CONCLUSION
The earth shaking developments that took place in Southeast Asia between March and May of 1975 climaxed the decade long American involvement in the region. Defeat in the Vietnam War, and the communist victories in Indochina gave a heavy blow to the prestige of the United States throughout the world. American interest in Southeast Asia remained low after the war ended as the scars on the American psyche needed time to heal and the Carter Administration appeared to be suffering from no more Vietnam syndrome. The security interest that had led the US in the quagmire of Vietnam was at its nadir in Southeast Asia.¹

But Vietnam's occupation of Kampuchea beginning in late 1978 reawakened American interest in the region. The simmering enmity between Vietnam and Kampuchea ultimately took the shape of a full fledged war, when in December 1978, Vietnam, with the tacit support of the Soviet Union, invaded Kampuchea, driving the notorious regime of Pol Pot from Phnom Penh and installing a regime under Heng Samrin.²


The mainland Southeast Asia again became a quagmire of conflict. It was the Chinese support for the Kampucheans opposed to the Vietnamese that turned out to be a catalyst to this change. After repeated warnings to Vietnam that it should withdraw from Kampuchea, China launched a full-scale military onslaught into the region on 30 January 1979. The battle lines were thus, clearly drawn, with the USSR and Vietnam on one side, and the United States and China on the other. The region was suddenly transformed into a zone of conflict, changing the strategic environment significantly.

The strategic equation of the region moved towards consolidation when Vietnam and Soviet Union signed a Treaty of Friendship and Cooperation on 3 November 1978. The treaty gave the Soviet Union opportunity to build up its military power and expand its influence in the region. The Soviet presence in the region posed not only a challenge to America's Seventh Fleet in the Pacific and the Indian Ocean but was also perceived as a threat to the strategic international sealanes that connected the two oceans. Thus, the conflict brought

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4 Asian Recorder (New Delhi), vol.24, no.50, 10-16 December 1978, p.14646.
back the spectre of outside interference so long feared by the ASEAN countries. With the coming of the People's Republic of China and the Soviet Union into the Southeast Asian forefront, the United States no longer remained the principal guarantor of peace and security of the region.

It was not in the Kampuchean conflict alone where the US saw a threat from Soviet expansionist moves. Nearly half way through the Carter Administration, the US became convinced that the Soviet Union had inaugurated a policy of exploring vulnerable spots in the Third World. Carter's National Security Adviser Zbigniew Brzezinski in his memoirs wrote of "...the need, therefore for the West to apply its power in a firm fashion in order to deter the new surge of assertiveness". The success of a fundamentalist revolution in Iran, the rise to power of the Sandinistas in Nicaragua, the Communist successes in Cuba and Angola, the Soviet invasion of Afghanistan, and the incursion of the Vietnamese forces into Thailand in June 1980 were the most important features of these

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developments. The Americans perceived the series of so-called communist successes throughout the world as reverses for themselves and democracy.

It was against the background of these developments that the American public voted to power Ronald P. Reagan in the 1980 presidential election. Reagan’s accession to the presidency in 1981 marked a turning point in America’s declining world prestige. His Administration was determined to make the United States a major Pacific power and to reassert America’s prestige in the world by challenging the Soviet Union on almost every front. In order to consolidate its position in Southeast Asia, president Reagan enunciated a new Asia-Pacific policy that was based on six principles. Important among them was that the United States wanted to maintain strong ties with ASEAN (the Association of Southeast Asian Nations), and its individual members.

ASEAN’s economic, strategic, and political importance for the United States was very high. On the economic dimension, the ASEAN states constituted the world’s fastest growing economic region, thus, far outstripping Europe as the most important trading

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partners of the United States. Strategically the countries of ASEAN were situated astride the waterways that were important to the United States and crucial to America's most important ally, Japan. In addition to ASEAN's strategic geography, the United States was equally interested in its military growth. ASEAN was also considered by the Americans as an important force for peace and stability in Southeast Asia. With clarity of purpose, and a strong unified political will, the organization drew the respect and admiration of all who sought a more peaceful and equitable world order. The United States saw ASEAN's unity and cohesiveness as an example to other newly independent countries. The US, therefore, hoped that the viability and maturation of that vital political and economic group of nations, if sustained, would greatly aid the regional stability. Thus, after closely observing ASEAN's role in Southeast Asia, the American policy makers came to the conclusion that by promoting regional stability and security, it could best serve the American interest in the area. Besides, the United States desired to test the viability and effectiveness of its new post-Vietnam policy whose

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success required the full cooperation of the ASEAN states. If the policy worked, it could be applied to other regions and contexts.

Of all the members of ASEAN, Indonesia drew special attention from the US. Though there were several reasons, as to why Indonesia was considered important for the United States, four specific reasons deserve special notice. First was its strategic location, second was its bountiful natural resources, third was its potential for regional leadership, and fourth was the pro-Western stand, remarkable achievements and the relative stability of the Suharto government.

Keeping in mind Indonesia’s multi-dimensional role in the region, the American policy makers perceived that the United States would be able to keep its diverse and longstanding interests in the whole of Southeast Asia intact, if the self-confident, economically dynamic, internally stable and pro-Western government of Indonesia remains unattached to any major power bloc and remains friendly towards the United States and its allies. With this objective, the US opted for close cooperation with Indonesia.

Thus, considering Indonesia to be important from the point of its own interest in Southeast Asia, the United States cooperated closely with that country in
its efforts to arrive at a satisfactory conclusion of the Kampuchean conflict. With the US encouragement, the ASEAN nations adopted a strongly unified stand on the Kampuchean issue and achieved considerable success in building international pressure on Vietnam, to agree to a peaceful settlement. This included two United Nations General Assembly resolutions calling for Vietnamese withdrawal, and organization of an International Conference on Kampuchea in July 1981 -- attended by 93 countries, which proposed the plan for a political solution of the Kampuchean embroglio. The US strongly supported these ASEAN initiatives and assured that it would provide no military assistance to the Khmer Rouge. It also extended full co-operation to the holding of Jakarta Informal Meeting (JIM) by Indonesia in July 1988 for an early and peaceful solution of the problem.

In addition to supporting Indonesia's effort in solving the Kampuchean problem satisfactorily, the United States supported its stand on East Timor. American view on the invasion of East Timor island by the Indonesian troops was consistent throughout the three administrations. It supported the Indonesian annexation by declaring that action as an effort to

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protect their country from the imminent danger of communism, and made no effort to induce Jakarta to withdraw its forces from East Timor. Rather, in replying to a question from the Indonesian press, as to whether the US government would support Fretilin's proclamation of independence in East Timor, the US government stated that it would not recognize that action. The United States also made no public move to encourage Indonesia to accede to the requests of the United Nations, and voted consistently against the resolutions drafted by Fretilin supporters in the UN General Assembly. It extended full support to the decision which was taken in 1983 by mutual consent of the parties involved (Indonesia, which proclaimed sovereignty over the territory; Portugal, the UN recognized administrating power; and Fretilin, an indigenous independent movement), to shelve the East Timor issue in the UN General Assembly.10

Thus, strong American backing not only enabled Indonesia to gain more support in the United Nations but also stopped passing any resolution against it over the issue. Towards the end of 1984, i.e., in late September, the UN General Assembly finally decided not to discuss further over the issue in that session, and

10UN Chronicle (New York), vol.21, no.1, January 1984, p.16.
deferred the matter to the next meeting for the second consecutive term. The decision, however, was considered as a diplomatic victory for Indonesia and brought great relief to the country. In subsequent General Assembly sessions, when the Special Committee on Decolonization decided to continue its consideration of the item on East Timor in (1985, 1986, and 1987), the Indonesian ambassador to the UN, Ali Alatas, strongly opposed any discussion of the question, reiterating its position that, East Timor was a province of Indonesia. On all the three occasions Indonesia received full US co-operation.

Apart from supporting Indonesia in the UN forum, the United States declined to criticize that country for its violations of human rights. The US did not even officially acknowledge that widespread killing did occur during the invasion of East Timor by the Indonesians. Rather the US government defended Jakarta against worldwide criticism of its brutal action. When reports of bloody and indiscriminate execution of Timorese civilians by Indonesian forces appeared in the world press, the US State Department declined to comment. It also defended the allegations against Indonesia that the government had imposed restrictions on the outside
observers which restricted the precision of the reports.\textsuperscript{11}

In addition to this, the United States, looking at the country's poor military strength, modestly increased its security assistance to that country. Aid to Indonesia were provided mainly through the Foreign Military Sales (FMS) credits and the International Military Training and Education (IMET) programmes. The US military aid provided to Indonesia during 1979-80 in the forms of loans and grants amounted to US $168.6 and US$22.7 million respectively.\textsuperscript{12} The American aid and assistance raised the standard of the Indonesian armed forces. Without this help it would not have been possible for Jakarta to come out of its critical condition.

The United States also showed keen interest in further economic development of Indonesia. The US-ASEAN dialogue, initiated in 1977 certainly provided a forum for annual discussion to mitigate mutually generated economic frictions.\textsuperscript{13} In 1981, for a short duration, Indonesia was included as a beneficiary of the US GSP


(Generalised systems of Preferences). Later on, the duration was extended to 1993 by an act called the "Trade and Tariff Act of 1984".\(^\text{14}\)

In the same year, at the US initiative, the "ASEAN-US Business Council", (AUBC), was established with the purpose of having effective dialogue on economic matters. The Council played an active and constructive role in the growing economic ties between the two counties. The Council sponsored joint meetings between ASEAN and US leaders to seek new ways of mutual support and cooperation.

Indonesia really expressed satisfaction when the US President, Ronald P. Reagan vetoed a proposed protectionist legislation, namely, the "Jenkin's and Thurmond" bill in 1985. The bill, if passed, would have adversely affected the export of Indonesian textiles and garments to the United States.\(^\text{15}\)

The "Omnibus Trade and Competitiveness Act of December 1988 was certainly a positive development in US-Indonesian economic relationship. The act was an improvement over earlier, more protectionist versions. It renewed the US commitment to multilateral trading system. Contrary to the impressions of some,


\(^\text{15}\)Congressional Record, 1985, p.22985.
particularly abroad, the bill did not erect new trade barriers. Instead, it focussed on opening foreign markets. These were some of the issues over which Indonesia got full US support.

Though the United States was active in extending support to Indonesia on several important issues, certain of its activities created confusion in that country. Jakarta was disturbed over the fact that though the United States highly lauded its future responsible role in Southeast Asia, and considered that country as a means through which it could exert influence over the whole region, there was no clear conception as to the United States' role, interests and policies towards Indonesia. The US objectives in Southeast Asia did not appear to be well defined and its behaviour was far from predictable. There were many issues over which the two countries differed in their approach. Indonesia and the United States did not agree as to what constituted immediate threat to the security of southeast Asia. While Indonesia perceived that China threatened the security of the region, the United States, believed that growing presence of the Soviet Union in Southeast Asia was the real menace.\[16\] Indonesia's governing elites

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criticized the US policy by declaring it as confusing and ineffectual.

One such confusing policy, according to the Indonesians, was the US attitude towards the People's Republic of China. The US decision to help China in its modernization programme, and the 1986 Arms Sales Agreement with that country, especially caused great concern in Indonesia. Remembering the past experience, Jakarta feared that such assistance might bring forth China's expansionist inclination to the fore. What worried them more was that the US might provide the People's Republic of China with M-16s and other similar small weapons that China may use to help the local insurgents. They also feared that US support to China may result in the reduction of American aid to Indonesia. Furthermore, since China and the ASEAN countries had similar interests in the US markets, the growing Sino-US relations was likely to result in increasing competition in exports especially in oil and other resources.17

Indonesia was again confounded by the US policy towards Japan. The American collusion with Japan by reinforcing its military alliance and advocating a

17Dewi, Fortuna Anwar, "Indonesia's relations with China and Japan", Contemporary Southeast Asia (Singapore), vol.12, no.3, December 1990, p.234.
"sharing of responsibilities" with that country disappointed them more.\textsuperscript{18} Remembering the wartime occupation by Japan, Indonesia apprehended that a greater military role by Japan would aggravate tension in the region leading to a simultaneous increase in the Soviet military buildup. It feared that Japanese peaceful foreign policy might change as a result of that, and it might try to become the "policeman" of Asia.\textsuperscript{19} Therefore, despite repeated assurance given by the US officials that its policy towards the People's Republic of China and Japan would not harm its relationship with Jakarta, suspicion among the Indonesians persisted.

Similarly, the US view on ZOPFAN (Southeast Asia as a Zone of Peace, Freedom and Neutrality), further frustrated the Indonesian hope. The US negative reaction and blunt refusal to recognize ZOPFAN caused further discontent in Indonesia. It became even more upset when the United States expressed its unwillingness to accept the stated concept.


Apart from that, their cooperation in the sphere of trade and investment was also not on a sound footing. There were many factors which affected the US-Indonesian economic relationship. Important among them were the rapidly increasing deficit in the US current account, the high level of interest rate prevailing there, the rising protectionist policy followed by the US companies, its inconsistent position in the international trading system, the passage of Food and Agriculture Act of 1984 which favoured the American farmers, and the US refusal to approve the Multi-Fibre Agreement in July 1985.\footnote{Leszek Buszynski, "ASEAN: A Changing Regional Role", Asian Survey (Berkeley), vol.27, no.7, July 1987, p.781.}

Another important issue which affected the US-Indonesian relationship was their differing view on the Law of the Sea Treaty. The Indonesians became really upset when after a prolonged discussion for nearly over a decade, President Reagan made a formal announcement in July 1982 that the US would not sign the International Law of the Sea Treaty. Indonesia's discontent rose when the treaty was finally got rejected by the Reagan Administration in the United Nations.\footnote{Public papers of the Presidents of the United States, Ronald P. Reagan, Book-I 1 January to 29 June 1982 (Washington, D.C.: Government Printing Office, 1982), p.92.} These were
however, some of the factors which stood in the way of smooth conduct of bilateral relations between the United States and Indonesia.

It can be said in conclusion that any strain in US-Indonesian bilateral relationship would ultimately affect the diverse and long standing interests of the Americans in Southeast Asia. The United States should not overlook the importance of Southeast Asia in world politics today. The region, as it is known, is relatively calm and stable with its economy booming across the pacific rim countries.22 The US should also not forget the fact that ASEAN as a regional grouping is increasingly enlarging its influences over the Third World countries and in the United Nations as well, and Indonesia is the pivot of that regional grouping.23

The United States, therefore, is required to initiate a review of its role in Southeast Asia. It should adapt itself to the new circumstances and make new efforts to develop closer relations with the countries of the Southeast Asian region in general and Indonesia in particular. It should reformulate its

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22Stephen W. Bosworth, "The United States and Asia" Foreign Affairs (New York), vol.71, no.1, 1991-92, p.120.

policy in a more realistic way in order to maintain a balanced tie with Indonesia. Their cooperation would certainly work for their mutual benefit, as well as for enduring peace and security of the entire region.