States, the ASEAN countries have not spoken in unison although their attitudes may bear striking similarity with each other. Singapore, Malaysia and Thailand have each their own military access arrangements with the United States. The Sultan of Brunei has been publicly quoted as favoring the continued American military presence in the region. And respected voices from Indonesia, particularly those coming from the Jakarta based Center for Strategic and International Studies, have been heard to take an identical position.

## **U.S. - PHILIPPINE TREATY REJECTED**

Since our last session in Manila in June, however, a significant development has taken place with reference to Philippine military relations with the United States. The treaty which I myself had occasion to negotiate and sign with that country and which would have allowed the continuation of the U.S. naval base in Subic for ten more years, was rejected by the Philippine Senate.

The Philippines and the United States are now negotiating a compromise arrangement, to which our Senate appears to be agreeable, whereby the U.S. would have three years within which to withdraw from Subic. This means the withdrawal period would extend beyond the term of our present Aquino government, which expires in June of next year. I should, perhaps, also mention here that a move to gather the signatures of ten per cent of the registered voters of the country for a national referendum on the issue, initiated by Mayor Richard Gordon of the city of Olongapo, to which the naval base is adjacent, has apparently resulted in an initial overwhelming number of signatures in Olongapo itself and Mayor Gordon appears to be planning to continue his campaign throughout the country.

## **SUBIC FOR THE REGION?**

When the Philippines negotiated this treaty with the United States we had in mind the role of the U.S. military presence in the stability of the region. President Aquino, in December of 1987, reminded the ASEAN heads of government of this role, when she told them during the Summit in Manila that the Philippines appeared to deserve to be credited for hosting the facilities that were protecting the air and sea lanes benefitting the countries of Southeast and Northeast Asia.

Since President Aquino made that statement, ASEAN heads of government have made their own attesting declarations and, in fact, some have entered into their own access arrangements with the United States. But the lack of a formal consensus in the region did not make it possible for us to put forth this high moral argument forcefully during our Senate proceedings on ratification.

In any case, the prospect of a U.S. withdrawal from Subic, its most important naval and air presence in the region, now lends a more pressing urgency for the successful conclusion of our dialogue.

## **REGION MUST DECIDE**

Indeed, it is the region that must decide on what to do with its security, not some outside military power. As I recalled in my remarks last June, President Bush himself, in his Gulf War victory

speech, said as much about the Middle East, where, he said, the U.S. was ready to help, but the countries of the region must make their own basic decisions on regional security. That is happening right at this moment. Kuwait is asking for U.S. and British bases. Saudi Arabia is asking for help to enlarge its own forces. But the region will have to sit down and make up its own mind about a regional defense arrangement.

The same thing is happening in Europe. In the new unipolar world, where only one power is left to take on the responsibilities of keeping peace in the planet, the European countries must still first confer, whether within NATO or the CSCE, to arrive at their own strategy and their common relations with that power.

I am not aware of any more possibilities elsewhere of more ASEAN dialogue on security before we go with our recommendations to the summit in Singapore in January. We must make Bangkok count. We must not allow fears of rebuke or suspicion to overcome us. Let us once more tell the world - we are not here to plot against some ghostly enemy. We are here to speak of how to resolve our own regional differences and how to stand solid on our own security.

## **THE NEW PROPELLANT**

Even during the Cold War there was a rising new reality in the world of geopolitics - not nationalism but regionalism. The end of the Cold War has transformed that reality from a passive development to a powerful new geopolitical propellant for progress and for peace. Europe will be one. The Middle East is awakening to the virtues of oneness. The United States has its own strategy for oneness with its neighbors beginning with Canada and Mexico in one North American Free Trade Alliance. Japan, the economic giant, is reaching out fearing to be lonely without some regional companionship.

ASEAN is here, already of a universally acclaimed regional political stature, soon to reach economic integration. Let us not throw this historic, authentic reality by neglecting to give it a solid base of security.

Let us complete this dialogue, this modality for peace.



# ADDRESS

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H. E. MR. ANAND PANYARACHUN

*Prime Minister of Thailand*

His Excellency Dr. Thanat Khoman,  
Excellencies,  
Distinguished Participants,  
Ladies and Gentlemen,

First of all, I wish to extend a warm welcome to Thailand to all the distinguished participants who have travelled from their respective countries to attend this Roundtable Conference. We are honoured to have this opportunity to host this important meeting especially because the issues that you will be discussing and pondering over are issues that bear upon the future of Southeast Asia in this decade and beyond.

This meeting, and the previous one in Manila, come at a crucial juncture when major developments and changes are taking place in our region and in other parts of the world. Indeed, the kind of constructive dialogue on regional security issues that this Roundtable Conference is seeking to promote is in itself a reflection of the new trends in international relations.

That the world has undergone a dramatic transformation is evident to us all. There is no need for me to dwell on the sweeping changes that have taken place from one region to another. For we all have witnessed these profound changes as they have unfolded and have felt their impact as well. The on-going process of change has been so rapid in pace and so extensive in scope that we are still trying to come to grips with their implications for our nations, our respective regions and for the world at large. Although the Old Order has been torn down, we are still not very clear about the shape of things to come.

But what is clear is that we are now presented with an entirely new scene, new circumstances and a new set of challenges as well as opportunities. Many of the old concepts, ideologies and assumptions which once dictated the domestic and foreign policies of nations are no longer valid and have been revised or discarded. Some of the old dogmas and preconceptions have also been cast aside. Na-

tions are now in the process of reordering their priorities and readjustments of relations.

The changing times do indeed call for new thinking, new approaches and new attitudes on the part of all nations.

Most apparent of all is that the concept of security itself is now being redefined in a deeper and broader sense. It stems from the recognition of the realities of an interdependent world in which the interests and future of nations are intertwined. It stems also from the increasing importance attached to economic imperatives. The fact is that we must now conceive the requirements of our national security from a wider perspective and not just in military or strategic terms. Military might alone is no longer an adequate guarantee of national security.

For the lesson we have learnt is that no nation can profit from attempting to seek security through forces of arms. No nation can seek absolute security at the expense of the security of other nations. And no nation can feel secure as long as its citizens are deprived of the freedom of political expression and of the opportunities for a better and more meaningful life.

I firmly believe that, in the final analysis, real security must derive from the maximization of a nation's inner strength. This concept of real security, born of a nation's inner strength, that I speak of comprises a number of components, each of which is important and all of which are mutually-reinforcing.

Naturally, military strength is still a vital component. And no doubt, we must have a strong defense sufficient to deter the perceived external threat. But it is now evident that the sources and form of threat to our security from the outside have changed, the assumptions on which we base our military planning must also be adjusted accordingly. The need to modernize our military capabilities must also be consistent with the prevailing trends towards global shifts of power, arms reductions, peaceful relations and cooperation.

But, most profoundly, what the events that have transformed the world have brought home to us with great force of clarity is that our inner strength -- our real security -- must be rooted in the promotion of economic development for the well-being of the people; in the creation of a just and harmonious society in which all segments of the populace benefit from economic prosperity and strive together in attaining social justice.

These increasingly vital socio-economic components of security cannot be achieved unless we possess another key component -- an honest and efficient government that answers to the will of the people; government that is responsive to the needs of the people; and a government that endeavours to minimize and effectively reduce the disparities, inequalities and injustices that exist in society. And above all, a government that abides by the democratic rule.

I can thus only hope, as I am sure we all do, that in the post - Cold War era marked by a significant lessening of political tensions among nations, we are able to reap the full dividend of a peaceful environment to advance the goal of real security at home and in our region. For, indeed, we now have an unprecedented opportunity to channel our joint efforts, creative energy and resources in order to invest in the instruments of peace and prosperity rather than the instruments of conflict and war. And that is precisely the challenge that we, the nations of Southeast Asia, must now tackle together.

With the signing of the Cambodia peace agreement, a conflict which for over a decade had pitted nations of the region against one another has come to an end. For the first time since the end of World War II, Southeast Asia has entered a new era -- an era which holds out the promise of peace and cooperation for the whole region. It is imperative that we seize this window of opportunity to work together to ensure that peace is not merely the absence of conflict but also brings with it tangible dividends for all our nations.

As is the case with our own respective societies, real peace and security require reliance on and building upon the inner strengths of our region. The first step in this endeavour is the promotion of an environment of peaceful coexistence and constructive cooperation. And this can only begin with putting the past behind us. We must no longer engage in the politics of ideological camps and blocs. In the past, the nations of region sought their security apart from one another. There was a climate of mutual mistrust and suspicion between opposing countries in the region. A divided Southeast Asia is a Southeast Asia which is vulnerable to instability from within and without. Let us now think in terms of seeking our security and well-being together in common destiny and prosperity.

The on-going process of confidence building and reconciliation has taken a major step forward with the decision of Vietnam to formally apply to adhere the Treaty of Amity and Cooperation in Southeast Asia, to which all the ASEAN countries are already signatories. This is to be welcomed and I should hope that soon the rest of the countries in the region -- Laos, Cambodia and Myanmar -- will also accede to the Treaty as it provides what I would call a code of conduct for peaceful relations in Southeast Asia. It could be considered as the initial building block towards the reintegration of these countries into a united family of Southeast Asian nations.

As we look ahead, the region's inner strength -- the basis of real peace and security -- lies in its immense economic potentials which could be optimised through the forging of closer economic and trade linkages. Economic developments should thus become the rallying point for regional cooperation. The more we forge such interlocking web of mutually-beneficial ties, the more we can be assured of a long and lasting peace. The strengthening of regional economic cooperation will lead to the greater influx of trade and investment, both capital and technology, into the region, enabling us to meet the challenge of growing economic cooperation in the world. This is the objective of the proposal for the creation of an ASEAN Free Trade Area within the next 15 years. An economically stronger ASEAN would also put it in a better position to help spread the benefits of economic development to the rest of Southeast Asia.

Already, the trend is working towards the gradual expansion of trade and economic ties with the non-ASEAN countries of Vietnam, Laos and Cambodia. The promotion of such new and productive links with these three countries of Indochina should be given further impetus as it would pave the way for their constructive participation in the mainstream of the regional and world economy. We also hold out the hope that one day Myanmar will be a part of this process so that it could play its rightful role in the future of Southeast Asia.

I believe that all these positive developments, at the regional and bilateral level --- the trends towards peace and cooperation, strengthening of ASEAN economic partnership and the forging of better and stronger ties with the non-ASEAN countries in the region--, should all lead to increasing the region's sense of interdependence, shared interests and dynamism which shall provide for a stronger fabric of peace and security in Southeast Asia. As we the nations of Southeast Asia look to the future, Let us do so with hope and confidence that the future is what we make of it. And so if we are prepared to work together as a community of nations, the future can be ours. For indeed, a new Southeast Asia is in the making-- a Southeast Asia in which real peace and security are derived from the inner strength of each nation and the region as a whole.

# PROSPECTS FOR REGIONAL SECURITY COOPERATION IN SOUTHEAST ASIA IN THE 1990's :

## ISSUES FRAMEWORK

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SARASIN VIRAPHOL

*Ambassador of Thailand to the Philippines*

### 1. GENERAL

1.1 Is the post-Cold War era in East Asia characterized by lowering tension and heightening cooperation? Or, as some would put it, the so-called new order can well be another “ interventionist ” era of a different nature?

1.2 Will the inter-relationships of various actors in East Asia be radically transformed when the region seems to be moving towards multipolarity? The relationship between the United States and the Soviet Union is undergoing fundamental changes. Japan's clout seems to be on the increase given ubiquitous economic influence it is spreading in the region which in turn affects Tokyo's outlooks for Moscow and Washington. China's political status in East Asia is increasingly conditioned by its growing economic integration with the region. Regional players such as the NIE's are poised to assume a greater political role. What role should ASEAN play in an environment where the Southeast Asian nations increasingly assume charge of their own destiny?

1.3 Is there a new agenda of priority issues emerging to supplant the old problems of power rivalry and conflict, communism vs. capitalism ( as systems and ideologies ), namely: rapid economic development; socio-political changes involving population growth, generational and leadership changes, income distribution and urban/rural dichotomies; continued widespread poverty; a new wave of nationalism; environmental concern; intensification of conflict over resources and territory, etc.? As we are increasingly caught up with the so-called global village syndrome, can we start to talk about problems of “ regional concern ” --such as human rights and environmental protection?

1.4 Trends of the 1990's: opportunities for a functional regionalism with the breakup of the decades-old barrier between the communist and capitalist worlds owing primarily to economic imperatives; opportunity for pursuit of new bold ideas and experiments of cooperation; opportunities for political pluralism and more dynamic trade and investment?

1.5 Possible dangers in the new era: protectionism and economic bloc formation--a breakdown in the international free trade regime; conflicts over resources and territory; resurgence of narrow nationalis-



tic ideas and schemes; forfeiture of responsibilities by the well-to-do states for the less-capable ones.

1.6 Is the region too "heterogenous" for a formal regional arrangement as asserted by some? How feasible is the proposal for a regionwide caucus or forum to discuss issues of common concern?

1.7 Should we be concerned with how to maintain the region's dynamism and ensure stability and prosperity for all the regional states in order to help realize the much-heralded Pacific Century? What "sacrifices" should be made to achieve this goal by the individual states?

1.8 Is the choice before us one between bold initiatives and cautious approaches in our endeavor to realize the common well-being for the region? Are the various changes unfolding before us sufficiently "revolutionary" or "fundamental" to form a viable basis for imaginative and radical change? Is the current trend completely favorable for the reformists and the advocates of fundamental change?

1.9 Admittedly, it is difficult to coordinate economic policies among countries in varying stages of development and even different phases of business cycle, which is the current situation in the region. The complementaries question aside, the temporary failure in the GATT negotiations is a demonstration of a significant trend of the present world trading system towards protectionist policies and preferred bilateral arrangements. Nevertheless, the post-Cold War era opens up a genuine prospect in the region for serious cooperative endeavors. In this respect, it may be that as countries draw closer due to technological development and economic imperatives, they invariably become more conscious of the need to coordinate and cooperate. In the final analysis, if countries can overcome structural problems and genuinely cooperate, this will create the necessary condition for greater economic participation -- in trade, investment and other economic activities -- with one another. For countries to enjoy mutual confidence it is essential for them to have a credible image of one or another.

## **2. POLITICAL DIMENSIONS OF SECURITY COOPERATION**

2.1 Geo-economic imperatives are the principal motive for the manifestation of "political will" among regional countries hitherto separated by ideological-political division. In the new regional order, it is increasingly popular to refer to the notion of shaping what hopefully will turn out to be a commonly agreed political mindset or even agenda. Developments over the Korean and Cambodian situations are illustrations. The just-concluded fourth prime ministerial meeting in Pyongyang between Seoul and Pyongyang made a far-reaching agreement concerning a single comprehensive accord to be concluded that would cover various issues such as reconciliation, non-aggression, cessation of terrorism, exchange of visits and so forth. After long-drawn negotiations, it is remarkable that after years of frustrated attempts both North and South Korea could in one stroke agree to take such a bold step forward. Likewise, the one-time seemingly endless peace effort over Cambodia all of a sudden made unexpected progress and a series of agreements on paper could be reached all at once. Hence, the once elusive peace for Korea and Cambodia seems now to be within grasp.

2.2 With its enhanced status as the only real superpower, would Washington consciously search for a regional political scheme to realize the US's traditional goal of promoting free trade, investment and democratic ideals in the region? With the long-drawn battle against communism practically over and with East Asia having achieved considerable stability and progress, would Washington draw down in the region while paying greater attention to Eastern Europe, the Soviet Union and the Middle East? What kind and what level of political influence and presence would Washington exert in the region?

2.3 Is there a basis to review the security cooperation framework which has sustained the regional arrangement since the end of the second world war? For example, the US-Japanese alliance has been predicated on the assumption of a veritable Soviet (communist) menace. Is the traditional rationale of the Washington-Tokyo "axis" still valid in the post-Cold War era given the amelioration

of the Soviet threat against US security interests? Does Washington still insist on an enhanced Japanese political and defense posture as part of the "burden-sharing" rationale, given the fact that such a posture could ultimately enhance Japanese influence in the region and work against the traditional US concern of keeping the Western Pacific Rim free of hegemonist powers, as well as the fact that Tokyo and Moscow are becoming engaged in a dialogue to settle their political differences? Furthermore, is Washington sensitive about the perceptions of different regional partners including ASEAN, when it seems relentlessly hounding those who in its view do not conform with its own expectations -- political, economic or otherwise? Does Washington have a coherent political cooperative agenda involving its regional allies and friends?

2.4 Is it desirable to have a common regional framework to serve as the region's security cooperation forum? A number of proposals have been mooted ranging from Australia's CSC-A (conference on security cooperation -- Asia which is modelled after the proposal of a conference on security cooperation in Europe known otherwise as the Helsinki Conference) to ASEAN's Zone of Peace, Freedom and Neutrality (1971) and more lately "Nuclear Weapons Free Zone" or NWFZ? Have the US's relations with China of late become "politicized" in the context of a gamut of issues ranging from unfair trade practices and trade imbalance, intellectual property violation, trade sanctions under Section 301 of the 1974 Trade Act, human rights violation, arms exports, and Tibet?

2.5 With the dwindling Soviet threat, talk of retrenchment in Washington's security commitment, growing bilateral trade friction, and Tokyo's increasing economic and political assertion on the region (including detente with and economic influence over the Soviet Union), is Japan still firmly tied to the United States in a skewed partnership? Is Japan still psychologically dependent on the United States when unconsciously or otherwise? As Japan's economic role in the region grows, should its political involvement also be enhanced commensurate with its economic stature and influence? In this respect, should Japan feel less psychologically dependent of Washington and think less of itself as being identified with the West? Tokyo is increasingly striking off on its own in the region -- especially when there is a common regional "grievance" against Washington's strong-arm tactics over dichotomous trade relations? Is Japan's growing politico-economic posture a bane or a blessing for the region? What should be a "proper" reaction to Japan's proposal for political consultative dialogue among ASEAN and its dialogue partners pertaining especially to security cooperation? How should Tokyo properly project its new-found politico-economic asset? What lessons have been learned from Japan's Gulf War involvement -- cash contribution, commitments under the UN context involving the minesweeping operations and contemplation of the dispatch of peace-keeping forces (the aborted UN Peace Cooperation Bill), Japanese ambivalence?

2.6 The signing of various accords among the Cambodian factions at Paris on October 23, 1991 represents a significant stride in the international effort for a political settlement of the Cambodian problem. There are both hope and apprehension concerning the actual implementation and realization of the different agreements reached, particularly the fear of a return to power by the Khmer Rouge. Apart from the roles assigned to the UN and the respective Cambodian factions, is there any specific role ASEAN, as a principal force behind the international effort and as a party whose security and other (especially as pertaining to relations with Indochina) interests are directly affected by the outcome of the Cambodian problem, can undertake to ensure the actualization of the peace process leading up to the self-determination of the Cambodian people?

2.7 With rapid changes around, is it essential for ASEAN to undergo a self-examination process regarding its political cooperation? Is there need to review its consensus-building or *mushawara* philosophy in an effort to strengthen its cooperation? Are some of the advocacies of the seventies



and eighties such as the ZOPFAN and SEANWFZ still valid, or do they need to be qualified in view of the unfolding drastic changes in the region? For instance, ASEAN used to be concerned about the intensification of superpower rivalry back in the 1970's and 1980's because of its adverse impact on regional security. In the 1990's ASEAN is perhaps concerned that with Moscow in retreat and Washington seemingly going through what amounts to a process of retrenchment, a possibility is looming that a power " vacuum " might come into existence and is filled by other powers. Should there also be a reexamination of ASEAN's Treaty of Amity and Cooperation and ASEAN Concord which set a political parameter of ASEAN's relations with its neighbors as well as those which are intra-ASEAN? Are the existing ASEAN political consultative processes of ASEANSOM, AMM as well as PMC, of optimal efficiency? How should ASEAN treat its formal relationship with China and the Soviet Union -- as dialogue partners involved in the PMC process? Should the Indochinese states accede to the Treaty of Amity and Cooperation and apply for membership in ASEAN? How should ASEAN regard its role in security cooperation in light of the political changes? How can intra-ASEAN political cooperation be strengthened and optimized? Should ASEAN act more collectively in political issues -- notwithstanding the winding down of the Cambodian problem which has previously provided the mainstay of ASEAN's political cooperation substantially -- such as the ongoing sovereignty dispute over the South China Sea? Should ASEAN seriously examine the Japanese proposal for a political consultative process involving all of ASEAN's dialogue partners? Or should ASEAN regard any political cooperative arrangement to fall in the purview of bilateral relations of the respective member states? How should ASEAN pursue its " constructive engagement " policy vis-a-vis Myanmar? Individually, what " constructive " measures can the ASEAN states undertake with Myanmar with a view to helping end the present anomalous state threatening the regional political stability? What can ASEAN do, including the possibility of extending memberships to the Indochinese states, to bring Indochina into the region's political mainstream? To what extent can the ASEAN states participate and benefit in the reconciliation of various protagonists in the Third Indochina War? Should ASEAN make it its priority to engage in a political dialogue and cooperation with the countries of Indochina?

2.8 To what extent is the notion of an Indochina Federation still valid? Vietnamese Premier Vo Van Kiet has reiterated the Vietnamese Communist Party's determination to continue monopolize political power in Vietnam, though he has also admitted that Cambodia is presently experimenting with a multiparty political system with the establishment of an four-party interim authority ( the Supreme National Council ) and the changing of the Hanoi-backed party which governs Phnom Penh into a non-communist party. What is the significance of the recent change of political identity of the ruling party of Phnom Penh on the Indochinese communist movement as a whole? Is Cambodia on the verge of transforming into a market economy and a multiparty system? Is Vietnam seriously prioritizing its intended move to join ASEAN? Premier Kiet has declared Vietnam's primary objective in developing peaceful and mutually beneficial relations with the non-communist neighbors and has visited some of them. He has however been more circumspect about joining ASEAN, only saying that Vietnam finds ASEAN acceptable so long as it is non-confrontational, respects others' independence, promotes cooperation and that ASEAN contributes to regional security. How credible is the notion of solidarity among the Asian communist states particularly the possibility of a Beijing-Hanoi axis? With the Beijing-Hanoi rapprochement, what is the function of Bangkok as far as Beijing is concerned? To what extent is Thailand able to make the Indochinese states more pluralist and market-oriented?

2.9 Should ASEAN give priority to its role in actively promoting its own agenda for a regional political dialogue, rather than continuing to dismiss such an idea whenever it is proposed by others?



### 3. MILITARY DIMENSIONS IN SECURITY COOPERATION

3.1 What will Washington's new defense posture for the region be in the post-Cold War era, specifically as related to such issues as the US forward-deployment strategy, defense outlay in light of the huge balance of payment deficit; the "loss" of Subic; the withdrawal of airborne and land-based nuclear weapons from South Korea; a cutback in defense expenditures -- in the face of some 50 billion dollars having been spent on security in the region and the ballooning trade deficit of not less than 100 billion dollars -- with the regional countries led by Japan, etc.? What about the ever popular argument in Washington that the US ought to reduce its military presence in the region and encourage allies to beef up their own defense or to engage in some 'burden-sharing' scheme primarily involving cash outlays? According to the Pentagon's report to the US Congress in April 1990, up until 1995 there is to be an annual cutback of 12% in the US troop strength stationed in East Asia (some 135,000 in 1990). Should the rationale behind the existing US-Japan military alliance be subject to review in light of the recent changes -- the retreat of the Soviet threat against the United States and Japan, and the lessening of the North Korean threat against South Korea, as well as the scheduled reduction in the US military presence due primarily to growing financial burden? What new military posture would Tokyo assume with the receding Soviet threat, and at the same time, with the heightening of Japanese political profile in the region as a result of Tokyo's increased economic power and influence? Such developments are compelling Tokyo to think of an enhanced independent military posture -- perhaps one that changes from a defensive role to a more active projection of power. The pressure by Washington concerning a greater share of the military burden -- specifically a greater financial contribution and a Japanese force deployment within a one-thousand-mile radius, as well as involvement in the Gulf War in the form of support to the UN-sanctioned forces allayed against Iraq -- is compelling Tokyo to address the question of an eventual Japanese military role. The dispatch of minesweepers to the Persian Gulf, the contemplation of sending of military personnel to join peacekeeping forces abroad are manifestations of such a move. In addition, the prospect of playing a political role in the settlement of the Cambodian problem -- which would ultimately entail the dispatch of Japanese peacekeeping forces to Cambodia in addition to financial contributions for the rehabilitation of the ravaged country -- has fired the imagination of Tokyo conscious of a need for greater political involvement in regional affairs. With the prospect of a US withdrawal from the Philippines and the looming dispute over the sovereignty issue in the South China Sea which can threaten the vital sea lanes passing in the vicinity, Tokyo is increasingly aware of a possible military part to be played by Japan eventually in the region. Meanwhile a few other encouraging signs have emerged in the security situation of the Korean peninsula. The United States has announced its intention to pull out its airborne and land-based nuclear weapons from South Korea. North Korea has earlier stated its willingness to allow international inspection of its nuclear facilities provided the South would with verification be rid of nuclear weapons. Together with Cambodia, a settlement of the Korean question would mean the removal of another "hot spot" or flashpoint of conflict in the region that has been the legacy of the Cold War.

3.2 ASEAN's perceptions of the regional military situation take into account the overall relaxation of tensions brought about by the lessening of threats from Vietnam and the Soviet Union -- with Moscow apparently preparing to quit Cam Ranh Bay. At the same time, it is cognizant of the impending US withdrawal from the Philippines, the constraint on the US military budget which sees US military planners proposing a steady US cutback of forces up to 1995, and the strengthening of the Chinese navy although Beijing's foreign policy seems to stress cooperation with neighboring countries especially ASEAN. Regional countries are finding it necessary to acquire and protect gains which are derived from successful economic development. Such a situation calls for more attention and resource for defense development

and cooperation. What can ASEAN do to strengthen its defense cooperation? Should individual ASEAN state allocate more budget -- which should go to development -- for a stronger military posture? Where does ASEAN perceive its threats as coming from, and in what form? Can military concerns be answered by political and economic formulae or solutions? Is it still valid that a strong state requires a strong military?

3.3 What possibilities are there for the kind of cooperation with Japan as articulated by former PM Chatichai for joint naval exercise, and indirect Japanese assistance to ASEAN's defense modernization?

3.4 What should be the role for cooperation with the Soviet Union regarding the withdrawal of Soviet forces from Cam Ranh; assistance in the conversion of Soviet defense industries to civilian use?

3.5 How should military cooperation with the United States be maintained -- joint exercise and personnel training; deployment of carrier task forces in times of need; technology transfer and weapons co-production; use of facilities (Singapore, etc.)?

3.6 What should constitute intra-ASEAN military cooperation -- weapons standardization; exchange of military visits and information; joint facilities and weapons co-production; joint deployment of forces and joint exercises?

3.7 How feasible is it to propose mutual reductions of arms among the regional states as a confidence-building measure? Is the SEANWFZ a first step, bearing in mind the significance of the recent US announcement of its intention regarding the withdrawal of airborne and land-based nuclear weapons from South Korea?

3.8 What are some possibilities of cooperation with China -- Spratlys; local communist insurgency support and other forms of subversion, etc.?

3.9 Is it feasible to fashion a role for the military into general national and regional development -- i.e. to make military development part of the national security effort which involves other dimensions such as economic, social and political, and to make military more an integrated part of the society?

#### **4. ECONOMIC DIMENSIONS IN SECURITY COOPERATION**

4.1 Does one clearest manifestation of the so-called peace dividend lie in the opportunity to forge genuine regional economic cooperation notwithstanding the existence of relatively few complementarities among the regional states?

4.2 What contributions can international economic organizations such as the World Bank/IMF, ESCAP, ADB make in enhancing region-wide economic cooperation which is a crucial basis for regional peace and development? How much did the recently-held IMF/World Bank meeting divest from the region in development assistance on the account of attention given the Soviet Union?

4.3 While developments in Europe and North America would point to the growth of economic exclusivism, as is evidenced by the impending formation of the Single Europe, the union between EC and EFTA and the North American Free Trade Zone, yet East Asia is being "advised" not to resort to bloc formation since the region is supposedly too "heterogenous" and that it benefits from its "openness." Prime Minister Mahathir has been compelled to modify his EAEG to an EAEC. Most countries feel more "comfortable" with APEC. In the continuing reluctance of the West to move the GATT process along expeditiously, what should be the regional states proper response? Indeed, the region's dynamism in recent years has been derived from its export-oriented strategies in trade and its internal restructuring which indicates a readiness to develop a free and competitive market. But if the West resorts to the formation of exclusive economic blocs, while at the same time demands East

Asian countries to open up their markets, what is likely to be the outcome?

4.4 ASEAN has debated several economic cooperative models, which have been rationalized as “concentric circles,” namely, from the inner to outer rings: (1) growth triangle (2) ASEAN-sponsored AFTA and an ASEAN economic treaty (3) APEC (4) EAEG (EAEC). How complementary are they?

4.5 What is ASEAN’s vision for the East Asian region and that of its own role? Is ASEAN invariably proceeding along the path of greater liberalization in its economic setup?

4.6 What are ASEAN’s expectations concerning Japan’s growing participation in regional economic cooperation? ASEAN and Japan have worked out several economic cooperative proposals including the AJDF. What can be done to optimize the advantage derived from the closeness between Japan and ASEAN? What is the potential of Japan in inspiring the multilateral assistance initiative (MAI) which has been organized for the Philippines? What are Japan’s likely contributions to the development of growth triangles? What is to be expected of the Japanese participation in the rehabilitation of the Indochinese and perhaps Burmese economies? Specifically, Japan is expected to use its strong economic position to infuse funds, provide market and technology to raise the level of trade, investment and development perhaps with the objective of enhancing political stability and well-being for the region which impacts directly on the future of Japan itself.

4.7 How practicable is the idea of the growth triangle as applied to such subregions as Hong-kong/Macao-Taiwan-Southeast China, and Johore-Singapore-Bantam, and even Northern Thailand-Burma-Southwestern China?

4.8 What are the prospects of developing the Mekong river which accrues benefits for the littoral states of China, Laos, Burma, Cambodia, Vietnam and Thailand?

4.9 Is Vietnam’s economic reform likely to end up like that of China’s? Or is Vietnam more susceptible to the “corruptive” influences of capitalist countries? Premier Kiet has called for the return of overseas Vietnamese to help reconstruct the Motherland; he has further invited capitalist countries including Japan to invest in his country. Efforts are under way to speed up the normalization with Washington to allow for American infusion of funds and trade. Premier Kiet has also admitted that whatever economic model a country adopts is likely to impact on the political system of that country. Is it prophetic?

4.10 China under Deng Xiaoping has taken the route of economic reform through liberalizing the means of production in the countryside. It is experimenting with a limited form of market economy. The result has been the uplifting of the lot of the people through the release of their potentials, and a healthy export-led trade growth. The economic liberalization approach is being imitated by the Indochinese states and is being studied by North Korea. This phenomenon also provides the basis for cooperation with other regional market economies and helps in bringing the socialist countries into the region’s mainstream development. Obviously, the association of these socialist countries in APEC, growth triangles and other schemes through cooperation with the non-communist states will lessen the distinction between the different political groupings.

4.11 How much attention should be paid to and what strategies should be considered for developing the Soviet Far East and the Mongolian People’s Republic which are anxious to establish links with the capitalist world?

4.12 How much effect does the West’s preoccupation with the rehabilitation of Eastern Europe and the Soviet Union as well as the Middle East have on the continuing development of East Asia? Some opinion makers in the United States are insisting that East Asia is well off and hence should logically not receive as much attention as the more problematic regions of the world...Nevertheless, how much impact is there on regional cooperation?

4.13 There is a growing concern for “sustainable growth” in economic development strategies of the developing world which arises from the ruthless exploitation of resources in the name of progress. How much of such an advocacy for sustainable growth is actually a function of the perception of the West? What should be the proper approach adopted for determining the implications of such issues as environmental degradation; human deprivation -- including justice and equality, etc. Are there certain issues which should be universally addressed as the world community develops into a “global village”?



# CURRENT SITUATION IN EAST ASIA AND ITS IMPLICATIONS

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1. Significant change is taking place in the region albeit not as dramatic as that occurring in Eastern Europe--which invariably impacts on the region. If the breaching of the Berlin Wall in November 1989 dramatized the beginning of the end of communism in Eastern Europe, there is no comparable symbol evident in East Asia. The region's communist ( socialist ) regimes have remained, pursuing more accommodating and flexible policies vis-a-vis the non-communist states.

2. The East/West confrontation characterized by the Cold War dissipated due to the internal collapse of the Soviet system long held together by the monopoly of power by the communist party. The widening technology and development gap, nationalist, ethnic and religious aspirations, and the revolution of rising expectations, are crucial factors fueling the people's restiveness and discontentment against the communist regimes.

3. One of Mao Zedong's famous dicta of the Cultural Revolution genre was: " There's great disorder under the heaven, but the situation is excellent! " Ironically, the regional communist regimes are currently concerned about the prevailing international situation which essentially puts them on the defensive. They are being compelled to abandon their ideological pretensions for the more pragmatic alternative of economic imperatives. The Deng-initiated reforms have brought economic benefits but have compounded political problems. The Tiananmen Incident of June 1989 created for the Chinese authorities a major leadership crisis--as well as a moral dilemma especially for the reformists. The failure of communism in Eastern Europe and the Soviet Union poses a further political challenge to the Chinese communist party. The communist leaderships of Vietnam and North Korea are alarmed by the developments in the Eastern Bloc. The Chinese, Vietnamese and North Korean leaderships have gone to great lengths to reaffirm their adherence to the socialist principles and system in an effort to assert

their claim of political legitimacy. They have also endeavored to strengthen ties among themselves. Beijing and Hanoi have finally normalized their party and government ties after a decade of estrangement thus enabling the Kampuchean problem to move toward settlement. The recent visit of President Kim Il Sung to Beijing could be seen as a move by Pyongyang to shore up solidarity with China. Beijing is seen as moving ever closer to Seoul--with bilateral trade probably reaching \$5 billion this year--though the former may not yet be ready to extend diplomatic recognition to South Korea as did Moscow earlier. Kim's China visit was also partly to study the Chinese economic reform. (Pyongyang recently announced the establishment of an economic zone in the tri-border (China the Soviet Union and North Korea) area to promote foreign investment. Saddled with heavy financial burden which is due in part to the colossal military spending (some 22% of GNP as compared to the South's 6%), Pyongyang is anxious to cultivate economic partners particularly Japan and the United States. In this respect, Pyongyang has declared its readiness to allow international inspection of its incipient nuclear arms development project should existing US nuclear warheads (some 1000) be withdrawn from the South. (And, indeed, Washington has announced the intention to withdraw all its airborne and land-based nuclear weapons from South Korea.) Internally, the political situation in North Korea remains volatile as it is doubtful if the designated successor of Kim, his son Dear Leader Kim Jong Il, will enjoy a smooth and uneventful transfer of power.

4. Pressure resulting from the sizable reduction of Soviet aid and the phenomenal economic achievements of the region's non-communist states have compelled the communist regimes in Indochina to seek accommodation and even forge closer working relationships with the capitalist countries, thereby exposing themselves to undesired external influence. North Korea had no recourse but to follow South Korea in applying for separate UN memberships thus compromising its long-held position on eventual North-South unification. Faced with a faltering economy and increased diplomatic isolation, Pyongyang has entered into diplomatic negotiations with Tokyo (with the hope of obtaining the much needed assistance) and has kept up its formal contact with Seoul. North Korea yields to South Korea's pressure on the bilateral dialogue, with the impending resumption of talks at the level of the prime minister. In Cambodia, Vietnam has had to withdraw the bulk of its troops, and has following its detente with China further cooperated to facilitate the Cambodian settlement process. Deprived of Soviet assistance, the Hanoi leadership is positioning to deal increasingly with the capitalist countries and introduce more free market measures, in hopes to reviving the moribund economy. The Soviet Union, long desirous of massive Japanese economic assistance, is seriously contemplating a suitable solution--including a cash compensation arrangement--to the ownership question of the Kuril islands (Northern Territories) which would pave the way towards the full normalization of relations between the two countries with the conclusion of the long-delayed peace treaty. (To this end, Moscow, in an apparent response to the recent Japanese pledge to provide \$2.5 billion in emergency food and trade credit, has announced a cutback in the number of military personnel stationed on the Kuril islands as well as the further facilitation of visits by Japanese nationals to the disputed territory.) The Soviet Union is also scaling back its naval deployment in East Asia. The Soviet Union has established full diplomatic relations with South Korea despite the obvious North Korean pique, and bilateral trade and other economic relations are burgeoning. (Beijing has also developed substantial trade relations with Seoul and has exchanged trade offices.) The Soviet strategy calls for substantial participation by non-communist regional countries in the effort to develop the Russian Far East and Siberia. The People's Republic of Mongolia having lived for decades in Moscow's shadow wants to become identified with the economic development of East Asia. Vietnam, China and the Soviet Union wish to be formally associated with ASEAN--with Hanoi wanting full member-

ship. China has established diplomatic ties with all the six ASEAN countries, and has consistently backed their stand on regional political and economic endeavors.

5. It has shown flexibility in accepting membership within the Asia/Pacific Economic Cooperation (APEC)--having yielded to the "three-China" compromise which allows the simultaneous memberships of China, Taiwan and Hong Kong. It is trying to ensure a smooth transition of authority in Hong Kong by 1997. It has responded positively to the Thai proposal for a joint development of the Mekong River. Even in the dispute concerning the sovereignty of the Spratlys. Beijing has privately expressed readiness to avoid armed confrontation and to promote a pacific settlement--bolstered perhaps by the notion of a receding threat against China from the south. Moscow has responded positively to the planned departure of the US military from its Philippine bases by offering the likelihood of a similar Soviet withdrawal from Vietnam's Cam Ranh Bay. For the rest of Indochina, Laos is drawing closer economically to Thailand, while the Phnom Penh regime is seriously debating shredding its political identity with Marxism-Leninism and opting for a more nationalist one--partly to shore up its own credibility and acceptance at a time when national elections are scheduled to be held under UN supervision to establish a new government in accordance with the brokered peace accord.

6. In the meantime, the non-communist states in the region have continued to enjoy substantial economic success through market-command and export-driven strategies. The "flying-geese" pattern of development, namely the successive waves of spectacular economic growth experienced first by Japan in the 1960's, and continuing with the NIE's during the 1970's and followed by the Southeast Asian states of Thailand, Malaysia and Indonesia in the 1980's, underscores the widely-held projection that East Asia is the world's growth center. The significant structural changes taking place in the economies of these countries in the wake of the monumental Plaza Accord of 1985 have further contributed to their phenomenal growth particularly in the manufacturing sector--notably the double-digit growth of Thailand, Malaysia and Indonesia. Notwithstanding problems accompanying an overheated economy which these countries experience, the economic boom has strengthened political stability and created newly-found confidence. These countries are increasingly managing the course of regional affairs aided by the waning of the East/West confrontation and increased interaction with the regional communist states. The Cambodian conflict has ceased to be viewed as a manifestation of external power rivalry after former PM Chatichai Choonhavan enunciated his "from-battlefield-to-marketplace" strategy. More recently, the rather nonchalant reaction in the region to the rejection by the senate of the Philippines of a new draft treaty enabling US bases to remain in that country for another ten years is a further confirmation of the prevailing "relaxed" attitude towards security threats. The Thai government has also spoken of the priority of economic development over military strengthening in the context of assigning national funds. Thailand's hosting of the IMF/World Bank convention is a further testimony of the country's expressed priority commitment to economic development.

7. The *realpolitik* of the 1980's, when the major powers were playing the so-called China card, Soviet card, etc. is no more. The Gulf War and the impending disintegration of the Soviet Empire have made the United States the undisputed number-one power. It is pursuing a new policy agenda vis-a-vis Beijing and Moscow. Human rights concerns seem to figure significantly in policy decisions. Washington-Tokyo relations continue to focus on trade issues. This is tied in with the ballooning trade deficit (some \$15 billion) suffered by Washington in the bilateral trade. Nevertheless, the Bush administration has renewed the crucial most-favored-nation status for Beijing despite the objection of



the majority of Congress disturbed by Beijing's alleged violations of human rights and unfair trade practices. Elsewhere in the region, Washington relentlessly pursues steps aimed at forcing other trading partners to conform to a more "equitable" relationship code, particularly in areas concerning intellectual property and patent law. Washington is far from rushing into any normalization of relations with Hanoi, having opted for the so-called four-stage "road map". Washington's measured reaction to the Philippine decision on the bases is a further confirmation of a changed strategic outlook regarding the region—even though it denies any rethink of its decades-old forward defense strategy. There are growing signs of an apparent US retrenchment in the region in light of the continuing budget and balance of payment deficits, the waning of the Cold War and the increasing preoccupation with Eastern Europe and the Middle East. China, placed in a quandry and a disadvantaged position following the Tiananmen Incident, has been trying to maintain a normal relationship with the United States despite the latter's pressure tactics. Aside from trying to maintain "solidarity" with the remaining fellow communist states, Beijing is endeavoring to develop normal relations with the other states in the region. In spite of apprehension towards Tokyo especially with the latter's growing influence in the region and the prospect of the latter reverting to some semblance of a militarist posture, Beijing needs Tokyo more than ever for its own economic development. Conscious efforts continue with the enhancement of relations with ASEAN--now that diplomatic ties have been established with all the ASEAN states—for obvious strategic and economic reasons. Beijing continues to give importance to the development of the southeastern zone of the country adjoining Hong Kong and Macao and adjacent to Taiwan for obvious economic benefits and in anticipation of the impending takeover of Hong Kong and Macao in 1997 and 1999 respectively. Aware of Taipei's enhanced economic clout and its aspiration for a larger political role in the region, Beijing sees the need to increase economic interaction with Taiwan—especially in inducing investment in southeastern China—as it tries to curb Taiwanese political initiatives including any move towards the realization of an "independent" Taiwan. Japan seems in recent months to move closer to East Asia. Its economic dominance is increasing significantly in terms of investment, trade and assistance, as the countries in the region continue to develop their economies dependent of Japanese market and capital. Tokyo has also attempted to increase its political role in the region—with tacit support from most of the regional states—notably in the quest for a Cambodian political settlement and the deployment of Japanese military personnel and equipments in performing UN-sanctioned peace-keeping duties. Most recently, the Japanese emperor and empress made a historic visit to Thailand, Malaysia and Indonesia. This "peace journey" -- though the Philippines and Singapore, which were ravaged by the Japanese during the Second World War, were not on the itinerary--was another sign of Japan's increasing willingness to assume a political role. The warm official reception accorded by the authorities underlined these countries' acceptance of Japan's present position of dominance, while the absence of any "embarrassing" incidents during the imperial visit indicated the maturity and confidence of the Southeast Asian people in realistically dealing with a Japan transformed. Tokyo prudently side-steps the more explosive issue of a possible Japanese military posture which inevitably arises with the strengthening of the Japanese Self-Defense Forces and the growing debate in Japan about the need to review the relevant clauses in the Japanese constitution in accordance with the changed political status and responsibilities of Japan. Notwithstanding Washington's continued insistence that Tokyo assumed greater military responsibilities, it is already obvious to Tokyo that Japanese preponderance over the region is more effectively assured by a minimal military posture given the regional sensitivity towards anything resembling or indicating a revival of Japanese militarism.

8. Buoyed by the confidence in the so-called peace dividend of the post-Cold War era, the

smaller regional states seemingly welcome greater involvement by the major powers--the Soviet Union included--in the region which is seen as promoting regional stability through cooperation and even friendly competition ( a contrast from the early 1970's when ASEAN was advocating the withdrawal of external powers from Southeast Asia through the implementation of ZOPFAN. Active involvement by all states, be they large or small, seems like a reasonable advocacy for such regional states which have come to possess a greater degree of self-confidence about the region's future, especially through equitable and open interaction with all countries, large or small.

9. The increased attention to non-political issues particularly the emphasis on the economic well-being of the respective regional countries amply reflects the character of the new regional order. Cooperation is the central theme of region-wide dialogues. APEC, EAEC ( East Asian Economic Caucus; aka. East Asian Economic Grouping or EAEG ), growth triangles, are multilateral models of cooperation being proffered apart from intensified bilateral talks among the regional states. It seems there is no serious reservation expressed by any quarters, communist or non-communist. Meanwhile, attempts to get the regional states to discuss political cooperation have made little headway. Such proposals as the CSC-A ( Conference on Security Cooperation--Asia ) and the Soviet-initiated collective security arrangements are invariably rejected as unapplicable to Asia. It is generally rationalized that the East Asian political scene has been different from the Western one. Even at the height of the Cold War there was absent from East Asia a bipolar structure. The various communist regimes in the region were not under Moscow's monolithic control. In fact, in subsequent periods the region saw the falling out of these communist countries. Communist China was pursuing an active strategic alliance with the United States against the Soviet Union in the 1980's.

10. Economic development will provide the *raison d'être* for closer cooperation among the regional states. The continuing growth of the non-communist economies will ensure their dominant position in the regional affairs. The increased awareness among the ASEAN countries for more meaningful intra-ASEAN cooperation as well as developing closer economic ties with the others indicates the degree of their readiness to contribute to the stability and prosperity of the region as a whole. Such is a further manifestation of the resilience of the non-communist states in Southeast Asia. At the same time, Japan, South Korea and Taiwan are expanding their economic influence in the region through trade, investment and economic cooperation.

11. Notwithstanding such encouraging signs, efforts to maintain the momentum of regional economic development do face considerable challenge and difficulty. In the first place, East Asia is an expansive geographical and demographic entity comprising of countries in different stages of economic development and diverse political systems. Furthermore, while most countries readily agree economic liberalism is preferable and indeed several proposals have been mooted --including the proposal to transform ASEAN into a free trade zone presumably in fifteen years' time--to encourage genuine regional cooperation, most are not ready to abandon protectionist measures. In the meantime, Western countries are striving to forge what many fear will become economic blocs--notably in North America and Western Europe--to the apparent detriment of the GATT spirit of free trade. As the phenomenal success of the East Asian economies has been based on export-led and free-market-access strategies, such a development is perceived to be ominous for the future growth of such regional states and will stifle regional dynamism which is the basis for stability and prosperity.



12. There are a number of other questions and concerns which apply to various East Asian states as they progress towards the next millenium. First, a common problem for those states such as Thailand, Malaysia and Indonesia that have benefited from the economic boom of the past few years is how to maintain the dynamism of the capitalist model which has ensured the past successes. One is not talking solely about sustaining the growth through continued search for market and resources to meet the ever-growing demands of economic development now deemed as the panacea of a country's progress and well-being. It has to do also with coping with the emergence of problems from such phenomenal development which affect the long-term interests of the society and people. Notable are the questions of the growing dichotomy between the urban and rural sectors ( skewed development ), the widening income gap, the deteriorating quality of life as well as environmental degradation. There is also a host of other problems arising from an overheated economy--such as inflation--which is generally experienced by such rapidly developing economies. It has further been observed that there are certain political costs which accompany the rapid economic success attained by these developing countries. It is often pointed out that the development of rapid economic achievement in these countries comes at the expense of political freedom and democracy. The general consensus seems to be that such problems are best solved by enlightened measures carried out by an enlightened government with the collaboration of a responsive and responsible private sector. In other words, an awareness must be created concerning the collective effort needed to tackle the foregoing problems. Only when the majority of the populace acknowledges the benefit of such development can it be genuinely accepted. In the past, people who were disenfranchised in a free-wheeling capitalist system were attracted to communism because of its promises of quick remedy. Communism eventually failed as a system, but its ideals are not necessarily rejected--though it is proven that people in practice have shown their preference for a pluralist model of societal development over a monolithic one. As one scholar recently put it so aptly, the challenge for the developing states in Southeast Asia which have enjoyed the phenomenal economic success of the past few years is how to keep their capitalist model dynamic. This necessarily entails the requirement to develop a viable participatory political and economic arrangement wherein the majority of the people shall determine freely their own destiny.

13. As the various regional states strive to take advantage of the peace dividend, they are mindful of the need to develop regional stability and prosperity through collective endeavors. Japan and the United States are best poised to provide both economic and political leadership, with the tacit acknowledgement that the United States military capabilities will continue to underpin the existing stability. The role of China in ensuring peace and development in the region is also universally recognized, and hence a close collaborative relationship between Beijing and the other regional states is crucial. The Soviet Union on the other hand is likely to play a marginal role as it becomes increasingly preoccupied with internal problems including the likelihood of a split-up. Likewise, the Indochinese states are likely to go through a period of internal adjustment and dependency on capitalist states for development resources. The ASEAN states are in a position to further strengthen their own cooperation as well as forging friendly ties with the Indochinese states and Burma ( the latter through a so-called positive engagement approach ). Prospects for all such undertakings are never more promising as long as Thailand and other regional countries endeavor to develop advantages from an increasingly interdependent setting through confidence and consensus building. In this respect, there is a need to reorient the rationale of what constitutes defense security for the smaller countries of Southeast Asia. While a strong defense establishment for a country like Thailand remains absolutely essential in the post-Cold War era, its strength ought to be defined in a qualitative sense and in accordance with the requirements and conditions

of the day. With the threat of large-scale conflict receding, the need to maintain a full-scale military force is no longer apparent. Instead, there is talk about upgrading the quality of the military, and making the military's role supportive of national development--namely joining in making the country stronger and wealthier. The military can at the same time seek to engage in cooperative endeavors with its counterparts in the region which will indeed strengthen regional resilience and peace through conflict avoidance and the promotion of peaceful cooperation and even competition.

14. Southeast Asia has historically been perceived as a cockpit of external rivalry and conflict. There stands a good chance that it will develop over the next several years as one of the world's most dynamic and peaceful regions. This requires some of the regional states to put their own economic and political house in order. The slow pace of economic progress in the Philippines is an ongoing concern. The politically-charged situation in Myanmar will become increasingly externalized, fueled perhaps by the recent awarding of this year's Nobel Peace Prize to opposition leader Aung San Suu Kyi. In spite of the impending conclusion of the Cambodian peace accords, the Cambodian people continue to face a severe test to revive their political and economic well-being. Nevertheless, the opportunity to attain the commonly-desired goal of peace and stability appears more encouraging than ever before.

# AN ASEAN INITIATIVE FOR A NEW REGIONAL ORDER

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My task is to make a brief presentation of the ASEAN - ISIS' line of thinking on the question of regional order in Southeast Asia.

In the process of making this presentation, it is inevitable, given the human nature and also my own nature, that I will inject some of my own thoughts, ideas and emphases into the discussion. If I know my ASEAN - ISIS colleagues well, which I do, I am certain that most of these will not deviate too greatly from their own. In the instances that they do deviate, my ASEAN - ISIS colleagues also know me well enough to know that I will take full responsibility for such deviations.

If one examines the prevailing global and regional trends, one can say that a great deal of uncertainty lies ahead of us as the end of the twentieth century approaches. At the same time, one could also say that these trends mean that for the first time since the Second World War, Southeast Asia stands on the threshold of establishing region - wide peace and order. There may be many roads to region - wide peace and order and we, the ASEAN - ISIS, have no wish or inclination to monopolise the thinking in this regard. But we feel that efforts to create region - wide order must comprise five components as follows :

## **1. LINKAGE WITH THE ASIA - PACIFIC**

The efforts to establish Southeast Asian regional order must be related to the larger Asia - Pacific framework of conflict reduction and cooperation, not only because one needs to recognise the geographical and economic continuities and interdependence that exist in this area, but also because we need to find ways and means of ensuring that extra - regional, that is non - Southeast Asian, powers involvements in our region continue to be "constructive engagements." The proposal that the

ASEAN PMC be used as a mechanism for wide - ranging dialogues on security and cooperation, just explained by my colleague Mr. Jusuf Wanandi, is one way of relating the efforts to establish regional order in Southeast Asia to the questions of peace and security in the Asia - Pacific region as a whole.

## **2. PEACE IN CAMBODIA**

Peace in Cambodia is a *sine qua non* of regional order. The Paris peace agreement has been signed, but many obstacles remain on the road to the achievement of a just and durable peace in Cambodia. It is incumbent upon all regional states to cooperate to make the Paris peace agreement work.

## **3. STRENGTHENING OF REGIONAL MECHANISMS**

The scope and efficacy of the existing Southeast Asian regional mechanisms for confidence - building, conflict - reduction, and promoting cooperation must be increased. Non - ASEAN states should be encouraged to accede to the 1976 Treaty of Amity and Cooperation, and processes of constructive dialogues among all the signatory states in all issue - areas of common concern, established. Particular attention could be paid to “ non - traditional ” security issues, such as resources, the environment, piracy and transnational flows of population and illicit goods. Over the longer term, ASEAN memberships should be expanded to include all regional states, to make ASEAN a truly regional organisation, as intended by its founding fathers. The underlying assumption is, of course, that ASEAN represents the most appropriate framework and mechanism for creating regional order.

## **4. INCREASED ECONOMIC COOPERATION WITH NON - ASEAN STATES**

Efforts to establish region - wide order should include attempts to promote cooperation with the Indochinese countries in economic and technological fields, as greater economic linkages and common prosperity constitute an important underpinning of peace and security in the longer term.

## **5. STRENGTHENING OF ASEAN**

As ASEAN is to be the framework and mechanism for establishing region - wide order, every effort must be made to strengthen ASEAN as an organisation, a question which my colleague, Mr. Jawhar Hassan, will focus upon shortly.

What are the prospects of establishing a region - wide order in Southeast Asia?

Given the direction and the pace of changes taking place in the world and in Southeast Asia over the last few years, perhaps it is permissible to be cautiously optimistic about the prospects. But it seems to me — and here my ASEAN - ISIS colleagues may wish to dissociate themselves from my remarks—that over the next few years three factors will determine whether we can cross the threshold into a new era of peace and order.

One is the quality and the political will of regional leaderships.

The second is our ability to curb our own excesses, be it in the form of military spending, regional hegemonistic designs or economic opportunism.

And the last is the direction and the pace of the development of ASEAN as a regional organisation. Because of the importance of ASEAN to the establishment of region - wide order, the present ASEAN member countries cannot afford to rest on their collective laurels. No effort should be spared to make ASEAN an even stronger organisation.



# AN ASEAN INITIATIVE FOR A MULTILATERAL DIALOGUE ON POLITICAL - SECURITY DEVELOPMENT IN THE ASIA PACIFIC REGION

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## **1. WHY IS THERE THE NEED FOR A MULTILATERAL REGIONAL DIALOGUE ON POLITICAL - SECURITY DEVELOPMENT IN THE ASIA PACIFIC REGION?**

The four main reasons are :

( a ) With the end of the Cold War, fundamental changes are taking place in the international environment. These changes will soon have an impact on our region. Thus, there is need for a dialogue to cope with these changes, but no regional institution or forum is available as yet.

( b ) The mid-term outlook in the Asia-Pacific region is stable and dynamic, but there are many uncertainties in the longer term due to various factors : domestic development ( China? ); regional uncertainties ( major powers configuration ); regional conflicts and their solution ( Korean peninsula, Spratly, Taiwan, and even Cambodia ). In contrast, the mid-term outlook in Europe is messy but stability is more guaranteed in the longer term because of stronger existing regional institutions ( EC, NATO, WEU, CSCE ).

( c ) The economic development, dynamism and integration in the Asia - Pacific region are tremendous. This necessitates a parallel effort in the political and security field to support the economic dynamism of the region.

( d ) ZOPFAN is not yet realised and needs to be reformulated under the present changing circumstances. The first two goals of ZOPFAN, relating to ASEAN and Southeast Asia, have been successfully attained, but there is need to reformulate ASEAN's relations with the major powers. This should now be undertaken in the context of the entire Asia - Pacific region because Northeast Asia and the Southeast Asia have become integrated not only in the economic field but also in the political-security field. Thus, the role of the great powers in Southeast Asia has to be seen as part of their role in the Asia - Pacific region as a whole.

## **2. WHAT MECHANISM SHOULD BE USED TO START THE DIALOGUE?**

It is proposed that the ASEAN - PMC is the best mechanism to be used as a base to start the dialogue. The reasons are :

( a ) The ASEAN - PMC has already been used as a dialogue forum in the political - security field, such as on the issues of Cambodia, the Indochinese refugees, as well as Afghanistan, Namibia, South Africa and the Middle East.

( b ) The 12 members already represent Northeast Asia, Southeast Asia, Southwest Pacific, and Northeast Pacific.

( c ) China and the USSR already have become prospective dialogue partners of ASEAN.

( d ) APEC in the economic field and the ASEAN - PMC in the political - security field are both necessary. APEC cannot take up the political - security issues because it is still new and is still developing its format and institution. In addition, since its membership includes Taiwan ( and Hong - Kong ) it is not conducive for APEC to talk about political - security matters. In sum, APEC is still feeble and ASEAN is still reluctant to start a dialogue on political - security matters outside its own institution or processes.

## **3. HOW TO MAKE THE ASEAN - PMC A VIABLE FORUM FOR THE MULTILATERAL - REGIONAL DIALOGUE?**

A number of steps should be taken, but it is important that the process be *gradual* and *evolutionary*.

( a ) The format should be multilateral; the bilateral dialogues should be assigned to technical teams at the SOM level, separate from the political format of the Foreign Ministers.

( b ) The PMC, consisting of the 12 Asia - Pacific members, should be maintained, and the first day of the meeting should be confined to them. The second day will be the *ASEAN - PMC plus*, which could include the USSR, China, Vietnam and North Korea. In the future other participants can be invited in accordance with the agenda.

( c ) The agenda in the initial stage should focus on the basic changes that are taking place in the world and their impact on the region. It can also include a discussion on specific developments in the region such as on the Cambodia resolution and its follow - up among participants of the ASEAN - PMC plus; the issue of NPT in the region, including in the Korean Peninsula; and also on the Spratly islands, which have been informally discussed in two meetings in Indonesia.

( d ) The multilateral, regional dialogue should not preclude sub - regional, issue - oriented initiatives for dialogues, CBMs, or conflict resolutions ( e.g. Cambodia, the Korean Peninsula, Spratly ). The results of these sub - regional efforts can be reported at the ASEAN - PMC and the ASEAN - PMC plus for wider support, dissemination and information.

( e ) In the first instance, the agenda of the ASEAN - PMC plus could be prepared informally by a group of Sherpa's from ASEAN - PMC members.

( f ) How the process will develop in the future should be left open and should not be prejudiced at the start.

( g ) For an effective start of the dialogue, the coming ASEAN Summit in Singapore is hopefully to endorse this idea and to give it the highest of encouragement so that it becomes more credible.

( h ) On the question of EC participant, who is currently a member of the PMC, two possibilities can be proposed :

- ( 1 ) the EC can remain as a participant in the process with the rationale that however marginal, the UK ( Hong Kong and FPDA ) and France ( South Pacific territories and nuclear testing problems ) have a stake in the region. Also, the developments in Europe, including the process of CSCE, can be usefully studied, and finally, the impact of European and Asia - Pacific developments will be felt by the other side. Thus, EC participation could enrich the process;
- ( 2 ) the EC will no longer participate in the PMC because this forum will focus on political and security matters of the Asia - Pacific region.

The other reason is that for the next 10 years or so the EC will be pre - occupied with itself. The ASEAN - EC dialogue could substitute for their relationship with ASEAN in various fields and therefore, this bilateral forum should be up - graded.

# ASEAN — ISIS PROPOSAL RELATING TO CONSOLIDATION AND ENHANCEMENT OF ASEAN

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## **A ) REASONS WHY ASEAN NEEDS TO BE CONSOLIDATED AND ITS CAPABILITIES ENHANCED.**

1 ) Need to reinforce and enhance national resilience in member - states. Basic tenet of ASEAN and vital for ASEAN's resilience and success. National resilience will become even more important if other Southeast Asian states become part of the ASEAN process.

2 ) Need to preserve cohesion and vitality of ASEAN in a post - Cambodia scenario where the problem of Cambodia no longer unifies ASEAN.

3 ) Need to address regional politics and security in a global and regional environment which has been and continues to be dramatically altered :

- no division of Southeast Asia along ideological lines and on the Cambodian question
- no global bipolar power structure
- ascendancy of West led by the US and aggressive propagation of its values everywhere.
- perceived limits to real American commitment to security concerns of the region.
- probable rise of hegemonistic tendencies among neighbouring big powers in the future though not likely at present.
- declining relevance of military dimension
- new security concerns in non - conventional areas
- primacy of economics

- possibility of increased tensions and conflicts on bilateral and intra - regional planes — the South China Sea; continued unrest and instability in Cambodia even after political settlement.

4 ) Need to meet the economic challenge — geo - economics

- promote collective prosperity of all ASEAN states
- promote economic cooperation among ASEAN states
- promote economic cooperation and engagement of all Southeast Asian states
- reconstruction of Cambodia
- threats and constraints to free trade through blocs, protectionism, etc.

5 ) Need to overcome ASEAN's institutional weaknesses and inadequacies, which are the legacy of ASEAN's history and low ASEAN — centricity among member - states more concerned essentially with their respective national interests.

## **B ) ASEAN — ISIS PROPOSALS**

### **1 ) CONSOLIDATION AND ENHANCEMENT OF ASEAN'S POLITICAL AND INSTITUTIONAL STRUCTURE AND PROCESSES**

- Present level of collaboration is woefully inadequate. There needs to be greater commitment to regionalism and regional processes. There is a need to enhance the level of political consultation, collaboration and cooperation. It will help strengthen ASEAN unity and cohesion both for ASEAN's internal benefit as well as for the benefit of ASEAN's relations with major powers and other regional groupings — it will increase ASEAN's collective weight and influence of the relatively "small" ASEAN states.

- This means strengthening of ASEAN institutions and processes :

a ) ASEAN Summit Meetings

- more regular meetings, maybe every 2 years, minimal ceremony, just substance
- can be supplemented by ASEAN Informal Meeting involving Heads of Governments or their Representatives if they are not available.

- The Summit and the Informal Meetings among Heads of Governments will provide more regular and effective direction, approval and coordination of ASEAN policies, initiatives and programmes.

This will immediately galvanize ASEAN and give it greater symbolic as well as substantive credibility. It will ensure more regular consultation and understanding at the highest level.

b ) ASEAN Secretariat

- Efforts must be made to upgrade the Secretariat's role and functions to conform with the 1976 Agreement's original vision. The Agreement's provisions have not been fully and meaningfully implemented.

- The status of the Secretary General should be enhanced — Secretary General of ASEAN and not Secretary General of Secretariat.

- The Secretariat's and Secretary - General's roles should be enhanced — actually plan, initiate and coordinate ASEAN initiatives as provided for in the 1976 Agreement and not play a merely passive role. This is a critical point and involves the balance between nationalism and regionalism. The former must remain supreme, but there should be increased commitment to collective regional interests and processes, to ASEAN - centric approaches rather than just nation - centric approaches in a regional framework.



- Increased resource - support in terms of staffing and finance. At present only 14 directing and 38 support staffs ( total 52 ), and annual operating budget of US dollar 1.65 million. Should increase establishment and budget modestly and incrementally.

- Serious consideration should be given to all proposals of the 1982 Task Force on ASEAN Cooperation chaired by the then Ambassador Anand. Many of the recommendations of the Task Force are still useful: holding of regular Heads of Government Meetings; the establishment of a Council of Ministers to facilitate joint decision - making; and the establishment of a Committee of Permanent Representatives.

c ) The widest possible participation of all sectors in the ASEAN process — research institutes, business community, youth leaders, etc.

d ) Widen and deepen the ASEAN process in the political, security and defence spheres; I will return to this later,

e ) The ASEAN - PMC process should be strengthened — Jusuf Wanandi has already presented this very well.

## **2 ) CONSOLIDATION AND ENHANCEMENT OF ASEAN'S SECURITY INITIATIVES**

a ) The domestic dimension of security — national resilience of the ASEAN member - state. Socio - economic advancement and political stability as the basis of national resilience. Vital because most of the ASEAN states only became independent recently and are engaged in addressing critical issues of nation - building. Domestic security problems can spill across borders and destabilise ASEAN and its capacity to handle other security, political and economic issues.

b ) ASEAN must clearly conceptualise the wider interpretation given to security now and generate the appropriate mechanisms to administer the issues encompassed in this wider notion of security. Present conventional concept of security and conventional mechanisms need to be re - evaluated. Besides the military dimension and traditional tensions and conflicts, security questions now involve economic conflict and trade friction; environment; human rights; fatal contagious diseases; illicit drug trafficking; smuggling, including of firearms; and population flows and their consequential problems.

c ) ASEAN must build up intra - ASEAN confidence and transparency in view of the expected ( maybe already occurring ) resurgence of intra - ASEAN differences and tensions. This in fact was the original purpose of ASEAN, and it will become more important, not less so, in the future. Bilateral as well as ASEAN avenues, and formal as well as informal processes for reducing tension, resolving conflict, and enhancing confidence and understanding over old and new issues.

d ) ASEAN must play a positive role in the restoration of peace in Cambodia and in the reconstruction of that country — they are a security as well as economic imperative, and impinge directly upon vital ASEAN interests.

e ) ASEAN must sustain efforts to reduce the conflict potential in the South China Sea and foster peaceful and productive cooperation among all littoral states with conflicting claims in the area.



f ) ASEAN must address the issue of creating a balance of power and security with states outside the region. The power and security balance must be perceived in its wider sense, not just in the military or conventional security sense. Thus the balance is to be achieved not by military means as such, but rather by the comprehensive and constructive engagement of all outside powers in the region politically and economically, so that they develop a vested and common interest in the peace, security and prosperity of the region. Defence and security cooperation is important, but it is only a small part of this enterprise. Existing concepts, including ZOPFAN, need to be re-addressed. A larger UN role should also be explored.

g ) The ASEAN states can build up their individual and collective military capabilities — it is their legitimate right — but they should endeavour to do this in a more transparent and less stress-generating environment.

h ) ASEAN should engage the other Southeast Asian states — it is in the fundamental security interest of ASEAN to do so. It is important for durable peace and security in the region. Sukhumphand has already treated this subject very ably.

### **3) CONSOLIDATION AND ENHANCEMENT OF THE ECONOMIC INITIATIVES OF ASEAN**

This will be the subject of my colleague Hadi's presentation now. Thank you.

# ECONOMICS AND SECURITY IN ASEAN'S PERSPECTIVE

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The ASEAN-ISIS proposal for an ASEAN initiative in strengthening economic cooperation has two components, namely extra - regional cooperation ( including strengthening of ASEAN's position and role in APEC ) and intra - regional cooperation ( including the formation of a free trade area ). These two components are, and should be seen as, interrelated; they are linked through the security dimension.

Of relevance to ASEAN today is to review and conceptualise on the link between economics and security in the region as well as to provide a context in which the economic factor should be introduced in the agenda of a regional security dialogue.

## **1. THE ECONOMIC IMPERATIVE OF SECURITY**

Economics has reigned supreme in the ASEAN countries. This is clearly demonstrated by the energies that are being devoted to economic development as well as the sacrifices made, including suppression of political freedom, for the sake of economic development. The reasons are as follows: ( a ) economic development is seen as the key to security and internal stability; this is the essence of the concept of national resilience; ( b ) economic development gives legitimacy to the governments; ( c ) economic development brings prosperity and wealth, which in turn enhances political leverage.

This economic imperative has led to the adoption of pragmatic economic policies and the extensive use of technocratic advice, both from within and without the countries concerned, as well as outward - oriented development strategies. The political consequences of this strategy are accepted so long as the strategy produces economic growth and development. Greater political, social, and even cultural influences from the outside are seen as inevitable, and the policy of economic interdependence has largely replaced the aspirations towards economic independence.

## **2. THE NECESSITY FOR REGIONAL ECONOMIC INTEGRATION**

The international economic environment today differs markedly from the 1960s and 1970s when Korea and the other NIEs were able to develop rapidly under relatively stable international trade and monetary regimes. The Cold War also provided a favorable environment for development cooperation.

An important consequence of the changing international environment is the greater need to strengthen regional cooperation and regional economic identity to prevail in the competitive and uncertain world economy. The concept of regional resilience is not new to ASEAN, but more and more is it recognised now that regional resilience is not merely the sum total of national resilience of its individual members but requires a political commitment towards regional economic integration.

Regional economic integration was not the goal of ASEAN economic cooperation when its founding fathers drafted the Bangkok Declaration. The changed international and regional environments — including in the ASEAN region itself — appears to have modified ASEAN's goal of economic cooperation. The decision to form AFTA ( ASEAN Free Trade Area ), to be realised around the year 2007, is a first step towards regional economic integration.

It remains to be seen how fast ASEAN could proceed with the deepening of its economic cooperation, and how this process would be affected by a widening of its members, to include Vietnam and other Southeast Asian countries. It is possible that a two-track ( or two-speed ) ASEAN might evolve, namely an enlarged ASEAN ( of 9 or 10 members ) and AFTA.

## **3. THE CHALLENGES FOR ECONOMIC DIPLOMACY**

Regional economic integration is aimed at none other than enhancing the region's economic security. The objective of ASEAN's economic diplomacy is to secure access to markets, capital and technology as well as development cooperation. It should also deal with the main economic threats that are preceived to be emerging. These include: ( a ) increased North - South conflicts as the East - West conflict has come to an end; ( b ) the linking of non - economic issues ( environment and human rights ) to the trade policy of the industrialized nations vis - a - vis the developing world; ( c ) a trade war at the global level.

ASEAN's responses to these challenges will definitely depend upon the development of the international economic environment and the kind of economic alignments that are formed globally and regionally.

From ASEAN's perspective, it makes a lot of sense to adopt a strategy of concentric circles, starting with a strengthened ASEAN, complemented by EAEC and APEC, as well as a set of bilateral relations, including ASEAN - EC relations.

## **4. THE SECURITY IMPLICATIONS OF ECONOMIC ALIGNMENTS**

Two questions need to be raised. First, can economic alignments be formed independent of the security architecture? Second, what are the politico - security implications of a *de facto* emergence of an East Asian regional production structure with Japan as its core?

## **5. ECONOMIC CONSEQUENCES OF ENHANCED REGIONAL SECURITY**

The economic consequences are commonly seen in terms of the allocation of resources to military and defense expenditures. However, it should desirably be viewed in the broader framework of comprehensive security. A few pertinent questions could be raised :

( a ) Is there a question of a peace dividend for ASEAN and the Asia - Pacific region?

( b ) What are the implications of ASEAN's involvement in a burden - sharing arrangement in the Asia - Pacific region?

( c ) Could an ASEAN security cooperation increase the efficiency of regional resources allocation for defense?

( d ) Will defense expenditures be linked to economic assistance?

It is immediately apparent that these questions should be addressed and discussed by ASEAN in a larger regional framework.

# EFFECTIVE REGION — WIDE ECONOMIC COOPERATION : THE BEST GUARANTEE OF SECURITY FOR SOUTHEAST ASIA IN THE 1990's

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The end of the Cold War, the virtual dissolution of the former Soviet Union since the August 1991 events and especially the recent Cambodian accord, have fundamentally changed the security picture in Southeast Asia out of all recognition. In its wake, a first-ever torrent of normalization process is set in motion. This, in turn, opens up vast vistas for more effective and fruitful economic cooperation across the subregion. And most importantly, such economic cooperation will definitely provide the best guarantee of security for Southeast Asia in the 1990s.

## *“ All Quiet on the East Front ”*

Paradoxically, the end of the Cold War has transformed Europe, the seemingly tranquil place of Cold Peace, into a nascent hot spot where uncontrollable centripetal tendencies are running riot in Eastern Europe, notably Yugoslavia, and the former Soviet Union itself; whereas original hot spots in Asia-Pacific are cooling off into converging points of hectic diplomatic activity. Thus, ahead of Europe, Asia-Pacific promises to be the place where the real last chapter of the Cold War will be written out, despite the absence of a Europe-style formal end to the Cold War in the form of the Paris Conference on Security Cooperation in Europe ( CSCE ) and prior to either the birth of a collective security system or an Asian Forum in which security issues can be thrust out as suggested by the Russians, or an Asian version of the European “ architecture ” as floated by Australia and Canada.

As a matter of fact, a unilateral, informal “ spontaneous disarmament ” had already been in place in Asia-Pacific long before the recent spectacular Bush - Gorbachev exchange of massive nuclear arms reduction package initiatives. And the current Bangkok Roundtable together with the June 6-7 Manila Symposium, holds out rosy prospects for informal security dialogue at the subregional level. It



seems that instead of mimicking Europe's sweeping, clearly - defined, multilateral approaches to disarmament, step - by - step, " bottom - up " rather than " top - down " approaches with distinct Asia - Pacific characteristics are evolving. Slow and steady wins the race, as the saying goes.

In my personal view, diminution of definable threats, or " All quiet on the East front ", best capture the striking feature of military - strategic landscape in Asia - Pacific today. Not long ago, Defence Secretary Richard Cheney in justifying the continued — albeit marginally reduced — presence of U.S. forces in the Asia - Pacific region, noted in February 1990 that the region's common adversary, the Soviet Union, had not disappeared and pointed to other possible sources of insecurity. These included the threat to South Korea from North Korea; internal political instability in China, North Korea, Cambodia, Vietnam and others; the threat to their neighbors from the emerging regional powers of China and India and long - standing territorial disputes combined with proliferation of advanced weapons. The continued U.S. presence in the region as an " honest broker " and " balancer " was necessary to ensure security, Cheney argued. The same argument was reiterated in a benchmark Department of Defence ( DOD ) report to U.S. Congress in April the same year entitled *A Strategic Framework for the Asian Pacific Rim: Looking Toward the 21st Century*.

## **ECONOMIC COOPERATION TO THE FORE**

What a sea change has occurred since then! The former Soviet Union disintegrated with the new union still in the throes of birth pangs. Both North and South Korea joined the United Nations. Intra - Korean top - level talks have picked up momentum. Pyongyang is ready to accept international inspection of its nuclear facilities in exchange for withdrawal of U.S. nuclear weapons from South Korea. Japanese - North Korean and U.S. - North Korean normalization are in the pipe line with Sino - South Korean normalization to follow. Thus a regional solution involving North and South Korea and the four major powers — the Soviet Union, the United States, China and Japan — is no longer unrealistic. China now enjoys economic and political stability and won diplomatic breakthroughs one after another much to the chagrin of modern Cassandras. Meanwhile, China has expressed its readiness to sign the nuclear non - proliferation treaty. The formidable task of modernizing 1.2 billion people will continue to preoccupy China for years and years. The urgent need for a long - term peaceful and stable internal and external environment gives the lie to the notion that China will allegedly pose a serious external threat. The Cambodian accord has eventually paved the way for Sino - Vietnamese, U.S. - Vietnamese and ASEAN - Vietnamese normalization. The perceived end of U.S. embargo will open the floodgate of foreign trade and investment. This should encourage stability in Hanoi and help turn Indochina from a battleground to a peaceful marketplace. Ironically, more and more Americans tend to see one important purpose for preserving the U.S. - Japan alliance, considered by the DOD as the " critical lynchpin " of the US' Asian security strategy, as a means to control and contain Japan for the sake of its neighbors in the same way NATO is being proclaimed as a safeguard to protect Europe from the potential threat posed by a reunited Germany. However, as I see it, despite its explicit anxiety to join the United Nations peace - keeping operations ( PKO ) in pursuit of a major political power status, Tokyo is as yet not ready to come out from under the U.S. nuclear umbrella to put on the uniform of a second policeman with its own 7th Fleet because Southeast Asia clearly does not want Japan to become " another United States " in security terms.

Admittedly, deep - rooted historical rivalries, worries about the future role of India, Japan and China emerging as the triumvirate of regionally perceived intra - Asian - based threats, numerous territorial disputes throughout the subregion and even internal security of some ASEAN countries, are all conceived



as possible as possible flashpoints in the eyes of some pessimist observers, yet a cool-headed analytic mind is needed in face of such sensational disaster theories. Enthusiastic discussions are now underway on turning the Sea of Japan Rim from a sea of historical hostility into a sea of friendship through building a regional economic community embracing the Soviet Far East, the northeastern prefectures of Japan, northern China and North and South Korea, focusing on multilateral development of the Tumen river delta at the junction of the Soviet, Chinese and North Korean borders at present, to be followed by a broader scheme for regional economic cooperation later on. Clearly, a multilateral framework of regional collaboration would be one way to promote mutual trust among formerly hostile neighbors and to absorb any new tensions that might arise in bilateral relationships. In my view, all the more it is justified and desirable to turn the ever tranquil South China Sea into a sea of economic cooperation to the benefit of all the parties concerned rather than a latent Persian Gulf in the Western Pacific with acceptance of China's sovereign rights over the Namsha islands as a prerequisite to it, and based on the principle of settlement of international disputes through peaceful means. In fact, the Cambodian accord has set yet another example for negotiated settlement. Retention of US military presence as a "guarantor" may be understandable; yet the best guarantee of security for Southeast Asia in the 1990s is surely effective regionwide economic cooperation. Relieved of the burden of Cambodian conflict, the time has eventually come to push regional economic cooperation to the fore.

## **PARTNERS IN REGIONAL ECONOMIC COOPERATION**

Space limitations prevent the author from elaboration on this topic; however, a broad-brush sketch is possible. In the following passages, all the possible partners will be treated in the order of ASEAN, Japan, the United States, the former Soviet Union (or its successors), Europe, and finally, China.

### **ASEAN : Economic Symbiosis in Offing?**

Since its inception, ASEAN has won widespread admiration in the international community for its multi-dimensional remarkable achievements. A still brighter future is in store for this prestigious organization in the post-Cambodian-Settlement era. In 1991, for the third year running, the growth of GDP in Malaysia and Thailand is expected to exceed that of the four ANIEs. Indonesia, no longer lumbering, will catch up with Singapore and South Korea in terms of growth rate this year (6%). So the ASEAN proto-NIEs are catching up on the leaders. Three factors are at work: The first is that the economies of Thailand and Malaysia have "taken off" in the sense that industrialization is accelerating at a rate comparable with the speed at which South Korea and Taiwan built up their manufacturing bases in the early 1970s. The second factor is that the population of proto-NIEs is younger than that of the "old" NIEs. Their labor forces are growing faster as the result. Third, foreign investment has been pouring into Malaysia, Thailand and Indonesia over the past five years or so, providing a much bigger impetus to growth in these three countries than in Taiwan and South Korea. Inadequate infrastructure may strangle economic growth but not cut it drastically. Demographics looks set to support economic growth well into the next century. Foreign investment seems more problematical. The October 8 ASEAN agreement on setting up an ASEAN Free Trade Area (AFTA) and holding an East Asia Economic Caucus (EAEC) betray fears that the formation of the North American Free Trade Area (NAFTA) and the creation of an integrated EC market might crowd out Asian exports and draw off US, European and possibly Japanese direct investment from Asia. A most significant step towards closer economic cooperation since ASEAN's inception in 1967, the agreement reflects an awakening to the urgent need to face up to the long-standing problem of intra-ASEAN export competition which may erode ASEAN cohesion in the post-Cambodian settlement environment and to heighten economic

interdependence to blur possible friction in other fields. The Singapore - sponsored Growth Triangle and thailand - initiated Golden Peninsula Program are ingenious projects of vital strategic significance. This kind of "mini economic cooperation" in the words of Okita Saburo, contains element of economic symbiosis which takes into full account mutual benefit and complementarity. A country may carry out mutually complementary cooperation with localities of several neighboring countries at the same time, in a "bottom - up", cross - border manner, from low level to high level, in an incremental way. This may well turn out to be an ideal form of economic cooperation with the characteristics of developing countries. As an outsider, I believe, economic cooperation will definitely rank high on the agenda of the forthcoming Singapore ASEAN Summit as a burning security - related issue.

## **JAPAN : FROM MONEY - MAKER TO BRIDGE - MAKER**

East Asian trade bloc or no bloc, Japan is bound to play a leading role in economic cooperation as the chief source of capital, technology transfer, and an increasingly important market for ASEAN exports. But fears of Japanese economic domination and remilitarization run deep. History, not distance, separates Japan and Southeast Asia. Japan is anxious to close the chapter on the past and start afresh. Germany has formally and convincingly expressed its regret over the war; Japan has barely begun to do the same. But action speaks louder than words. It seems that the time has come for Tokyo, master of the art of money - making to start learning the art of money - spending. Instead of squandering its cash on buying American weapons to help rectify US trade deficit or building its own destroyers, Tokyo can enhance the strategic price of the yen by serving as a bridge between the North and the South through genuine economic aid, generous technology transfer and bolder market opening to the Third World, its Asian neighbors in particular. Sea lanes lined with friendly neighbors are much better than those guarded by threatening warships. Mencious, ancient Chinese philosopher says well : Harmony among neighbors is much more valuable than favorable geographical position. Cash - flush yet bashing - annoyed Tokyo is in dire need of good will and friendship of its Asian neighbors.

## **THE UNITED STATES : AN IDENTITY PUZZLE**

Near - total preoccupation with developments in the Soviet Union and the Middle East has left Washington a laggard in Asia, lagging behind other major Western countries in normalizing relations with China and slow in adjusting to the changing situation in Indochina and the Korean peninsula. The "If it ain't broke, don't fix it" approach to Asia has blurred the identity of the United States in a transformed Asia. What kind of "man" is the United States going to be? One might ask. A *police-man*? under the slogan of US - Japan global partnership, a euphemism for Pax Amerippona with Washington playing the cop and Tokyo the Santa Claus. Or a *middleman*? A new triangle of cooperation between Washington, Tokyo and Moscow with the US as a middleman, an idea floated by Russian scholars on the eve of Gorbachev's Japan visit last April. The emphasis would be on confidence - building in the Northern Pacific and joint US - Japan efforts to rescue the Soviet economy, and beyond this, to promote Moscow's future involvement in the international economy and in Asia - Pacific trade and investment, a notion echoed by two US professors at the recent Washington seminar of the Asia Society. Or an *Oddman*? destined to be pushed around and eventually squeezed out from East Asia and return to Fortress North America, as feared by some panicky US journalists. Or a *Superman*? A lone super-power in a unipolar world, i.e., Pax Americana II, with a fantastic vision of a so - called New World Order with a big America in the center surrounded by 160 little Americas, all convert to Western values.

Or hopefully, a *businessman*, better still, a common *man*? one among equals in a diverse world proped by the principle of equality of nations.

So far as Southeast Asia is concerned, a specific challenge to Washington is how to respond to the ASEAN desire for a separate caucus within APEC and how to harmonize the relationship between AFTA and its own NAFTA. In my view, US traders and investors had better stay in Asia to keep company with US soldiers to make its military presence here more palatable to the Southeast Asians. After all, Pacific economic cooperation offers the US chances to rejuvenate its economy and therefore to rectify its trade deficit.

## **THE SOVIET UNION : SOLDIERS OUT, BUSINESSMEN IN**

Despite its current deep interest in Northeast Asian economic cooperation, Soviet military retrenchment in Southeast Asia does not necessarily spell commercial disengagement from this subregion. Southeast Asia will welcome the Soviets back in businessman's garb. They have a role to play in subregional economic cooperation, though a modest role, perhaps, at this moment.

## **EUROPE : THE MORE, THE MERRIER**

Economic cooperation does not signify Southeast Asian exclusiveness. And preoccupation with building a big single market at home will not make Europeans oblivious to business opportunities in Southeast Asia. There is a reserved seat for them in the game of economic cooperation. Their competition with Americans and Japanese will benefit Southeast Asia. The ASEAN countries do not want to see any outsiders evolve into economic domination. In their diversification policies, there is a role for Europeans. True enough, the more, the merrier.

## **CHINA : A TRUSTWORTHY FRIEND, NOT A THREAT**

Since August 1990, Sino - ASEAN friendship has been blossoming, a first - ever phenomenon since the founding of New China in 1949. nay, an unprecedented phenomenon even in history. Diplomatic ties were restored between Indonesia and China, followed by establishment of diplomatic links between Singapore and China, then Brunei and China. Thus, for the first time China has friendly relations with all six ASEAN members. Logically, exchange of visits of state leaders increased and misunderstandings were cleared up. We highly treasure this hard - won friendship and would like to cement it with closer regional economic cooperation.

John Wong, a well - known Singaporean economist and expert on sino - ASEAN relations, paints a rosy future. He pointed out the fact that not a single ASEAN country paid tribute to the Chinese imperial court in ancient times or was ever under domination of Chinese emperors. He continued that historical - geographical factors often strongly influence a given country's understanding of its neighbor. In the case of ASEAN. China was sometimes conceived as a source of instability partly due to the historical cause of the Cold War, partly due to ASEAN fears of being submerged by a near neighbor with a population of 1.2 billion. Geo - politics turns China into a constant, yet indirect and psychological, formidable political presence in the ASEAN area. This explains ASEAN's instinctive reluctance to witness a rapid increase of Chinese economic influence in this region. Therefore, from the outset, ASEAN eyed with wariness China's modernization drive; however, economic reasoning demonstrates that a resurgent chinese economy will most probably play a positive role of interaction with the economies of ASEAN



countries. ASEAN-China economic cooperation, and for that matter, a partnership based on mutual trust is only possible after normalization of political relations. An impartial and objective observation indeed!

Since communist parties in most ASEAN countries have abandoned jungle politics and the problem of double citizenship for the overwhelming majority of overseas Chinese has been solved to the satisfaction of respective host countries, original suspicions on the part of ASEAN about China's motives have practically vanished. As Susumu Awanohara, Washington-based correspondent of the Far Eastern Economic Review reports, "Having worried not long ago about too close relations between Washington and Peking, some Southeast Asians are now concerned about perennial hostile relations between the two." What is more, "Having themselves been perplexed and sometimes angered by Congress' moral fulminations, the Japanese, South Koreans and other Asians are more sympathetic towards the Chinese".

In fostering economic cooperation, the issue of how to harmonize competition and cooperation should be faced up to. Just as competition exists among ASEAN partners, there naturally also exists competition between ASEAN and China. But the element of complementarity outweighs competition in China's trade and investment relations with resource-rich ASEAN countries (minus Singapore). Due to shortages of natural resources in per capita terms, China will increase its imports of raw materials. Moreover, China's foreign trade structure is undergoing adjustment too with more exports of machinery and electrical products and less proportion for export of textile and light industrial goods. Besides, labor-intensive manufactures represent a huge pool for everybody to swim in. Further, China is no match for ASEAN with its superb investment environment as a production center, not only for exports to the US but also to Japan and the EC and for Asian local markets. This has been amply proved by the rush of foreign investment to Thailand, Malaysia, Indonesia and the Philippines in recent years. Still further, with the return to China of Hongkong and Macao in 1997 and the eventual peaceful reunification of Taiwan with the motherland, scope for fruitful economic cooperation between China and ASEAN will surely be enlarged to the mutual benefit of both sides, but the anti-national Taiwanese separatist movement is something to watch. Most important, China and ASEAN have common interest in building a New International Political and Economic Order based on the world-famous Five Principles of Peaceful Co-existence, incidentally, the birth place of which is Southeast Asia.

ASEAN's long-cherished hope for ZOPFAN (A Zone of Peace, Freedom and Neutrality) has all along received China's strong support. The Cambodian accord has opened up enormous possibilities for ASEAN. With strong political support from China, continuing economic aid and investment from Japan and the United States, with amicable Sino-Japanese relations and amelioration of US-China relations and help from Europeans and valuable assistance of the United Nations, and with effective economic cooperation as the best guarantee of security, a promising, bright future awaits ASEAN in the 1990s.

*Note :* Views, expressed in this paper are entirely my own in my private capacity as a scholar. They do not represent the position of the China Institute of contemporary International Relations.

# DELIBERATIONS ON AND DEVELOPMENTS CONCERNING EUROPEAN SECURITY AND ITS EFFECTS ON THE ASIAN – PACIFIC REGION

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At the first conference in Manila five months ago, my comments included the following remark:

*“Cooperation and a balance of interests, solidarity, and a distinct mechanism for consultations seem to be the appropriate means for establishing viable regional communities of interest and for increasing the common security.”*

In view of the developments which have taken place since then, this statement has gained even greater importance and more urgency. The recent changes in the relations between the two superpowers and the fundamental change in Soviet foreign policy have set in motion a development that will bring about a new order in the European security architecture. Many nations in Europe are now developing their own democratic institutions and seeking their own identity in the field of security policy. This process is parallel to the efforts made by the European Community nations in seeking their appropriate place in the world.

However, the euphoria which has accompanied this development is marred by an awareness of the risks. There are many dangers which result from the regional conflicts and domestic instabilities in the countries that are now on their way toward democracy. These dangers include nationalism, intolerance, and inter-ethnic conflicts.

The world held its breath as it suffered through the 100 hours of the coup in the Soviet Union. There was a real danger then that all economic, political, scientific, cultural, military and technological

progress would be stopped. The uncertainty over who would have control over the Soviet nuclear potential during this period produced a strong fear that there might again be serious confrontations, as in the past. Moreover, there also appeared a new and difficult problem which concerns the proliferation of weapons of mass destruction.

The developments in Europe show that there is an interplay of forces at work which are characterized by rather contradictory elements. As has been made evident by the conflict in Yugoslavia, the organizations we have in Europe today -- and I specifically mean the European Community -- are quite aware of their responsibilities in the area of conflict prevention. Nevertheless, although these organizations do possess the political will, they do not yet possess suitable means required for translating such a will into reality. And yet, this tragic conflict in Yugoslavia may still serve as the catalyst for the development of the future European Political Union.

But there are also examples of positive developments in Europe. For Example, just recently the European Community and the European Free Trade Association have reached an agreement on cooperation in what is called the European Economic Area. EFTA was founded during the acute phase of the East - West conflict and was conceived as a sort of neutral counterpart to the European Economic Community of that time. The objective now is to reach a balance of interests between the EC and EFTA, with the aim of merging these two organizations.

Would it be too far - fetched to assume that these two organizations may be the extended nucleus of a united Europe?

In the final analysis, there will be no economic union in Europe without at the same time establishing a political union. Perhaps even more than that, there will be no political union in Europe without a common European defense and security policy. This is what is implied by the recent German - French initiative on the further development of joint defense forces. However, similar developments are taking place in areas other than Europe. They can be observed worldwide as part of a global process of change and transition.

Ever since the war in the Gulf, we know that the world is capable of dealing with regional crises when the two superpowers do not take opposite sides and when they do not support opposing parties to a conflict. We can also see that the United Nations, our international community of states, has been given a new impetus, and that it is now capable of taking on greater responsibilities, quite in contrast to earlier experience when the UN was practically paralyzed by the dualism of the two superpowers. May I just point out that the recent signing of the peace agreement for Cambodia was done under the auspices of the United Nations. It should also be pointed out that the balance of interests which has recently been achieved between the American and the Soviet leadership has brought about the possibility of holding the first Middle East peace conference. This is just one more step in the direction of reducing regional tensions, which in the past were the result of the East - West conflict.

Even if these developments permit us to hope that they will have a positive influence on the solution of potential conflicts in the Asian - Pacific region, we should not ignore the fact that there is still a great deal of uncertainty about the future developments in the Soviet Union.



The Soviet Union is now de facto no longer existent in its previous form. It is undergoing a process whose end result we do not know. Even if there now is a signed treaty on a new economic union, we should not ignore the fact that it was signed by only eight of the former union republics. Further uncertainty over the future of the region is added by other developments in the individual republics, such as their current efforts to establish their own national armed forces.

The end of the East - West conflict and the subsequent reduction in military potentials has brought with it the danger that old conflicts of interest might again come to the fore with a powerful urge. This is one very important reason why the search for new regional security structures should be accelerated.

In this respect, the present rapprochement between North and South Korea can give us hope that there will be a gradual improvement in their relations. We can also hope that the last remaining " Iron Curtain " will soon disappear. But it is exactly this example which should make clear to us that while the breakdown of communism has revived many conflicts or created new ones, it has also prevented many conflict situations from developing even further. It is now up to us to find the necessary means for promoting peaceful solutions to covert conflicts.

This is also true for the arc of crises and of political earthquakes which extends from the Soviet - Finnish border to the Soviet - Iranian frontier.

In the conflicts of interest raging in and around Yugoslavia, as European nations who are members of the European Community we should develop the same standards as those which may have to be applied to the earthquake belt I have just mentioned. In doing so, we should take into consideration historical developments which extend back as far as the Treaty of Trianon after the First World War, or even further back into the deep reaches of the past.

The conflict in Yugoslavia should also make clear to us another important fact: In the Balkan crisis of 1914, it was a Serbian nationalist who destroyed the old European order by assassinating the arch - duke of Austria in Sarajevo. Today, on the other hand, the conflict that was instigated by Serbia is bringing Europe closer together. Europe may thus be put into a position where it can find useful answers to problems and potential conflicts in its vicinity. These answers may help to prevent other conflicts that might be fought out with the force of arms.

Conflicts of interest require solutions. These can best be achieved on the basis of common structures and on a multinational level.

The Atlantic Alliance is an organization with a very positive record. At present it is not yet possible to say to what extent the Western Alliance will change on its way into the future, or what the final role will be that it may be destined to play. Nevertheless, NATO has proven that regional security structures are a suitable means for pursuing a policy of peace and security in the spirit of the United Nations. And multinational structures are a proven means toward this end.

The horizontal geographical axis in the balance of interests between the United States and Europe, including the Soviet Union, will need a counter - balance in the North - South direction. How-

ever, this should certainly not be interpreted to mean that I regard all problems on the East - West axis to have been solved. Far from it! I think it is justified to say that many small steps in the form of regional and multinational cooperation may contribute — and they must contribute! — toward progress in mankind's efforts to achieve the peaceful co - existence of nations and cooperation between states.

The recent intensive efforts made in the Asian - Pacific region to invigorate the diplomatic activities already begun in previous years may bring about a new balance of interests in this area. It should therefore be possible to establish new regional and multinational communities of interest. Existing bilateral and trilateral relations should be made use of and extended so that it may be possible to increase the stability, security and cooperation in this part of the world.

# NAVAL ARMS CONTROL IN THE PACIFIC

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## INTRODUCTION

The central objective of arms control is to reduce the risk of war. Few analysts would dissent from the proposition that arms control agreements *sometimes* achieve this desirable end; sceptics argue that too often they do not.

Sceptics warn against arms control being supported for its own sake, supposedly a besetting sin of arms control advocates. No agreement is better than a bad agreement, they say. Above all arms control must be in the national security interest of the states that pursue it — a claim few would wish to dispute.

In the Pacific, only the Soviet Union and its allies have been consistent and enthusiastic supporters of naval arms control as a means of enhancing regional security. But Soviet arms control proposals, though numerous, have lacked coherence and have usually been announced publicly without prior consultation with the US or its allies. This latter fact, plus the one-sided nature of many of the measures proposed, has lent support to the US claim that Moscow's naval arms control agenda is primarily propagandistic.

The US believes that its security, and that of its allies, is enhanced in the Pacific, not by naval arms control, but by American maritime superiority. Since arms control traditionally seeks military parity between antagonists, naval arms control agreements would tend to reduce America's maritime advantage thus be antithetical to US and allied security interests in the region.

Although the US Navy's strong opposition to naval arms control has often been characterised by critics as unthinking and intransigent it is in fact underpinned by a clear and generally consistent logic. In this paper I seek to explore that logic and raise a number of questions about the assumptions on which it is based.

In what follows I examine critically what I take to be the central arguments of the Navy's case against naval arms control. The focus is primarily on the US/USSR relationship in the Pacific.

## THE PROBLEM OF ASYMMETRIC FORCE STRUCTURES

Negotiating force level reductions between the navies of the superpowers, even if assumed desirable, is made extraordinarily difficult because the strategic missions, and hence force structures, of the two sides are radically different. The Pacific theatre causes special problems since :

*There is no way to adequately redress the asymmetries between the land-based Soviet forces, with substantial long-range air assets, and the sea-based strengths the United States possesses in Northeast Asia.*<sup>1</sup>

Moreover, as the Pentagon's recent **Report on Naval Arms Control** notes :

*... the US Navy is structured for sea control and power projection; the Soviet Navy is structured to achieve sea denial.*<sup>2</sup>

Soviet maritime strategy in the Pacific has traditionally emphasised land-based naval aviation, air-launched and often nuclear-armed cruise missiles, and attack submarines. US maritime strategy has placed great emphasis on carrier-based airpower and submarines. The US Navy is forward-deployed and has an offensive strategic mission; the Soviet Navy is deployed in and around its home waters in the Soviet Far-East and has an essentially defensive mission. US strategy has traditionally emphasised striking at Soviet targets on land; the primary target of Soviet maritime strategy has been the submarines and capital ships of the US Navy. Working out agreed counting rules for trading off weapons platforms some of which are land-based, some sea-based, and which have such different missions would be extraordinarily difficult.

Seeking to trade-off US naval platforms against Soviet land weapons in the Far East TVD would make no sense at all since most of the latter are not deployed against the US, but against China. Negotiated reductions in Soviet land forces in the region would have to take place between the USSR and China — not the US. Moscow and Beijing are currently negotiating just such reductions in their border forces.

## THE PROBLEM OF ASYMMETRIC INTERESTS

To protect their vital sea-lines of communication ( SLOCs ) sea-dependent trading nations, like the US and its allies, need to deploy more powerful naval forces than states which are less sea-dependent, like the Soviet Union.<sup>3</sup> As Admiral Thomas A. Brooks, Director of US Naval Intelligence, puts it:

*The Soviet Union, a traditional continental power, does not need a navy to ensure its vital interests,*

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<sup>1</sup> ' A Strategic Framework for the Asian Pacific Rim ' Office of the Assistant Secretary of Defense for International Security Affairs ( East Asia and Pacific Region ). April 1990. p. 15.

<sup>2</sup> US Department of Defense, *Report on Naval Arms Control*, Submitted to the Senate Committee on Armed Services and the House Committee on Armed Services, US Congress, April 1991. p. 5.

<sup>3</sup> *Ibid.* p. 2.



while the West — especially the US — is critically dependent on naval forces.<sup>4</sup>

With regard to SLOC protection it follows that negotiations on naval force levels which seek to achieve the traditional arms control goal of parity in numbers and/or capability would necessarily disadvantage the more sea - dependent nation which, by definition, has more to defend.

But the Soviets claim that they too are a maritime power in the Pacific, that they too have important SLOCs to defend, and that 50% of the goods that move between the western and the far - eastern regions of the Soviet Union go by sea. The US responds that, unlike the US, the Soviets have alternative means of transportation — the Trans - Siberian and Baikal railways.

SLOC protection has traditionally been a vital mission for NATO since, in the event of war, massive amounts of material would have to be transferred by ship across the Atlantic to the European theatre. In the Pacific, there is no massive US/Soviet land confrontation, would be no comparable need for massive reinforcement of allied land forces. SLOC protection is consequently a relatively less vital mission for the US Navy, and SLOC *interdiction* a correspondingly less important objective for the Soviets.

The argument that parity - oriented force level reductions would disadvantage the more sea - dependent states is persuasive. But the US is pushing at an open door on this issue. Soviet naval arms control proposals have focused overwhelming on constraining what Moscow perceives to be threatening and destabilising US naval *operations*, *not* on force level reductions.

The Soviets have it is true made occasional and somewhat vague calls for limits on 'destabilising' weapons platforms such as carriers, and on anti - submarine warfare ( ASW ) weapons, sea - launched cruise missiles ( SLCMs ) and naval expenditures, but these demands have not been pursued vigorously, or with any consistency, or indeed with any serious argument to support them.

In fact many Soviet proposals have been so patently one - sided it is difficult to believe that they were seriously intended in the first place. In 1989, for example, Marshall Akhromeyev proposed that the Soviet Union retire 100 of its submarines in exchange for the retirement of 5 to 7 US aircraft carriers.<sup>5</sup> This was an offer the US was bound to refuse. By the turn of the century the inventory of non - strategic Soviet attack submarines will, via a process of natural attrition, decline by nearly half — from 238 to 127; in the same period only 2 US aircraft carriers are scheduled for retirement.<sup>6</sup> In other words Akhromeyev's offer, like many other Soviet naval arms control proposals, did not seem, even to US proponents of naval arms control, to be serious.

## THE KENNEDY AGENDA

The US case against across - the - board structural naval arms reductions based on the principle of parity is well made — and, as I have noted, has not been seriously challenged by the Soviets. But the fact that across - the - board cuts are impracticable does not mean that limits cannot be negotiated

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<sup>4</sup> Testimony, Rear Admiral Thomas A. Brooks, to Seapower, Strategic and Critical Materials Subcommittee of the House Armed Services Committee, March 14 1990, p. 20.

<sup>5</sup> Michael Gordon, 'Soviets Want US Navy Cutbacks, Marshall Says', *New York Times* ( July 25, 1989 ).

<sup>6</sup> W. Philip Ellis, 'Assessing Structural Limits on Naval Forces' in Barry M. Blechman et al, *The US Stake in Naval Arms Control* ( Henry L. Stimson Center, Washington DC, 1990 ) p. 315. The two carriers will be retired due to old age — it is possible, of course, that cuts in the defence budget will lead to other carriers being retired early.

on *specific* weapons systems. Such limits would have to be made on global basis, but would have a major implications for the Pacific.<sup>7</sup>

Two such reduction regimes have intensively discussed in official US and Soviet circles. Following hearings on naval arms control in the spring of 1990, Edward Kennedy's Senate Armed Service Committee directed the Defense Department to examine the security implications for the US of :

1. a ban or limit on tactical nuclear weapons at sea
2. limits on the number of nuclear attack submarines which the two sides could deploy

The Committee also asked the Pentagon to comment on the security implications for the US of maritime confidence - building measures.

## **BANNING TACTICAL NUCLEAR WEAPONS AT SEA**

The case for banning tactical ( non - strategic ) nuclear weapons at sea has been argued by many analysts and a number of former officials, including former Reagan Administration arms negotiator, Paul Nitze,<sup>8</sup> and former Chairman of the US Joint Chiefs of Staff, Admiral William J. Crowe.<sup>9</sup> But until very recently calls for naval denuclearisation had found little support in the Bush Administration. However, on September 27th 1991, President Bush announced the withdrawal of *all* tactical nuclear weapons from ships — including nuclear - armed Tomahawk sea - launched cruise missiles ( SLCMs ) from attack submarines ( SSNs ). The President's initiative surprised to most observers not least because it came only a few months after the Pentagon had presented its *Report on Naval Arms Control* to Congress. The report flatly rejected the idea of a ban on tactical naval nuclear weapons claiming that they enhanced stability and were necessary for deterrence.<sup>10</sup>

There were good political grounds for the Bush initiative, not least of which was Washington's growing concern about the large number of Soviet tactical nuclear weapons located in a number of politically unstable Soviet republics which were seeking independence.

The US initiative responded to long - held Soviet concerns and was designed to achieve swift Soviet reciprocation. It succeeded — Gorbachev responded in kind within a week announcing similar plans for withdrawing Soviet tactical nuclear weapons to central storage areas. A negotiated agreement could never have achieved such a swift result.

The US move has the additional benign consequence of reducing the not inconsiderable risk of nuclear accidents at sea :

*Between 1965 and 1977, US maritime nuclear weapons were involved in 383 accidents; as a result of all naval nuclear accidents, 48 nuclear warheads are lying on the ocean floor*<sup>11</sup>

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<sup>7</sup> It rarely makes sense for global powers to agree to regional force level reductions, particularly where highly mobile forces are involved. Naval forces may be easily swung from theatre to theatre, so a force reduction agreement in one region could rapidly be subverted by forces being brought in from another.

<sup>8</sup> 'US Aide Offers Plan to Cut Arms at Sea', *New York Times* ( April 6 1988 ).

<sup>9</sup> William J. Crowe, Jr and Alan D. Romberg, ' Rethinking Pacific Security ', *Foreign Affairs* ( Spring 1991 ). pp. 129 - 30.

<sup>10</sup> Department of Defense, *Report on Naval Arms Control*. p. 8.

<sup>11</sup> Cathleen S. Fisher, ' Limiting Nuclear Weapons at Sea ', in B. Blechman et al, *The US Stake in Naval Arms Control* ( Henry. L Stimson Center, Washington DC, 1991 ). p. 374.



But by withdrawing weapons to storage in the US where only some will be destroyed,<sup>12</sup> and by keeping open the option of redeploying them 'if necessary in a future crisis',<sup>13</sup> the President's initiative did not go as far former officials like Crowe and Nitze had urged. Tactical naval nuclear weapons will not be eliminated, as critics had demanded, nor will their future use proscribed. The Pentagon has noted that US Navy ships and submarines:

*...could be uploaded with nuclear weapons in one or two days, making reconstitution of tactical naval nuclear capabilities primarily dependent on transit time to get the ships and submarines to station. Naval nuclear weapons could be flown from their land-based storage areas to carriers and naval aviation squadrons, reducing reconstitution time to only a few days.*<sup>14</sup>

The Navy has argued that tactical naval nuclear weapons have a number of roles which contribute to US security — most of these have to do with enhancing deterrence against the USSR. A recent report produced for the Defense Nuclear Agency argued that tactical naval nuclear weapons were also necessary as a deterrent against aggressive Third World states. But as Admiral Crowe and Alan Romberg, argued recently in *Foreign Affairs*:

*... Conventional weapons are politically more useable than tactical nuclear weapons ... and precision-guided weapons, including conventional SLCMs, constitute an increasingly credible deterrent.*<sup>15</sup>

The case for conventional deterrence has been dramatically enhanced by the US military success in the Gulf War.

The Third World rationale for nuclear weapons overlooks the fact that US nuclear threats against Third World countries may act as a powerful spur to nuclear proliferation in those countries. There is little doubt that the North Korean nuclear program was motivated in large part by Pyongyang's perceived need to have a countervailing deterrent to US nuclear weapons in any war on the Korean peninsula.

Third, even if the dubious Third World rationale for nuclear weapons is accepted no argument has been made to show why ship- or submarine-borne nuclear weapons are the only systems capable of playing this deterrent role. The US is, after all, capable of targeting any Third World state with its strategic bombers - ship-borne systems are not necessary.

However, the most important arguments both for and against the elimination of tactical naval nuclear weapons still relate to US/Soviet relations — notwithstanding the demise of the Cold War.

The main thrust of the case for *eliminating* tactical naval nuclear weapons, as against simply relocating them to storage, has been that so doing would be of net strategic benefit to the US. The US Navy's has unchallenged conventional superiority over the Soviet Navy, but is threatened by Soviet

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<sup>12</sup> The decision as to which naval tactical nuclear weapons will be destroyed in the Pacific will be determined by CINCPAC. See 'Presidential Initiative — Nuclear Arms Control Q and A from the US Department of Defense' October 1 1991. p. 23.

<sup>13</sup> Bush Statement, September 27 1991.

<sup>14</sup> See 'Presidential Initiative — Nuclear Arms Control Q and A'. p. 23.

<sup>15</sup> Crowe and Romberg, 'Rethinking Pacific Security'. p. 130.

maritime nuclear weapons — Moscow's strategic 'equaliser'. Indeed Soviet nuclear weapons are the only weapons systems which could seriously threaten US carrier battle groups. Tactical naval nuclear weapons are militarily less important to the US than to the Soviets. It thus followed that if both sides got rid of their maritime nuclear weapons the US would be the net strategic beneficiary. As Captain Linton Brooks, former director of arms control at the National Security Council, has noted, '... the US Navy gains relatively little from the ability to employ nuclear weapons at sea.'<sup>16</sup>

One difficulty often overlooked by the proponents of naval denuclearisation arises from the asymmetric missions of the naval forces of the two sides. Most of the currently deployed US maritime nuclear weapons ( nuclear Tomahawks and gravity bombs on US carrier - based aircraft ) are designed to be used against Soviet land targets. The most important Soviet maritime nuclear weapons are the anti - ship and anti - submarine systems weapons based on Soviet land - based naval aviation aircraft. Herein lies what the Pentagon sees as a major problem.

The Backfire, Badger, Blinder and Fencer aircraft of the Soviet Navy are essentially no different from their counterparts in the Soviet Air Force. The latter can, and sometimes do, carry the same nuclear weapons as the former.

Thus even if all nuclear weapons designated as ' maritime ' were eliminated — as proponents of naval arms control have urged — the Soviet ability to launch nuclear attacks against US carriers ( using air force bombers ) would remain. But tactical naval denuclearisation would mean that US maritime nuclear weapons like Tomahawk, whose role has been to deter nuclear attacks against US carriers would be eliminated. Thus, argues the Pentagon, the paradoxical consequence of a ban on tactical maritime nuclear weapons would be a net *increase* in the nuclear threat to ships of the US Navy. As Pentagon's *Report on Naval Arms Control* put it:

*The Soviet Union would ... retain its capability to wage a sea denial effort with nuclear weapons, while the US would give up its most credible deterrent to such a campaign.*<sup>17</sup>

But the report ignored completely the fact that even if all US *naval* tactical nuclear weapons were destroyed, this would not prevent USAF bombers or strategic missiles being used to attack Soviet targets currently reserved for Navy A - 6 nuclear - capable aircraft and Tomahawk TLAM - N SLCM. In other words, and contrary to the Pentagon, the elimination of tactical naval nuclear weapons would *not* mean that US would lose its ability to deter Soviet nuclear attacks against US naval assets.

More importantly, US concerns about a possible nuclear attack role for Soviet air force bombers against US Navy ships could be assuaged if the US agreed to the Gorbachev proposal<sup>18</sup> to *destroy* all the tactical nuclear weapons which both sides have now agreed to withdraw to central storage areas. Such a move would result in the Soviets destroying approximately twice as many nuclear weapons as the US.

Elimination of all maritime tactical nuclear weapons would be similar in one sense to the ban on INF systems. The Intermediate Nuclear Forces Treaty did not — and could not — prevent INF targets from being struck by other nuclear systems once the INF systems had been destroyed. This

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<sup>16</sup> Cited in ' Reductions in Tactical Naval Nuclear Weapons ', Federation of American Scientists *Public Interest Report* ( May 1990 ). p. 5.

<sup>17</sup> US Department of Defense, *Report on Naval Arms Control* p. 9.

<sup>18</sup> See *New York Times* ( October 6, 1991 ). p. 11.

was not a compelling argument against the INF agreement, however, and it should not be an argument against a naval nuclear agreement either.

The INF agreement was important, not so much for the relatively small number of nuclear weapons that would be destroyed, but because the superpowers had agreed for the very first time to eliminate an entire class of nuclear weapons. INF demonstrated that there was an alternative to the vicious circle of forty years of nuclear arms racing and arms control agreements that simply controlled the rate at which weapons numbers increased. The elimination of maritime nuclear weapons would have a similar confidence - building role.

However, the most obvious argument for eliminating tactical nuclear weapons from superpower navies ( as against simply moving them into central storage areas ) is that in the post - Cold War era they have no compelling strategic or political rationale.

Against this sceptics will argue that relations between the US and USSR could again deteriorate and that dangerous crises may again arise in the future. It is only in such crises that tactical US naval nuclear weapons might again be deployed. In crisis situations quite different arguments against tactical nuclear weapons become pertinent and it is in such contexts that the issue of nuclear crisis stability has to be addressed.

As long as Soviets lack effective conventional means to defend against the threat posed by US carriers, they will have an incentive to use tactical maritime nuclear weapons in a severe crisis. On the US side, the threat to carriers that air - launched nuclear cruise missile attacks from Backfire bombers poses, provides a powerful incentive for US strikes against Soviet Backfire bases. This is one of the missions of the nuclear Tomahawk. In other words the very existence of these maritime nuclear weapons creates the incentive for them to be used in a confrontation. Denuclearisation would remove the incentive as well as the capability for either navy to start a nuclear war with tactical weapons.

The Pentagon's *Report on Naval Arms Control* fails even to discuss the crisis instability risks which tactical naval nuclear weapons may pose.

## **LIMITING NUCLEAR ATTACK SUBMARINES**

The idea of placing limits on superpower nuclear attack submarine ( SSN ) numbers has been subject of considerable discussion in the US in the past two years. An SSN ' builddown ' process would make a virtue out of partial necessity — since SSN numbers are declining on both sides anyway.

SSNs are stealthy, fast and highly effective offensive weapons platforms. Traditionally Soviet SSNs have posed a threat to US carriers, to other surface combatants and to allied SLOCs; US SSNs have posed a threat to Soviet missile - firing submarines ( SSBNs ), SSNs and surface combatants. In addition, the SSNs of both navies have been transformed into quasi - strategic weapons platforms with the deployment of long - range, nuclear - armed SLCMs.<sup>19</sup> Although these weapons are to be removed, the option of redeploying — and using — them in crisis remains.

If it is assumed that the Soviet threat will be of no future concern to the US, the case for a negotiated SSN ' build - down ' is clearly strengthened considerably. But most analysts are wary about making such an assumption, noting that the current uniquely favourable political circumstances could change for the worse, and that the Soviets continue to modernise their naval forces. As the Pentagon points out in its *Report on Arms Control* :

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<sup>19</sup> Deployment of the SS — N — 21 has been at a much slower rate than the US originally anticipated. In the US, Tomahawk TLAM — N procurement has also been delayed for funding reasons.



*Despite political changes in the Soviet Union and Eastern Europe, the Soviet Akula, Sierra, Delta IV, Victor II, Oscar and Kilo submarine construction programs continue at present rates.*<sup>20</sup>

If the possibility, albeit remote, of renewed confrontation is taken seriously, the major security arguments for the US to negotiate SSN limits are first, that so doing would enhance nuclear crisis stability, and second, that reduced numbers of SSNs would reduce the threat to allied sea lines of communication (SLOCs). Both these arguments, which are examined in detail below, were ignored by the Pentagon's *Report on Naval Arms Control*.

The Pentagon report laid great stress on possible roles for SSNs in Third World contingencies — these included: covert surveillance, intelligence gathering, reconnaissance, strike warfare (all roles played by US SSNs in the Gulf War), plus '... enforcing naval blockades, anti-submarine warfare and delivery/recovery of special operations force.'<sup>21</sup> Yet no argument was made to show how a US/USSR negotiated SSN 'build-down' process to lower, but still substantial, levels would preclude these Third World missions from being carried out.

In periods of benign superpower relations, like those at present, there would be no reason not to deploy SSNs away from their traditional anti-Soviet mission to whatever Third World contingency arose. On the other hand, should relationships with the Soviets deteriorate to the point where East/West crisis confrontation was a real possibility, and should a Third World crisis erupt simultaneously, US SSNs would focus on the primary danger and keep to their traditional anti-Soviet roles. They would not be reassigned to the Third World crisis. This would be the case *with or without* a build-down regime.

### **1. 'Build — down': Some Practical Difficulties**

A 'build — down' agreement would involve cutting attack submarine numbers on both sides to equal ceilings — 50 and 70 SSNs each are commonly nominated limits. A 'build — down' regime which culminated in 70 SSNs for both navies could, however, be a 'something for nothing' agreement for the US. US SSN inventories are likely, according to one analyst, to decline from 92 in 1989, to 68 — 71 in the year 2000.<sup>22</sup> The Soviet SSN inventory may decline from 122 to 91 in the same period.<sup>23</sup> In other words a 70 SSN limit would require the Soviets to cut some 21 SSNs *in addition to* the numbers which would likely be retired anyway. Under the 70-SSN limit the US might not be required to retire any submarines at all.

The 50 SSN limit was suggested first by James Lacy of the Rand Corporation,<sup>24</sup> Edward Rhodes of Rutgers University has argued for a more radical 'build — down' to 25 SSNs on each side,<sup>25</sup> while Britain's Admiral Sir James Eberle, former Director of the Royal Institute for International Af-

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<sup>20</sup> US Department of Defense, *Report on Naval Arms Control*. p. 22.

<sup>21</sup> US Department of Defense, *Report on Naval Arms Control*. p. 15.

<sup>22</sup> Ellis, 'Assessing Structural Limits'. p. 330.

<sup>23</sup> *Ibid.* p. 322. The Soviet SSN figure includes SSGNs — nuclear cruise missile submarines.

<sup>24</sup> James Lacy, 'If the Soviet Union is Serious About Naval Arms Control', paper presented at International Seminar on Naval Disarmament, Moscow (February 1990). Michael McGwire proposed mutual SSN reductions as a stabilising measure in 1980. See Michael McGwire, 'Soviet — American Naval Arms Control' in G. Quester (ed.), *Navies and Arms Control* (Praeger, New York, 1980).

<sup>25</sup> Edward Rhodes, 'Naval Arms control for the Bush Era', *SAIS Review* Vol. 10, no. 2. (Summer — Fall 1990).

fairs, has suggested that SSNs might eventually be banned completely, not least because of growing concerns about the environment. Sir James recently, and somewhat provocatively, asked:

*... should these mobile nuclear power plants ... be permitted to cruise around the world's oceans partially blind, and at speeds of up to more than 30 knots, and not infrequently at close quarters?*<sup>26</sup>

The difficulties that would be involved in negotiating SSNs 'build — down' limits are obvious enough. Should the basis of cuts be submarine numbers, or tonnage — or both? And what of diesel submarines. The Soviets had 116 diesel - electric submarines (SS) in 1989, a total which is expected to decline dramatically during the 1990s. But there will still be an estimated 36 diesel subs in the Soviet Navy's inventory by the year 2000. The US, by contrast, has no diesel submarines. Should Soviet SSs, which are not well suited for an offensive role, be counted in a reduction regime, and if so how? The Pentagon states flatly that in any negotiations on a submarine reduction regime :

*... the US would insist on including all types of attack submarines, both nuclear and conventional. However, we do not believe that the Soviets would agree to such an approach, unless the negotiations were also expanded to include the considerable submarine forces of Western allied nations.*<sup>27</sup>

There are relatively small numbers of SSNs (French and British) in allied navies, but there are large numbers of sophisticated and quiet diesel - electric boats. Should these be counted, and if so how? And what about China — a state which has supported every arms control regime that does not affect China's armed forces, and almost none that does?

Finally, how might the Soviet respond to being asked to make greater reductions in their attack submarine force than the US would be required to make, when the US already has overall naval superiority, and when US nuclear attack submarines are clearly superior to even the latest Soviet SSNs? Soviet incentives for an SSN 'build - down' regime are questionable. Indeed as the Pentagon has pointed out :

*Despite over 30 years of naval arms control proposals of almost every variety, the Soviets have never officially suggested serious limits on their submarines.*<sup>28</sup>

Soviet naval arms control specialists have traditionally advocated 'keep - out' ASW - free zones and SSBN bastion 'keep - in' zones as means of safeguarding their strategic submarines rather than SSN 'build - down' regimes.

Equal numbers of SSNs on both sides would require the Soviets to make greater cuts in SSN inventories than the US. It would, in other words, tilt the SSN balance in America's favour — hardly a prospect likely to appeal to Moscow.

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<sup>26</sup> Sir James Eberle, 'Global Security and Naval Arms control', *Survival* Vol. XXXII, no. 4, (July/August 1990). p. 330.

<sup>27</sup> US Department of Defense, *Report on Naval Arms Control*. p. 21.

<sup>28</sup> *Ibid.* p. 21.

But past Soviet behaviour is not necessarily a reliable guide to the present or future, as recent events have repeatedly demonstrated. And dramatic changes in the USSR can change policy directions and preferences in the US. In future, the US Navy may have to bow to public, Congressional, and even Administration pressures to change its anti - arms control stance. It should not be forgotten that Navy opposition to changes in the tactical nuclear status quo did not prevent the Bush administration's initiative to denuclearise the fleet in September.

Given that current Navy opposition to a particular arms control measure is no guarantee that it will not be implemented, it is worth examining the basic security rationales for — and against — negotiating an SSN 'build - down' regime.

## *2. The Crisis Stability Argument for an SSN 'Build — down' Regime*

Putting Soviet SSBNs in their defensive Sea of Okhotsk bastion 'at risk' has been one of the more controversial elements of the publicly espoused version of the US Maritime Strategy.

As articulated by Admiral Watkins and others in the mid — 1980s, the Maritime Strategy involved US SSNs attacking Soviet SSBNs in the early stages of a conventional war. The resulting attrition of Soviet SSBNs, would, so it was argued, tilt the nuclear correlation of forces in favour of the US. Recognising this, the Soviets would be dissuaded from using their nuclear weapons in response — intra - war deterrence would have been enhanced.

Second, whether or not the anti - SSBN mission was actually carried out, the fact that Soviet SSBNs were at 'risk' would 'pin down' or 'tie up' Soviet SSNs in a bastion - defence role — preventing them from threatening US interests elsewhere.

But critics argued that the anti - SSBN strategy posed serious risks of nuclear escalation, that the Soviets would not sit idly by as their most secure strategic nuclear weapons were systematically destroyed and might well escalate in response. Such escalation would probably not involve firing of the strategic missiles on the threatened Soviet SSBNs on the 'use them or lose them' principle, but the possibility of nuclear attacks against the attacking US SSNs or carrier battle groups could not be ignored.

Even if the anti - SSBN strategy were not intended to be implemented in practice, the threat to assets which the Soviets saw as vital to their security, together with the other offensive missions of the US Navy in the Pacific, was bound to increase Soviet suspicion of, and hostility towards, the US. Such a strategy was unnecessary when the superpower relationship was good and risk - prone and and provocative when it was bad.

The anti - SSBN mission also contradicted other publicly articulated US security objectives. In strategic arms control talks the US had consistently urged the Soviets to place more of its strategic weapons on submarines on the grounds that sea - based strategic systems were more stabilising than the heavy ICMBs which the USSR had long favoured. For the US Navy then to target these same sea - based systems made the stability argument look somewhat ridiculous. There can be little doubt that anti - SSBN strategy is antithetical to the concept of stable nuclear deterrence.

Navy arguments were also self - contradictory. On the one hand, it was claimed that the anti - SSBN attrition campaign would create such a significant shift in the nuclear correlation of forces in the US's favour that the Soviets would be deterred from using nuclear weapons. On the other hand, it was argued that the Soviets would not be sufficiently alarmed by this level of attrition to make an escalatory response. Either argument could theoretically be true, it is impossible to believe that both could be true simultaneously.



In short the 'correlation of nuclear forces' argument for the anti-SSBN mission was and remains unpersuasive. Such a mission was unnecessarily and dangerously provocative during the tense days of the early and mid-1980s. Today it is simply unnecessary.

If an SSN build-down regime were negotiated, the ratio of US SSNs to Soviet SSBNs would change - favouring the survival of the latter and thus enhancing strategic stability. If the US abandoned its anti-SSBN strategy, the elimination of the anti-SSBN role for US SSNs would permit a reduction in their numbers anyway. But the US is concerned that any abandonment of the anti-SSBN option could have adverse security consequences.

### *3. Protecting SLOCs: the Indirect Approach*

The anti-SSBN strategy is rarely discussed publicly today. Privately US Navy officials refer to it as being no more than an 'option'. But they emphasise that simply by holding Soviet SSBNs 'at risk', the US can 'tie-down' large numbers of Soviet SSNs which would otherwise be free to attack Western SLOCs in the Pacific.<sup>29</sup> So the 'tie-down' function of the anti-SSBN strategy is important even when there may be no US intent to actually attack Soviet SSBNs.

But the 'tie-down' argument, though superficially plausible, is not compelling. If the US abandoned its policy of holding Soviet SSBNs at risk, both the US SSNs, which had been assigned to offensive missions, and the Soviet SSNs, which had been assigned to defensive missions, could be decommissioned as part of a 'build-down' regime. In other words 'build-down' can achieve the same objective as 'tie-down', but at lower cost and without the escalatory risks.

One may also challenge the assumption that Pacific SLOCs are as strategically important as is sometimes claimed. In the highly improbable situation of a US/Soviet war in the Pacific there would not be the same need to create a 'sea bridge' for the massive transfer of men and material to allies as would be the case for the Atlantic SLOCs and a war in Europe.

The potential for Soviet submarines to effectively cut vital trade routes in the Pacific may also have been exaggerated. The extraordinarily high price of modern submarines has meant that the number of submarines in US and Soviet inventories declined and is now only a small fraction of the WWII total. The number of blue-water merchant ships, on the other hand, has increased considerably over the same period. The ratio of targets to weapons has, in other words, shifted to favour the targets.

There are simply not enough Soviet attack submarines to cut Western trade lifelines in the Pacific — especially since during a war the SSNs would almost certainly not be able to get back to Soviet ports to take on new munitions.

Reducing the submarine threat to the SLOCs via mutual SSN reductions may be the most cost-effective way to protect maritime trade from interdiction. Using navy escorts to 'ride short-gun' on convoys would be extremely costly and of dubious efficacy. An alternative strategy would be for merchant ships to adopt the tactic of 'evasive routing' between ports to avoid contact with enemy forces. Effective Soviet surveillance and target acquisition capabilities would likely not last long in a war anyway, making evasive routing more effective. The key defensive task under this strategy would be the more manageable one of protecting the 'focal areas' of the ports of embarkation and disembarkation.

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<sup>29</sup> See 'Tension Reduction Measures in the Pacific'. p. 54.

The essence of the argument for a 'build-down' regime has been succinctly summarised by James Lacy, who notes that reducing the numbers of submarines on both sides would place each :

*... in a more defensive orientation ... There would be fewer Soviet platforms to threaten the West's sea lines, and fewer US SSNs to threaten Soviet SSBNs in their bastion.*<sup>30</sup>

As Philip Ellis argues in a recent study on naval arms control by the Stimson Center in Washington, SSN limits would diminish :

*... the destabilising aspects of each side's current strategy. In effect, the agreement would permit the submarine forces that each side uses to threaten the other's most prized assets to be reduced simultaneously.*<sup>31</sup>

Note that the foregoing argument assumes a resumption of US/Soviet hostilities at some time — an assumption which in current circumstances is far from realistic. If we drop this assumption the case for SSN cuts becomes even stronger.

## **OPERATIONAL ARMS CONTROL — CONFIDENCE - AND SECURITY - BUILDING MEASURES**

In making its case against naval arms control the US Navy has stressed the difficulties of across-the-board structural arms control and reiterated the need for maritime nations to safeguard their SLOCs, but it has consistently failed to treat seriously the real concerns which the Soviets have had about US naval strategy.

Moscow has been insistent that the US naval threat against the USSR be reduced, but has stressed 'operational' rather than 'structural' naval arms control as a means to reduce this threat.

The broad intent of Soviet 'operational' arms control proposals has always been to keep the US Navy as far away from Soviet territory as possible. Since the US has a forward offensive strategy, while Soviet strategy is essentially defensive, the type of constraint regime the Soviets have in mind would be of benefit primarily to them.

Operational arms control involves the negotiation of Confidence-and Security-Building Measures (CSBMs), sometimes also referred to as 'Tension-Reducing Measures' (a term some Navy analysts prefer).

'Transparency' CSBMs are designed to improve communications between opponents and reduce misunderstanding. They typically include the advance notification of exercises, exchange of observers on exercises, 'hotlines', dialogues on naval doctrine between military commands and so forth. 'Transparency' measures are intended to build confidence by decreasing secrecy and reducing possibilities for surprise attack — in this sense 'transparency' CSBMs may be seen as a form of intelligence.

The Navy, however, is concerned that even very modest CSBMs may place it on a 'slippery slope' which would lead inexorably more far-reaching agreements which would constrain US naval operations. As the Pentagon's *Report on Naval Arms Control* puts it :

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<sup>30</sup> Lacy, 'If the Soviet Union is Serious', p. 10.

<sup>31</sup> Ellis, 'Assessing Structural Limits', p. 336.

*... acceptance of such ( modest CSBMs ) would set undesirable precedents and tacitly encourage further efforts to constrain US naval operations and freedom of the seas.* <sup>32</sup>

The Navy believes that any such constraints are antithetical to the security interests of the US and its allies.

The 'slippery slope' argument, which could, of course, provide an excuse for refusing to negotiate *any* agreements at any time, is unpersuasive. As Michael Krepon has noted, it :

*... is neither intellectually, nor empirically defensible. It presumes that the American public and their elected representative are incapable of distinguishing good agreements from bad agreements. It also presumes that responsible officials within the US government are powerless to influence the course of negotiations.* <sup>33</sup>

If the Navy is concerned about 'undesirable precedents' and measures which might 'tacitly encourage further efforts to constrain US naval operations' it must surely recognise that the dramatic Bush initiative on tactical naval nuclear weapons pushes it much farther down the allegedly 'slippery slope' than any modest CSBM agreement would have done.

The operational arms control measures which the Soviets are keenest to see implemented and which the US is determined to keep off the agenda altogether, are the so-called 'constraint' CSBMs. These include proscriptions on naval vessels approaching within certain distances of an opponent's coast; ASW-free 'keep-out' zones; SSBN sanctuary 'keep-in' zones; maritime nuclear-weapon free zones, zones, etc.

Although all such measures apply equally to both sides, they would affect the forward-deployed US Navy far more than the defensively deployed Soviet Navy. 'Constraint' CSBMs of this type would decrease Soviet vulnerability and constrain US naval operations. This is why the Soviets promote them — and the US rejects them.

Soviet officials recognise that their proposals are one-sided. They offer two justifications. First, they suggest that what they are offering is analogous to ambit claims in an industrial bargaining process. Their proposals should, they say, be seen as starting points for negotiation, not as non-negotiable demands. This is not, however, a very sensible strategy when confronting an opponent who welcomes any reason to avoid negotiations in the first place.

Second, and more substantively, is what might be called the 'equity' or 'fairness' argument. The Soviets point out that they responded to NATO concerns about the offensive nature of Soviet strategy and the numerical superiority of Soviet land forces in Europe. The US should now respond to legitimate Soviet concerns about the offensive and threatening nature of US maritime strategy, and the superiority of Western naval forces.

In Europe, Moscow agreed to asymmetrical force level reductions that favoured the West. Forward-deployed Soviet forces are being withdrawn from Eastern Europe and Soviet force structures are being restructured so that they lose much of their offensive character.

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<sup>32</sup> Department of Defense, *Report on Naval Arms Control*. p. 29.

<sup>33</sup> Michael Krepon 'Preface' to Blechman *et al*, *The US Stake in Naval Arms Control*. p. 2.

Fairness demands, say the Soviets, that the US now be willing to give up some of its maritime strategic advantage and change its highly offensive forward strategy which Moscow still finds threatening.

The US remains unpersuaded. First, the new Soviet policy of 'defensive sufficiency', say US officials, arose more from the inability of the crisis-ridden Soviet economy to continue to fund crippling high defence budgets than from any Soviet concern to stabilise and improve the East-West security relationship. Moscow had to change; the West does not, so the arguments about 'fairness' cut little ice.

Second, US officials note that the US Navy has to be forward deployed to protect its allies and they reiterate the familiar arguments about defending SLOCs. These US arguments are not, however, particularly relevant. Soviet officials do not question the legitimacy of SLOC protection — indeed they have recently proposed cooperative US/Soviet naval operations to safeguard SLOCs.<sup>34</sup> Soviet officials now also accept that US alliance relationships require the US Navy to be forward deployed in Japan and Korea. Indeed most Soviet officials privately accept the argument that the US presence in Japan helps assuage regional concerns about a possible revival of Japanese militarism.

What the Soviets *have* consistently objected to is the threat which they perceive the US Navy posing to the Soviet homeland in the far-East and to Soviet SSBNs in the Sea of Okhotsk. This threat was regularly demonstrated in the 1980s via provocative US deployments and exercises close to Soviet territory.

Those in the US who claim that there is little danger attendant in the Navy's North Pacific exercises, that relations with the Soviet Navy are excellent and improving, are correct. But if we believe that this state of affairs will continue permanently then there is an unanswerable case for major cuts in military expenditure and inventories now. Few would make such a prediction, however, and most believe that it is possible that East-West political relationships could deteriorate in future. But this is precisely when the risks which are associated with offence-dominant strategies increase.

Offensive strategies do not in themselves *cause* conflicts, but they often exacerbate them. They contribute to tension and suspicion, they provide incentives for arms races, for pre-emption in crises and for escalation if the threshold to war is crossed. Offensive strategies increase the risks of inadvertent war. Recognition of this danger underpinned NATO demands for the Soviets to abandon their highly offensive *blitzkrieg* strategy for the Central Front in Europe.

The critical argument *for* offensive strategies is that they constitute the most efficacious means for deterring war, and for fighting it if deterrence should nevertheless fail. Maintaining and enhancing deterrence has been the most important objective of the Maritime Strategy. From the Navy's perspective 'restraint' arms control measures, if implemented, would prevent the Navy from practising its strategy 'realistically'. Such constraints would reduce operational effectiveness, which would in turn undermine deterrence. If deterrence is undermined, the risk of aggression increases. Thus, in extremis, arms control may actually increase the risk of war.

This argument, though logically consistent, is unpersuasive since it assumes what has to be demonstrated — namely that deterrence is fragile and needs enhancing. In a world in which both superpowers, whatever the current state of their political relationship, will continue to maintain huge and largely invulnerable stockpiles of strategic nuclear weapons, deterrence will always be robust. If deterrence is robust, aggression does not constitute the central security problem and, insofar as there is any risk at

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<sup>34</sup> Eric Grove (ed.), *Addebury Dialogue*. p. 7.



all in the superpower relationship, it derives from crisis instability rather than aggression. If this proposition is accepted, then it follows that strategies of reassurance, which include CSBM regimes and force reductions, are a more appropriate way of preserving peace than strategies of offensive deterrence.

## CONCLUSION

What are the implications of these arguments for the US/Soviet security relationship in the North Pacific. First, that there seems no good reason why the US should not relinquish its options for attacking Soviet bases etc. on the mainland in the Soviet Far East *and* abandon its anti-SSBN strategy.

I have already argued that the 'pin-down' and 'nuclear correlation of forces' arguments for the US anti-SSBN strategy in the Sea of Okhotsk are unpersuasive. The third traditional rationale for the offensive thrust of the Maritime Strategy in the North Pacific, that of 'horizontal escalation' is no longer relevant.

'Horizontal escalation', which was an important element in the Maritime Strategy, was a classic diversionary tactic. If NATO were fighting a war in Europe, the US could escalate the war 'horizontally' by opening a second front in the Far East. This would force Moscow to divert resources to the East — or at the very least preventing it from using Eastern forces to reinforce the West. But with the break-up of the Warsaw Pact and the ongoing process of Soviet force reductions, 'horizontal escalation' makes no sense *even if* we assume that the regime in the USSR changes and there is a reversion to the Cold War climate of the past.

To focus on those aspects of traditional US naval strategy in the North Pacific which are perceived as threatening by the Soviets is not, of course, to deny that the US and its allies have found many Soviet actions, such as the simulated bomber attacks against Okinawa, the Japanese mainland and Alaska, threatening and provocative. But almost without exception such actions are directed against US military assets — or the assets of US allies — which the Soviets perceive as threatening *them*. A more defensive orientation of US strategy would prove an incentive for Soviet reciprocity — it could indeed be made conditional on such reciprocity.

Reducing the offensive thrust of US forward strategy would *not* mean an abandonment of SLOC protection, nor would it imply that the US would have to relinquish its forward presence in the region. It would indicate a recognition that, in the post-Cold War environment of the 1990s, strategies of cooperative security may be more appropriate than those of offensive deterrence.

# PROSPECTS FOR SECURITY COOPERATION IN THE 1990'S : ASEAN — ASIA PACIFIC REGION

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This problem was thoroughly discussed in Manila five months ago. However, the tide of breathtaking changes is already in, leaving any discussions behind and transforming the international political scene — the new turn of events in the USSR, reciprocal US and USSR initiatives to reduce nuclear arsenals, the civil war in Yugoslavia, the opening of the final stage of the Cambodian conflict settlement, the evolution of the question of US bases in the Philippines, etc.

Participants in the Manila discussions were unanimous in their understanding of security as a comprehensive factor that encompasses all aspects of life. Nor did they object to the idea that such security for ASEAN or Southeast Asia can in the long run be guaranteed through the establishment of a regional order not only for this particular group of countries but for the entire Asia Pacific region which, according to Jusuf Wanandi, “despite its heterogeneity has indeed emerged as a single region”.

The linkage, however, could be naturally traced still further. Clearly the regional order is unthinkable in isolation from the still emerging postconfrontational “new world order” whose various parameters and visions have been outlined by the Soviet Union, the United States, China and other countries. Whatever the new order, it is obvious that it can be shaped only according to economic, technological, political and military trends prevailing in the world. The very possibility of its establishment depends on the success of the predetermined task of transition to a more peaceful, stable, secure and prosperous world.

An attempt would be in order to trace the effect of the interrelationship of global, regional and subregional factors on the prospects of security and cooperation in Southeast Asia and how in particular they can be adjusted as a result of recent events.



1. In Manila questions that could be listed among the most important problems of regional security were raised — what could be the consequences of the crisis in the USSR? Will it disappear as one of the centers of world stability, balance of forces and interests? What will it be like anyway? Will its leaders' initiatives be implemented?

Since then the number of such questions seems to have grown even further. Foreign observers are especially concerned by the prospect of the USSR's disintegration and of its nuclear arsenals being split among its constituent republics. In the Asia Pacific region the USSR is sometimes referred to as a frightening "zone of instability".

Clearly no one will be dealing with the USSR of the past. This is primarily true in the sense that the defeat of the August 19 — 21 conservative coup marked the final collapse of the command and administrative system, the downfall of totalitarianism, the irreversible progress of the country's peoples towards pluralism, democracy, a civil society based on the rule of law and a market economy. It is difficult to say when the painful and ambiguous period of an all-round renewal will be over. But the choice of complete integration in the world economy and civilization has been made and there is no going back.

The August events have completed the deideologization of the USSR foreign policy, resulted in total renunciation of double standards in its relations with other states, and in its transition to a single world scale of democratic values. The USSR is rejecting any "enemy image" philosophy.

Thus the general thrust of the USSR's domestic development and foreign policy points to greater homogeneity of the world, to the erosion and removal of primary causes of the global nuclear confrontation and international tensions. This is the bottom line. The USSR's renewal as a factor contributing to the removal of military threat provides an immeasurably broader basis for the strengthening of peace and international cooperation, for large-scale measures in the field of disarmament, arms limitation, security, the settlement of global and humanitarian problems that we are presently witnessing. The above is also fully attributable to the Asia Pacific region.

Another important aspect of processes under way in the USSR is the fact that the Union republics are acquiring real sovereignty, particularly in foreign affairs.

This, however, does not at all eliminate pro-union orientation, although the Union is indeed undergoing qualitative changes. Negotiations on the Union treaty are in progress. On October 18 the republics signed the Treaty of Economic Cooperation later to be joined by the Ukraine.

A division of the spheres of competence in foreign policies between the Union and the republics is being worked out with the Union policies acquiring an increasingly interrepublican character.

Decisions of the top legislative bodies of the country provide for the preservation of unified armed forces with nuclear weapons under the control of the Union Ministry of Defence and of the USSR President. This control is even being substantially increased — it has been decided to place all the strategic forces under unified operational command with strategic defence systems forming part of a single armed service within the Union Defence Ministry. The "nuclear button" remains single, the number of nuclear powers is not increased, there will be no destabilization of the nuclear balance.

Logic dictates that the nineties will see both the republics and their new union center as a concrete state entity and the USSR's successor acting as subjects of international relations in the world and in the Asia Pacific region in particular. Their possible interaction in regional affairs could be exemplified by the recent active involvement of the Russian Federation in peace treaty negotiations with Japan.

Due to its preoccupation with internal problems the role of the Union in the region may for some time fail to properly manifest itself but as the crisis is overcome, it will be acquiring a more solid standing in the Asia Pacific region, this time mainly of an economic and political rather than military

nature. At the same time it would not be an overstatement to say that at any stage major fundamental regional problems can hardly be satisfactorily resolved without the Soviet Union's participation.

2. The above introduces an additional dimension to the forecasts for the region's political and strategic future.

The countries of the Asia Pacific region are guaranteed by the republics and the Union the continued policy of new thinking that was discussed in Manila and has led to positive global and regional changes and precludes any threat or danger to the regional states on the part of the USSR.

Geopolitics and economics will increasingly push the republics and the Union, on the one hand, and Asia - Pacific nations, on the other, towards mutual expansion and diversification of relations.

The primary reason for that is that all the republics wish to actively participate in the European process, because the European space, provided that the term is correctly interpreted, is not confined to Europe, but stretches out as far as the Pacific across the territory of the Union to reach the United States and Canada across the Atlantic. If the European process gains the necessary momentum, this may lead to the emergence of a powerful community effectively encompassing the northern hemisphere.

The republics and the Union are also destined to serve as a bridge between two centers of integration — one European and one in the Pacific — whose reciprocal gravitation appears to be historically inevitable.

Since they directly participate in the European process and serve as a connecting link between the world's economic centers the republics ( the Union ) have a big stake in stronger security and cooperation in Asia and the Pacific and in pursuing their destiny within a single Eurasian space.

I think Asia - Pacific nations, too, stand to gain from a broader participation of the Union and the Republics in regional affairs, but from locking themselves exclusively within the framework of the European process. Today we are living through a stage where emergency humanitarian aid is being provided to the Soviet Union. From this stage on as the USSR moves ahead towards a market system, ways could be explored for laying a more solid foundation for cooperation with my country.

The cornerstone of regional stability, i.e. the strategic quadrangle made up by the USSR, the USA, China and Japan remains in place. This reflects the pattern which is characteristic of Asia and the Pacific, i.e. polycentrism and a balance of forces where two or three of the four great powers are incapable of allying against or isolating the fourth. This is the basic maxim of any regional security project.

For Southeast Asia this extends into the future the prerequisites for, and practical value of, the basic strategy of the countries of the subregion. This strategy seeks to mutually offset influences exerted by the great powers in Southeast Asia, which, under conditions of deconfrontation, should increasingly shift from reliance on power politics towards economic and political cooperation.

Pursuit of such a strategy, in particular, stronger emphasis on collective actions in the policies of Southeast Asian nations and promotion of their relations with other great powers constitutes the way to respond to apprehensions voiced in Asian countries that now the Gulf crisis is behind us, the United States, as the sole superpower today, might pursue a policy of putting pressure on its partners in Asia.

It is widely believed that relations among the great powers will never go beyond the ambivalent cooperation -- rivalry status. But the trend toward their further improvement is evident. The period under discussion will, in particular, be marked by a conclusion of Soviet - Chinese talks on borders and border troops, agreement on a formula for the Soviet - Japanese peace treaty, development of business contacts and dialogue between China and the United States and Japan, and by an overall stabilization

of relations within the quadrangle.

The interests pursued by the great powers and the dynamics of relations among them make acute tensions, even less so clashes, among them in Asia and the Pacific virtually just as impossible, as a war in Europe. Moreover, by and large, with rare exceptions relations among the countries of the region continue to improve. In other words, an increasingly favourable regional security macroenvironment is developing in Southeast Asia.

3. This is all the more true in light of the concurrent adequate steps taken by the United States and the Soviet Union who have set a good example marking progress toward radical reductions in tactical nuclear weapons, strategic offensive arms and aggregate number of personnel in the armed forces. The initiatives taken reciprocally by the United States and the Soviet Union have repercussions for Asia and the Pacific; they not only directly strengthen regional stability and security, but also, as it were, establish prerequisites for possible subsequent disarmament measures and steps to settle regional problems. The outcome is or may, in time, be as follows:

- The new US - Soviet relationship in Asia and the Pacific and August 1990 agreement between our two countries not to consider each other as rivals in Asia is being supplemented by real military detente on a regional level.

- Positive changes are occurring in the military - strategic and political environment in which earlier Soviet confidence - building, arms control and other proposals were put forward. Parallel implementation of the announced steps may lead the sides to take further measures, such as retiring all sea - based tactical nuclear weapons, something already proposed by the Soviet Union. This, in turn, may stimulate negotiations on a broader range of security issues in Asia and the Pacific, including naval armaments and activities. One obvious subject for discussion is confidence - building measures in this area, all the more so that the Americans are now saying they are unhappy about what they call "excessive concentration" of the Soviet Navy in the Seas of Japan and Okhotsk now that they have built down their military presence in the ocean.\* These developments will hopefully bring closer R. Scalapino's predication that "in the not so distant future, the United States will accept multilateral arms limitations discussions in the East Asia - Pacific region, including negotiations on naval reductions".

- Implementation of US and Soviet initiatives may sort of "clear the ground" for them to work toward reducing strategic offensive arms in a manner that would be prompted not so much by a pursuit of parity as by economic criteria and the principle of defence sufficiency and would affect the Pacific components of their strategic triad.

- This raises in practical terms the question of China and other nuclear powers joining the nuclear disarmament process.

- This equally brings up the question of their joining the moratorium on nuclear testing announced by the Soviet Union with a view to paving the way for an early and complete cessation of nuclear testing, something which would be particularly important for Asia and the Pacific.

- As the Soviet Union and the United States scale down their nuclear potentials, a stronger non - proliferation regime for weapons of mass destruction, missiles and missile technology becomes particularly relevant and urgent. The same applies to restricting sales of conventional armaments, for example on the basis of proposals for a UN register put forward by the Soviet Union and Japan.

- The US steps to withdraw its nuclear weapons from South Korea can have particularly tangible consequences both in terms of non - proliferation and lowering tensions on the Korean peninsula. This measure combined with a declaration by the Republic of Korea that it has no nuclear weapons on its territory could compel Pyongyang to sign an agreement putting its nuclear facilities under IAEA con-



trol. What could be done next — is to accelerate the uncompleted process of cross recognition of the two Korean states by great powers and to create a new climate for an intensified inter-Korean dialogue as well as for holding, in accordance with the proposals already put forward, a conference with a view to achieving a settlement on the international aspects of the Korean problem.

Making progress towards normalization of the situation on the Korean peninsula and exploiting the new realistic opportunities to finally settle the Cambodian conflict may usher a qualitatively new phase in building regional security and stability.

— There are signs that the US position on the Treaty of Rarotonga may be changing. The idea of declaring the Korean peninsula a nuclear-weapon-free zone becomes feasible. The attitude outside the ASEAN region toward well-known idea of creating ZOPFAN and a nuclear-weapon-free zone in Southeast Asia may also be changing for the better. Thus the idea stands a better chance to be implemented. It may be possible now to work towards terminating any “tactical nuclear activity”, including in the air, in the region of the Sea of Japan.

— Indirectly these measures are also likely to stimulate certain reduction, if not total cessation of military presence (troops and bases) on foreign soil in Asia and the Pacific and a change in its configuration (Soviet withdrawal from Camranh) and that of the US from the Philippines, etc.).

— The build down of the Soviet and US nuclear arsenals induces other states in Asia and the Pacific and the developing countries to think about their own role in the process of disarmament, the disparity between the nuclear disarmament of “superpowers” and a considerable increase in military spending in the above countries, and the need to reverse the arms race on a regional level in order to avoid military threats emanating from neighbours.

4. The unprecedented progress in relations between the USSR on a global level certainly promotes rapprochement between the states of the region and an overall improvement of the situation there. However, the situation remains contradictory and a common untroubled trend steering the way toward security is yet to be found.

Against the background of the developments described above we are witnessing the spread of the idea expressed earlier, i.e. that a weaker Soviet and US military posture is fraught with the danger of undermining the “stabilizing” effect of the US military presence in Asia and the Pacific and creating there a dangerous vacuum of power.

This in essence is a wrong premise. The US is not appreciably cutting its military presence, it is not renouncing the strategy of forward bases and “power projection”, nor is it subjecting to a radical revision of its policy with regard to its allies or the fundamentals of the Pentagon document adopted in April 1990. It is introducing adjustments in the nuclear centrepiece of its strategy of the past and accepts only such reductions within the framework of the Soviet-US balance as it believes are warranted by the new status of Soviet-US relations. The US is not reducing its military presence in terms of its obligations and as regards what the US itself and other countries call its “overall stabilizing role in the region”. The “vacuum” theory appears to be unfounded.

Yet it has become a fact of regional political life. According to the analysts’ logic the established frames of cooperation in the sphere of security are being broken and the region is moving to new ones which have not yet taken shape and are fraught with such dangers as a possible emergence of a “regional center of power” and ambiguity as regards the future role and the pattern of activities of China, Japan, India, etc.

These feelings are mixed up with apprehensions that a less prominent role of the USSR in world affairs can, on the contrary, lead to undivided US domination, which is not in the interests of

the developing countries.

These concerns are further exacerbated by the instability around the islands in the South China Sea, a premonition of renewed territorial and border disputes following the Cambodian settlement as well as by complex problems of protecting national economic zones and maritime navigation which has recently become a subject of lively discussion.

The overall impact of the above-mentioned factors has resulted in a slower pace of processes leading to reduced tensions in the Asia Pacific region compared to global trends and in increased military spending in a number of states, including countries of Southeast Asia. It would not be an exaggeration to say that there is an incipient tendency towards a regional arms race, a possible destabilizing spiral of which can by no means be ignored.

Attention should be also drawn to the different, opposite trends evolving in relations between the leading military and nuclear powers, on the one hand, and at the regional and subregional level, on the other.

5. Let us focus our attention on the main conclusion, leaving aside a whole chain of inevitably arising arguments: events have fully reaffirmed the urgency of the Manila appeal for multilateral steps, a comprehensive regional dialogue and cooperation on security issues, and for making it a "habit" to hold a dialogue on a regular basis. Or as a number of speakers have put it — the time has come to combine bilateral and multilateral consultations and dialogues of various formats. It is precisely this approach that was recognized as particularly important for the region. Even more so today than yesterday.

Security problems are facing the countries of the region (just as other countries) in their ever growing complexity of aspects and dimensions, whether in economy or defence, environment or the human dimension. Attempts to resolve them exclusively within the framework of national efforts become ever less effective and lead to the deadlock of military expenditures. On a global scale the time has come for a dialogue and a search for political solutions to these problems.

History has presented us all with the tragedy of Yugoslavia. The still fragile European structures of security and spontaneously emerging mediation mechanisms are now being tested. However, those who are prepared to view all this with a considerable measure of scepticism should be asked the same pertinent question that was raised during the Gulf crisis: what would have happened had that tragedy occurred not after, but at the height of the "cold war"?

The lesson of Yugoslavia for Asian and Pacific countries is that today the danger emanates from neighbours or from your own home rather than from distant great powers. The lesson is also that the sooner mechanisms and levers to regulate internal tensions and possible problems with neighbours are in place and at work, the better.

It is probably now equally clear to everyone that in Asia and the Pacific there can be no copying European experience although it can be used by way of general approaches and as a vision of security issues. There is an equally uniform understanding of the fact that dialogue in Asia and the Pacific does not signify a review of existing structures, realities, or of the system of relations and orientations. The dialogue should essentially complement them, leading to a build-up of new layers of cooperation and imparting the feeling of confidence and predictability in security issues on the basis of contacts with a growing number of partners. The process rather than the institutions is the case in point. Institutionalization, if need arises, is a function of the process itself.

Since the discussion of the prospects for cooperation in the sphere of security is linked to the ASEAN and Southeast Asia there are numerous arguments in support of making this subregion the

center or one of the main centers of the proposed dialogue. This opinion appears to be also winning a certain consensus.

This, above all, is a group of internally comparatively stable countries of a recognized standing playing a key role in the Pacific and broadly involved in the entire system of international relations. They are going through a responsible and sufficiently encouraging stage of development whose results will to a great extent determine further progress of the region as a whole, relations along the North - South line and even leave their imprint on the face of the world civilization.

Southeast Asia is home to the ASEAN—the most influential regional organization possessing an established mechanism which could be used as the basis for the development of the proposed dialogue. Indeed, an important step in this direction was taken in July 1991 when representatives of China and the USSR were invited to a meeting with the Ministers for Foreign Affairs of the ASEAN countries. It appears that future regular meetings with ministers of the ASEAN countries could be held with the participation of their counterparts from the USSR, China, Vietnam and other countries along with their traditional partners.

The ASEAN countries initiated a discussion on the prospects for cooperation in the sphere of security for 1990s and set forth alternative security patterns of the Association. It is for them to determine which alternatives they will follow. At the same time the impression remains that their interaction in the military field is to be increased. Hence, in view of the ASEAN's influence on the regional situation it is all the more important to continue the exchange of views between them and all their partners in the region on security, political and economic issues.

Furthermore, possible accession of other regional states to the 1976 Bali treaty signed by the ASEAN countries seems to be only a matter of time. Thus, a new Southeast Asia will emerge whose role in the regional dialogue will increase even further.

Finally, broader regional dialogue through the ASEAN structures is also supported by economic factors which have always constituted the main security dimension in East Asia, unlike Europe, and will, of course, remain the same in the years to come. At present everybody is convinced that the influence of military and political factors in 1990s will decrease; there is however a growing concern whether the 21st century will bring along economic conflicts between North America, the EEC, Japan, or along the North - South line. Statistics show convincingly enough that any of those segments of the world economy are important for the countries of Southeast Asia as is the development of multidimensional economic cooperation in the years to come or establishing a system of counterbalances providing economic security.

In this sense the Soviet Union, too, can play its role along with China. Unfortunately, its place today in the world economy is mainly determined by the desire to insure and support itself against its own economic breakdown and the disintegration of the huge nuclear country fraught with unpredictable consequences for the world. However, everyone is aware of the unique nature of the situation and vast prospective opportunities of the USSR, in particular of the fact that the development of Soviet Siberia and the Far East can in time become a new factor of economic activity in Asia and the Pacific. International participation in such development and in the implementation of specific projects already at this stage is not at any way understood in the USSR as a monopoly of the G — 7 or of the neighbouring states. The USSR will welcome the cooperation of the business community of any country in Asia and the Pacific.

The statement of the Soviet representative in Manila was centered on the idea that the search for ways, approaches and bases of regional security should include such options which would be acceptable to all the countries of the region including China, the Soviet Union, and others. The idea seems to be winning growing acceptance. Its implementation in the specific conditions of Asia and the Pacific requires



a dialogue, a consultative exchange of views which does not infringe on the existing structures or anybody's interests but makes it possible to expand both the number of participants and the range of issues discussed, thus building confidence among states.

It is all the better if such a dialogue is initiated through the mechanisms of the ASEAN. It is important for it to begin and to get established, while life will show realistic opportunities of new channels for such a dialogue.

# PROSPECTS FOR SECURITY COOPERATION IN THE 1990's

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1. It is my great honour to participate in the symposium on regional security. I would like to make a few personal remarks on this important issue.

National, regional and world security is the ardent wish of all those who live in this beautiful planet. However, over the past forty five years since the end of the Second World War, mankind have had to live in tension caused by the long - protracted cold war and fears of a possible nuclear war. In that context, South East Asia was deep in fierce confrontation and bloody wars of which the Vietnamese people were the most suffering victims.

Nowadays, the prospects of security have become brighter. The Cold War has ended and the danger of a nuclear war has been repelled. In addition, the great development of the scientific and technological revolution and the globalization of the world economy have made countries more interdependent on each other and thus their need to cooperate with each other more imperative.

The security environment of our region has also changed. The military presence and confrontation between the superpowers have lessened. The Cambodian conflict is becoming a thing of the past. The tension between Vietnam and China is rapidly giving way to the normal relations on the basis of the five principles of peaceful coexistence. In the region the relationships between Vietnam and the ASEAN countries and other countries are developing in a fine manner in various fields. It is possible to say that the international and regional situation brings us new hope for a period of peace and better security for all nations in our region.

However, in the current transitional period of history characterized by a change over from the old world order to the new world order and from the bipolar world to the multipolar one, we are still faced with challenges and instability. It is not easy for the forces which attempt to dominate our world to renounce their ambitions. The bitter competition among the economic centres, the possible

collapse of the world macro economic system, the danger of trade protectionism and other factors that prevent the economic development of developing countries are threatening security and stability of the region and the rest of the world.

A new world order is being formed. No matter how many poles the new order may have. It is not acceptable for one country or a group of countries to hold the monopoly, to exert pressure and to impose their cultural values on other nations and that would lead to reactions with unforeseeable consequences. Additionally, among countries there remain other explosive factors such as racial and religious conflicts, disputes on land and sea territories. In our region, the East Sea ( or South China Sea ) is an issue of concern to many people.

Thus, the current general situation shows that a number of major dangers to the security of nations have been repelled. However other dangers of conflicts and the economic challenges still threaten regional security. That is why it is extremely necessary and imperative to look for security measures for every state and the entire region in the new situation.

2. So far initiatives have been put forth on the building of security for Asia and the Pacific, particularly South East Asia. They are the 1971 Statement on ZOPFAN; the 1979 Bali Treaty; the 1976 four - point Statement by Viet Nam; the 1981 seven - point Statement by Laos and its 1988 supplements; the initiative on a South - East - Asia - Nuclear - Weapon - Free Zone ( SEANWFZ ); the doctrine on national and regional resilience by ASEAN. Recently there have emerged new initiatives such as CSCA ( Conference on Security and Cooperation in Asia ) proposed by Australia in 1989; the initiative on “ dialogue on security and cooperation in North Pacific ” proposed by Canada in 1990; the Conference of Foreign Ministers of countries in Asia and the Pacific held at the United Nations in October 1990; the initiative on convening a conference of Foreign Ministers of countries in Asia and the Pacific in 1993 to discuss security and development proposed by the Soviet Union ; ASEAN symposia on regional security and the initiative on using the ASEAN-PMC mechanism to discuss regional security etc.....

The great number and diversification of the listed initiatives demonstrate the ardent desire of countries for security and at the same time they show the complexity of the issue and of the building of a security framework for the region.

Through the above-mentioned initiatives, it is possible to find out the common denominator and the positive tendencies that can constitute the basis for building regional security.

3. The comprehensive and multi-dimensional approach to the issue of regional security enjoys broad recognition. The concept of security based purely on military strength has become outdated. In its place, there has emerged the concept which maintains that security should be based on the general strength and the interaction among economic, political, diplomatic and defence factors.

Proceeding from such approach, the economic development constitutes a steady guarantee for political stability and security of each country. Economic integration will result in the substantial relationships closely linking countries through economic interests which will contribute to removing armed conflicts. Each country should maintain its military spending at a sufficient level without squandering its materials and human resources, without igniting a new arms race among countries in the region and without creating suspicions about one another. Many countries have suggested confidence-building measures such as increasing contacts between the armed forces, informing each other of their respective military activities.

Developing broad friendship and cooperation with all countries and persistently pursuing the motto of making more friends and less enemies serve as the best way to ensure most efficient and least

costly security. The foreign policy of “siding with one to oppose the other” has become outdated and even dangerous. Today, all countries adopt the policy of diversifying their relationships and balancing their ties with great powers. They have all recognized the importance of building stable relationships with all other countries in the region on the basis of the commonly acknowledged principles such as the five principles of peaceful coexistence; the ten Bandung principles; the six Bali principles. One of the principles directly relating to regional security is the settlement of disputes through peaceful means. This principle has been notably highlighted in the initiative on turning the potentials of conflict into those of peaceful cooperation and settlement of the current disputes in the East Sea (or South China Sea).

While recognizing the role of the great powers, all countries in the region welcome their contributions to peace, security, stability and development in the area. However, what the countries in the region would like to avoid are conventional or nuclear conflicts between the super powers; unhealthy cooperation among the great powers; the monopoly of one big power or a group of big powers;

The listed issues have been expressed in the appreciation of countries in the region of the agreements between the Soviet Union and the United States on disarmament, of the initiatives on a Zone of Peace, Freedom and Neutrality (ZOPFAN) and of a South East Asia Nuclear Weapons Free Zone as well as ASEAN's invitation to the Soviet Union and China to participate in the dialogue process in the region.

Security should be viewed not only in depth implication but also in width implication. The securities of each country, each region and the entire world are closely related to one another. The countries in the region are increasingly aware that all countries in the region should enjoy equal security and that it is impossible to ensure security of one country at the expense of other country's security. In the same way security of ASEAN can not be separated from that of the Indo-Chinese countries and Myanmar, and that security of South East Asia is inseparable from that of the entire Asia and the Pacific. This very fact should be taken into account in building the mechanisms of regional security.

4. So far there have been different opinions on the setting up of mechanisms of regional security. Some advocate building a common security mechanism for the entire Asia and Pacific.

Others propose building individual mechanisms for each subregion. And there is also suggestion on building a multilevelled mechanism of security.

With regard to the characteristics of such mechanisms, there have also been different views: such as either building a loose mechanism for consultations or setting up a binding one. However it is commonly agreed that maintaining establishing military bases and alliances not only disconform to the common trends but cause detriments to the security of each country and the entire region. It is now possible to seek for a suitable mechanism through the broad exchanges of views among the parties concerned. And the building of such mechanism should be carried out gradually moving from informal to formal one with loose and non-binding characteristics.

The holding of symposia on regional security as the present one and the use of the ASEAN PMC mechanism to discuss regional security are worthy of due attention. However, the absence of a number of countries in the region in the PMC mechanism on security shows the provisionality and imperfection of the mechanism. That is why the discussions aimed at seeking for an appropriate framework to ensure regional security should be continued.

5. After many years of arduous struggles for national independence and freedom, the Vietnamese people have no other desires than to live in peace, security and stability to concentrate on economic development. Since 1986, Vietnam has carried out a thorough renovation in all fields of economy, politics,



defence and diplomacy which is aimed at enriching the people, strengthening the country, thus contributing to regional peace, stability and prosperity.

Vietnam focuses primarily on economic reforms and is resolved to transform the economy operating under old economic mechanism to a multi - component market economy with a view to bringing into full play all the economic potentials of the country and at the same time better exploiting the possibilities of expanding international cooperation, further participating in the international labour division, attracting more capitals, technologies and experiences of the world for national construction, and constant improvement of the living conditions of her people. Simultaneously, Vietnam is gradually reforming the political system, carrying out social democratization and justices aimed at maintaining political and social stability for economic development.

A strong economy constitutes the basis for a strong defence. At the 7th National Congress of the Communist Party of Vietnam, General Doan Khue, Defence Minister of Vietnam reaffirmed “ We advocate building an all people’s firm and reasonably strong defence; reasonably strong armed forces; closely combining defence and security, defence security and economy ”.<sup>1</sup> On this basis, Vietnam is streamlining and reorganizing her army and has demobilized 600,000 regular troops including 200,000 officers and professional soldiers. At the same time, the relationships between the Vietnamese armed forces and those of a number of regional countries have started thus contributing to the building of confidence between Vietnam and other countries in the region.

As foreign policy, the 7th National Congress of the Communist Party of Vietnam has stated “ Vietnam wishes to befriend with all countries in the world community, strives for peace, independence and development ”. At the 9th session of the 8th legislature of the National Assembly of Vietnam concluded in August 1991, H.E. Chairman of the Council of Ministers Vo Van Kiet stressed: “ the interests of Vietnam are closely connected with those of the region. That is why our current special concern is to broaden relations with the neighbouring countries in the region so as to strive for a new South East Asia of peace, stability, friendship and cooperation ”.<sup>2</sup> The recent visit of our Chairman of the Council of Ministers to Indonesia, Thailand and Singapore is a vivid manifestation.

With such a foreign policy and regional strategy, Vietnam is actively developing the many-sided relations with countries in South East Asia, and at the same time prepared to participate in the regional multilateral cooperative mechanisms, thus contributing to the process of building a lasting security for the region. The total withdrawal of Vietnamese troops from Cambodia in 1989, Vietnam’s positive contributions to the search for a comprehensive political solution to the Cambodian issue, the normalization of relationships between Vietnam and China on the basis of the five principles of peaceful coexistence and without causing any detriments to a third country, Vietnam’s active participation in the symposium on the East Sea ( or South China Sea ) held recently in Bandung constitute vivid manifestations of Vietnam’s goodwill towards the building of security in the region and that of the world.

Most recently, Vietnam has officially applied to adhere to the Bali 1976 Treaty on Amity and Cooperation and has received positive responses from a number of ASEAN countries. We are of the views that the principles contained in the Bali Treaty constitute good basis for building confidence and cooperation among countries in the region. The Treaty also serves as one of the basis to conduct consultations on regional security as stipulated in the Joint Communique of the conference of Foreign Ministers of ASEAN countries held last July in Kuala Lumpur. We welcome the extension of the Bali Treaty

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<sup>1</sup> Nhan dan newspaper, 26/6/1991.

<sup>2</sup> International Affairs, Hanoi, October 1991.

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for adherence by other countries and are interested in the initiative on a future conference of the Foreign Ministers of member countries of the Bali Treaty.

The process of dialogues on regional security has started. Vietnam is prepared to actively participate in the process and confident that with goodwill, our countries will together build successfully a lasting security for all nations in the region, thus contributing to world peace, security and development.

Thank you.



# APPENDIX 1

## List of Participants and Observers

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### PARTICIPANTS

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# APPENDIX 2

## Programme of the Roundtable

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SUNDAY, 3 NOVEMBER 1991

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- Arrival of Delegates
- 18.30 - 20.30 - Welcome Reception hosted by H.E. Dr. Thanat Khoman,  
Chairman of the Policy Council,  
International Studies Centre  
( Drawing Room, Mezzanine Level )

MONDAY, 4 NOVEMBER 1991

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- 08.00 - 09.00 - Registration ( Grand Ballroom )
- OPENING SESSION*
- 09.00 - 09.45 - Opening Address by H.E. Mr. Arsa Sarasin,  
Minister of Foreign Affairs
- Keynote Speech by H.E. Mr. Raul Manglapus,  
Secretary of Foreign Affairs of the Republic of the Philippines
- 09.45 - 10.15 - Tea/Coffee
- CLOSED SESSION*
- 10.15 - 10.20 - Opening Remarks by Dr. Thanat Khoman  
Chairman of the Roundtable



*SESSION I*

- 10.20 - 11.00      - SUMMARY AND CONCLUSIONS OF THE MANILA MEETING  
by Director General Romualdo Ong,  
Department of Foreign Affairs of the Philippines

Chairperson : Ambassador Phan Wannamethee  
Director, International Studies Centre

*SESSION II*

- 11.00 - 12.15      - PRESENTATION OF ASEAN - ISIS PROPOSALS  
by Dr. Jusuf Wanandi, Chairman of ASEAN - ISIS

Chairperson : Ambassador Phan Wannamethee

- 12.30              - Luncheon hosted by H.E. Dr. Thanat Khoman,  
with H.E. Mr. Anand Panyarachun,  
Prime Minister as Guest of Honour  
( Amarin Room )

*SESSION III*

- 14.15 - 15.45      - PRESENTATION OF THE ISSUES FRAMEWORK  
by Dr. Sarasin Viraphol,  
Ambassador of Thailand to the Philippines

Chairperson : Prof. Chandran Jeshurun  
Institute of Southeast Asian Studies

- 15.45 - 16.00      - Tea/Coffee  
16.00 - 17.30      - Continuation of Session III  
19.30              - Welcome Dinner hosted by H.E. Mr. Arsa Sarasin,  
Minister of Foreign Affairs  
( Ploenchit Room )

## TUESDAY, 5 NOVEMBER 1991

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### *SESSION IV*

#### 09.00 - 12.15 POLITICAL DIMENSION OF SECURITY COOPERATION

Chairperson : Dr. Jusuf Wanandi  
Chairman, Supervisory Board CSIS, Indonesia

- 10.30 - 10.45 - Tea/Coffee
- 10.45 - 12.15 - Continuation of Session IV
- 12.30 - Luncheon hosted by General Charan Kullavanijaya,  
Secretary General of the National Security Council  
( Amarin Room )

### *SESSION V*

#### 14.15 - 17.30 MILITARY DIMENSION OF SECURITY COOPERATION

Chairperson : Mr. Leo Quisumbing  
Undersecretary Department of National Defense of the Philippines

- 15.45 - 16.00 - Tea/Coffee
- 16.00 - 17.30 - Continuation of Session V
- 19.30 - Dinner hosted by H.E. M.R. Kasem S. Kasemsri,  
Minister Attached to the Prime Minister's  
Office at the Heritage Club, Amarin Plaza

## WEDNESDAY, 6 NOVEMBER 1991

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### *SESSION VI*

#### 09.00 - 12.15 SOCIO — ECONOMIC DIMENSION OF SECURITY COOPERATION

Chairperson : Assoc. Prof. M.R. Sukhumbhand Paribatra  
Director, Institute of Security and International Studies ( ISIS )  
Faculty of Political Science  
Chulalongkorn University

- 10.30 - 10.45 - Tea/Coffe
- 10.45 - 12.15 - Continuation of Session VI
- 12.30 - Lunch ( Ploenchit Room )

15.00 - 16.30 - Presentation of Reports :  
Conclusions and Recommendations

	- Closing Remarks by Dr. Thanat Khoman
16.30 - 16.45	- Tea/Coffee
16.45 - 17.45	- Public Forum

THURSDAY, 7 NOVEMBER 1991

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### **ศูนย์ศึกษาการต่างประเทศ (International Studies Center – ISC)**

จัดตั้งขึ้นเมื่อเดือนเมษายน 2530 โดยพลอากาศเอก สิทธิ เศรษฐศิลา รัฐมนตรีว่าการกระทรวงการต่างประเทศในขณะนั้นเพื่อดำเนินกิจกรรมด้านวิชาการต่างๆ เช่น การบรรยายและสัมมนา การระดมสมองระหว่างข้าราชการกระทรวงการต่างประเทศและหน่วยราชการต่างๆ กับนักวิชาการภาคเอกชน สื่อมวลชนและผู้แทนภาคประชาสังคม รวมทั้งสร้างเครือข่ายความร่วมมือสร้างเครือข่ายความร่วมมือกับสถาบันวิชาการทั้งในประเทศและในต่างประเทศ อย่างไรก็ตาม ศูนย์ศึกษาการต่างประเทศได้ยุติการปฏิบัติงานไประยะหนึ่ง และงานบางส่วนได้ถูกมอบให้หน่วยงานอื่นภายใต้กระทรวงการต่างประเทศดำเนินการแทน

โดยที่ในปัจจุบัน สถานการณ์โลกและภูมิภาคได้เปลี่ยนแปลงไปอย่างมีนัยสำคัญ กระทรวงการต่างประเทศจึงรื้อฟื้นศูนย์ศึกษาการต่างประเทศขึ้นใหม่เมื่อเดือนสิงหาคม 2562 เพื่อส่งเสริมการศึกษาและวิเคราะห์ประเด็นปัญหาและนโยบายด้านการต่างประเทศในมิติต่างๆ อาทิ การเมืองระหว่างประเทศ เศรษฐกิจระหว่างประเทศ กฎหมายระหว่างประเทศ และองค์การระหว่างประเทศและองค์การระดับภูมิภาค รวมทั้งเผยแพร่ความรู้ด้านการทูตและการต่างประเทศ ตลอดจนทำหน้าที่เชื่อมต่อกับ “ชุมชนด้านการต่างประเทศ” ทั้งในประเทศและต่างประเทศ

ศูนย์ศึกษาการต่างประเทศ จัดพิมพ์เอกสารในชุด study paper เพื่อส่งเสริมให้เกิดการคิดวิเคราะห์และอภิปรายทางวิชาการในประเด็นเกี่ยวกับการทูตและการต่างประเทศ รวมทั้งเพื่อใช้เป็นข้อมูลสนับสนุนการพิจารณานโยบายการต่างประเทศของไทย

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