CHAPTER V

INDONESIA AND THE MAJOR POWERS

Indonesia's interaction with the major powers, namely the United States, Japan, Soviet Union and the People's Republic of China during 1976-1987 were dominated by two primary considerations. These were, first, by the need to bring about political stability and economic prosperity within the country. Secondly, by the need to establish a peaceful regional environment in Southeast Asia. These two factors were interrelated. It was understandable that Indonesia had developed friendly relations with the United States and Japan. From these two countries, Indonesia could get financial and military assistance. On the other hand, Indonesia's relations with the Soviet Union were full of suspicion. The Soviet support for the Vietnamese invasion and occupation of Kampuchea put another stumbling block in bilateral relations between the two countries.

A new trend began to emerge in the post-1982 period. Indonesia, because of its financial difficulties as a result of the collapse of oil prices in the world market, had to cultivate a new relationship with the Soviet Union. At the same time, Indonesia also attempted to normalize its relations with the People's Republic of China. Even in its
relations with the United States, Indonesia began to assert itself, particularly if it was dealing with an issue not to be in its own interest.

An attempt is made here to examine Indonesia's relations with the United States, Japan and the Soviet Union. The analysis is required to be conducted at two levels. At the first level, it analyses Indonesia's bilateral relations with the United States, Japan and the Soviet Union. At the second level, it analyses Indonesia's relations with these countries within the framework of the Association of Southeast Asian Nations (ASEAN) to find a peaceful political solution to the Kampuchean problem.

Indonesia did not resume its diplomatic relations with the People's Republic of China until 1990. Its attempt to normalize diplomatic relations were hampered by two important problems: first, China's continued refusal to give up its support to the communist insurgents in Southeast Asia. Secondly, the problem of Overseas Chinese in Indonesia.

RELATIONS WITH THE UNITED STATES

The Carter Administration

States caused concern in Jakarta. President Carter in his election campaign had pledged that the United States would reduce its arms sale abroad. He had also promised that Washington would not supply aid to the authoritarian regimes which had violated human rights.¹ These policy statements were quite different from the ones President Gerald Ford Administration had earlier made. Under the Ford Administration, Indonesia had developed close relations with the United States. The former had even overlooked Indonesia's annexation of East Timor in December 1975.

Soon after the election, the Carter Administration started putting pressure on Indonesia. Washington listed Indonesia in the category of "trouble some countries." This made Indonesia ineligible for United States loans for the purchase of food. Indonesia needed these loans since these were issued on concessional terms and at a low interest of two percent and was payable within thirty years. The other countries grouped in the same category were South Korea and Bangladesh.²


The imposition of sanction by the United States on Indonesia related to the problem of political prisoners. Most of them had been arrested soon after abortive coup attempt launched by the Communist Party of Indonesia in September 1965.\(^3\) The New Order government had alleged them to be sympathisers or members of banned Communist Party of Indonesia. Most of them were arrested without trials and forced to grow rice in Buru Island in eastern part of Indonesia. In the past, Indonesian government had responded to such criticism from both inside and outside the country by making vague statements that they were soon released.\(^4\)

Under pressure from the Carter Administration, the New Order government was now compelled to release the political detainees. In December 1977, 10,000 political prisoners were released. This was subsequently followed in July 1978 when 10,000 more political prisoners were freed. This process continued with the release of still more 4000 political prisoners in December 1978.\(^5\) Despite the release of the political prisoners, it did not stop criticism from the Amnesty International. The Amnesty International

3. Far Eastern Economic Review (Hong Kong), May 19, 1979, p.22.
accused the military-led New Order government of detaining almost 10,000 political prisoners without trial since September 1965.6

The Carter Administration's policy of restricting arms sales abroad also affected Indonesia's military capability. The arms were needed to combat insurgents in the newly annexed province of East Timor. To wipe out the insurgents, the New Order government had deployed 38,000 forces and fighting had continued since December 1975. The fighting had virtually exhausted old supplies of shells and bullets from the Soviet Union and other East European countries. Indonesia had acquired these shells and bullets during the heyday of Indonesia - Soviet relations in 1960s.7 The Indonesian Armed Forces (ABRI) had avoided using the United State's supplies in order to spare Washington's sensitivity.

To fulfill its arms requirements, the Indonesian government needed to purchase from various countries. Indonesia brought light machine gun from Belgium, small submarines from West Germany, patrol boats from South Korea

and helicopter gunship from France. 8 Despite this, Indonesian military establishment was still inclined towards the United States as source of arms supplies. The arms had proved their quality and servicing was also reliable. 9

Indonesia's relations with the United States under the Carter Administration were conducted at a time when disillusionment with the Vietnam War was still running high in the United States. The American debacle in Vietnam had left the United States without any consistent policy towards Southeast Asia. The ASEAN states felt that the Nixon Doctrine that had been pronounced in July 1969 continued to exert some influence on the United States policy towards the region. 10 The ASEAN member states felt that many officials in the Carter Administration in their efforts to remove the bitter memories of Vietnam War were inclined to rationalize that Southeast Asia had never been of much importance to the United States's global interests. 11

The ASEAN member countries apprehended that the United States were carrying out a strategic of retreat from the Asian landmass. This apprehension was heightened by the Carter Administration's plan in May 1977 to phase out 32,000 American ground forces from South Korea. Serious ramification of this plan were felt not only in the Korean peninsula but had also caused uncertainty about the role of the United States in the Asia-Pacific region as a whole. It was not surprising that the term "benign neglect" or "psychological aversion" became fashionable at this juncture to characterize American role in Southeast Asia in negative terms.

Indonesia's Foreign Minister Adam Malik discouraged American disengagement from Southeast Asia. He made an appeal to the United States to play a leading role in contributing to economic development of Vietnam. In this connection, he stated: "For the sake of peace, I can see a lot of the United States can do to strengthen the countries in this region. Vietnam, for instance, the extent of rehabilitation that has to take place is immense. That is where the United States and Japan can play role".

By the end of 1977 a new realization emerged both in the United States and the ASEAN member countries. Both

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realised that they needed each other for political, strategic and economic reasons. This new realization finally led to the first dialogue between the two in Manila. One primary factor contributing to this was the appointment of a United States' Assistant Secretary of State for East Asia and the Pacific. The man who got the job was Richard Holdbrooke.

The first dialogue between the United States and the ASEAN states was held in October 1977 in Manila. It tended to become a pattern of many such dialogues between the ASEAN states and leading nations. Richard Holdbrooke underlined the importance of this first dialogue in an interview with Derek Davis:

The United States had first meeting, which I think was an important thing in its own right... We are going to have more talks, we will have more regular discussions at working level in Washington and another high level consultation next summer in Washington. ASEAN is an extremely important regional grouping. It has a great promise for the future of the region, not only for its neighbour, including, I would hope some of four former enemies.13

As for the ASEAN states, relations with the United States were very important. One could see this from ASEAN's

trade relations with the United States in the following table:

Table Share of Exports To The United States In Total Exports of ASEAN

<table>
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<tbody>
<tr>
<td>Indonesia</td>
<td>13.0</td>
<td>19.6</td>
<td>21.7</td>
<td>19.6</td>
<td>19.5</td>
<td>16.2</td>
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<tr>
<td>Malaysia</td>
<td>13.0</td>
<td>16.3</td>
<td>12.8</td>
<td>16.4</td>
<td>16.6</td>
<td>17.4</td>
</tr>
<tr>
<td>Philippines</td>
<td>41.6</td>
<td>27.5</td>
<td>35.9</td>
<td>36.6</td>
<td>36.2</td>
<td>35.7</td>
</tr>
<tr>
<td>Singapore</td>
<td>10.7</td>
<td>12.0</td>
<td>21.2</td>
<td>23.4</td>
<td>24.4</td>
<td>23.8</td>
</tr>
<tr>
<td>Thailand</td>
<td>13.4</td>
<td>12.7</td>
<td>19.7</td>
<td>18.1</td>
<td>18.7</td>
<td>20.1</td>
</tr>
<tr>
<td>ASEAN</td>
<td>17.3</td>
<td>16.7</td>
<td>20.3</td>
<td>20.2</td>
<td>21.6</td>
<td>21.3</td>
</tr>
</tbody>
</table>

The United States had invested 20 per cent of its total investment in the developing countries in the ASEAN region. Likewise, until March 1987, the United States investment in Indonesia excluding gas and oil sectors had amounted to US $ 728 million. In oil and gas sectors, 80 per cent of US $ 6 million foreign capital invested in Indonesia came from the United States. These economic ties between the United States and the ASEAN states forged a strong bond between the two in coping with the new regional realities in Southeast Asia.

ASEAN had expected in the aftermath of the Vietnam War in 1975 that a new regional order could be created in

Southeast Asia. The basis of this was ASEAN's concept of Zone of Peace, Freedom and Neutrality (ZOPFAN). President Suharto in his speech at the opening ceremony of the summit of the ASEAN Heads of States in Kuala Lumpur on August 4, 1977 clearly expressed this expectation. He stated: "We want to stress once again the peaceful purposes of our association. ASEAN as a group want to contribute its role in a big effort to establish a better world, more just and more humane for the whole humankind. It has been ASEAN's determination to make Southeast Asia a zone of peace, freedom and neutrality." 16 However, a new strategic reality not only dashed the expectations of creating a new regional order but also brought back Super Power rivalry in the affairs Southeast Asian region.

This new strategic reality began to emerge in June 1978 when Vietnam joined Council of Mutual Economic Cooperation (CMEA). It was followed in November 1978 when Vietnam signed a Treaty of Peace, Friendship and Cooperation with the Soviet Union. This treaty enabled both Vietnam and the Soviet Union to agree that if threatened with an attack they would "immediately consult each other with a view towards

eliminating the threat.¹⁷ In the following month Vietnam with the Soviet backing launched an invasion of Kampuchea to oust pro-Chinese Pol Pot regime in Phnom Penh. In response, China launched its limited military action on the Vietnamese northern borders.¹⁸ This development provided the Soviet Union with a good opportunity to assert its presence in Southeast Asia.

The ASEAN states did not in any way appreciate the nature of the brutality of the Pol Pot regime had shown to its own people, but forcible removal of existing government in Phnom Penh was in contradiction to what Vietnamese Prime Minister Pham Van Dong had earlier pledged during his tour of ASEAN capitals in October 1978.¹⁹ In addition, Vietnamese military invasion of Kampuchea was also in violation of the new regional order that the ASEAN states wanted to establish as based on "mutual respect for independence, equality, territorial integrity and national


¹⁹. "Joint Statement Issues On The Official Visit of H.E. Prime Minister Pham Van Dong," Pewarta Deplu (Foreign Affairs Journal) (Department of Foreign Affairs), September 1978, p.78.
identity of all nations." 20 It was also a serious setback to hope that Foreign Minister Adam Malik had expressed for an early normalization of American's relations with Vietnam.

Military conflicts in Indochina caused a sort of divergent of strategic interest between Indonesia's regional security interests and the United States' global interests. The conflict of strategic interest between Indonesia and the United States stemmed from Indonesia's apprehension in the growing relationship between the United States and the People's Republic of China. This particularly happened before and after China launched limited military invasion on Vietnam's northern territory. 21 The fact that Vice Prime Minister Deng Hsiao Ping had made a trip to Washington before the military invasion and Secretary of Treasury Michael Blumenthal was in Beijing at the time of the invasion were not lost on those who regarded that the United States connived with the People's Republic of China.

Indonesia regarded that the United States' cooperation with China had justified the latter's use of force to


dictate its strategic interests towards a neighbouring country, Vietnam. However, here Indonesia's strategic perception was rather divergent from its ASEAN's partner, Thailand. Thailand largely because of its own historical and geopolitical calculations, was largely convinced that it could only rely on China to block an expansionist tendency of its arch-rival Vietnam in Indochina.22

Despite this strategic difference, Indonesia agreed that Thailand being a frontline state had to be supported. Understandably, Indonesia welcomed a statement from the Assistant Secretary of State for East Asia and the Pacific Richard Holdbrooke. Holdbrooke stated in an interview with Far Eastern Economic Review: "American policy towards the problem (Kampuchea) will be based on strong support for Thailand. We have been increasing military credits to Indonesia, Malaysia, and the Philippines as well. We view Thailand as the key to ASEAN and ASEAN as the key to Southeast Asia."23

The United States had indeed increased military assistance to the ASEAN states. Political development in Indo-


na convinced the United States of the need to provide more military assistance to its ASEAN partners. However, by 1984 it leveled off. The only visible increase that most notably occurred was due to the United States compensation payment of the Philippines for the continuation of American bases in that country.24

Indonesia surely welcomed the increase in military assistance from the United States. However, Indonesia's concept of national and regional resilience advocated not only a need to strengthen military capability among all the ASEAN member states, but more important than that it was meant to pursue an economic development among all member states of ASEAN.25 It was in this connection that the ASEAN states organized a second dialogue with the United States in August 1978. The purpose of the meeting was defined by one member of the ASEAN delegation: "We want the Americans to see us collectively and to see the problem we all have and to appreciate that economic stability is very fundamental to political stability."26 In practice what the ASEAN states


25. Ibid., p.21.

wanted from the United States was more economic assistance and investments for their countries.

The second dialogue between the ASEAN states and the United States showed the importance of ASEAN as a regional grouping in particular and Southeast Asian region in general. The Carter Administration no longer saw Southeast Asia as a low priority region in American foreign policy agenda. It now regarded the ASEAN states as a major economic force and that it was growing rapidly in its economic importance. The fact that President Carter himself led the American delegation along with his five cabinet members clearly showed the importance of ASEAN. President Carter assured the ASEAN states that the United States would remain Asia-Pacific power fully committed to economic development of its friends in the region.

The meeting between the United States and the ASEAN states encouraged Assistant Secretary of State for East Asia and The Pacific Richard Holdbrooke came up with a more defined policy towards Indochina. On April 2, 1980 Richard Brooke put forward a four-point policy of the United States towards Indo-China in his speech before the Council on Foreign Relations:

First, an end to human tragedy and suffering of the Cambodian people. Second, a sharp reduction and eventual elimination of the Soviet military role in Vietnam. This will be difficult to achieve and may take a long time, but it is important goal towards which we must work. Third, withdrawal of Vietnamese troops from Cambodia and an end to pressures the Vietnamese are now exerting on Thailand. Fourth, the replacement of the puppet regime of Heng Samrin with a non-aligned government responsive to the will of the Cambodian people and at peace with its neighbours.28

The announcement of this policy came in the aftermath of meeting in Kuantan, East Malaysia between President Suharto and Prime Minister Datuk Hussein Onn of Malaysia in March 1980. Both leaders welcomed Holdbrooke's policy statement. However, the Carter Administration did not last long enough to implement the policy. Republican Administration under President Ronald Reagan was installed in Washington DC after November 1980 Presidential elections.

**The Reagan Administration**

Indonesia government welcomed the election of Republican candidate Ronald Reagan as the United States President. President Suharto had met personally with Ronald

Reagan when the latter made a visit to Jakarta as governor of California. More important than that, Republican campaign platform presented to the American public during the election grouped Indonesia along with countries like Singapore, Thailand, Malaysia, the Philippines, Australia and New Zealand. With all these countries, the United States had developed special relationship. The Republican party pledged to strengthen diplomatic and trade relations with these countries.29

Newly appointed Secretary of State Alexander Haig in his first official speech on the direction of American foreign policy stated that the United States foreign policy would be based on three important factors, namely consistency, reliability and balance.30 In fact the question of Americans reliability was an issue that ASEAN states had discussed with Ray Cline, President Reagan's advisor on foreign policy matters when he visited ASEAN capitals. Ray Cline assured the ASEAN leaders that the Reagan Administration would restore American credibility.31


Two important issue preoccupied Indonesia's relations with the United States in the early years of the Reagan Administration. The first related to the issue of appointment of the United States Ambassador to Indonesia. The problem arose as a result of the appointment of a less outstanding foreign service officer Kent Crane as Ambassador-designate to Jakarta. Indonesia took Kent Crane's nomination as an indication of the United States' lack of sensitivity to Indonesia's position as a leading country in Southeast Asia.\(^3\)\(^2\) Previously, Indonesia had rejected the nomination of Abraham Abramowitz, former United States Ambassador to Thailand. The post of American Ambassador in Jakarta had been vacant since the previous Ambassador Edward Master had left the job in November 1981. Thailand had advised Indonesia not to accept the nomination of Abraham Abramowitz whom it regarded as a tough person to deal with and rather controversial person. Moreover, he was a Jew which made it more difficult for Indonesia to accept his nomination. The issue was finally settled on the eve of President Suharto's official visit to Washington in November 1982. The Reagan Administration appointed Assistant Secretary of States for East Asia and the Pacific John Holdridge as the United States' new Ambassador to

\(^{32}\) Far Eastern Economic Review, October 22, 1982, p.22
Indonesia. The appointment of such a senior figure as John Holdridge satisfied the Indonesian government's sentiment.

The second issue was concerned with the United States' decision in June 1981 to lift arms embargo on the People's Republic of China. Indonesia apprehended that the weapons supplied by the United States could fall into the hands of the communist rebels in Southeast Asia. Foreign Minister Mochtar Kusumaatmadja expressed this sense of apprehension before the Indonesian-United States Conference held in Bali on December 11-14, 1985 as follows:

Indonesia can understand US strategic considerations for an increased US cooperation with the People's republic of China in its modernization programmes... Unfortunately, Indonesia has had some experiences with that Country, it is Indonesia's hope that while the PRC is busily engaged in its "country" modernization, Indonesia will be able to strengthen its national resilience. Indonesia hopes that the relationship between the USA and the PRC will also be a restraining factor for China in whatever negative ambitions it has towards Southeast Asia.  


In a statement Lieutenant General Ali Moertopo deserved that the United States could contribute to creating a more stable political and strategic configurations in Southeast Asia. According to General Moertopo one way of contributing to this was by keeping the People's Republic of China in check. He regarded playing "China card" as not at all a good idea. 35

Responding to these apprehensions, the United States Assistant Secretary of States for East Asia and the Pacific John Holdridge assured the ASEAN states that the United States' relations with the People's Republic of China would not be at the expense of its allies and friends in Southeast Asia. He also added: "in pursuing an improved relations with the People's Republic of China, the United States acts very cautiously, particularly in the field of arms sales." 36

Indonesia's reservation about the United States's policy towards the People's Republic of China could not go beyond making statements since it needed the United States support at the International Conference on Kampuchea (ICK).


The Conference was held at the United Nations Headquarters on July 13-17, 1981. In his speech before the United Nations General Assembly, Foreign Minister Mochtar Kusumaatmadja reminded the members of the United Nations General Assembly that the U.N. had demanded the withdrawal of foreign troops from Kampuchea. The resolution No. 36/6/1980 demanded the establishment of an interim government which would hold free and fair elections.37

The United States Secretary of State Alexander Haig shared Indonesia's demand. He stated that the United States position was clear, that it believed that the world community had an obligation to assure the Khmer People to choose their government and to live with peace and dignity. He also stressed that the major goals of the conference were the restoration of a sovereign Kampuchea, free from foreign intervention, the restoration of neutral Kampuchea which posed no threat to any of its neighbours and the election of a government which could represent the wishes of the Khmer people.38


Inspite of this commonality of objective as to what Indonesia and the United States would like to achieve in Kampuchea, there was a different as to how both these countries had to deal with Vietnam. ASEAN's strategy adopted a conciliatory approach towards Vietnam with the hope it would bring Hanoi into a reasonable compromise.39 The United States, on the other, had made it clear that it could question any economic assistance to Vietnam from whatever source it might come from. America would maintain this position as long as Vietnam continued to occupy Kampuchea. In this way, Washington's position was closer to that of Beijing which had fought hard to isolate Hanoi.40

The United States Assistant Secretary of State for East Asia and the Pacific Paul Wolfowitz defended the United States' stance towards Vietnam. Paul Wolfowitz succeeded John Holdridge who had taken up the job as American Ambassador in Indonesia. He stressed: "It is not the policies of ASEAN or the United States which isolate Vietnam and leave it depended on the Soviet Union. It is Hanoi's own


policy of invading and occupying a neighbour which leaves it without friends outside the Soviet camp". 41

The Indonesian Foreign Minister had a discussion with Paul Wolfowitz in Jakarta on February 25, 1985. He expressed his serious concern over the fact that most of the aid mainly from China had gone to the Khmer Rouge. The aid had made the Khmer Rouge much more stronger than any other group in the Khmer resistance movement. He urged the United States to provide assistance to the KPNLF and the FUNCIFEC. Mochtar did not fail to urge Wolfowitz that the United States should now normalize its relations with Vietnam believing that it would help to stabilize Southeast Asia. 42

Responding to Indonesia's insistence, Paul Wolfowitz agreed to normalize the United States' diplomatic relations with Vietnam on the condition that Vietnam should help the United States in finding Americans Missing In Action (MIAs) in Vietnamese territory. However, he also laid the United States' second condition that Vietnam should completely withdraw all its troops from Kampuchea. 43

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42. Kompas (Jakarta Daily), February 27, 1985.
43. Ibid., February 27, 1985.
Mochtar Kusumaatmadja discussed the issue of MIAs with his Vietnamese counterpart Nguyen Co Thach on February 14, 1984 in Hanoi. In Mochtar's point of view the inclusion of the MIAs issue brought a new dimension in his attempt to find a peaceful solution to the Kampuchean conflict. He regarded it that the MIAs issue touched the question of Hanoi-Washington relations which had been severed since July 1975.44

Vietnam responded positively to the proposal for talks with the United States regarding the MIAs issue. Hanoi also demanded that a high level meeting between Vietnam and Washington be held to discuss the issue. The United States claimed that there were still 2,464 MIAs unaccounted for in Indochina.45

Vietnam's readiness to hold talks with the United States came on the eve of the arrival of Chinese communist party leaders in Moscow on July 9, 1985. The visit was the first by a Chinese leading politician to the Soviet Union for the last sixteen years. The possible rapprochement between the Soviet Union and China caused apprehension in Hanoi. It feared that the rapprochement between its main

ally and its adversary would be detrimental to its interests.\textsuperscript{46}

The Soviet attitude towards China might help to explain a cool reception that the Vietnamese party leader Le Duan received when he visited Moscow in July 1985. A joint statement that was made after the talks confirmed Vietnam's apprehension that there was a need for an improvement in Sino-Vietnamese relations. It stated: "normalization of Moscow-Peking and Hanoi-Peking would help strengthen peace and international security in Asia."\textsuperscript{47}

During his visit Kuala Lumpur to attend the annual ASEAN Foreign Ministers Meeting on July 12, 1985, American secretary of State George Shultz stated that he had decided on "positive response to the Vietnamese." Secretary of State Schultz apparently did not want to miss the opportunity to gain Hanoi's cooperation in helping the Reagan Administration's pledge to secure "the fullest possible accounting" of the 2,464 American servicemen missing in action.\textsuperscript{48}

\begin{itemize}
\item \textsuperscript{47} \textit{Asiaweek} (Hong Kong), July 19, 1986, p.12.
\item \textsuperscript{48} \textit{Far Eastern Economic Review}, July 19, 1986, p.21.
\end{itemize}
The hope that the solution to the MIAs issue could help to break Vietnamese diplomatic isolation failed to materialize. The MIAs had indeed been the main obstacle in the resumption of American relations with Vietnam, but there was one more serious hurdle to be overcome, namely the withdrawal of Vietnamese troops from Kampuchea. As long as Vietnamese maintained its troops in Kampuchea, there would be no likelihood that the United States would resume its relations with Hanoi. A United States official made it clear: "If Hanoi thinks that having a handful American colonels running around Vietnam jungle is going to get it out of diplomatic isolation, I am afraid they will be very disappointed." 49

In an apparent attempt to assure Thailand, the United States ally in Southeast Asia, George Schultz identified his government closely with Bangkok's predicament as a frontline state. He assured Thailand that talk about MIAs issue with Vietnam was purely a "humanitarian issue." The talk would not weaken the United States determination for a peaceful political solution to the Kampuchean problem. 50 The talk


about the MIAs finally ended on April 15, 1986 after Vietnam withdrew from the talks when the United States bombed Lybia.

The Kampuchean problem again became an important issue during President Reagan's visit to Bali on May 1, 1986. The United States President held discussion with all the Foreign Ministers of ASEAN and President Suharto. In the course of his talk with President Suharto, President Reagan emphasised that the United States would support a political settlement in Kampuchea that would lead to a cease fire, the withdrawal of Vietnamese troops and free elections under the supervision of the United Nations. He also stressed America would not accept the return of the Khmer Rouge to power. He pledged that the United States would provide US $3.3 million for the non-communist resistance groups.

For the ASEAN countries, President Reagan's visit clearly demonstrated his solidarity with the ASEAN states in their attempt to find a peaceful political solution to the Kampuchean conflict. As for Indonesia particularly the fact that the United States President chose to visit Indonesia as the venue for the meeting with all other ASEAN states Foreign Ministers underlined the fact that the United States

recognized Indonesia's predominant role in the Southeast Asian region.

RELATIONS WITH THE SOVIET UNION

Bilateral Relations

Indonesia's invasion of East Timor in December 1975 seriously affected its relations with the Soviet Union. It has been mentioned earlier that the Soviet refusal to overlook the invasion had a lasting impression on Indonesia's security policy makers that the Soviet Union should be treated with suspicion. This was clearly demonstrated when Indonesia rejected the Soviet request to provide bunkering facilities for two Soviet naval vessels, a destroyer and a training ship.53

The presence of Soviet Union massive embassy building caused serious suspicion in Jakarta. In addition, the Soviet Union also maintained separate trade and cultural centres. The Soviet Embassy was also known to be overstuffed. The suspicion came from the fact that the volume of trade between the two countries was negligible as compared with Indonesia's volume of trade with the United

States and Japan. Amin Iskandar, member of the Commission I of Indonesian Parliament (DPR) which dealt with foreign policy and defence matters revealed that the Soviet Embassy was manned by more than one hundred diplomatic staffs, despite an agreement between the two countries limiting the diplomatic staff to only twenty five persons.\textsuperscript{54} Indonesian concern was not without reason. In 1971 a Soviet diplomatic had been caught and later expelled after he was found passing a propaganda film to an Indonesia army officer.

The Soviet Union's invasion and later occupation of Afghanistan in January 1979 also drew criticism in Indonesia. Indonesian National Youth Congress lodged a strong protest against the invasion. The event turned into an uproar when the Soviet Ambassador in Indonesia was allegedly making statement insulting Indonesia's freedom struggle. The incident began when the Indonesian National Youth Congress's chairman Akbar Tanjung met with the Soviet Ambassador Ivan Sphedko. The Chairman of the Youth Congress later claimed that the Soviet Ambassador had dismissed the protest over his country's invasion of Afghanistan by saying that the situation in Indonesia was more chaotic than in Afghanistan. Ambassador Sphedko was also reported to have

\textsuperscript{54} Indonesian Times (Jakarta), June 9, 1979.
stated that Indonesian freedom struggle would have not been possible without the Soviet help.\(^{55}\)

The remarks caused a furor and many leading politicians in Jakarta felt insulted. The Speaker of the Indonesian Parliament General Darjatmo who had personally tookpart in the freedom struggle said that if Ambassador Sphedko had been reported correctly: "he needs to study some Indonesian history." He further said: "If the Ambassador had said that Indonesian freedom was achieved with the help of the Soviet Union, the statement was just embarrassing to him."\(^{56}\)

Another incident further strained the relations between the two countries. It was a revelation by Ministry of Defence and Security relating to the discovery of the Soviet spies network in Indonesia. On February 4, 1982 the state intelligence arrested Colonel Sergei Egorov of the Soviet Embassy when he was receiving a document from his contact, Colonel Susdaryanto of the Navy's Survey and Mapping Agency. Colonel Egorov was ordered to leave the country. The intelligence agency was also arrested Alexander Finenko who was later expelled for "health reason."\(^{57}\)

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The arrest of Colonel Egorov exposed the fact that the Soviets had been keen to acquire data on naval documents on Indonesia's sealanes which is important links between the Indian and the Pacific Oceans. The importance of Indonesian archipelago lies in the fact that it stretches 300 miles and sit astride a series of narrow straits the control of which could be used to interdict ships moving between the Pacific and Indian Oceans. Only few channels through this archipelago are wide and deep enough to permit safe passages of such warships as submarines.

The table below indicates the depth and width of the four strategically important straits: Malacca, Sunda, Ombai and Lombok Straits.

<table>
<thead>
<tr>
<th>Straits</th>
<th>Depth</th>
<th>Width</th>
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<tbody>
<tr>
<td>Lombok</td>
<td>600 feet</td>
<td>11 nautical miles</td>
</tr>
<tr>
<td>Malacca</td>
<td>75 feet</td>
<td>8 nautical miles</td>
</tr>
<tr>
<td>Sunda</td>
<td>120 feet</td>
<td>12 nautical miles</td>
</tr>
<tr>
<td>Ombai</td>
<td>600 feet</td>
<td>12 nautical miles</td>
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The importance of these straits for the Soviet Union could not be disassociated with its rivalry with the United States. Vice Admiral Seewarso pointed out this aspect:

Moreover the Soviet Union does not possess interceptors based within a reach to the Straits of Malacca that may give air cover to their bombing operations toward local air powers or towards the United States carrier based interceptors. The stationing of the aircraft carrier "Minsk" in the Far East does not solve the problem of insufficient air cover for the Soviet air and naval operations in the Southeast Asian waters due to the relative limited transport capability of that aircraft carrier.60

It was lack of sophistication of technology of naval warfare which according to Professor Sheldon W Simon, encouraged the Soviet Union to realize the importance of these straits as important choke points where it could have chance of locating American submarines through acoustic devices. It was in this context one could understand as to why the Soviet spy attempted to obtain the kind of hydrographic data on the Ombai strait to position hunter killer submarines in an interdiction mode.61


61. Sheldon W Simon, n.59, p.82.
The Indonesian National Youth Congress launched a demonstration and demanded that the Soviet Union's Ambassador be expelled from the country. Foreign Minister Mochtar Kusumaatmadja refused to accept the demand and stated that the whole affair was not unusual. He chose to call the Egorov affair as "misappropriation of diplomatic function." Nevertheless, he found it difficult to resist the pressure from the government intelligence establishment that the Ministry of Foreign Affairs should close down the Soviet consulate in Banjarmasin, south Kalimantan. For sometime the intelligence establishment had questioned the need of allowing the Soviet Union to have consulate in Banjarmasin. The closing of Soviet consulate in Banjarmasin, the Soviet Union was left with two consulates, in Surabaya in East Java and in Medan in North Sumatra.

Another factor which stood in the way of improved relations with the Soviet Union was the presence of communist activists of the banned Communist Party of Indonesia in the Soviet Union and other East European countries. On January 1, 1983 Radio Moscow reported that the Central Committee of the PKI had sent a congratulatory

message to President Brezhnev on the occasion of his birthday anniversary. The news caused Chalid Mawardi, Chairman of Parliament's Defence and Foreign Affairs Committee to sharply criticize Radio Moscow for having carried the PKI's message. Mawardi also accused that the broadcast had been done deliberately to influence the Indonesian people.64

While activities of the PKI members abroad caused apprehension in Jakarta, official allegations about resurgent PKI activities within the country appeared from time to time in the press report. It was not certain, however, whether the PKI resurgence was directly linked with the remnants of the PKI. Most of the former political detainees were closely watched by the security authority. They were also barred from occupying any public posts or joining any political parties.

In January 1984 newspapers reported a circulation of calendars showing a hammer and sickle emblem on T-shirts. Commander of the Command for the Restoration of Order and Security Admiral Sudomo ordered the calendars be destroyed.65 In September 1984 Governor of West Java issued a statement asking his people to guard against Marxist Leninist pamphlets were written by pro-Moscow wing of the

64. The Nation (Bangkok Daily), January 26, 1983.
These two cases showed sensitivity of the Indonesian government towards what it considered as "latent threat" the possible resurgence of the banned PKI.

The attitude of the Indonesian government towards the Soviet Union began to change noticeably in 1984. In April 1984 President Suharto sent a congratulatory message to Konstantin Chernenko on the occasion of his election as Chairman of the Supreme Soviet. President Suharto also stressed that the government of Indonesia was keen to develop friendly and constructive relations with the Soviet Union. He spoke about the need to improve economic and trade relations between the two countries.

Indonesia's changing attitude towards the Soviet Union needed to be seen from economic difficulties that the New Order government was facing. The collapse of oil prices in the world market caused serious economic difficulties that it had to cope with. This could be seen from the fall in export earning from the oil. In 1982/1983 foreign earnings from oil dropped alarmingly from US $ 16,825 million to US$

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14,744 million. In 1984/1985 the earnings continued to decline to US $ 14,341 million.68

The financial crisis that Indonesia was facing was not left unnoticed in the Soviet Union. A Soviet commentator A. Drugov wrote on Indonesia's economic difficulties:

The crisis of the capitalist system, to which the Indonesian economy is closely tethered and the sharp fall of prices traditional Indonesian export items: gas, oil and rubber and tin posed serious problems to the Indonesian economy. At the same time, all this clearly demonstrated the instability of its financial base and its strong dependence of the world market situation.69

Foreign Minister Mochtar Kusumaatmadja made an official visit to Moscow in April 1984, the first to be done by an Indonesian Foreign Minister in a decade.70 Two months later a delegation from Indonesian Chamber of Commerce and Industry made a business trip to the Soviet Union. Finally, in October 1984 Coordinating Minister for Economic, Finance and Industry Ali Wardhana visited the Soviet Union and


70. Soedjati Djiwandono, "Relations With The Socialist Countries" in The Indonesian Quarterly Vol.13, No.1, January 1985, p.3.
signed a protocol which provided for expansion of trade cooperations between the two countries. He also agreed to open four Indonesian ports for Soviet cargo ships to unload their goods in Indonesia. The ports were Tanjung Priok in Jakarta, Belawan in North Sumatra, Ujung Pandang in South Sulawesi, Tanjung Perak in Surabaya, East Java. Ali Wardhana also visited Hungary, Romania and Ozechoslovakia.  

Foreign Minister Mochtar Kusumaatmadja frankly admitted that the motivating factor behind this diplomatic offensive was economy:

Relations between Indonesia and East European countries in 1984 have improved significantly. The visit by Indonesia's Foreign Minister to the Soviet Union in the early April 1984 was a political gesture that paved the way for an improved relations between Indonesia and the Soviet Union and other East European countries, particularly in its attempt to increase Indonesia's exports of nonoil commodities.  

The Soviet Union lauded Indonesia's diplomatic initiative and considered Mochtar Kusumaatmadja's visit to Moscow as a landmark in relations between the two countries.  

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The Soviet Union regarded that the talks held in Moscow between Mochtar Kusumaatmadja and his counterpart Andrey Gromyko showed that the two sides had a common view on broad range of issue pertaining to peace and war. The Soviet Union also stressed that it believed that common interest between the two countries could serve as a foundation for further development in Soviet-Indonesian relations.73

Despite this diplomatic headway, the volume of trade between Indonesia and the Soviet Union continued to be comparatively low. Indonesia mostly exported rubber, palm oil, tea, coffee and other petroleum products. On its part, the Soviet Union exported cotton, yarn, cast iron, machinery and fertilizer to Indonesia. Indonesia's export to the Soviet Union amounted to US$ 78 million while its import from that country were worth only US $ 3 million. The amount was small compared with the volume of Indonesia's export to the United States which amounted to US$ 4,933 million in 1985.74

The minimum level of trade interaction between the two countries was further compounded by deep seated suspicion of Indonesia's policy makers towards the Soviet Union. This

was generally common among military establishment, particularly among senior ranking officers in the Army. In October 1985 Soviet Deputy Prime Minister Yakov Rybov visited Jakarta. Ryabov proposed to offer a loan US$ 180 million to build hospitals. However, negotiations reached an impasse with regard to higher interest rate that the Soviet Union wanted to charge. But more fundamental than the problem of higher interest rate was deep-seated suspicion that Indonesia's security elite had about the Soviet's intentions. Some feared that the project could provide a kind of cover for the Soviet efforts to link up with the remnants of the banned PKI within the country. 75

In July 1986 Commander of Diponogoro Division in Central Java, Major General Harsudiono Hartas revealed the arrest of four Indonesian communists who were allegedly trained abroad. A month later General Hartas was reportedly to have said that with a note of caution the Soviet submarines had been recently detected in Indonesian territorial waters. He also alleged that the Soviet

75. On the eve of his talk with Rybov, President Suharto was quoted as saying that there was a need for Indonesia "guard against recurrence of undesirable events." At the same time, the Muslim daily Pelita called for vigilance in protecting the nation from foreign subversion. See, Asiaweek, November 15, 1985, p.12.
aircrafts had frequently violated Indonesian airspace. These allegations reflected deep military mistrust towards the Soviet Union and proved to be the main obstacle for an improvement of relations between the two countries.

Foreign Minister Eduard Shevardnadze's visit to Jakarta in March 1987 did not bring about any dramatic change in Indonesia's relations with the Soviet Union. The visit was overshadowed by the Kampuchean problem which was the issue of discussion between the two Foreign Ministers. Nevertheless, it has a symbolic significance bearing in mind that it was the first ever visit by the Soviet Foreign Ministers to Indonesia for two decades. It could also be seen as paving the way for relations between the two countries particularly since Foreign Minister Mochtar Kusumaatmadja had decided to visit Moscow in April 1988.

**Kampuchea Problem**

In the late 1970s, the ASEAN states began to see a noticeable change of attitude on the part of the Soviet Union towards them. In the past, the Soviet Union had shown an unfriendly attitude towards ASEAN and its accused it as a


disguised military organization in the service of the United States. Though from the beginning of its establishment, the ASEAN member countries had stressed that its main concern was on economic development of its member countries, the Soviet Union remained unconvinced. However, the ASEAN states now noticed new attitude on the part of the Soviet Union.

These new attitude of the Soviet Union was first expressed on the occasion of ASEAN's 11th anniversary in August 1978. A Soviet commentator argued that Moscow had always been supportive of ASEAN:

In the past 11 years, ASEAN has made many achievements as reflected in the member nations' economic development and their increasingly important role in the world... ASEAN pursues a constructive international policy. Its 1971 concept to establish a free, peaceful and neutral zone in Southeast Asia won support. ...On the 11th anniversary of the founding of ASEAN all the people in the Soviet Union wish it a new success on this bright new road. 78

Again, on the occasion of the ASEAN Foreign Ministers Meeting in January 1979, a Soviet commentator spoke words of praise for the ASEAN group saying that ASEAN activities were

becoming more dynamic and more consistent with favourable changes that had taken place in the world politics and Southeast Asia.79

The new Soviet attitude towards ASEAN had to be seen in the context of its rivalry with the People's Republic of China in its attempt of coax ASEAN on its side. China had begun diplomatic offensive on the ASEAN states earlier. In September 1977 Chinese news agency Xinhua published a statement expressing President Li Xiannin's support for the Second ASEAN Summit in August 1977. Later in November 1977 in a series of statements by its leaders China supported ASEAN and its neutralization idea.80 Both President Li Xiannin and Foreign Minister Huang Hua expressed their support for the ASEAN states during their visit to Manila in March 1979. China used the visit to try to cultivate relations with countries like Indonesia and Singapore which less disposed towards Beijing.

Soviet official media criticised Chinese diplomatic offensive towards the ASEAN states. Moscow accused Beijing of trying to set the governments of ASEAN states against Vietnam. It also alleged that Beijing tried to persuade the

ASEAN states to take part in the united front against the Soviet Union. 81 Moscow did not fail to remind the ASEAN countries that despite Beijing's diplomatic courtesy, it continued to maintain contacts with the communist insurgents in Southeast Asia. The Soviet Union also warned that Beijing could manipulate the presence of large Chinese minorities in the ASEAN countries for its own purpose. 82

In its further attempt to convince the ASEAN countries of Soviet Union's benevolent attitude towards the region, the Soviet Union dispatched its Deputy Foreign Minister Nicolai Firyubin to the ASEAN capitals. The visit came in the wake of the Vietnamese Prime Minister's official visit to the ASEAN capital in September 1978. In Manila Fiyurbin signed a joint declaration with its Philippines's counterpart indicated the Soviet desire to develop "further relations with ASEAN member countries and expressed support for the peaceful nature of ASEAN." 83

Subsequent developments in Indochina, however dashed all hopes that the ASEAN states could develop friendly


350
relations with the Soviet Union. In less than a week after the joint declaration in Manila, the Soviet Union concluded a 25 Years Treaty of Friendship and Cooperation on November 3, 1978 with Vietnam. This was followed by Vietnamese invasion of Kampuchea on December 25, 1978. Phnom Penh fell into the hands of Vietnamese forces and soon People's Revolutionary Council was set up with Heng Samrin and Hun Sen appointed as Chairman and Foreign Minister respectively. President Brezhnev and Prime Minister Kosygin dispatched telegram congratulating the new regime in Phnom Penh. 84

Vietnamese invasion of Kampuchea supported by the Soviet Union posed a serious question for the ASEAN countries as to who was the greater adversary the Soviet Union or the People's Republic of China? Both Indonesia and Malaysia continued to look towards China with considerable suspicion. Thailand and Singapore were inclined to perceive Vietnam's supporter, the Soviet Union as more serious threat to Southeast Asia. 85 As for the Soviet Union, Indonesia's security elite did not rate highly the idea of Soviet threat to the ASEAN states. Because of its economic weaknesses and


85. Vice-President Adam Malik, Pidato Pembukaan Pada Seminar Mengenai Per Kembangan Di Indochina (Opening Speech At The Seminar On The Developments In Indochina), Jakarta, February 15-16, 1979, p.11.
physical remoteness from the region and the fact that the Soviet Union did not regard Southeast Asia as a vital region, Indonesia felt convinced that the Soviet Union was not the threat at least in the short run.

Foreign Minister Mochtar Kusumaatmadja argued that the Soviet Union was not a threat to the region:

The Soviets are quite happy to have presence here, but maintaining it is difficult. The nearest Soviet airport is covered by ice half the year and the sea routes between Soviet ports and Southeast Asia are easily interdicted. Yet it is useful presence for them and relatively low in cost. I would say there is an increase in Soviet presence here but it is balanced presence to the U.S. Presence which is always here and as such it is to be expected because the Super Power rivalry is global. However, the rivalry in this area is the lowest in intensity in the world. 86

Lack of sense of threat from the Soviet Union among Indonesia's key policy makers needs to be understood here. It stemmed from the fact that Indonesia had been primarily concerned with internal threat posed by communist clandestine activities, Muslim fundamentalist groups and regional separatists rather than from external threat. The Soviet Union could be considered as a threat in so far as it could play a role as provider of external source of aid to

86. New Strait Times April 18, 1985.
these elements within the country. Though the same criterion was also applicable in the case of the People's Republic of China. The presence of almost three million Indonesia of Chinese descent with strong economic clout and their sense of nationalism towards their country of residence were always doubted had made threat from China more menacing than from the Soviet Union.

Indonesia's policy makers were not convinced either that the Soviet support to Vietnam could make the latter a threat to ASEAN security. They believed that they knew the Vietnamese better because Indonesians like the Vietnamese had fought against Western colonialism to gain their independence. Indonesian were convinced that the Vietnamese were more nationalist than communist. This understanding led Indonesia's policy makers to conclude that Vietnam could be a strong buffer to block Chinese hegemonic ambitions in the region.

87. Derek Da Cunha, Soviet Naval Power In The Pacific (Singapore Institute of Southeast Asian Studies, 1990), p.197.


The understanding mentioned above was also a motivating factor that led President Suharto and Prime Minister Datuk Hussein Onn of Malaysia to meet at Kuantan, East Malaysia in March 1980. Both shared the view that Vietnam could disassociate from the Soviet Union. Foreign Minister Mochtar Kusumaatmadja even argued: "We are convinced that Vietnam is independent and pursues an independent policy." 

Response from the Soviet Union to the Kuantan Agreement came from the Soviet Deputy Foreign Minister Nicolai Firyubin during his visit to Bangkok. Fiyurbin suggested to the Thai Foreign Minister Siddhi Savetsila that Bangkok should agree to negotiate with Hanoi to discuss the Kampuchean problem so as to remove misunderstanding on both sides. Thai Foreign Minister rejected the idea and instead reiterated ASEAN's stance on this issue, namely the withdrawal of Vietnamese troops from Kampuchea.

The ASEAN countries rejected the persistent Soviet efforts to persuade them to accept the idea of multilateral agreement between the countries of Indochina and the ASEAN states. Likewise, the ASEAN member countries also refused

90. Ibid., no. 90, p. 204.


to accept the creation of a demilitarized zone on both sides of Thai-Kampuchean border since it amounted to recognition of Vietnamese-installed government in Phnom Penh.\(^{93}\) The ASEAN states also dashing the Soviet hope that a process of diplomatic attrition would ultimately lead to erode ASEAN's political resistance over Vietnamese occupation of Kampuchea.\(^{94}\) The ASEAN states persistently put forward their resolution at the United Nations General Assembly demanding the withdrawal of Vietnamese troops from Kampuchea.

During a visit to Singapore in April 1983, the Soviet Deputy Foreign Minister Mikhail Kapitsa made a statement which caused a stir in the ASEAN capitals. Kapitsa told his Singapore host that all the infrastructure in Southeast Asia could erode if the ASEAN countries did not stop confrontation with Vietnam and its allies in Laos and Kampuchea. He also stressed that Vietnam had to take a retaliatory action and in the same fashion, it could supply arms to insurgents in the ASEAN countries if the ASEAN members continued to support the Khmer Rouge in Kampuchea.

\(^{93}\) Y. Glazunov, "Momentous States In The Life of Indochina People" *International Affairs* (Moscow), No. 5, May 1981, p.46.

\(^{94}\) M. Isayev, "Indochina: Fighting For Peace and Progress," *International Affairs* (Moscow), No.1, January 1985, p.27.
He reiterated that the ASEAN member countries should accept Vietnam's proposal for a regional conference on the Kampuchean problem.95

Responding to Soviet's Deputy Foreign Minister's statement, Foreign Minister Mochtar Kusumaatmadja retorted that ASEAN in general and Indonesia in particular wanted to solve the Kampuchean conflict through political and peaceful means, but it refused to find the solution under pressures either over or covert. He also added: "If what Kapitsa said is correct, we feel it as a pressure. I do not think it is good and wise, it is rather regrettable".96

Notwithstanding the difference in approach, a Soviet commentator talked positively about Indonesia's efforts to find a political solution to the Kampuchean conflict, particularly the visit by Indonesia's Commander-in-Chief of the Armed Forces General Benny Murdani in January 1984 to Hanoi. General Murdani made a remark which said that it was China rather than Vietnam that posed a threat to the security of Southeast Asian countries. The remark was seen in Moscow as encouraged by the "awareness of the dangerous consequences of the ventures by those who wanted to settle

95. Sinar Harapan (Jakarta Daily), April 9, 1983.
96. Kompas (Jakarta Daily), April 9, 1983.
Kampuchea problem by using arms and summoning outside forces to the region". The comment was clearly directed at Thailand.

The Soviet Union's positive attitude towards Indonesia came at a time when Indonesia had been having difficulties in its relations with the United States. This resulted from the United States' policy to "bleed Vietnam white" and Washington's growing relationship with China. This factor made Indonesia in the opinion of the Soviet Union fitting to develop closer relationship with. The Soviet Union also realised that Indonesia being the biggest country in the region carried influence in the affairs of the Southeast Asian region.

Foreign Minister Mochtar Kusumaatmadja paid an official visit to the Soviet Union on April 1-3, 1984. In Moscow, Mochtar Kusumaatmadja put forward four point proposal, namely a phased withdrawal of Vietnamese troops from Kampuchea, ASEAN aid to Vietnam after its withdrawal from Kampuchea, the establishment of a neutral Kampuchea and finally normalization of relations between the United States and Vietnam. Foreign Minister Gromyko rejected all the


98. V.Andreyev, "Indonesia On The World Scene" International Affairs (Moscow) No.3, March 1987, p.84.
proposal and ruled out any other method than proposed by Vietnam, namely regional conference among all Southeast Asian countries, including the Heng regime in Phnom Penh with the permanent members of the United Nations Security Council. 99

Despite disagreement on the question of Kampuchean problem, the Indonesian Foreign Minister was still optimistic. He stated: "He (Gromyko) did appreciate ASEAN's efforts and he hoped that these efforts would continue". 100 The Foreign Minister interpreted Gromyko's statement as a sign that while Moscow continued to give formal support to Vietnam, it also encouraged the search for solution that would enhance its role in Southeast Asia.

Indonesia's failure to solicit Soviet support for its four point proposal did not deter its ASEAN partners to continue the efforts to find a peaceful political solution to the Kampuchean problem. Permanent Secretary Asa Sarasin of Thailand's Ministry of Foreign Affairs summoned the Soviet Ambassador in Bangkok. Accompanied by ASEAN Ambassadors, Asa Sarasin told the Soviet Ambassador to cease its support of Vietnamese invasion of Kampuchea. "We regard

100. Ibid., April 19, 1984, p.30.
the Soviet Union as a Super Power which had constructive
to play in maintaining peace and stability all over the
world, including Southeast Asia", he asserted.101

The Soviet response to Thai request came from Deputy
Foreign Minister Mikhail Kapitsa in Bangkok in April 1985.
Kapitsa reiterated a well-known Soviet position that a
conference should be held including the three Indochinese
states of Vietnam, Kampuchea and Laos, ASEAN member states
and members of the United Nations Security Council. The
Soviet proposal also included other countries like India,
Sweden and Australia.102 Kapitsa, however rejected the ASEAN
demand for the withdrawal of Vietnamese troops from
Kampuchea prior to the proposed conference.

At this juncture, the ASEAN countries noticed a new
economic diplomatic offensive from the Soviet Union after
the appointment of Mikhail Gorbachov as General Secretary of
the Communist Party of the Soviet Union. In October 1985 the
visiting Deputy Prime Minister Yakov Ryabov offered to
provide a loan worth US$ 180 million to build three
hospitals in Indonesia. In April 1985 the Soviet Union told
the Thai government that it could buy Thai rice and textiles

which had just been banned by the United States. Thailand rejected the offer. The Soviet also persuaded the Malaysian government to take more active part in joint economic commission, cultural exchanges and friendship societies, but without much success. All these initiative failed to make a breakthrough in Soviet Union's attempt to forge closer cooperation with the ASEAN states. It was partly due to deep seated suspicion among the ASEAN member states and Soviet Union's continued support of Vietnamese invasion of Kampuchea.

General Secretary Gorbachev's speech at Vladivostok on July 28, 1986 was important statement made by a Soviet leader in the context of Soviet relations with the Asia-Pacific region. The Vladivostok speech could be seen in the context of growing rapprochement between the Soviet Union and the People's Republic of China. The process had been initiated since 1980 in the form of cultural, sports and educational contacts. This was further augmented by the normalization talks in October 1982. However, this steady progress in the relations between the two countries did not


satisfy Beijing which continued to demand removal of three main obstacles, first reduction of Soviet forces along the Sino-Soviet border, second, the end of Soviet military occupation of Afghanistan and third, an end to Soviet support for the Vietnamese occupation of Kampuchea.106

The Vladivostok speech unfortunately did not offer anything new regarding the Vietnamese occupation of Kampuchea. General Secretary Gorbachev simply reiterated that resolution of the Kampuchean conflict could be achieved only through negotiations between the two conflicting parties. The speech simply repeated what had been stated earlier by Deputy Foreign Minister Mikhail Kapitsa. Gorbachev asserted that no solution could be imposed from outside. It meant that the Soviet Union would not exert pressures on Vietnam to end its occupation of Kampuchea.107

Responding to Mikhail Gorbachev's speech in Vladivostok, Foreign Minister Mochtar Kusumaatmadja expressed a note of cautious optimism in the following words:

The early signal of a great change is Gorbachev's speech in Vladivostok. The

106. Amin Rais, "Beberapa Implikasi revolusi Gorbachov" (Some Implications of Gorbachev's Revolution) Jurnal Luar Negeri (Foreign Affairs Journal) (Ministry of Foreign Affairs), September 1989, p.44.

tone and emphasis of the speech in 1986 is really interesting. However, its sincerity is doubted in many Asian countries. Indonesia at that time firmly stated: "We just want to see the proof". To Indonesia and ASEAN countries, they want to see Russian sincerity to change its policy towards Kampuchean problem. China also has the same attitude... To Indonesian and its ASEAN partners in particular, this new kind of change is an opportunity to find solution to the Kampuchean problem. 108

Mochtar Kusumaatmadja also regretted that Gorbachev's speech failed to mention ASEAN's role in an attempt to find a political solution to the Kampuchean conflict. Gorbachev seemed to believe that the solution would depend on the improvement of relations between China and Vietnam. Mochtar rejected the implication of such approach that ASEAN had no independent policy different from China. 109

The Indonesian Foreign Minister's reservation seemed to be justified by an official visit of Soviet's Foreign Minister Eduard Shevardnadze in March 1987. The visit was the first ever by the Soviet Foreign Minister in two decades. Shevardnadze impressed his Indonesian host with his openness, acknowledging that Moscow was advocating a


settlement of regional conflicts to reduce external pressures to its domestic problems. Shevardnadze, however, disappointed his Indonesian counterpart by not bringing a new initiative to find a political solution to the Kampuchean problem.110

In spite of this disappointment, Shevardnadze's readiness to discuss the Kampuchean problem not only with Indonesia but also with Vietnam's rival Thailand marked a new departure in Soviet's foreign policy towards Southeast Asia. It caused uneasiness in Vietnam. It could also be seen as Soviet's sending a strong signal to Vietnam that it should be more flexible to the Kampuchean problem. Hanoi's sense of uneasiness was further aggravated when several months after Vladivostok speech, communist leaders from East Germany and Poland began to make visits to China. This new climate could help to force Vietnam to make a adjustment in a new international climate or take the risk of being isolated further from its own communist allies. Hanoi's new attitude towards its occupation of Kampuchea could pave the way for finding a peaceful political solution to the problem about which Indonesia and its ASEAN partners had been trying hard for almost a decade.

ATTEMPTS AT NORMALIZING DIPLOMATIC RELATIONS

WITH THE PEOPLE'S REPUBLIC OF CHINA

Indonesia's attempt at normalizing diplomatic relations with the People's Republic of China had been characterized by ambiguity. It came about as a result of differences of attitude between Ministry of Foreign Affairs and Minister of Defence and Security. While Ministry of Foreign Affairs had been keen to normalize relations with China, Ministry of Defence and Security had been very cautious.

Foreign Minister Adam Malik made a call for an immediate normalization of relations between Indonesia and the People's Republic of China in April 1975.\textsuperscript{111} He made the call on the occasion of the election of Hua Guo Feng as China's new Prime Minister.

Adam Malik, however, had to withdraw his call after the Chinese government made an announcement of support for the remnants of Indonesian Communist Party through broadcast in Radio Beijing. He described the broadcast as "breach of faith" and warned the Chinese government that "the entire Indonesian people and government will crush any move from outside to meddle with their internal affairs".\textsuperscript{112} In a similar vein, while addressing the Indonesian Parliament

\begin{itemize}
\item \textsuperscript{111} \textit{New Straits Times} April 9, 1975.
\item \textsuperscript{112} \textit{Hindustan Times} (New Delhi), May 27, 1975.
\end{itemize}

364
President Suharto stressed that "other nations continued to provide protection to leaders of the communist terrorists or openly support the revival of the PKI in our country". He warned that "this action will be regarded as unfriendly act or intervention in Indonesia's internal affairs. It is within this framework that we must see why it is still difficult to normalize relations with China". 113

A meeting between Chinese Communist Party Chairman Huo Guo Feng and leader of pro-Beijing factions of the Communist Party of Indonesia, Jusup Adjitorop, further delayed the possibility of normalization of relations. The Chinese government's journal *Peking Review* described the meeting as one "permeated with fraternal revolutionary relationship. Chairman Hua had a cordial and friendly conversation with Jusup Adjitorop and other comrades in the delegation". 114

This meeting undoubtedly aroused anger in Jakarta. Acting Foreign Minister General Maraden Panggabean observed: "Indonesia's stand is clear that it wants to have good relations with any country, including China". He however, added: "The action of Chinese leader to receive the

Indonesian communist officials will further delay the efforts of normalizing relations with Indonesia.\footnote{115}{New Strait Times May 23, 1977.}

Despite this continued criticism from the pro-China faction of the PKI towards the Suharto government by March 1978 there was an indication that the prospects of normalization of Indonesia's relations with China were encouraging. The sign came from Chairman of the Chinese Communist Party Huo Guo Feng in his speech before China's 5th People's National Congress in Beijing in March 1978. In his speech Huo Guo Feng recalled "traditional friendship" between China and Southeast Asia and expressed his support for ASEAN. He also mentioned the establishment of diplomatic relations between China and Malaysia. Huo Guo Feng then said: "It is our desire to restore diplomatic relations with all the other countries in the region".\footnote{116}{Strait Times March 15, 1978.} It was widely understood that he was referring to Indonesia and Singapore.

In response to Huo Guo Feng's speech, President Suharto in June 1978 spoke about Indonesia's readiness to proceed towards the restoration of relation with China before the People's Consultative Assembly. He further stated: "as far as we are concerned we can have normal relations with other nations that follow social and political system different
from ours.". However, while talking about the September 1965 abortive coup attempt in which according to his government's allegation, China was involved, the Indonesian President warned: "vigilance should be heightened in the country against all possibility based on bitter experiences in the past".

Only a month before President Suharto's speech in the MPR, an Indonesian badminton team went to Beijing. The visit to Beijing was the first by the Indonesians since the suspension of diplomatic relations in 1967. The visit caused a speculation that a spectacular step in Indonesia's relations with China was in the offing.

Despite this encouraging sign, Ministry of Defence and Security expressed its opposition to the possibility of normalization of relations between the two countries. Minister of Defence and Security General Maraden Panggabean warned that the problem of the status of Overseas Chinese in Indonesia had to be settled first before normal diplomatic relations could be resumed. General Panggabean also talked about the need to carry out registration exercises to determine the number of Overseas Chinese in Indonesia. He

also raised the question of security aspect of overseas Chinese in Indonesia. Panggabean raised the question of security aspect of normalization by asserting that though the PKI had been eliminated, the communist remnants however remained active.\textsuperscript{119}

Foreign Minister admitted that there was opposition from the armed forces against resuming diplomatic ties with China. He further stated:

Of course the military which looks after the security of the country is concerned with the possible resurgence of subversion and there is a tendency to doubt the loyalties of the Chinese. The military bore the brunt of the pro-communist coup attempt in 1965 and this concern is a major factor in its opposition. But there is growing number people in government who feel a Chinese who choose Indonesian citizenship must be given the benefit of doubt as far as his loyalty is concerned. Admittedly, this is not the view that is currently in favour in the armed forces. We have no doubt though that ties with Peking have to be established eventually. When? That is another question.\textsuperscript{120}

At this stage a new development took place in the ASEAN states relations with China. This justified the armed forces suspicion about Beijing's aggressive tendencies for power

\textsuperscript{119} New Strait Times April 24, 1978.

\textsuperscript{120} Paul Anthony, "Interview with Adam Malik", Asiaweek, July 14, 1978.
projection. During his tour of Bangkok, Kuala Lumpur and Singapore, the Chinese Deputy Prime Minister Deng Hsiao Ping told the leaders of the three ASEAN countries that Beijing could not cease its support of communist insurgents in Southeast Asia. 121 Earlier on the eve of his tour, Deng Hsiao Ping had told Thai journalists in Beijing that China would not help insurgent in Thailand because this aid was given "through party channels, therefore it should not affect relations between states". He also added: "were China to come out with an official statement of this kind (withdrawing its support), it would mean showing the white flag. This would be a defeatist position". 122

Deng Hsiao Ping's remark caused a strong protest in Jakarta. In its editorial, the ruling party newspaper Suara Karya declared that hopes for the establishment of diplomatic relations with Beijing would diminish with China's aid for communist movements elsewhere. It added: "It would be for sure that China would use certain diplomatic privileges to help openly or secretly the local communist movements." 123 Likewise, the Army newspaper Angkatan

122. Cited in V. Borisov, "Beijing's Expansionist Plan in Southeast Asia", International Affairs (Moscow), No.6, June 1979, p.21.
Bersenjata stressed that if China really wants to be friendly, it should cease aiding underground communist rebels abroad. The newspaper also observed that the Chinese concept of separating the policies of Chinese government and of the Chinese Communist Party was difficult to understand and was always a dividing wall between China and her Southeast Asian neighbours.124

Minister of Foreign Affairs Mochtar Kusumaatmadja expressed his doubt about the possibility of normalizing diplomatic relations with China, especially after Chinese refusal to give up its support to communist rebels in Southeast Asia. He also elaborated that apart from opposition from the armed forces, the opposition also came from Muslim groups. Mochtar Kusumaatmadja admitted that opposition from the Muslim groups was very strong. He, however, added that because of other consideration, inter alia, China was a fact of life that could not be ignored, Indonesian government's policy was at variance with the voice of Muslim majority.125

The Muslim groups opposed normalization of Indonesia's diplomatic relation with China based on strategic and economic considerations. Haji Imron Rosjadi leader of the Nahdatul Ulama Party (NU) had been long outspoken on Sino-

Indonesian relations. In June 1977 Haji Imron Rosjadi as Chairman of Foreign Relations and Defence Committee of the Indonesian Parliament (DPR) said that Indonesia should not normalize its relations with China. He regarded it as unnecessary, instead, according to Imron Rosjadi, it should improve its relations with the Indochinese states. He argued that the Indochinese states could check influence in Southeast Asia. Imron Rosjadi also talked about the problem of "fifth column" because of the presence of the Overseas Chinese in Indonesia. 126

Amin Iskandar, member of Parliament from the Muslim United Development Party stated that there was no need for resumption of diplomatic relations with China. The reason according to Iskandar was that there were still a lot of problems at home which remained unsettled. He presumably referred to the problem of Overseas Chinese in Indonesia. Many of the Overseas Chinese remained unregistered and without citizenship status. 127 When normalization again became an issue in October 1979, Amin Iskandar expressed his opposition to the possibility of resumption of relations. He asserted: "We have already had a problem with the bear, why

should we invite the dragon?" The bear he was referring to was the Soviet Union which had invaded Afghanistan in January 1979. The Soviet Union had also provided support to Vietnamese invasion of Kampuchea in December 1978. Amin Iskandar was referring to China when he talked about the dragon.128

The second dimension of Muslim group's opposition to resumption of diplomatic relations with the People's Republic of China was economy. Islamic leaders, many of them engaged in small scale business were resentful of the Chinese dominant role in Indonesia's economy. The Muslim groups suspected that normalization could inevitably lead to solution of nationality problem. This would as a result compelled the government to introduce a more liberal policy of naturalization vis-a-vis the Overseas Chinese in order to prevent China's interference in Indonesia's domestic affairs.129 The Muslim groups regarded the pursuance of the liberal policy of naturalization for the Overseas Chinese as a fear that normalization of relations would only strengthen the already strong position of Chinese business groups in the country. Thus the Muslim groups argued that


normalization of relations between Jakarta and Beijing should only be resumed after the Muslims/indigenous business groups were strong enough to compete with Chinese business groups.\textsuperscript{130}

Opposition also came from the small but influential group of former leaders of now defunct Nationalist Party of Indonesia (PNI). People like Ruslan Abdulgani, Sunario, B.M.Diah and Hardi opposed Indonesia's resumption of diplomatic relations with China. These nationalist old-guard leaders articulated their opposition mainly through publications owned by B.M.Diah such as \textit{Merdeka} (Daily), \textit{Indonesian Observer} (Daily) and \textit{Topik} (Weekly). In an interview with monthly journal \textit{Prisma}, Sunario expressed his opposition as follows:

Restoring Indonesia's relations with the People's Republic of China is really complicated. It is because of the September 1965 coup attempt launched by the PKI. In addition, domestic problem should also be considered seriously. There are so many Overseas Chinese who have not become Indonesian citizens yet. And many of them have not lived like us. We must remember that Pancasila is not for native Indonesians only.\textsuperscript{131}

\textsuperscript{130} Ibid., p.118. \\
Chinese invasion of Vietnam's northern territory in February 1979 caused apprehension among Indonesia's security establishment. The fact that the apparent motive for China's military invasion was the alleged persecution of resident ethnic community in Vietnam generated wider anxiety in the ASEAN states.¹³²

The opposition within Indonesia combined with Chinese military aggression on Vietnamese territory strengthened Indonesia's suspicion towards China. Chinese Ambassador at the U.N. discussed with his Indonesian counterpart the possibility of a visit by Chinese Communist Party's Chairman Hua Guo Feng to Jakarta in connection with his plan to visit some ASEAN capitals in February 1980.¹³³ The Visit was intended to be a demonstration of ASEAN - China consensus in opposing Vietnam's invasion of Kampuchea. Indonesian government rejected the proposal on the ground that the Indonesian government was not prepared to welcome Chairman Hua Guo Feng in Jakarta.¹³⁴

Indonesia continued with its hardline attitude towards China. This did not change even after Chinese Foreign

¹³⁴. Ibid.
Minister Huang Hua stated in March 1980 that China would like to establish diplomatic relations with Indonesia and Singapore. Not only Jakarta refused to respond to the appeal, but also the Indonesian Ambassador was in no position to welcome Chinese Foreign Minister at Manila Airport, whereas other ASEAN Ambassadors welcome the Chinese Foreign Minister.135

A domestic political development also greatly affected Indonesia's attitude towards China. In November 1980 tension between Chinese and Javanese erupted into a wave of violent riots. The incident began with a fight between a Chinese and a native student in Solo, Central Java. It quickly turned into a wave of anti-Chinese riots. The riots spread into Ngawi in East Java, Semarang and Bojolali in Central Java and Bandung in West Java. The motive of the riots was unclear, but some youths explained that their actions were anti-government as well as anti-Chinese. They alleged that many Chinese in Central Java had amassed great wealth at the expense of the native people (Javanese).136

The seriousness of the riots could be judged from the removal of Major General Sukotjo, Commander of Diponogoro

135. The Hindu (Madras), March 14, 1980.

375
Division in Central Java. He was forced to take early retirement and later took up the job of Inspector General in the Ministry of Trade and Cooperative. Admiral Sudomo, Commander of the Command for the Restoration of Order and Security alleged that the riot was part of a plot to overthrow the New Order government. However, none of the government officials could explain as to how the riots could spread so fast. The only possible answer was that anti-Chinese feelings were deeply entrenched in the hearts of many Javanese.137

Having the anti-Chinese riots in his mind, Foreign Minister Mochtar Kusumaatmadja did not feel inclined to give any indication of normalization of diplomatic ties with China. When in November 1980 Prime Minister Lee Kuan Yew of Singapore stated that China might be rethinking its traditional support to the communist insurgents in Southeast Asia. Mochtar was not optimistic about it. He asserted that it was doubtful that Beijing would break its ties with communist insurgents in the region. According to him, it was almost impossible for the Chinese to announce such a break without "grave political consequence for themselves".138

The Indonesian Foreign Minister's doubt seemed to be validated in August 1981 when Prime Minister Zhao Ziyang visited the ASEAN capitals. During his visit to Kuala Lumpur, Zhao repeated his government well-known policy towards the communist insurgents in Southeast Asia. He asserted:

The relations between China and these parties are only confined to political and moral relations. The question of communist parties of any country are the internal affairs of the country concerned. How to handle this question is the affair of government concerned. China will not interfere. China has done its utmost to solve the problem left over from history ... so that this question does not constitute an obstacle to the development of relations between China and Southeast Asian countries. I want to emphasis that China had done its utmost. 139

In accord with the Indonesian approach, the Malaysian Foreign Minister Tan Sri Ghazali Shafie called the Chinese policy towards the communist insurgents as a "sweet and sour" policy: pursuing friendly government to government relations with the ASEAN states, while continued to maintain fraternal party to party links with local communist insurgent groups. 140 Indonesian government officials did not

140. Ibid., p.10.
make any response to the Chinese Prime Minister's statement in Kuala Lumpur. But it hardened Indonesia's resolve towards normalizing its relations with China.

The Japanese Prime Minister Nakasone during his official visit to Jakarta in May 1983, conveyed a message from China expressing Chinese desire to normalize diplomatic relations with Jakarta. President Suharto did not seem to be agreeable to it. He reiterated Indonesia's position that there would be no normalization of diplomatic relations with Beijing as long as China continued to maintain its link with the communist insurgents in Southeast Asia. Nakasone's predecessor Prime Minister Zenko Suzuki had earlier tried to play as a mediator between Jakarta and Beijing in the normalization process. But he later dropped the idea realizing that the gap between the two countries was too big to be overcome.

It was finally left to the former Vice-President Adam Malik to appeal to the Indonesian government to restore Indonesia's diplomatic relations with China as soon as possible. Speaking before the Asian Press Foundation in Hong


Kong on March 8, 1984 a year after his retirement as Indonesia's Vice President, Adam Malik urged the Suharto government that it should send Foreign Minister Mochtar Kusumaatmadja to Beijing to initiate the process of normalization. He reminded that China was a permanent member of the United Nations Security Council and would be a big trading partner, it was therefore unwise for Indonesia to ignore China for too long. He also reminded that Indonesia could play a meaningful role in solving the Kampuchean problem only if it normalized its relations with Beijing.143

Adam Malik's speech could be seen in the context of Indonesia's failure to make any headway in its attempt to find a peaceful political solution to the Kampuchean problem. In February 1984, Indonesia dispatched the Commander-in-Chief of the Armed Forces General Benny Murdani to Vietnam on a five-day visit. The expectation that General Murdani's trip could bring about a breakthrough failed to materialize. Vietnamese Foreign Minister Nguyen Co Thach who came to Jakarta in the aftermath of General Murdani's visit to Hanoi even failed to give a hint that Vietnam was taking a more accommodating stance.144

An important event took place on May 29, 1985 when President Suharto had a brief encounter with Chinese Foreign Minister Wu Xueqian. Foreign Minister Wu Xueqian was the first Chinese Foreign Minister ever to make a visit to Indonesia since diplomatic relations were suspended in 1967. The visit was in connection with the 30th anniversary of the Bandung Conference.

Foreign Minister Wu Xueqian used the opportunity to reiterate his government position that the Chinese government had no link with the Communist Party of Indonesia. However, he also reiterated: "It is very common international phenomenon that communist parties in the world have relations with each other ... and we maintain moral relations with these parties".145 He also asserted in a categorical fashion: "No longer does Chinese Communist Party even send congratulation on the PKI anniversary and the PKI members who fled to China are now old and no longer active".146 He also denied that China was involved in the abortive coup attempt of the September 1965.

Notwithstanding this encouraging development, the question of resuming diplomatic relations was not yet

146. Ibid.
touched. Nonetheless, it paved the way for the resumption of direct trade links between Jakarta and Beijing. Indonesian Chamber of Commerce and Industry had long been advocating the resumption of direct trade relations with China. It considered that indirect trade relations only benefited traders in Singapore and Hong Kong. In addition, KADIN had been expressing serious worries that the longer the delay in Indonesia resuming direct trade with China, the more difficult it would be for Indonesian Chamber of Commerce and Industry to compete with other ASEAN business partners in getting access to the Chinese market. Indonesian Chambers of Commerce was apparently encouraged by the promising trade with China. In 1984 for example, despite the fact that trade links with China were carried out through the third country, Singapore or Hong Kong, trade between the two countries was worth US$ 204 million.147

Indonesia's cautious approach in dealing with China could be seen here. When Indonesian Chamber of Commerce and Industry signed a memorandum of understanding with Chinese Council for Promotion of International Trade in July 1985, it neither mentioned the name of Republic of Indonesia nor the People's Republic of China. It was also signed in a

third country. Indonesia had insisted that the signing of memorandum of understanding should be on non-official basis. Despite this cautious attitude, a new beginning in the process of resumption of Indonesia's diplomatic relations with China had been made. It was only a matter of time before the full normalization of diplomatic relations which had been "frozen" since 1967 could be resumed. 148

RELATIONS WITH JAPAN

Japan's Defence Build-Up

Indonesia's relations with Japan had been mainly linked with the question of Japan's defence build-up. The issue might be the second most important one, after Indonesia's economic relations with Japan. This question was widely debated throughout Southeast Asia, particularly among those countries which had earlier experienced Japanese occupation in the Second World War. The Japanese military forces had committed brutal actions against the citizens of these countries. There was also sense of apprehension in Southeast Asia that Japan's enormous economic prowess could easily be transformed into a military might that could tempt the

Japanese to embark on the same old policy.\textsuperscript{149}

However, to understand the nature and content of Japan's defence policy, one had to take into account two important facts which led the Japanese government to increase its defence capability. First, the Japanese government realised the importance of maintaining security of its sea-lanes from where most of its energy sources came. Secondly, growing threat from the Soviet Union forced Japan to strengthen its military strength.

Southeast Asian region was strategically and economically important for Japan. The importance of this region could be looked at from two important angles. Southeast Asia was source of vital strategic commodities that Japan had been heavily dependent. Apart from that, Southeast Asian region also contained key straits and waterways through which substantial portion of Japan trade had to pass. The importance of Straits of Malacca had been well-known from both strategic and economic considerations.\textsuperscript{150} Tsuneo Akaha said that Japan was aware of the significance of the straits in Southeast Asia, namely

\begin{itemize}
  \item \textsuperscript{149} Lieutanant General Ali Moertopo, \textit{The World's Problems and Ours} (Jakarta: State Intelligence Coordinating Body, 1976), p.50.
  \item \textsuperscript{150} Centre for Regional Studies, Indonesian Institute of Sciences, \textit{Masalah Masalah Strategies Di Kawasan AsiaPacifik} (Strategic Problems in the Asia-Pacific Region) (Jakarta, 1978), p.320.
\end{itemize}
the straits of Malacca and Singapore as well as the Lombok and Makassar straits for international seafare. Among the 140-150 vessels passing those straits every day, 44 per cent of those weighing 30,000 tons or more were Japanese. The Japanese tankers that carried 74 per cent of the 85 per cent in imported oil needed by Japan, passed through the strategic straits between Indonesia and Singapore.\footnote{Tsuneo Akaha, "Japan's Response to threats of Shipping Disruptions in Southeast Asia and the middle east", Pacific Affairs (Vancouver), vol.59, No.2, 1986, p.258.} The importance of these straits was again underlined by the fact the ASEAN member countries had been enjoying high economic growth which could make the Southeast Asian region more important.

Japan Defence Agency admitted the importance of this region in its official document. It stated:

Southeast Asia includes the Malacca Strait, the South China Sea and water near and surrounding Indonesia and the Philippines, all of which are of vital importance to the transportation of natural resources to Japan. This region also holds key points of maritime traffic linking the Indian and Pacific Oceans.

The ASEAN nations are important neighbours for Japan, having close economic ties with this country. The peace and stability of these nations
are, therefore, essential to the security of Japan.

It was, therefore, understandable that the safety of maritime transportation was an area of great concern for Japan. Severe disruption of maritime lane could cause grave consequences for Japanese economy. Surely, Indonesia and its ASEAN partners shared the concern since Japan was of ASEAN states biggest trading partner.

The importance of trade relations between Japan and the ASEAN states could be understood in terms of its value and volume. The trade between the two had increased substantially and there was a potential for further improvement. The table below indicated the value of trade between the ASEAN member countries and Japan in million Yen.

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>2172468</td>
<td>10118975</td>
<td>1.3</td>
<td>2661640</td>
<td>7310862</td>
</tr>
<tr>
<td>Malaysia</td>
<td>2168244</td>
<td>4330075</td>
<td>0.8</td>
<td>1708359</td>
<td>3845558</td>
</tr>
<tr>
<td>Philippines</td>
<td>936558</td>
<td>1243089</td>
<td>0.5</td>
<td>1088142</td>
<td>1220663</td>
</tr>
<tr>
<td>Thailand</td>
<td>2030393</td>
<td>1026908</td>
<td>10.0</td>
<td>2029693</td>
<td>1390904</td>
</tr>
<tr>
<td>Singapore</td>
<td>3860473</td>
<td>1593888</td>
<td>2.2</td>
<td>4576601</td>
<td>1463330</td>
</tr>
</tbody>
</table>


Japan's strong trade links with the ASEAN countries was further strengthened by the amount of financial assistance that the Japanese government had given to the ASEAN countries through its Official Development Assistance (ODA). The table below revealed the amount of money that Indonesia had received from Japan up to 1986 (in Million Yen).

<table>
<thead>
<tr>
<th>Year</th>
<th>Grants</th>
<th>Total</th>
<th>Loan Aid</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grant</td>
<td>Technical aid</td>
<td>Loan Aid</td>
<td>Total</td>
<td>Percentage</td>
</tr>
<tr>
<td>1982</td>
<td>19.47</td>
<td>37.18</td>
<td>56.65</td>
<td>237.90</td>
<td>294.55</td>
</tr>
<tr>
<td>1983</td>
<td>20.04</td>
<td>39.99</td>
<td>60.03</td>
<td>175.43</td>
<td>235.46</td>
</tr>
<tr>
<td>1984</td>
<td>30.03</td>
<td>43.66</td>
<td>73.69</td>
<td>94.00</td>
<td>167.69</td>
</tr>
<tr>
<td>1985</td>
<td>31.06</td>
<td>45.28</td>
<td>76.34</td>
<td>84.99</td>
<td>161.33</td>
</tr>
<tr>
<td>1986</td>
<td>46.75</td>
<td>63.07</td>
<td>109.82</td>
<td>51.01</td>
<td>160.83</td>
</tr>
</tbody>
</table>

The level of Japanese assistance to Indonesia aroused criticism from within the country. Juwono Sudarsono of University of Indonesia was quoted as saying: "We should be cautious about the amount of Japanese aid". According to Sudarsono, 70 per cent of the Japanese aid was politically motivated, while the economic motive to improve economic conditions of the recipient country was only 30 per cent. General Sajidiman Suryohadiprodjo, former Ambassador to Japan, on the contrary argued that Indonesia's economic dependency on Japan could be both positive and negative. In

the final analysis, according to him, this would depend on the mental attitude of Indonesians, especially the leaders as well as private figures, in responding to such dependency. However, he asserted that it was time for Indonesia to reduce such dependency and emphasised that it was time for Indonesia to strengthen its self-reliance. 155

The second factor was the growing threat from the Soviet Union which had deployed ground forces and was building bases on three islands off Hokaido namely, Kunashiri, Etorofu and Shikota. 156 According to Japan's Defence Agency the Soviet Union had deployed one division of its forces on these three islands. Japan had also claimed those islands that the Soviet Union had occupied since the end of the Second World War. The Soviet Union had increased its presence in Vietnam. Japan believed that the Soviet Union had been using both naval base and air force base Cam Ranh Bay and Da Nang in Vietnam. 157

In response to these two main problems, the Japanese government had persistently increased its budget for defence. The increase in Japan's defence budget could be

155. Ibid.
157. Ibid., p.59.
seen from the table below. The table here is quoted from the annual publication of the Japanese Ministry of Finance from 1977-1987.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>1,690,600</td>
</tr>
<tr>
<td>1978</td>
<td>1,901,030</td>
</tr>
<tr>
<td>1979</td>
<td>2,094,489</td>
</tr>
<tr>
<td>1980</td>
<td>2,230,202</td>
</tr>
<tr>
<td>1981</td>
<td>2,400,019</td>
</tr>
<tr>
<td>1982</td>
<td>2,286,153</td>
</tr>
<tr>
<td>1983</td>
<td>2,754,234</td>
</tr>
<tr>
<td>1984</td>
<td>2,934,645</td>
</tr>
<tr>
<td>1985</td>
<td>3,137,148</td>
</tr>
<tr>
<td>1986</td>
<td>3,348,549</td>
</tr>
<tr>
<td>1987</td>
<td>3,517,434</td>
</tr>
</tbody>
</table>

The Japanese growing military might caused concern in the ASEAN capitals. After meeting his counterpart Secretary of State Alexander Haig of the United States, the Indonesian Foreign Minister stated that the ASEAN countries would oppose Japan playing an active role in sharing a bigger defence burden in a wider Asia-Pacific region. He also asserted that the ASEAN states did so because of their

experience in the Second World War.\textsuperscript{159}

Fear of Japanese growing military strength was not only articulated by civilian politician like Mochtar Kusumaatmadja, but also by senior ranking military officer, Lieutenant General Hasnan Habib, Indonesia's former Ambassador to Thailand and later to the United States who shared Mochtar's opinion. General Habib asserted that the ASEAN countries felt more comfortable with Japan if it focused its role in supporting the economic development of the ASEAN countries. General Habib also added that an expansion of Japanese naval forces and of its defence role would do more harm to the security environment in this region than building up confidence.\textsuperscript{160}

During President Suharto's visit to the United States in October 1982, the issue of Japan's military build-up was also one of the issues on the agenda of his talk with President Reagan. Indonesia's main concern was 1,000 nautical miles (1,600 km) defence perimeter that the United States had urged Japan to adopt. This length would extend into Southeast Asia if it were to be measured from

\textsuperscript{159} \textbf{Patriot} (New Delhi), March 24, 1981.

Indonesia's Ambassador to the United States, General Hasnan Habib expressed Indonesia's concern by saying: "If the nautical miles were to be measured from Okinawa, it would put the Japanese ships in our doorsteps."\(^{162}\)

During talks with the United States Assistant Secretary of State for East Asia and The Pacific John Holdridge, Foreign Minister Mochtar Kusumaatmadja was assured that the distance for the protection of Japanese sea lanes would be measured from Tokyo. It meant that the length of the sea lanes would not extend for beyond southernmost Japanese islands. It only covered a limited part of Southwestern sea lanes, which linked Japan with the Malacca and Gulf Straits.

The Japanese government leaders tried to assuage the apprehension of the Southeast Asian states by saying that Japan had no intention of becoming a military power. Indications to this effect came during their visits to the region. Prime Minister Zenko Suzuki during his tour of Southeast Asia in January 1981 tried to convince the ASEAN leaders that Japan had no intention of that sort. He stressed this aspect when he stated:

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162. Ibid.
Japan will not try to become a military power but will endeavour to contribute to Asian peace and stability in a manner commensurate with its national strength and international status. Japan will strive to establish mature relations with ASEAN in the spirit of "thinking together and working together."\textsuperscript{163}

Suzuki's successor, Prime Minister Yasuhiro Nakasone followed his predecessor's attempt at trying to assuage the ASEAN leaders's feelings during his eleven days visit to the region in May 1983. He assured his hosts that Japan would not become a military threat to the ASEAN states. He explained to President Suharto that defence of sealanes up to 1,000 miles (1,600 km) would be from Tokyo and hence it would not include the shores of the Philippines, much less Indonesia's shores. He also stressed that Japan's defence build-up would not include aircraft carrier or long range bombers.\textsuperscript{164}

Notwithstanding this apprehension, there was an apparent consensus among Indonesia's policy makers as to how the Japanese should manage security of its sealanes. The consensus was that there should be a close cooperation


between Japanese Self Defence Forces and the ASEAN security forces in order for the latter to improve its capability. Governor of Indonesia's National Defence Institute Lieutenant General Sutopo Juwono talked about this when he stated: "It is important for Japan to realise that the current capability gap existing between Japan's Self Defence Force and ASEAN capability should not widen... Ideally the gap should be narrowed and Japan might feel obliged to assist ASEAN's efforts to enhance its resilience, particularly in coping with internal threat." 165

Foreign Minister Mochtar Kusumaatmadja shared his opinion with General Sutopo Juwono. In his annual press statement, he stated:

Indonesia accepted the Japanese defence policy as long as it is within the limit of its self-defence and will not bring back militarism in Japan. Indonesia wishes Japanese efforts to increase its defence role is in accordance with and harmoniously go along with defence capability of the ASEAN states. 166

**Sino-Japanese Peace and Friendship Treaty**

Apart from its concern with Japanese growing military strength, Indonesia expressed its apprehension over the signing of Sino-Japanese Peace and Friendship Treaty on October 23, 1978. In response, The Japanese Foreign Ministry document explained that the objective of the treaty was to solidify and develop peaceful and friendly relations between the two countries. The document considered the treaty as a solid foundation for a stable relations between Japan and China over a long period of time.\(^{167}\)

The apprehension that Indonesia had towards the treaty was basically economic in nature. Indonesia was concerned that a new Sino-Japanese relations that would develop after the signing of the treaty would siphon off financial and economic benefits that Japan had provided to Indonesia over the past years. Indonesia's Foreign Minister clearly expressed this apprehension when he stated:

> I do not see the treaty as mainly military, though obviously it has such consequences. But that kind of worry I leave to other countries. What should we be concerned about are the consequences of the opening of China as an economic opportunity for Japanese power and technology. Assuming that the trends set in motion by the treaty will continue this means an opening up of a

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market and manpower pool of a billion people. It is bound to have consequences for Southeast Asia.168

Indonesia seemed to be worried about the fact that Japan would look more to China as source of its raw materials, particularly oil. China's export of crude oil to Japan in 1981 amounted to 8.9 tons or US$ 2 billion 333 million. The 1981 data showed an increase of 19.5 per cent over 1980 data. Likewise, export of coal registered a 2.79 million tons in 1981. The coal export was worth US$ 187 million. It also showed an increase of 34.8 per cent compared with the previous year.169

Indonesia's oil export to Japan in 1975 amounted to 178 million barrels or 49 per cent of Indonesia's total oil export. By 1979 it exported 235 million barrels or 57 per cent of its total export. A sharp decline in Indonesia's oil exports could have serious repercussions on its economy. It might even cause political instability within the country that could have a spill-over effect on its neighbouring countries.170

In an apparent attempt to allay Indonesia's and its ASEAN partners concerns towards the Sino-Japanese Peace and Friendship Treaty, Japanese Ambassador to Thailand made it clear:

Japan feels that peaceful and friendly relations with China is the cornerstone for peace and stability in Asia and therefore, the improvement of Sino-Japanese relations will contribute to stability in Asia. When the Japanese Foreign Minister visited China recently he stressed to his counterpart the need to make more efforts to eliminate the fear intertwined by the ASEAN countries vis-a-vis China. Therefore, if the Sino-Japanese relations develop to such an extend that China will bring about better relations between China and other Asian countries.171

It is pertinent to note here that during Prime Minister Nakasone's visit to Jakarta in April 1983, he assured President Suharto that Japan would make efforts to increase volume of imports of Indonesian crude oil. He also offered to increase Japanese aid by seven per cent to US $ 265 million for 13 projects in 1983.172

Indonesia seemed to be assured that Japan would not develop its relations with China at the expense of Southeast

Asia. Nonetheless, it also realised that China would soon become serious competitor for economic resources. Foreign Minister Mochtar Kusumaatmadja understood this idea well when he asserted:

The Japanese, however have assured us that there will be no adverse effects, at least immediately, for Southeast Asia. They have definitely denied the threat of a Yellow Peril. These assurances notwithstanding we can not however deny that the opening of China does mean that Southeast Asia is going to have serious competition for economic resources, financial resources and technology which Southeast Asia needs for its own development.¹⁷³

A new political development in Indochina forced Indonesia and its ASEAN partners to ignore their concern. The new political development were Vietnamese invasion and later occupation of Kampuchea. This development forced the ASEAN countries to seek Japanese support against such destabilizing development in Southeast Asia as the Kampuchean problem.

**Kampuchean Problem**

First reaction of Japanese government to the development in Kampuchea came when Mochtar Kusumaatmadja visited Tokyo on February 21, 1979. The Indonesian Foreign

Minister visited Tokyo in his capacity as ASEAN's Standing Committee Chairman. Both Foreign Minister Mochtar Kusumaatmadja and Foreign Minister Sunao Sonoda agreed to cooperate to restore peace and stability in Indochina. Foreign Minister Sonoda also expressed his country's support for the statement issued by the ASEAN Foreign Ministers in January 1979 which called for an end to fighting in Indochina and the withdrawal of all foreign troops from Kampuchea.\textsuperscript{174} Japan also took a concrete step by suspending its assistance to Vietnam, thus siding with the ASEAN states in condemning Vietnam's invasion of Kampuchea. In 1973 Japan had provided 8,500 million yen to North Vietnam. After the unification, Japan also agreed to provide 5 billion yen. Japan was about to grant 4 billion yen and provided 10 billion yen as loan in November 1979. But Vietnam's invasion of Kampuchea forced Japanese government to cancel the grant and loan.\textsuperscript{175}

At the insistence of the ASEAN member states, Japan continued to recognize Democratic Kampuchea. Japan


supported ASEAN's efforts to retain Democratic's seat at the United Nations General Assembly. Japanese Foreign Minister Wasuki Wiyaki confirmed Japanese government's decision when he met Foreign Minister of Democratic Kampuchea Ieng Sary in Tokyo in October 1979.176

At the annual ASEAN Foreign Ministers Meeting held in Manila with its dialogue partners in June 1981, Foreign Minister Sunao Sonoda put forward a proposal which among other things demanded: the introduction of peace keeping force and the phased withdrawal of Vietnamese forces, the holding of free elections under the United Nations supervision guarantee by major nations and the establishment of demilitarized zone along the Vietnam-Kampuchean border.177

Foreign Minister Sonoda's proposal was in congruence with the ASEAN proposal released at the ASEAN Foreign Ministers Meeting. The only difference was that the ASEAN proposal demanded the disarming of all Khmer factions soon after the withdrawal of all foreign forces from Kampuchea, while the Japanese proposal did not demand it.178

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177. Japan, Ministry of Foreign Affairs, n.183, p.16.
Kampuchea again became an important issue in discussion between Prime Minister Zenko Suzuki and President Suharto in January 1981. At the joint press statement both Indonesia and Japan reaffirmed their conviction that ASEAN played a significant role in promoting peace, stability, progress and prosperity in the Southeast Asian region. Prime Minister Suzuki also assured President Suharto that Japan would continue to assist ASEAN in their quest for their greater national and regional resilience.179

Indonesia sought Japanese government pledge that it would continue to support ASEAN's efforts to solve the Kampuchean problem during Prime Minister Nakasone's visit to Jakarta in May 1983. In apparent attempt to assure his host, Prime Minister Nakasone made a remark that Japan would continue to strongly support ASEAN position on Kampuchea and would continue to freeze economic aid to Vietnam until its withdrew its troops from there. He also assured that Japan would continue to support the Coalition Government of Democratic Kampuchea (CGDK), Japan, however, would not offer military aid.180

180. The Hindus (Madras), May 9, 1983.
Japan and ASEAN had a different opinion about the question of proximity talks. The idea of proximity talks came from Indonesian and Malaysian Foreign Ministers. It basically envisaged CGDK talking to the Vietnamese-backed Heng Samrin regime through a mediator. The mediator would act as go-between while conflicting parties sat in different room.181

Japanese Foreign Minister Shintaro Abe regarded the idea of proximity talks as unrealistic. He doubted that the idea was not clear at what level the talks be held. Shintaro Abe instead proposed to the ASEAN Foreign Ministers that ASEAN should directly involve itself in the process of negotiations. He also suggested that ASEAN should participate in the talks and include the CGDK delegation within its own delegation, while Vietnam would also include the Heng Samrin government's delegation within its delegation.182

However, the difference between the ASEAN member countries and Japan did not last for long. Vietnam rejected the idea of proximity talks. It regarded the idea as Thailand's trick to complicate the situation in Kampuchea.

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The divergent approach did not prevent the ASEAN states from getting continued support from Japan during the Annual ASEAN foreign Ministers Meeting in Kuala Lumpur in July 1985. The Japanese Foreign Minister Shintaro Abe reiterated his government support for the ASEAN efforts to find a amicable solution to the Kampuchean problem. Here Foreign Minister Shintaro Abe asserted that the Kampuchean problem should be solved as early as possible and peaceful coexistence be established among the ASEAN countries and Indochina. 183

Foreign Minister Shintaro Abe again reiterated Japanese support for ASEAN efforts during the ASEAN Foreign Ministers Meeting in Manila in June 1986. He made an appeal for both ASEAN and Japan to strengthen their partnership and muster wisdom to realize the peace and prosperity of Asia. 184

As for Indonesia and its ASEAN partners, Japanese support for their efforts to find a political solution to the Kampuchean problem was a necessity if they wanted to have a strong and credible diplomatic strength vis-a-vis Vietnam taking into account Japan's enormous clout.