



AFTER VLADIVOSTOK: GORBACHEV'S ASIAN INROADS

"The Soviet Union is also an Asian and Pacific country...We are ready to expand our ties with Indonesia...the Philippines, Thailand, Malaysia, Singapore, [and] Brunei,...all young and independent participants in the political life of the region."

--Mikhail Gorbachev

INTRODUCTION

With these words, spoken in Vladivostok on July 28, 1986, Soviet leader Mikhail Gorbachev signaled a new assertive foreign policy toward Asia and the Pacific. Recognizing the strategic importance of Southeast Asia, Soviet foreign policy makers have quietly focused their attention on the member nations of the Association of Southeast Asian Nations--or ASEAN--a noncommunist regional group comprised of Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

Gorbachev's Vladivostok strategy contains several bold initiatives designed to reverse a quarter century decline in Soviet regional influence. The primary goals of the strategy outlined by Gorbachev include:

◆◆ The Soviet Union will "aspire to give more dynamism to its bilateral relations with all countries situated [in the Asia and Pacific region], without exception."

◆◆ "The Soviet Union aspires to the radical reduction of armed forces and conventional weapons in Asia up to the point of reasonable sufficiency."

◆◆ A settlement of the Cambodian problem and the "establishment of mutually acceptable relations between the countries of Indochina and ASEAN."

The Vladivostok strategy aims at a new approach to relations with Southeast Asia and the ASEAN member states. Just five years ago, Moscow was its own worst enemy in Southeast Asia. Its tired ideology had little appeal, and its crippled economy offered little incentive for substantial trade opportunities. Most governments in the region, in fact, long had been suspicious of Moscow. They had expelled Soviets agents, put down various communist insurgencies, and worried about the Soviet backing of Vietnam's invasion of Cambodia.

Moscow's Bet. The "Vladivostok Approach" stands in sharp contrast to this. As an adjunct to the *glasnost*' campaign directed to Western audiences, the new Soviet outreach in Asia is run as a public relations campaign. Moscow is betting on it to invigorate relations in noncommunist Southeast Asia--long characterized by a substantial trade imbalance in the favor of ASEAN--while projecting a higher profile in the strategic region at the expense of U.S. influence.

ASEAN's reaction to the Vladivostok initiative has been cautious. Of note has been the increase in bilateral diplomatic exchanges. Taking full advantage of the growing U.S. protectionist trade sentiment, meanwhile, Moscow has attempted to present the USSR as an alternative to what is perceived by ASEAN as a shrinking U.S. market. A wide range of Soviet trade and investment offers have been made to Indonesia, Thailand, Malaysia, and the Philippines. While ASEAN members have not experienced noticeable increases in trade with the USSR over the last five years, continued Soviet economic initiatives may start to pay off with greater trade ties in the near future.

Vietnam War Legacy. Because ASEAN members all have faced indigenous communist threats, they resist--so far--an expanded regional role for the Soviet Union. They remain wary, moreover, of Moscow's continued support for the Vietnamese occupation of Cambodia. Nonetheless, there exists, as a legacy of the Vietnam War, a lingering distrust in Asia of the professed U.S. commitment toward the security of that continent and a fear that the U.S. soon will close its doors to Asian trade.

Before the U.S. suffers serious setbacks in Southeast Asia, Washington should pay closer attention to Moscow's diplomatic and economic inroads in four ASEAN members: Indonesia, Malaysia, Thailand, and the Philippines. Washington then should craft a counterstrategy that should include:

- 1) **an effort to shield ASEAN** from protectionist legislation targeted against Japan and other advanced Northeast Asian countries;
- 2) **a more active role on the Cambodian issue** through increased assistance and oversight of the Cambodian democratic resistance;
- 3) **a low-key expansion of military ties** to include an increased number of joint exercises and training programs; and
- 4) **an increase in high level bilateral diplomatic visits** by U.S. officials and ASEAN Heads of State, Ministers of Foreign Affairs, and Ministers of Defense.

INDONESIA

An archipelago of 13,677 islands populated by 172 million people, Indonesia is ASEAN's largest member. Economically, Indonesia suffered temporary setbacks following the decline in world oil prices in the early 1980s, but has since started showing signs of recovery. Indonesia sits astride the strategic Strait of Malacca, a 500-mile-long chokepoint through which oil and natural gas from the Persian Gulf are channeled on their way to Northeast Asia and the U.S. Indonesia's foreign policy has been pro-West since Suharto became President in 1965.

The Soviets concentrated on Indonesia long before Gorbachev's Vladivostok speech. Exploiting Jakarta's suspicion of Beijing, which had supported the Indonesian communists in their 1965 coup attempt, the Soviets have built their diplomatic presence in Jakarta into their largest in ASEAN. Some 130 Soviets are posted in their sprawling Jakarta embassy. Many of these Soviet officials are China experts, who are active in the large and economically influential Chinese community in Jakarta.¹

Benign Soviet Intentions. In 1986, total Soviet-Indonesian trade amounted to only \$62 million, heavily in Indonesia's favor. The Soviets have been trying to expand exports to Indonesia, in part by promoting international trade fairs in Indonesia and by sending a June 1987 trade delegation led by the Deputy Chairman of the Supreme Soviet Presidium Georgiy Tarazevich.

Soviet diplomatic initiatives toward Indonesia have met with some recent successes. Foreign Minister Eduard Shevardnadze refocused Soviet attention on Indonesia in a March 1987 visit to Jakarta, the first trip to that capital by a Soviet Foreign Minister in 27 years. That July, Gorbachev emphasized the theme of benign Soviet intentions toward Indonesia in a much publicized interview with the Indonesian daily *Merdeka*. He stressed his belief that "Soviet-Indonesian cooperation will rise to a qualitatively new level." In September, Soviet Central Committee member Alexander Yakovlev hosted Indonesian Minister of Information Harmoko.² Invitations to visit Moscow have been extended to President Suharto and Foreign Minister Mochtar Kusumaatmadja.

Jakarta Balks. Moscow's campaign is paying dividends. This September, Chief of Indonesian Intelligence General Yoga Sugama noted that the USSR is an economic, but not a political or military threat.³ Indonesia also has broken with the majority view in ASEAN on the Cambodian issue. Alone among the ASEAN nations, Jakarta has begun to balk at a tough condemnation of the nine-year Vietnamese occupation of Cambodia. As Hanoi's self-imposed Cambodia withdrawal date of 1990 approaches, further efforts by the Soviet Union to encourage Indonesian deviation from the ASEAN consensus are likely.

1. *Asiaweek*, April 29, 1983, p. 37.

2. FBIS, Soviet Union, September 10, 1987, p. 16.

3. FBIS, East Asia, September 18, 1987, p. 17.

The perception of U.S. policy failures in Indonesia provides the Soviets with avenues for increased influence. After delays in the U.S. launching of an Indonesian telecommunications satellite following the Challenger Space Shuttle disaster in January 1986, the Soviets in June 1987 offered to launch the satellite for \$13 million under the U.S. bid.⁴ Jakarta considered the offer for three months before rejecting it. Moscow has also paid lip service to the concept of a Southeast Asian Nuclear-free Zone, long favored by Indonesian Foreign Minister Mochtar Kusumaatmadja.⁵ The U.S. opposes such a concept because it would jeopardize the future of U.S. bases in the Philippines and possibly prevent the U.S. fleet from passing through Southeast Asian waters.

MALAYSIA

Malaysia and the Soviet Union established diplomatic relations 20 years ago. These relations improved through an agreement on cultural and scientific cooperation concluded in 1972 and the Soviet-Malaysian Joint Communiqué of September 1979.⁶ At the end of 1985, Malaysia also expressed an interest in purchasing Soviet heavy-lift military helicopters, the first time Kuala Lumpur had shown a strong desire in acquiring Eastern bloc military hardware.⁷

As in Indonesia, Malaysia's strong opposition to communism has complicated Soviet attempts to achieve closer relations. At the same time, Malaysia's non-aligned foreign policy and suspicion of nearby China with its potential for disrupting Malaysia's tense and precariously balanced multiracial society, has provided Moscow with opportunities for making significant gains in Kuala Lumpur.⁸ One key area is economic. Rebounding after the 1985 Southeast Asian recession caused by a drop in commodity prices, Malaysia now faces the prospect of doors closing to its goods throughout the West. The world's commodities market, moreover, remains depressed. Example: In 1986, Malaysia's sale of 1.55 million tons of rubber earned \$1.46 billion. The following year, just about the same amount of rubber brought in only \$1.1 billion.

Barter Arrangement. Trade prospects with the USSR are increasingly tempting. Said the government news agency BERNAMA, "As the free world economy shrinks with an increased tendency toward protectionism, the Malaysian private sector cannot ignore the Soviet market for manufactured goods."⁹ In 1986, USSR-Malaysian trade totaled \$154 million, with Malaysia running a \$144 million surplus. Improved economic ties received a boost last August when Malaysian

4. FBIS, East Asia, June 4, 1987, p. J1.

5. FBIS, Soviet Union, December 22, 1987, p. 24.

6. FBIS, Soviet Union, August 7, 1987, p. D2.

7. *Far Eastern Economic Review Yearbook 1985*, p. 194.

8. *Asiaweek*, April 29, 1983, p. 29.

9. FBIS, East Asia, April 6, 1987, p. O4.

Prime Minister Mahathir bin Mohamed visited Moscow. Talks on expanded economic cooperation led to agreements signed by the USSR and Malaysian Chambers of Trade and Industry. During his visit to the Eastern Bloc, Mahathir identified business development potential in the fields of power, utilities, and civil engineering. His meetings reportedly also yielded breakthroughs on trade in textiles, clothing, and commodities, as well as joint development in power and utilities projects outside the USSR. Moscow offered a barter arrangement and the provision of credit terms for these proposals as further incentives for Malaysia.¹⁰

Moscow's foreign policy line coincides with Malaysia's regional objectives. The Soviets, in particular, support an Indian Ocean Zone of Peace and a Southeast Asian Nuclear-free Zone, both of which Prime Minister Mahathir identifies as national goals. The Soviets also have invited Malaysian students to come to the USSR for postgraduate studies in medicine, physical education, and the arts.¹¹

THE PHILIPPINES

With its longstanding links to the U.S., the Philippines traditionally has had poor relations with the Soviet Union. Diplomatic ties did not come until 1976. A Filipino Ambassador was not sent to Moscow until the Corazon Aquino government came to power in 1986. But taking advantage of the U.S. military bases controversy and the growing Philippine communist insurgency, Moscow has begun to focus attention on Manila. Gorbachev mentioned the Philippines four times in his speech at Vladivostok--primarily in the context of the U.S. bases.

As with other ASEAN nations, the Soviets have hit the Philippines with a barrage of aid proposals and trade incentives. In the past year, these have included:

◆◆ **Soviet efforts to bring 4,000 Filipino workers to the Soviet Union.** This includes 2,500 positions in a steel mill project in the Ukraine over the next five years and 1,300 workers for an electronics assembly plant in Moscow.¹² Because of decreased opportunities for Third World workers in the Middle East, many Filipinos welcome this new source of overseas jobs. At the same time, the presence of thousands of Filipinos in the USSR could provide potential recruits for the Soviet intelligence services.

◆◆ **Soviet construction projects in the Philippine countryside.** These include a Soviet-Finnish proposal for a coal exploration project in northern Luzon and financing for the \$300 million Isabela lignite coal plant. Last February, Moscow suggested payment for the projects could be made in crops. This is an enticing

10. FBIS, East Asia, August 13, 1987, p. H1.

11. FBIS, East Asia, April 6, 1987, p. O3.

12. FBIS, East Asia, April 10, 1987, p. P1.

incentive for Manila, given the decline in the Philippines' agricultural exports and dearth of currency reserves.¹³

◆◆ **Soviet offers to use Philippine shipyards.** Early last year, Moscow proposed that 80 vessels be built in the Philippines for \$80 million. The Soviets also have asked if they could repair their ships at Filipino facilities in Cebu and Batanges. A \$30 million offer reportedly was made for a joint venture to increase the capacity at these shipyards.¹⁴

◆◆ **Soviet joint venture proposals.** Of note is a Soviet initiative to form joint ventures with Philippine seafood shipping enterprises. Moscow also has requested fishing rights in Filipino territorial waters. This would legitimize the presence of Soviet trawlers long seen off the Philippine coast and suspected of intelligence and guerrilla resupply operations.¹⁵

◆◆ **Offers by Soviet engineering teams** to rehabilitate the Nonoe Nickel Refinery, possibly in a joint venture. This is located in an area that long has suffered from attacks by the communist New People's Army.¹⁶

◆◆ **A proposal to rehabilitate the Philippine National Railways**, which runs through provinces of major New People's Army activity.

As U.S. banks and Western investors take a second look at foreign investment in the unstable Philippine environment and Filipino workers are being sent home from their Middle East jobs, the country, as one Filipino foreign affairs officer from the Soviet desk said, "[is] not in a position to reject the offer of economic aid."¹⁷

Moscow also is attempting to raise its political profile in the Philippines. Though proclaiming its support for the Aquino government, the Soviets are forging links with leftist Philippine labor unions and almost certainly with the communist New People's Army. In the past year, the militant labor confederation *Kulusang Mayo Uno* (May 1st Movement) has started receiving moral, and possibly financial, support from the Soviet Union. In February 1987, the union sent its chairman Crispin Beltran to Moscow and Bulgaria in what was widely believed to be a fund-raising mission.¹⁸

13. FBIS, East Asia, April 27, 1987, p. P15.

14. FBIS, East Asia, April 24, 1987, p. P1.

15. FBIS, East Asia, July 17, 1987, p. L5.

16. *Manila Times*, October 1, 1987, p. 5.

17. FBIS, East Asia, October 9, 1987, p. 27.

18. *The Washington Post*, October 15, 1987, p. A29.

Covert Strategy. Because of the advances made by communist rebels in the countryside, the Soviets have maintained a parallel covert strategy in the Philippines designed to probe the vulnerabilities of the Aquino government. In Manila, the Soviets have supplemented their 35 accredited diplomats with support personnel and representatives from the Soviet shipping company SOVRYBFLOT and four news agencies, bringing the total close to 100 persons. The Chief of Philippine Intelligence reports that this number has overloaded his counterintelligence staff. In addition, Moscow has requested that it be allowed to open consulates in the far-flung islands of Mindinao and Cebu. These ostensibly would cater to Philippine tourists, even though Philippine tourism to the Soviet Union is virtually nonexistent. The Soviets reportedly also have coordinated efforts with Cuban intelligence in recruiting sources within the Philippine government and armed forces.¹⁹ Moscow's own intelligence efforts received a setback in mid-1987 when the Philippine government halted construction of a Soviet "trade missions" building on a lot overlooking the Philippine Armed Forces Headquarters in Manila.²⁰

The Philippine government, meanwhile, reports sightings of submarines off the Philippine coast. Russians speaking the native language of Tagalog also are said to be operating with the anti-government insurgents. In addition, leftist representatives Javier Domongo and Ricardo Silvestre said in January 1987 that Moscow had offered unlimited arms and money to the communist rebels.²¹ According to some reports, Vietnam has offered surplus U.S. M-16 rifles to the NPA and training for a Philippine Communist Party cadre.²²

THAILAND

Thailand is the front line against the expansionist drives of the pro-Soviet Vietnamese army in Laos and Cambodia. As a bulwark against communism in Southeast Asia, Bangkok long has shared a common strategy with Washington, with combined military exercises and the joint emergency military stockpile in northeastern Thailand. The Thai government also is important for the U.S. as a model for a successful counterinsurgency campaign and a blossoming capitalist economic system.

Despite this close U.S.-Thai security relationship, a wide range of U.S. protectionist legislation has left Thailand the most dissatisfied member of ASEAN. Feeding off the resultant anti-American sentiment, the Soviets have attempted to soften their image as the chief sponsor of Vietnam while offering to Bangkok a combination of trade and diplomatic initiatives. Commented Suwit Suthanukun, Secretary General of the Thai National Security Council: "There is an increased trend toward relations with the USSR."²³

19. *Asiaweek*, April 29, 1983, p. 28.

20. FBIS, East Asia, June 4, 1987, p. L10.

21. *The Washington Times*, March 24, 1987, p. 1A.

22. FBIS, East Asia, March 13, 1987, p. P5.

23. FBIS, East Asia, July 15, 1987, p. M1.

As with the rest of ASEAN, the primary Soviet emphasis toward Thailand is economic. Last April, Senior Soviet Trade Minister Boris Aristov visited Bangkok. The following month, Moscow offered to buy 70,000 tons of Thai rice.²⁴ This offer was political dynamite, for it has been U.S. protectionist legislation that has helped drive down sharply the world price of rice, an industry affecting 70 percent of the Thai population. While the Thais did not find the low prices offered by the Soviets attractive enough to make a deal, Moscow's symbolism was not lost in Bangkok.

Attractive East Bloc. Trade also was a top subject of discussion during a May visit by Thai Foreign Minister Siddhi to Poland, East Germany, and the Soviet Union. Before leaving Moscow, Siddhi and Soviet Minister Aristov established a Joint Thai-Soviet Commission on Trade. Upon his return to Bangkok, Siddhi noted that trade friction with the U.S. constituted a negative factor in relations.²⁵ Added one Thai radio feature: "Amid protectionism from the West, the East Bloc offers an attractive alternative."²⁶ Currently, all of the East Bloc except East Germany has trade representatives in Bangkok. Bilateral trade with the Soviet Union in 1986 increased to \$97 million, some six times the 1976 levels--with a 51.1 percent increase noted in the first six months of 1986.²⁷

Soviet economic overtures continued through the second half of 1987. In August, Soviet Ambassador to Thailand Valentin Kasatkin proposed that Bangkok receive a delegation of ranking Soviet experts to "explore increased trade." Moscow's program for the development of the Soviet Far East, Kasatkin said, welcomes Thai participation. Thai businessmen, he added, reportedly have shown interest in joint ventures in both Thailand and the USSR.²⁸

Subverting Bangkok. Soviet diplomatic initiatives in Thailand have been equally determined. Last March, Soviet Foreign Minister Shevardnadze visited Bangkok. At the top of the discussion agenda was Vietnam's occupation of Cambodia. While the Soviets appeared willing to discuss this important issue, Shevardnadze gave no firm assurance that the Soviets would pressure Vietnam to withdraw its forces. Two months later, Thai Foreign Minister Siddhi visited Moscow, yet came away again disappointed in the lack of Soviet commitment to end the Vietnamese occupation of Cambodia. Despite continued Soviet indifference to Thai concerns, General Chavolit Yongchaiyut went to Moscow in November, the first such visit by a Commander-in-Chief of the Royal Thai Army. Two weeks later Soviet Ground Forces Commander-in-Chief Y. Ivanovskiy arrived in Bangkok, the first visit to Thailand by a top Soviet military leader. Ivanovskiy attended the much publicized 60th birthday celebration of the Thai King. Thai Prime Minister Prem Tinsulanond is expected to visit Moscow early next year.

24. FBIS, East Asia, May 19, 1987, p. J1.

25. FBIS, East Asia, July 18, 1987, p. M6.

26. FBIS, East Asia, June 3, 1987, p. M1.

27. FBIS, East Asia, April 27, 1987, p. J2.

28. FBIS, East Asia, September 1, 1987, p. 35.

While highlighted by economic and diplomatic approaches that have come to symbolize the post-Vladivostok era, the Soviet strategy toward Thailand continues to include efforts to subvert Bangkok. Moscow works primarily through the pro-Soviet regime in Vietnam, which receives some \$2 billion a year in Soviet military supplies. This allows Hanoi to maintain an occupation force of 50,000 troops in Laos and 140,000 in Cambodia. In early 1987, the Vietnamese crossed into Thai territory near the Chong Bok Pass, wounding over 1,000 Thai soldiers during the three-month battle. The Vietnamese continue to attack defenses at Chong Bok.

Moscow also cooperates with the Vietnamese and Laotians in supporting a new pro-Soviet faction of the old Thai Communist Party. Known as the Thai People's Revolution Movement, the Thai insurgents reportedly have their headquarters, medical, and training facilities across the border from Thailand inside Laos.²⁹

Soviet Spies at the U.N. Soviet intelligence networks in Thailand are most active in Southeast Asia. Bangkok has been forced to expel five Soviet nationals for espionage since 1971. Of the 87 Soviet officials posted to Bangkok, Thai intelligence has identified two-thirds as working for one of the Soviet intelligence services. In addition, of the fifteen Soviets working at the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) headquarters in Bangkok, half are believed to be spies.³⁰ The KGB resident in Bangkok, Boris Nicolayev, is the permanent representative to ESCAP. Thai security complains that Moscow has been pressuring the United Nations to increase the number of Soviets in ESCAP and reportedly has offered to cover the expenses incurred by an increase.³¹

Through their large intelligence community in Bangkok, the Soviets gather details about the joint U.S.-Thai emergency military stockpile. This jointly controlled munitions stockpile is to be used strictly in the event of a military threat against Thailand. The Soviets also seek out details about Thai forces along the Cambodian border. In 1983, a Soviet trade official carrying classified information on Thai border installations was detained and later sent home by Thai officials. The information he had obtained presumably was to be passed to the communist regime in Hanoi. Last September, another Soviet spy scandal shook Thailand.

A U.S. COUNTERSTRATEGY

Despite the inroads made by the Soviets since Vladivostok, U.S. relations with the ASEAN nations remain strong. The U.S. ranks as ASEAN's second most important trading partner, after only Japan. Bilateral U.S. trade with ASEAN countries amounted to \$23 billion in 1986. Additionally, the U.S. backs ASEAN's policy of supporting the noncommunist Cambodian resistance. Over 50,000 students from the ASEAN countries study in the U.S. every year, compared to the trickle

29. FBIS, East Asia, July 18, 1987, p. M6.

30. FBIS, East Asia, September 8, 1987, p. 30.

31. *Ibid.*

that go to the Soviet bloc nations. Several of the ASEAN states have voiced support openly for the U.S. air and naval bases in the Philippines. All of ASEAN, with the sole exception of Brunei, possess major U.S. weapons systems in their inventories. Thailand, Malaysia, and the Philippines also conduct low-key joint training exercises.

Yet the Soviets clearly have made progress in expanding relations in what previously had been a region of solely U.S. influence. The recent gains made by Moscow have magnified the perception of a trend toward Soviet parity with the U.S. in Southeast Asia. This has been duly noted by the ASEAN countries which live with the continued Soviet presence in Cam Ranh Bay in Vietnam.

To safeguard U.S. strategic interests in Southeast Asia and curb a further deterioration of American influence, Washington should:

◆◆ **Emphasize trade ties with ASEAN.** ASEAN states perceive themselves as unjustly suffering from U.S. protectionist legislation because Washington has not exempted them from policies targeted against Japan and other Northeast Asian nations. To a large extent, this is true. The U.S. should take care to avoid lumping the six ASEAN members together in trade bills designed to counter economic threats from Japan, the Republic of China on Taiwan, and Korea. To do so will simply encourage ASEAN to look toward the East Bloc while reassessing its damaged links with the West.

◆◆ **Take a greater role in resolving the Cambodian problem.** ASEAN long has looked to the U.S. to play a greater role in helping settle the nine-year Vietnamese occupation of Cambodia. U.S. non-lethal aid to the noncommunist Cambodian resistance amounts to less than \$5 million annually. In contrast, the Chinese give major funding to the genocidal Khmer Rouge, the most powerful resistance group opposing the Vietnamese occupation forces. At the same time, the Soviet Union sends Vietnam over \$2 billion in military aid annually. The U.S. should offer greater material assistance to the democratic resistance and increased vocal support for a negotiated settlement that would allow for credible participation by the noncommunists in a future Cambodian government. Increased assistance should include larger amounts of such non-lethal aid as field radios, mine detection equipment, and medicine, greater oversight of logistics channels, better unconventional training programs, and enhanced radio broadcasting capabilities.

◆◆ **Increase high-level visits by U.S. officials to the region.** Although Ronald Reagan went to Indonesia in 1986 and Secretary of State George Shultz passed through the region last year, it has been the diplomatic exchanges between Moscow and ASEAN that have made headlines in Southeast Asia. Washington should make an effort to encourage exchanges with ASEAN Heads of State, Ministers of Foreign Affairs, and Ministers of Defense in 1988.

◆◆ **Improve contacts and cooperation with military forces in the ASEAN countries.** As a sign of its resolve to work with ASEAN to counter regional threats, the U.S. should increase the number of low-key military exercises and joint training programs it currently shares with ASEAN. This should include an increased number of students allowed into U.S. military courses and a greater number of visits to the

region by top U.S. military officials. The U.S. also should continue to make appropriate weapons systems available to ASEAN militaries and avoid major cutbacks in military aid to ASEAN members. In the case of the Philippines, the U.S. needs to increase the amount of military aid from \$110 million in FY1988 to \$200 million.

Ignoring Soviet progress in Southeast Asia will invite an escalation of Moscow's efforts. Acknowledging the success of the Soviet strategy pursued since Gorbachev's 1986 Vladivostok speech will assist in formulating a more dynamic counterstrategy will help insure that the U.S. retains its solid economic, diplomatic, and military presence in strategic Southeast Asia.

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