

U.S.-ASEAN Relations:

Wanted: More Attention from the United States

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U.S. relations with Southeast Asia took second place during the quarter to issues on the Korean Peninsula and with China, and relations with the new government in Japan. ASEAN governments welcomed statements by the Bush administration that the United States would pay more attention to Asia, including specifically the ASEAN region, and expressed the hope that U.S. involvement would expand. Disappointing economic news set back hopes for an accelerating recovery to earlier growth levels. Singapore's Prime Minister Goh Chok Tong, in a June visit to Washington, made a plea for the U.S. to help in finding solutions to Indonesia's disarray, urged that it manage relations with China in ways that would ensure stability, and warned that if the U.S. did not give greater weight to Southeast Asian concerns, it could find itself with diminishing influence in East Asia as a whole. Meanwhile, China continued to court the ASEAN governments through high-level visits, stressing the benefits China brought to Southeast Asia and urging support for its efforts to foster "multi-polarity" – i.e., reduced U.S. influence. The U.S.-Vietnam bilateral trade agreement moved toward legislative approval in both countries, but sharp differences continue over Vietnam's treatment of ethnic minorities and dissidents. Malaysia's Prime Minister Mahathir Mohamad said he wants a new, invigorated relationship with the United States, but his crackdown on political reformers at home continued to evoke U.S. criticism. As Indonesia went from crisis to crisis in its unsteady political evolution, its friends, including the United States, found few avenues for constructively influencing its development.

The United States and ASEAN

U.S. relations with ASEAN as an organization moved forward during the quarter in preparation for the annual set of ministerial-level meetings in Hanoi in July, which Secretary of State Colin Powell is slated to attend. On May 17, Assistant Secretary of State for East Asia and Pacific Affairs James Kelly met in Hanoi with senior officials of the ASEAN Regional Forum (ARF) – the 10 ASEAN member countries and 13 other Asia Pacific states, including in addition to the U.S., Japan, China, Russia, India, and the two Koreas. Senior officials reportedly agreed on the need to support Indonesia's territorial integrity, as well as East Timor's emergence. ASEAN would like to see expanded involvement by the United States in the region, including prompt ratification of the Vietnam trade agreement, a review of U.S. sanctions on Cambodia and Myanmar, and resumption of military cooperation with Indonesia.

ASEAN environment ministers struck a more critical note in a May 15 meeting in Phnom Penh, joining European leaders and others in expressing “deep concern” over the decision of the Bush administration not to accept the Kyoto Protocol on global warming.

Rivalry with China?

While U.S. attention was focused more on Northeast Asia, China was assertively pursuing relations with its southern neighbors. PRC Premier Zhu Rongji visited Thailand in May in the course of a five-nation tour, characterizing his stopover as “a visit between family members.” China is Thailand’s fourth-largest trading partner. Bangkok is attentive to many of China’s concerns, strictly limiting activities in Thailand by members of the Falun Gong spiritual movement and refusing to permit visits from the Dalai Lama. Arriving in Beijing for a visit May 20, Deputy Thai Prime Minister and Defense Minister Chawalit Yongchaiyut told the press he would exchange views with Chinese leaders on new military strategies, in light of the ongoing U.S. defense review.

Also in May, Li Peng, second in command in China’s Communist Party, spent four days in Cambodia, following up recent visits by PRC President Jiang Zemin, Defense Minister Chi Haotian, and Minister for Foreign Trade and Economic Cooperation Shi Guangsheng. China’s aid to Cambodia is extensive and it is also carrying out development projects in Myanmar, Laos, and Vietnam. Li Peng went on to Brunei, where he told Sultan Hassanal Bolkiah – who himself had visited China just days earlier – that China hoped Brunei and other ASEAN countries would “play a greater role in the process of the world’s multi-polarization.”

Public comment by Southeast Asian governments on the April 1 incident in which a Chinese fighter collided with a U.S. Navy EP-3 surveillance aircraft generally followed a middle course. Singapore Prime Minister Goh expressed confidence that it would not dominate U.S.-China relations. A senior Thai Foreign Ministry official voiced concern for the effect on regional security. But Malaysian Prime Minister Mahathir said “no country in the world would want that they be spied on.”

Philippine President Gloria Macapagal-Arroyo, asked for comment on the missile defense issue, said her country was America’s “best friend” but not Washington’s pawn, and urged that both sides try to reach agreement. Philippine Vice President and Foreign Affairs Secretary Teofisto Guingona, Jr. on April 17 downplayed reports that China was expanding its structures on Mischief Reef in the Spratly Islands, claimed by both countries, but a later report that a dozen or so Chinese warships had been seen in the Spratlys and nearby Scarborough Shoal was portrayed as a “major disturbance” – if true – by a presidential spokesperson. Manila’s agenda was loaded with internal problems during the quarter, including unruly demonstrations by supporters of former President Joseph Estrada and a series of grisly kidnappings, including of Americans, by the Abu Sayyaf guerrilla group in Mindanao.

Turmoil in Indonesia

Political turmoil in Indonesia, including moves toward the impeachment of President Abdurrahman Wahid, and congressional sanctions that curtail most interaction between the U.S. and the Indonesian Army (TNI), put sharp limits on the U.S. ability to influence developments in that country. With Parliament's vote of no confidence on June 1 clearing the way for consideration of Wahid's dismissal by the People's Consultative Council in August, the president's attention is centered almost exclusively on staying in power. Major Cabinet changes, including replacement of the respected senior minister for political and security affairs, made it difficult for Indonesia's friends to identify effective interlocutors.

The army gained respect in June for refusing Wahid's request to declare a state of emergency, which would have given him additional powers to use in fending off impeachment. However, under either Wahid or his probable successor, Vice President Megawati Sukarnoputri, it is doubtful that the TNI would accept a level of accountability for abuses in East Timor and elsewhere adequate to satisfy its human rights critics. Sentences of 16 to 20 months imposed on six militiamen for the brutal murder of three UN aid workers, including one American, in Atambua in West Timor last September drew harsh criticism from many observers, including the State Department. The U.S. did continue contacts and exercises with the Indonesian Navy and Air Force in May. (More on military exercises below.)

Turmoil in Aceh continued to prevent the resumption of gas production by Exxon Mobil. On May 20, a bomb damaged the company's pipeline from the production fields to the processing facility at Arun, and more bombs went off near the pipeline June 25. Production ceased in March because of security concerns, and Indonesia has reportedly lost more than \$300 million in export earnings. Jakarta has shown signs of impatience about delays in resuming production and threatened to take over operations. The Arun field is a lucrative target for separatists, affecting both foreign exchange earnings and investor confidence.

U.S.-Vietnam Relations Progress Unevenly

Both Washington and Hanoi moved during the quarter toward approval and entry into force of their long-delayed bilateral trade agreement, which would provide Vietnam greater access to the U.S. market and clear the way for it to join the World Trade Organization (WTO). Domestic discontent and unrest in Vietnam posed potential obstacles, however.

Continuing unrest in the Vietnamese countryside, particularly among largely Christian minorities in the Central Highlands, elicited more heavy-handed countermeasures by Hanoi. On June 16 the government announced the trial of 53 persons in two Central Highlands provinces, Gia Lai and Dac Lac, for "damaging national security" and creating disturbances. A parallel campaign against prominent urban dissidents, including Buddhist and Catholic clergy, drew condemnation and calls for their release from the

United States and countercharges from Hanoi that Washington was interfering in Vietnam's internal affairs. U.S. opponents of the trade bill have cited these cases as evidence the trade bill should be blocked.

The opportunities for Vietnam from increased U.S. market access are substantial. Trade officials in Hanoi pointed out April 26 that two-way trade rose to \$1.12 billion in 2000, up from \$222 million in 1994, and that the United States is Vietnam's ninth biggest investor, at \$1.478 billion. The trade agreement would lower tariffs from a current average of 40 percent to around 5 percent.

Domestic unrest also contributed to an important leadership change in April, as the Ninth Party Congress, dissatisfied with failure to deal with economic issues and government corruption and ineffectiveness, replaced Le Kha Phieu as party leader with National Assembly Speaker Nong Duc Manh. Manh, perhaps not coincidentally a member of the Tay minority, has traveled abroad more widely than his predecessors, including to the United States.

On June 8 Hanoi announced the termination of Russia's 25-year lease on Cam Ranh Bay, a major U.S. base during the Vietnam War used since 1979 by military forces of the former Soviet Union and Russia. Russia still maintains a communications intelligence facility. Hanoi navigated carefully between the United States and China in commenting on the future of Cam Ranh. Both the U.S. and China – and by some accounts, even India – were reportedly eyeing the base for its strategic location. Prime Minister Phan Van Khai said June 6 that “we will not allow any foreign nation to use the Cam Ranh Bay base” for military purposes and denied that the United States had approached Vietnam. (In Washington, a RAND report suggested that Vietnam might grant the U.S. military access to Cam Ranh in the future, if there is a chance of confrontation with a hostile China.) Vietnamese foreign affairs officials have said in the past that Hanoi is considering development of Cam Ranh as an industrial and trade center, along the lines of the former Subic Bay naval complex in the Philippines.

Ambassadors changed in both capitals this summer. U.S. Ambassador Pete Peterson announced in May that he would leave his post July 15. The first U.S. ambassador to Vietnam after the war, his personal qualities and his status as a former prisoner of war enabled him to move the relationship from the past into the future. A month later, Hanoi announced it would replace Vietnamese Ambassador to the U.S. Le Van Bang – also a well liked and effective diplomat, who worked hard to shepherd the relationship through normalization. His successor will be Nguyen Tam Chien, who was Vietnam's ambassador to Japan from 1992 to 1995 and has occupied senior positions in the Foreign Ministry dealing with ASEAN, economics, and international organizations.

Malaysia Suggests Invigorating Relations

Malaysian Prime Minister Mahathir Mohamad announced April 5 that he had told U.S. Ambassador Lynn Pascoe he wants to invigorate relations with the United States and minimize misunderstandings. His announcement was clearly aimed at the new team in

Washington. The Clinton administration had taken a high-profile stance against Mahathir's vendetta against his former deputy, Anwar Ibrahim, and Anwar's imprisonment. In a speech in Kuala Lumpur in 1998, then-Vice President Al Gore compared Malaysia unfavorably with Vietnam, among other countries, prompting angry charges of interference in the country's domestic affairs. Mahathir's campaign to squelch his domestic opponents continues to generate mutual criticism, however. Deputy Prime Minister Abdullah Badawi rejected the "deep concern" expressed in early June by the U.S. State Department over the arrest of four more Malaysian opposition politicians.

Mahathir's conciliatory announcement may also spring from a desire to reassure U.S. investors at a time when Malaysia and other slumping economic "tigers" are trying to get back on their feet, and China is competing effectively with them for the new direct foreign investment that will be an important factor in their recovery.

For most of Prime Minister Mahathir's tenure, bilateral relations at the working level have been more cooperative than the rhetoric between the two capitals would suggest, including on defense relations. U.S. Seventh Fleet Commander Vice Adm. James Metzger, with his flagship, visited Malaysia in early April, calling on the Malaysian Navy chief and other officials. Malaysia's government-controlled news agency *Bernama* reported April 29 that Malaysia might be the first foreign customer for Boeing's F/A-18E/F Super Hornet fighter aircraft.

Military Exercises Edge Closer to a Multilateral Framework

Previous issues of *Comparative Connections* have reported the intent of U.S. Commander in Chief, Pacific, Adm. Dennis Blair to broaden the U.S. program of bilateral exercises in ways that would increase U.S. engagement in Southeast Asia and encourage multilateral cooperation among the countries that take part. Results of these efforts could be seen in wider participation in a series of major combined exercises in the region.

"Cobra Gold 2001," the 20th iteration of a U.S.-Thai military exercise involving some 13,000 troops, was conducted May 15-29 in the Third Army region of northern Thailand. The exercise this year included significant changes. Its focus was on peacekeeping and disaster relief, forces from Singapore participated for the first time, and there were observers from nine other nations – Australia, Indonesia, France, Japan, the Republic of Korea, Malaysia, Mongolia, and the Philippines. China and Vietnam were invited as well, but declined.

"Cooperation Afloat Readiness and Training" (CARAT), in which a U.S. Navy task force is exercising with naval and other forces from the region, began in Indonesia May 13, continued in the Philippines and Thailand in June, and will move on to Singapore, Malaysia, and Brunei in July and August. The exercise this year includes 1,400 American personnel, two U.S. Navy frigates, and an amphibious ship.

The first Western Pacific Mine Countermeasures Exercise, sponsored by Singapore, was held June 12-22, including participants from Australia, China, France, India, Indonesia,

Japan, Malaysia, Papua New Guinea, Russia, the Republic of Korea, Thailand, and Vietnam as well as the United States. The objective was to train participating forces in maintaining safe navigation through Southeast Asia's waterways. The U.S. Navy contributed three mine countermeasures ships to the exercise.

"Balikatan," an annual combined joint exercise with the Philippines, was held April 27-May 10, with some 2,000 personnel from each country. There was no third-country participation. It occurred during the run-up to Philippine legislative and local elections, and got less public attention than it did a year ago, when it resumed after a hiatus of several years.

Prospects

Looking ahead, the U.S. agenda is certain to include profound concern about Indonesia's future and the potential it could have for spreading instability to its neighbors and to the nearby sea lanes on which the global economy depends. Helping Indonesia through its complex transition is essential, but there are few handles on the problems that beset it. An approach that avoids confrontation, works closely with ASEAN partners and Australia, and tries to find ways quietly to strengthen positive forces – including in the army and police – will need to be combined with patience to see these efforts through a period of years, not months.

At their ministerial meetings in July the ASEAN countries will want the United States to clarify its views on relations with China and China's role in Asia, and to listen to the Southeast Asian perspective on the importance of stable big power relationships for their sub-region. They will welcome statements that the United States is paying more attention to Asia, but will want details.

Chronology of U.S.-ASEAN Relations April – June 2001

Apr. 2, 2001: Abu Sayyaf guerrillas in the southern Philippines threaten to behead U.S. citizen Jeffrey Schilling, whom they kidnapped on the island of Jolo in August 2000.

Apr. 4, 2001: Indonesian Defense Minister Mahfud attacks the United States for maintaining an embargo on aircraft parts that made it difficult for an Indonesian aircraft manufacturer to complete orders from South Korea.

Apr. 5, 2001: Malaysia's Prime Minister Mahathir Mohamad says he told the U.S. ambassador that Malaysia wants to improve relations with the Bush administration and minimize misunderstanding between the two countries. At the same time, he expressed regret that the United States had been "spying" on China, leading to the April 1 incident in which a Chinese fighter collided with a U.S. Navy EP-3 aircraft.

Apr. 7, 2001: The U.S.-ASEAN Business Council calls on ASEAN to accelerate corporate and financial reforms, in order to attract more foreign investment, though U.S. investment in ASEAN increased by 30 percent since 1997.

Apr. 7, 2001: A helicopter accident in Quang Binh province of Vietnam kills seven Americans and nine Vietnamese, members of a team investigating a site reportedly containing the remains of American servicemen killed during the Vietnam War.

Apr. 9, 2001: Indonesian FM Alwi Shihab defends an April 4 meeting between U.S. Ambassador Robert Gelbard and leaders of the Aceh Independence Movement (GAM), noting that he had been informed of the outcome of the meeting and that the U.S. supports Indonesia's territorial integrity.

Apr. 9, 2001: U.S. Seventh Fleet Commander Vice Adm. James Metzger calls on Malaysian Navy chief Abu Bakar, during a visit of his old flagship, the USS Blue Ridge, at Port Klang.

Apr. 11, 2001: A Philippine government spokesman says that troops rescued Jeffrey Schilling from his Abu Sayyaf kidnappers on the island of Jolo. Schilling denied that he had conspired with the guerrillas.

Apr 12, 2001: A State Department spokesman commends decisions by the Royal Cambodian Government to grant access by the UNHCR to 24 Vietnamese highlanders who recently fled into Cambodian territory, and allow resettlement for those determined by the UN to be refugees.

Apr. 19, 2001: Thai FM Surakiat Sathaianthai calls on Secretary of State Colin Powell during a visit to Washington.

Apr. 23, 2001: The Philippine government rejects a demand from the political arm of the communist New Peoples' Army for the release of the two convicted killers of U.S. Army Col. Nick Rowe (a former POW in Vietnam) in Manila in 1989.

May 4, 2001: Three East Timorese militia members are sentenced to 16 to 20 months in prison for the brutal murder of three UN aid workers, including one American, in September 2000. Outside observers, including the United States, condemn the sentences as too lenient.

May 16-18, 2001: Assistant Secretary of State for East Asia and the Pacific James Kelly visits Hanoi to attend the ARF meeting; tells Vietnam's FM that the Bush administration wants to continue to improve relations with Vietnam.

May 24, 2001: U.S. and Canadian diplomats meet with Mondol Kiri province officials to press the Cambodian government to give refugee status to persons fleeing from Vietnam; Cambodia reportedly sent some 100 refugees back, in violation of UNHCR rules.

May 27, 2001: Twenty people, including three Americans, are kidnapped by Abu Sayyaf guerrillas from a resort near Palawan Island. On May 29, they threaten a mass killing of some of the hostages.

May 29, 2001: Vietnam sentences a Vietnamese-born American citizen, Bui Huu Tai, to death for drug trafficking.

June 8, 2001: President Bush sends the Vietnam trade agreement to Congress for approval. (The prime minister of Vietnam sent the agreement to the president of Vietnam later in June with a recommendation for ratification by the National Assembly.)

June 11, 2001: Singapore Prime Minister Goh Chok Tong meets with President Bush, Secretary of State Colin Powell, and other senior U.S. officials, to discuss free trade negotiations, U.S. Navy aircraft carrier use of pier facilities in Singapore, and regional issues including support for Indonesia's territorial integrity.

June 14, 2001: A U.S. Navy ship takes part in a six-nation minesweeping exercise hosted by Singapore, and including Japan, Australia, Thailand, and Indonesia.

June 15, 2001: *The Los Angeles Times* reports that the Bush administration had decided to restore some of the military contacts with Indonesia that had been terminated in 1999.

June 20, 2001: The Indonesian Army commander in Aceh says three battalions of army forces will be deployed to protect the 80 km gas pipeline from the Arun gas field in support of a planned resumption of production by Exxon Mobil.

June 22, 2001: The trial of three U.S. citizens in Phnom Penh for involvement in a failed attempt to overthrow the Cambodian government ends with life sentences for the Americans and various jail terms for 21 other persons.

June 29, 2001: President Arroyo says she has asked the U.S. to help with surveillance and equipment in the effort to quell the Abu Sayyaf terrorist group in Mindanao.