



U.S. POLICY TOWARD INDOCHINA: TIME FOR A REASSESSMENT

INTRODUCTION

The Cold War thaw now may be touching Asia. There Washington and Hanoi, implacable foes for nearly four decades, gingerly are probing for areas of discourse and even cooperation. The proximate cause of this is the specter of the Khmer Rouge returning to power in Cambodia, something both the United States and Vietnam would like to prevent.

But even without the Cambodia issue, the time has come for a full-scale reassessment of U.S. policy toward Vietnam. If nothing else, the question must be posed: Would it not serve American strategic, geopolitical, and economic interests to begin moving down the path toward normalized ties with Hanoi? The answer is a cautious yes. Vietnam, with 64 million people, has the largest population in mainland Southeast Asia, the fourth largest land army in the world, the largest air force and navy in Southeast Asia, and vast untapped natural resources and a rich entrepreneurial tradition.

New Flexibility. The U.S. now can begin thinking about normalized relations with Vietnam because Hanoi no longer deploys enough troops in Cambodia to threaten Thailand. Nor does Vietnam seem very threatening as a forward military base for Moscow. Indeed, the Soviet navy and air force have reduced considerably their military forces at Vietnam's Cam Ranh Bay. Also giving Washington new flexibility on Vietnam has been the fading imperative for the U.S. to back mainland China's tough anti-Hanoi posture. With Beijing brusquely ignoring Bush Administration efforts to persuade China to ease its

internal repression following the June 1989 Tiananmen Square massacre, the U.S. need not accommodate China on Indochina.

The process of normalizing relations with Hanoi requires Washington first to define its long-term strategic and economic interests in Vietnam. These interests would be served if Hanoi were to:

- 1) Reduce significantly the offensive capability of the People's Army of Vietnam and end its close military ties to the Soviet Union;
- 2) Adopt free market economic reforms;
- 3) Establish democracy and protect freedom of expression, press, association, and demonstration;
- 4) Declare its neutrality and join the Association of Southeast Asian Nations (ASEAN), now comprised of Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand.

These developments would transform Vietnam from a likely aggressor into a law-abiding member of the Southeast Asian community. This, in turn, would bring considerable geopolitical stability to the area.

Washington similarly needs to define its long-term interests in Cambodia. There the U.S. would benefit from a neutral and independent government in Phnom Penh that does not threaten either Bangkok or Hanoi, as did the Khmer Rouge government between 1975 and 1978. Free market economic reforms in Cambodia, meanwhile, would ensure that Western reconstruction aid would spur economic growth.

To achieve these long term objectives toward Vietnam and Cambodia, the Bush Administration should:

◆ ◆ **Reiterate support for an international settlement in Cambodia.** In particular, at the August 27 New York meeting of the U.N. Security Council's permanent members,¹ the U.S. should back continued U.N. efforts to resolve the Cambodian situation that include internationally-observed free and fair elections, with international observers present, involving all four Cambodian factions.

◆ ◆ **Continue non-lethal military assistance to the non-communist Cambodian resistance,** and at the August 27 Security Council meeting support the two non-communist Cambodian factions, the Khmer People's National Liberation Front and the Armee Nationale Khmere Independente.

◆ ◆ **Expand diplomatic contact to all Cambodian factions,** including the Vietnamese-backed Phnom Penh regime and the Khmer Rouge.

1 The five permanent members of the U.N. Security Council are Britain, the People's Republic of China, France, the Soviet Union, and the U.S.

◆ ◆ **Seek reciprocity from Vietnam and the Phnom Penh regime for the new U.S. policy in the form of internationally-supervised elections and U.N. verification of the Vietnamese withdrawal from Cambodia.**

◆ ◆ **Outline conditions for talks with Vietnam on normalizing diplomatic and economic relations.**

◆ ◆ **Demand that Moscow cease sending lethal aid to the Phnom Penh regime and that Beijing cease doing so to the Khmer Rouge.**

◆ ◆ **Expand Voice of America broadcasting into Vietnam to promote political and economic reforms.**

Dramatically shifting American policy toward Hanoi will not – and should not – be easy. Treating Hanoi as an enemy has been a fixture of U.S. foreign policy since shortly after World War II.

There has been good reason for this. Hanoi was a staunch member of what long was a Communist bloc determinedly opposed to America and other democracies. Americans personally shed rivers of blood fighting Hanoi's troops. And while those troops repeatedly failed to defeat America on the battlefield, Hanoi did manage (by deftly manipulating American domestic politics) to win the Vietnam War. The humiliation of America's unseemly retreat from Vietnam surely is part of the pain and anger that Americans feel when they think of Hanoi. Part of this pain and anger too has been Hanoi's ghoulish attempts to win economic and other concessions from Washington in exchange for information about (and even body fragments of) American GIs missing or killed in action. Meanwhile, along with Cuba, Libya, and North Korea, Hanoi consistently has conducted the globe's most vicious anti-America campaigns. To make matters worse, Hanoi's huge military force since the end of the Vietnam War has threatened Thailand, other Southeast Asian states, and even China. Threatening too was the welcome mat Hanoi extended to Soviet warships and long-range bombers at the U.S.-built ports and bases in South Vietnam.

America's long opposition to and distaste for Hanoi are thus soundly based. These grounds may be – or already are – changing. If, then, the reasons for American opposition to Hanoi are fading, so should that opposition. Determining just how much or how rapidly those reasons are fading and then deciding what Washington should do about it is the challenge now facing Americans making policy toward Vietnam.

A DECADE OF CAUTIOUS U.S. POLICY TOWARD INDOCHINA

For the past decade, U.S. policy toward Vietnam has focused on pressuring Hanoi to remove its 180,000-man occupation army from Cambodia and to participate in a comprehensive Cambodian settlement. To accomplish this, the U.S. successfully led the vast majority of non-communist nations and China in an international aid embargo against Vietnam.

Isolating Vietnam. During this period, the U.S. maintained a policy of isolating Vietnam by refusing to engage in bilateral talks other than those aimed at resolving the fate of American servicemen missing-in-action during the Vietnam War, the plight of "Amerasian" children,² and Vietnamese political prisoners wishing to emigrate to the U.S.

Washington's reluctance to deal with Hanoi also was dictated by Vietnam's close military ties to the Soviet Union. Moscow has been providing Hanoi with over \$1 billion a year in military aid, enabling Vietnam to mass the world's fourth largest land army, and Southeast Asia's largest air force and navy. In return, the Soviets were permitted to use Cam Ranh Bay as a key naval outpost, as well as to station bombers, fighters, and reconnaissance aircraft at several Vietnamese airbases.

As regards Cambodia, Washington followed a similar policy of diplomatical-ly and economically isolating the pro-Vietnamese State of Cambodia (SOC) regime in Phnom Penh.³ In addition, the U.S. Congress in 1985 approved what became an annual \$5 million package of overt non-lethal aid to the two non-communist Cambodian resistance factions. The Reagan and Bush Administrations supplemented this overt aid with covert non-lethal assistance, estimated at \$24 million for 1989.

Mixed Success. Washington's Indochina policy has enjoyed mixed success. On the one hand, the aid embargo against Vietnam and the SOC did play a major role in pressuring Hanoi to withdraw the bulk of its 180,000 troops from Cambodia last September. On the other hand, the modest amount of non-lethal U.S. aid to the non-communist resistance failed to build a viable non-communist military alternative to either the Khmer Rouge or the SOC. Moreover, U.S. policy failed to push Hanoi and Phnom Penh toward accepting a major U.N. role in verifying the Vietnamese withdrawal or overseeing free elections as part of a comprehensive settlement.

Faced with growing frustration, especially within the U.S. Senate, with the slow pace of international talks on Cambodia, Secretary of State James Baker announced on July 18 a major shift in policy toward Indochina by stating that the U.S. would begin direct talks with Vietnam on resolving the Cambodian war. Baker also made public that the U.S. would withdraw its support for the Coalition Government of Democratic Kampuchea (CGDK), which represents Cambodia at the U.N. and is comprised of the anti-communist Khmer People's National Liberation Front (KPNLF), the non-communist Armee Nationale Khmère Indépendente (ANKI), and the pro-Chinese Khmer Rouge. The reasons for this policy shift: to gain Vietnamese support for a comprehensive Cambodian settlement and to isolate the Khmer Rouge in order to decrease the chances of their returning to power.

2 Amerasians are the children of Vietnamese women and U.S. servicemen born during the Second Indochina War.

3 Until 1989, the SOC was known as the People's Republic of Kampuchea.

THE NEXT DECADE OF U.S. POLICY IN INDOCHINA

Last month's shift in U.S. policy toward Indochina reflects the changing political face of mainland Southeast Asia. Over the past year, in particular, several of Washington's concerns about Hanoi have eased. First, the Vietnamese last September withdrew the bulk of their occupation forces from Cambodia, reducing the direct military threat to Thailand. Second, the Soviets this spring began what has become a major reduction of their military forces in Vietnam, including the removal of all fighter and bomber aircraft. Late last month, the Bush Administration indicated that Vietnamese participation in a comprehensive Cambodian settlement would remove the last stumbling block to normalization of relations with Vietnam.⁴ Even with Vietnamese participation in a Cambodian settlement, however, the U.S. can ill-afford to begin the process of normalization with Vietnam without first defining its long-term interests in Vietnam. Specifically, these interests should include:

◆ ◆ **A major reduction in the offensive capability of the People's Army of Vietnam and cessation of its close military ties to Moscow.** Vietnam now deploys a total of 3.7 million troops, including a 1.1 million-man army; a 37,000-man navy with 27,000 naval infantry, 7 frigates, 8 missile boats, and 21 torpedo boats; a 12,000-man airforce with 394 combat aircraft and 47 armed helicopters; and 2.5 million reserve troops. To reduce its ability to project power into the volatile South China Sea and to reduce its potential threats to ASEAN, Laos, and Cambodia, Hanoi must cut dramatically its number of active infantry divisions, naval infantry, torpedo boats and combat aircraft.

Southeast Asia's Armed Forces				
	Vietnam	Indonesia	Thailand	Singapore
Population	64 million	176 million	55 million	2.6 million
Army (active)	1.24 million	285,000	190,000	45,000
Army (reserves)	2.5 million	800,000*	500,000	170,000
Combat aircraft	394	73	145	188
Armed helicopters	47	none	none	12
Naval infantry	27,000	12,000	20,000	none
Missile boats	8	4	6	6
Torpedo boats	21	2	none	none

* planned

◆ ◆ **An end to Moscow's annual \$1 billion in military aid given to Vietnam.** The U.S. should pressure the Soviet Union to do away with this massive military assistance program to Vietnam and to cut deliveries of spare parts to fighter aircraft, missile boats, torpedo boats, 2S3 self-propelled howitzers, and T-62 tanks already in Hanoi's inventory.

4 "Good Morning, Vietnam," *The Economist*, July 21, 1990, p. 27.

◆ ◆ **A Vietnamese economy based on free market capitalism.** A capitalist Vietnam with a growing economy will offer increased trade and investment opportunities for U.S. business and could enhance Southeast Asia's geopolitical stability. For its part, the U.S. should remove its trade and aid embargo on Vietnam, encourage complete abolishment of Vietnam's centrally-planned economy, and should urge Hanoi to provide adequate protection for foreign investors.

◆ ◆ **A democratic Vietnam that respects freedoms of expression, press, association, and assembly.** All of these rights are supposed to be guaranteed by Vietnam's 1946 constitution, yet are routinely violated.

◆ ◆ **A neutral Vietnam eligible for membership in the Association of Southeast Asian Nations.** Vietnam's eventual admission to ASEAN would make the organization more representative of the region by including mainland Southeast Asia's most populous nation. It also could enhance regional stability by spreading ASEAN's economic dynamism into Vietnam. By making Vietnam a constructive member of ASEAN, Hanoi's aggressive tendencies also could be reduced, in turn lessening the need for Japan potentially to expand its naval forces into the region.

While Washington should fashion its policy toward Hanoi to attain these objectives, American policy makers should offer Hanoi concessions only if Vietnam would be willing to launch economic and political reforms. There are some signs that Vietnam may be ready to do so. This is because Vietnam is now more vulnerable and diplomatically isolated than any time during its 36 years of independence. The Soviet bloc, its primary source of external support, has cut back sharply on the economic assistance that has kept Vietnam's stagnated economy afloat. For example, Vietnam's huge work force in East Europe and the Soviet Union, variously estimated between 100,000 to 600,000, is being sent home, depriving Hanoi of needed revenue, aggravating Vietnam's unemployment problem and injecting into the Vietnamese economy hundreds of thousands of workers who witnessed firsthand Eastern European reforms.⁵

Economic Squeeze. In addition, Eastern European and Soviet companies now are attempting to scale down or cancel contracts to buy Vietnamese poor-quality exports like textiles, clothing, and shoes. At the same time, the Soviets have increased the price of their exports to Vietnam like oil products, steel, and fertilizer. Until last year, Moscow provided Hanoi with 100 percent of Vietnam's fuel needs, and 80 percent of its fertilizer and steel.⁶ With only enough foreign reserves to pay for two days of imports, Vietnam is now desperately looking for barter deals to obtain oil products and fertilizer. The squeeze on Vietnam's economy could make the Vietnamese all the more open to Western trade and investment.

⁵ *The Economist*, May 5, 1990. p. 42.

⁶ *Far Eastern Economic Review*, July 5, 1990. p. 44.

Nonetheless, there still are reasons for the Bush Administration to be cautious in its approach to Vietnam. Hanoi recently has begun to crack down on its citizens who have promoted political liberalization. Reacting against political changes in Poland last fall, the Vietnamese Communist Party rejected calls for political pluralism in Vietnam. This March, in an unprecedented move, Politburo member Tran Xuan Bach, who had emerged as a leading advocate of political reform, was expelled from the Politburo. In the following two months, an American teacher and businessman were thrown out of Vietnam and dozens of Vietnamese were detained in what appears an attempt to prevent the evolution of a pro-democracy movement.

Reduced Strategic Significance. Just as with Vietnam, the U.S. must assess its long-term interests in Cambodia. Over the past year, Phnom Penh has lost much of its strategic significance to Washington. First, the war in Cambodia no longer poses a significant military threat to Thailand. Second, the Bush Administration no longer feels compelled to work hard to accommodate Beijing's views on Cambodia because Beijing has completely ignored U.S. suggestions to encourage reform and end internal repression in China. Finally, the reduction of Soviet military forces in neighboring Vietnam this January relaxed somewhat the need to view Cambodia as a superpower battleground by proxy. Until last year, Moscow maintained at Vietnamese bases up to 2 submarines; 2 mine warfare boats; 12 support vessels; 3 frigates or larger surface combatants; 6 Tu-95 *Bear* reconnaissance and anti-submarine aircraft; 16 Tu-16 *Badger* bombers; and a squadron of MiG-23 *Flogger* fighters. This January, the Soviet Foreign Ministry announced the withdrawal of most of its Mig-23s and Tu-16 aircraft; left behind will be some Tu-95 planes and approximately 20 small ships and 1 submarine.

Although Phnom Penh is of declining strategic importance to Washington, the U.S. still should maintain humanitarian interests in Cambodia. Specifically, the U.S. should promote stability in Phnom Penh through the establishment of a freely elected representative government. Stability is necessary for several reasons. First, it will help economic reconstruction projects by Western nations and international aid organizations spur economic growth. Second, stability is necessary in order to repatriate the 300,000 Cambodian refugees now in Thai camps along the Thai-Cambodian border. Third, stability in Cambodia decreases the chance of another escalation in superpower confrontation on mainland Southeast Asia by defusing the proxy war between the SOC and the Khmer Rouge.

Cambodia Complications. While humanitarian interests prompt the U.S. to remain involved in Cambodia, attempts by the U.S. to help usher in a free and stable government in Phnom Penh remain complicated by several factors. First, despite denials by Hanoi, Vietnam has between 3,000 to 10,000 troops in Cambodia. The existence of this force undercuts the perceived legitimacy of the SOC regime among Cambodians, while at the same time increasing the appeal of the nationalistic and vehemently anti-Vietnamese Khmer Rouge. Second, since May the Hanoi-backed SOC has cracked down on political reformists within their own regime, again eroding their narrow base of support. Lastly, the Khmer Rouge have captured and stockpiled

thousands of weapons from the SOC. The capture of these weapons has provided the Khmer Rouge with the ability to sustain their present high level of insurgent activity for at least two years without Chinese support. Part of the Bush Administration's current Cambodia policy is to isolate the Khmer Rouge by convincing the Chinese to stop supplying arms to the Khmer Rouge forces. Yet, Khmer Rouge efforts to bolster their ability to sustain fighting on their own reduces Washington's ability to confront and contain the Khmer Rouge threat.

CRAFTING A COMPREHENSIVE U.S. POLICY TOWARD INDOCHINA

While the U.S. long-term objective should be to bring free market capitalism and democracy to Vietnam, the immediate U.S. task is to:

- 1) Seek a comprehensive settlement in Cambodia, to include internationally-supervised free elections, and U.N. verification of the Vietnamese withdrawal from Cambodia;
- 2) Encourage political reform and economic growth based on the development of free markets in Vietnam without subsidizing a repressive government in Hanoi.

To accomplish this, the U.S. should:

◆◆ **Reiterate support for an international settlement in Cambodia.** The Cambodian crisis may be the world's most politically complicated regional conflict. Contending for power are four Cambodian factions: the anti-communist Khmer People's National Liberation Front (KPNLF); the non-communist Armee Nationale Khmere Independente (ANKI); the Soviet-Vietnamese proxy, the State of Cambodia (SOC); and the pro-Chinese Khmer Rouge. Each faction has its own strength: the KPNLF controls the largest refugee population on the border; the ANKI represents Prince Norodom Sihanouk, probably the most respected Cambodian leader and widely believed to be the only Cambodian capable of holding together a coalition; the SOC has the most military equipment and controls all major population areas; and the Khmer Rouge has the most powerful armed forces. As a result, no faction can be excluded from the negotiating process. Given the large number of parties and interests involved, international talks among all the parties concerned, such as those held in Paris last July and August, have shown the most promise in achieving a political settlement. Washington's shift in policy last month has brought sharp criticism from U.S. friends and allies, especially within ASEAN, who fear that the U.S. will undercut the international negotiations on Cambodia by indirectly lending legitimacy to the SOC, making both Phnom Penh and Hanoi less likely to agree to a compromise solution. To allay these fears, the U.S. should use the next U.N. Security Council meeting on Cambodia, set for August 27 in New York, to underscore its continued support for an international solution. This should include support for a U.N. verification of the Vietnamese withdrawal, estab-

lishment of a "Supreme National Council" composed of all four Cambodian factions, U.N. oversight of free elections, and a U.N. peacekeeping force.

◆◆ **Continue non-lethal assistance to the non-communist Cambodian resistance.** The two non-communist Cambodian resistance factions cannot compete militarily with either the Khmer Rouge or the SOC. Yet the non-communists remain significant players for several reasons. First, non-communist civic action teams made up of personnel from the ranks of the KPNLF and the ANKI successfully have exposed the Cambodian peasantry to the concepts of democracy and free market enterprise, including those peasants living in regions under Khmer Rouge control. Second, the non-communists could be an important moderating influence in any coalition government with the communist Khmer Rouge and the SOC. Lastly, the large level of support for the non-communists among the sizeable Cambodian expatriate communities in the U.S. and Europe will be a key to bringing in technical, entrepreneurial and financial assistance from expatriates during future reconstruction.

Though the amount of U.S. non-lethal assistance to the non-communist resistance is modest, it is very symbolic and boosts morale among the guerrilla freedom fighters and the nearly 300,000 supporters under their nominal control along the border. Should this assistance cease, it is likely that many of the non-communists would switch sides to the Khmer Rouge rather than the Phnom Penh regime because of the latter's continued close ties with the Vietnamese. In the minds of most of the Cambodian peasantry, support for Vietnam is a greater sin than the Khmer Rouge's past excesses. A reduction in U.S. assistance to the non-communist resistance also could erode the resistance's legitimacy in the eyes of the Khmer Rouge and the Phnom Penh regime. It thus would not be able to play a strong moderating political role, which in turn would undercut the stability of a coalition government. Lastly, an erosion in the capabilities of the non-communists likely would make their refugee supporters less willing to return to the Cambodian interior for fear of retribution from the SOC or Khmer Rouge because of their support for non-communist forces, thus prolonging the refugee crisis along the Thai border. For these reasons, it is crucial that the U.S. reiterate its continued support for the non-communist resistance at the August U.N. Security Council meeting and continue its non-lethal assistance programs to the resistance forces.

◆◆ **Initiate talks with all four Cambodian factions.** Washington's policy shift opens the door to direct U.S. talks with Vietnam on the subject of Cambodia. Yet the U.S. refuses to talk with the SOC, which controls all provincial capitals and important urban areas, and the Khmer Rouge, which is perhaps the strongest of all factions and controls much of the countryside. To talk to Hanoi but not to the SOC or the Khmer Rouge is unwise because of the intense animosity that Cambodians feel toward Vietnam. Khmer Rouge forces, which have appealed directly to the Cambodian peasantry's sense of anti-Vietnamese nationalism, could strengthen that appeal by criticizing the Bush Administration's new opening to Vietnam and pointing to a potential "U.S.-Vietnam" alliance. This will bolster support for the Khmer Rouge while undercutting the already minimal appeal of the Phnom Penh regime. To act as a

true peace broker during international talks on Cambodia, the U.S. should initiate discussions with Hun Sen's SOC regime in Phnom Penh and with the Khmer Rouge, as well as continue dialogue with the Vietnamese and the two non-communist Cambodian factions. Opening a dialogue with the Khmer Rouge is particularly important, since isolating them may prompt them to escalate their efforts to undermine the peace process in Cambodia and prolong a settlement.

◆◆ **Demand reciprocity from Vietnam and the SOC for the shift in U.S. policy toward Indochina.** The U.S. policy shift toward Indochina now is widely seen as a concession by Washington to Hanoi and Phnom Penh. Talks with U.S. officials, for example Deputy Assistant Secretary of State for Asian and Pacific Affairs Kenneth Quinn who met with Vietnamese Ambassador to the U.N. Trinh Xuan Lang on August 6, may break the international embargo on aid to Vietnam, while a softening U.S. stance could give the Phnom Penh regime added legitimacy. Before the U.S. makes further shifts in policy toward Indochina, it should demand reciprocity from Vietnam and the Phnom Penh regime. Vietnamese Foreign Minister Nguyen Co Thach has hinted that Hanoi will be more flexible in the future, but has yet to make any concrete moves toward a compromise in Cambodia. To test the goodwill of Hanoi and Phnom Penh, the Bush Administration should publicly call for Vietnam and the SOC to agree to give the U.N. a major role in verifying the Vietnamese withdrawal from Cambodia and in overseeing a free election following the formation of a Supreme National Council in Phnom Penh.

◆◆ **Call on Moscow to cease sending lethal aid to the SOC and on Beijing to cease sending such aid to the Khmer Rouge.** Although the Soviet Union has scaled back many of its ambitious military assistance programs around the world, Soviet military aid still pours into Vietnam and the SOC. In fact, captured Soviet weapons are now largely responsible for bolstering the Khmer Rouge forces and prolonging the war in Cambodia. Similarly, Chinese aid ensures that the Khmer Rouge can easily maintain their current high level of guerrilla activity. The U.S. publicly should insist at the August U.N. Security Council meeting that the Soviets and Chinese immediately cease all lethal military aid deliveries to the SOC and Khmer Rouge, respectively. In addition, the U.S. should insist that the U.S.S.R. pressure Vietnam to halt indirect supplies of Soviet military hardware to the SOC.

◆◆ **Expand VOA broadcasting into Vietnam.** Currently, the Voice of America broadcasts in Vietnamese only two hours a day. Of this, only seven minutes per hour are devoted to editorials. The Bush Administration should double the number of hours that VOA broadcasts in the Vietnamese language. To promote democracy and private enterprise in Vietnam, moreover, VOA should increase its editorial programming to at least ten minutes per hour. These editorials should underscore the U.S. intent to bring stability and prosperity to Vietnam through political freedom and free market capitalism.

◆◆ **Outline conditions for expanding talks with Vietnam on diplomatic and economic normalization.** If Vietnam shows reciprocity to the shift in U.S. policy by agreeing to a major U.N. role in Cambodia, the U.S. should

use its direct contact with Vietnamese officials as a forum for discussing the steps toward normalizing U.S.-Vietnam diplomatic and economic relations. As a general guide to this process, Washington should review its nine-year normalization with the People's Republic of China. The first tentative step was taken in July 1969 when the U.S. slightly eased restrictions on commerce with China. The following year, Washington called for exchanges of doctors and students, and further loosened restrictions on trade in non-strategic goods. Then in April 1971, an American ping-pong team made a very publicized trip to China for sports competition; three months later, National Security Advisor Henry Kissinger secretly visited Beijing. By that summer, restrictions were eased on travel to China, while the 21-year U.S. trade embargo on China was fully lifted. The following year, President Richard Nixon traveled to China for an eight-day visit, which was televised around the world. One result of this was the opening in May 1973 of a U.S. Liaison Office in Beijing and a Chinese Liaison Office in Washington. The following March, the Liaison Offices, each set up in hotels and staffed by fewer than thirty persons, were granted diplomatic immunity. Finally, in December 1978, the Carter Administration normalized diplomatic relations with China.

To shape the progress of U.S.-Vietnam normalization, the Bush Administration should construct an index of economic and political freedoms in Vietnam. As Hanoi fulfills these freedoms, Washington should be prepared to reciprocate in a series of steps modeled on the process of normalization of relations with China. The path such a process might follow:

Step #1: This Washington already has taken by shifting its policy toward Cambodia.

Step #2: Should the Vietnamese show reciprocity by agreeing to a U.N.-sponsored settlement, the U.S. should lift sanctions on non-strategic trade by U.S. business with Vietnam.

Step #3: If Vietnam then eases its tough restrictions on a multiparty political system, perhaps during the Vietnamese Communist Party's upcoming September plenum or its March 1991 Seventh Party Congress, the U.S. should ease its embargo on aid to Vietnam and press international financial institutions such as the International Monetary Fund and the World Bank to extend loans and assistance packages to Vietnam. Washington also can offer aid under provisions such as the Denton Authority,⁷ which allows for U.S. non-governmental humanitarian aid to be shipped aboard U.S. military transports on a space-available basis, to be applied to Vietnam.

Step #4: This is Hanoi's turn to show good faith by simplifying business rules, relaxing trade restrictions, further liberalizing foreign investment regulations, expanding and protecting the right by Vietnamese citizens to hold private property, opening financial markets, and reforming tax policies.

7 Named after Vietnam prisoner-of-war and former U.S. Senator from Alabama Jeremiah Denton.

Step #5: Washington should establish a Vietnamese-American Enterprise Fund much like those set up between the U.S. and the newly-democratic East European countries. This fund can help develop the Vietnamese private sector through the promotion of joint ventures, grants, loans, equity investment, feasibility studies, technical assistance, and vocational training. The fund would be structured as a non-governmental organization headed by a Board of Directors of both American and Vietnamese private citizens committed to democracy and private enterprise.

Step #6: If the Vietnamese show further good faith, such as showing greater cooperation in resolving the fate of American servicemen missing-in-action during the Vietnam War, signing bilateral customs agreements and encouraging greater private sector investment, the U.S. should be prepared to exchange Liaison Offices below the ambassadorial level. The majority of U.S. officials in such an office should be trade experts.

Step #7: If humanitarian issues such as the fate of American POWs, the emigration of Amerasians to the U.S., and the status of political prisoners largely have been solved, the U.S. should be prepared to normalize diplomatic relations. Washington should make it clear that the process will be halted if Vietnam threatens Cambodia or any member of ASEAN, suspends an elected official in any extra-constitutional process, declares martial law or a similar emergency, or mistreats any U.S. official in Vietnam.

CONCLUSION

The political face of Indochina is quickly changing. The Vietnamese military threat has receded as Hanoi last September withdrew the great bulk of its occupation forces from Cambodia and began concerning itself with rebuilding its sagging economy. At the same time, Soviet military forces by and large left Vietnam as budget cuts in Moscow apparently forced their withdrawal from Cam Ranh Bay. The U.S., meanwhile, finds itself no longer having to work hard to accommodate Chinese views in policy toward Indochina, since Beijing has ignored Bush Administration's efforts to encourage reform and end internal repression in the People's Republic of China. With these changes, Cambodia, which has been the focus of U.S. policy toward Indochina for the past decade, has lost most of its strategic significance to Washington. The U.S. now finds itself well placed to continue its efforts to bring about a negotiated settlement in Cambodia.

Ending Confrontation. More important, Washington has the freedom to press an isolated Vietnam for economic and political reforms as a basis for normalization of ties between Hanoi and Washington. This would bring stability to Cambodia and encourage political and economic freedom in Vietnam. In this way, the U.S. could be a major player as the Cold War thaws in Southeast Asia, ending Washington's four-decade confrontation with Hanoi and leaving Indochina to participate in the region's economic dynamism.

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