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Longer Term Implications of Vietnam's Domination of Indochina

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September 1982

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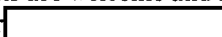
Longer Term Implications of Vietnam's Domination of Indochina



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**National Intelligence Council
Memorandum**

*Information available as of 1 August 1982
has been used in the preparation of this report.*

This Memorandum has been discussed with the National Intelligence Council (NIC) and the Intelligence Community. The views presented are those of the author  of the NIC Analytic Group. Comments are welcome and may be addressed to the author 

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**Longer Term Implications
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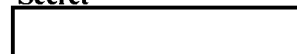
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Scope Note

The Vietnamese invasion of Kampuchea in 1978 resulted in the overthrow of Pol Pot and the establishment of the Heng Samrin regime under the protection of a Vietnamese occupation army. This contributed to a large refugee flow chiefly to Thailand, a Chinese punitive invasion of Vietnam, an increase in Soviet aid to Vietnam, and a continuing Soviet military presence in Southeast Asia. Various anti-Vietnamese resistance forces, including those of Pol Pot, Sihanouk, and Son Sann, variously backed by the ASEAN countries and China, joined in a loose coalition and continue armed resistance. The United Nations continues to recognize the ousted Kampuchean government, further complicating the situation. While many aspects of Vietnam's control over Kampuchea and related matters in Laos have been examined individually, this paper brings the main issues of Indochina together to determine the consequences of continued Vietnamese domination of Indochina for Southeast Asia, China, the Soviet Union, and the United States.

The purpose of this Memorandum is to determine just how serious a problem a Vietnamese-dominated Indochina is likely to pose for the United States over the next five years. We consider Hanoi's motivations, the problems facing Vietnam in controlling its neighbors, the roles of outside powers, and how these factors are likely to affect the future of Indochina.

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Longer Term Implications of Vietnam's Domination of Indochina

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Key Judgments

Vietnamese domination of Laos and Kampuchea is not likely to be weakened seriously by either internal or external pressures over the next five years. The main threat to Vietnam's hegemony comes from the resistance forces in Kampuchea which agreed to form a loose coalition in July. Even if this improves the ability of the resistance forces to recruit and enables them to gain additional outside support, Vietnam still should be able to keep the resistance forces contained in isolated areas along the Thai-Kampuchean border for the next five years or so. Externally, Vietnam most likely will continue to withstand Chinese coercion, ASEAN diplomatic pressure, and international isolation. Of these, the Chinese threat has been Vietnam's main concern. Since the Chinese invasion of Vietnam in 1979, Hanoi has expanded its armed forces and received over \$2 billion in military aid from the USSR. Vietnam now has the world's third-largest army, numbering about 1.2 million ground forces.

While the possibility cannot be excluded of a major escalation of the conflict in the Indochina area, perhaps involving Thailand, China, the USSR, or even the United States, the much more likely prospect will be one of continuing conflict, limited to engagements along the Thai-Kampuchean border and perhaps occasional clashes along the Vietnamese-Chinese border.

Domination of Indochina improves Vietnam's security, but does not enhance appreciably Vietnam's ability to project power in the rest of Southeast Asia at this time. Vietnam has not indicated any interest in sending its forces beyond Indochina, but will continue to support revolutionary movements in Thailand and elsewhere. However, to date, the level of support to revolutionary movements has been surprisingly small given the large stockpiles of US-made equipment in Vietnam. In Southeast Asia the Communist insurgencies tend to be pro-Chinese and not eager to cooperate with Hanoi. In any event, Vietnamese support is not likely to be the decisive factor in any revolutionary movement within the next five years or so.

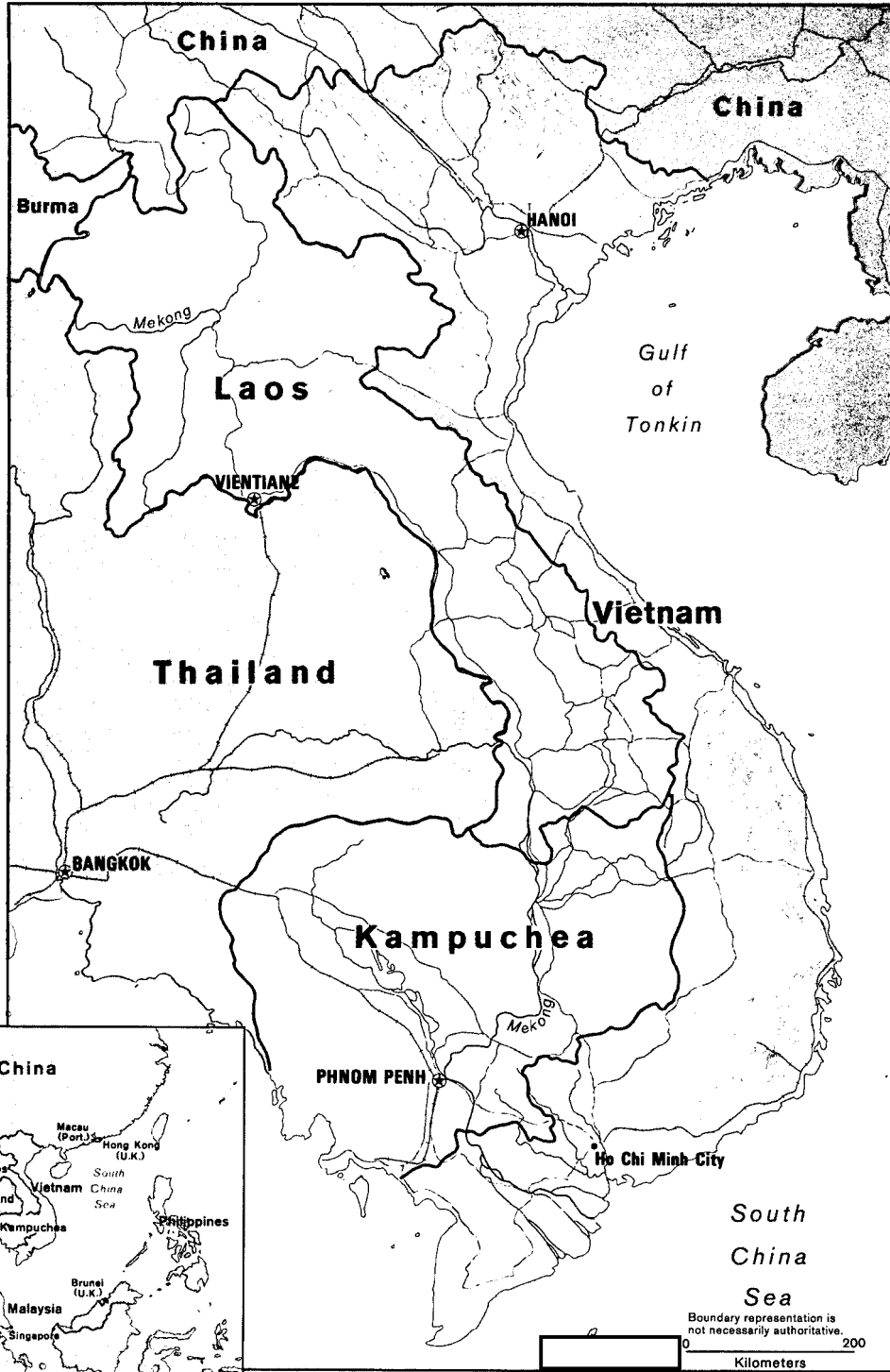
Continued Vietnamese domination of Indochina is not likely to pose serious security problems for the United States, at least for the short term. The threat to Thailand is low and China provides a useful balance to Vietnam's military power in the region. For the United States, coordination of its Indochina policies may become a problem should ASEAN and China follow contradictory policies toward Vietnam. ASEAN unity in opposition to the Vietnamese presence in Kampuchea may erode and some of its members, particularly Indonesia, eventually may decide to reach an accommodation with Vietnam, while China is likely to continue taking a more confrontational approach toward Hanoi.

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Longer Term Implications of Vietnam's Domination of Indochina

Vietnam's Control of Indochina

Vietnamese influence is pervasive at nearly every level of administration in Laos and Kampuchea. Several thousand Vietnamese civil advisers are backed up by about 220,000 troops deployed in the two small neighboring states. At the same time, Vietnam itself is economically depressed and heavily dependent upon the Soviet Union for economic and military aid. This aid, in turn, is accompanied by a Soviet military presence. China and the ASEAN¹ countries are opposed to a Vietnamese-dominated Indochina that is closely allied with the USSR. Some of this opposition includes support for the various anti-Vietnamese resistance forces within Indochina.

Despite economic hardships and outside pressure, Vietnam's leaders attach a high priority to controlling Kampuchea and Laos. They have termed the current situation in Kampuchea "irreversible." Premier Pham Van Dong has noted that the "defense and integrity of Indochina is of equal importance to the Vietnamese people as the economic development of Vietnam." One main reason that Hanoi attaches such importance to dominating Kampuchea and Laos is the danger that these countries pose to the security of Vietnam if they should once again become allied with such major adversaries as China and the United States. Economic gain is not a major motivation for Hanoi.

Since the 11th century, the Vietnamese have fought and maneuvered diplomatically for control over parts of Laos and Kampuchea. They were never successful in gaining full control over the region, which the French eventually brought under nominal rule in 1893. Almost immediately, however, a struggle for Vietnamese independence broke out. Many of Vietnam's current leaders have been a part of this struggle since the founding days of the Vietnamese-dominated Indochina Communist Party in 1930. These early

¹ Association of Southeast Asian Nations, founded in 1967 by Thailand, Malaysia, Singapore, Indonesia, and the Philippines.

Communist Party leaders were convinced that the liberation of Vietnam could not be divorced from independence struggles in Laos and Kampuchea. Geopolitical beliefs also have provided a rationale for domination of all of Indochina. For example, in 1950 Vietnam's leading strategist, General Vo Nguyen Giap, noted that:

Indochina is a strategic unit, and a single theater of operations. Therefore, we have the task of helping to liberate all of Indochina . . . especially for reasons of strategic geography.

Vietnamese domination of Kampuchea and Laos evolved in quite different ways. In both Laos and Kampuchea, the Communist parties had long been dependent on the Vietnamese Communist Party (VCP). But relations between the Vietnamese and Kampuchean Communists have been seriously strained on several occasions. In 1972 Pol Pot expelled most of the pro-Vietnamese faction from the Kampuchean Communist Party and aligned Kampuchea more closely with China. By 1976, mutual distrust was evident as border clashes grew more intense and the hostilities culminated in the Vietnamese invasion of Kampuchea in late 1978. In Laos, by contrast, the relationship between Lao and Vietnamese Communists was characterized by continued cooperation. No doubt the leadership in Hanoi would have preferred a similar arrangement in Kampuchea, but was unwilling to tolerate the independent and provocative Communist leadership in Phnom Penh. Even after installation of the pro-Vietnamese People's Republic of Kampuchea (PRK) government of Heng Samrin in 1979, there is still evidence that the relationship between Hanoi and Phnom Penh is not as close as that between Hanoi and Vientiane. For example, the Vietnamese-Lao border delineation has been agreed to, but the Vietnamese-Kampuchean border still remains to be negotiated. On balance, Laos enjoys a greater degree of autonomy than does Kampuchea.

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There are several ways in which Vietnam exercises control over Indochina. The primary method is through an extensive network of advisers that ensures that no significant decision can be made in Laos or Kampuchea without Vietnamese knowledge and consent. Thousands of Vietnamese advisers at the national and provincial levels oversee the daily work of their Indochinese counterparts. Vietnam also has instituted training programs for both Lao and Kampuchean officials that are expected to produce politically reliable administrators, permit reductions in the numbers of Vietnamese advisers, and eventually allow some reduction in the numbers of Vietnamese troops. Such reductions, however, would not necessarily indicate reduced Vietnamese influence.

Vietnam's leaders are aware that heavyhanded control could lead to nationalistic Kampuchean and Lao backlashes. Thus, Hanoi has taken steps to try to avoid encouraging anti-Vietnamese sentiment. These measures include a policy of maintaining strict discipline among Vietnamese troops with the threat of summary execution for any act damaging Vietnam's relations with Kampuchea or Laos. Among the more subtle methods of influence was the "Sister Province" arrangement, whereby middle and lower level Vietnamese officials were made responsible for providing advice and assistance to corresponding levels of administration in Laos and Kampuchea. Influence also is provided through coordination of mass media. The news services of Laos (KPL) and Kampuchea (SPK) generally follow the lead of the Vietnam News Agency on reporting major events. Individual travel by Lao or Kampuchean officials is routed through Hanoi, suggesting further opportunity for influence. Semiannual conferences of the Indochinese foreign ministers also are held to coordinate foreign affairs. In addition, coordination of banking, postal service, hydrology, and other activities are called for in various treaties and agreements.

While Vietnam no doubt prefers to exercise indirect influence in Indochina, the Vietnamese leadership has not hesitated to intervene directly. For example, Kampuchean Communist Party Secretary General Pen Sovan was unexpectedly removed in December 1981, most likely under orders from Hanoi. Such

changes can be expected because Vietnam can monitor potential threats through its pervasive influence in the internal security apparatus of Kampuchea and Laos. For example, Vietnamese are intimately involved with identifying and dealing with individuals and domestic groups who pose threats to the regime in Laos and Kampuchea. They supervise reeducation camps and political prisons in Laos and Kampuchea. In addition to controlling internal political developments, the Vietnamese also influence the local economy. For example, Vietnam has diverted commodities in Kampuchea to Vietnam, including food donated by relief agencies.

Military force structures and operations in Laos and Kampuchea also are under direct Vietnamese control. Some 50,000 Vietnamese troops in Laos and 170,000 in Kampuchea provide security for the two governments. Vietnam also channels essential logistic support to the Lao and Kampuchean armed forces.

In Laos, military assistance is provided through a group which is subordinate to Vietnam's Ministry of National Defense. This group is supervising the transition of the former Pathet Lao insurgents into an armed force numbering some 65,000 personnel, including about 50,000 ground forces organized into eight infantry regiments and 71 infantry battalions. This structure is similar in size to Laos's former *Forces Armees Royale* (FAR) organizations, which numbered about 45,000 ground troops. In addition to the military advisory network, Vietnam maintains four infantry divisions and two independent infantry regiments in Laos under a front headquarters located near Paksane.

Vietnam's military advisory and logistics network in Kampuchea is more extensive than that in Laos because of the need to build new indigenous armed forces following defeat of the Democratic Kampuchean (DK) forces in 1979. A force of about 30,000 PRK troops has been trained, including four brigade/division-sized units. In addition to military advisers, Vietnam maintains about 13 infantry divisions in

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Kampuchea, some of which are actively involved in training PRK forces. Unlike those in Laos, Kampuchean battalions are being used directly under command of Vietnamese fronts and divisions in action against resistance forces.

Problems Facing Hanoi in Controlling Indochina

Improving the economy in Vietnam, defeating the resistance forces in Kampuchea, and defending the border with China are the main problems facing the leadership in Hanoi. The resistance forces in general, and the Communist DK forces in particular, pose the most difficult problem for Hanoi's Indochina policy. Among the consequences of this policy is the loss of considerable foreign aid and investment, which has compounded Vietnam's already serious economic problems. Also, Vietnam's domination of Indochina and China's response have necessitated the expansion of the Vietnamese army to the point where it now numbers about 1.2 million troops, making it the third-largest army in the world.

The Kampuchean Resistance. Hanoi has tried to deal with the Kampuchean resistance in several ways, including attacking its bases along the Thai border, building up an indigenous PRK army, and trying to undermine outside support for the resistance forces. This year Vietnam has committed about eight divisions to the campaign in Kampuchea. PRK troops have been assuming a very modest share of the internal security role, but they will not be able to assume full defense responsibilities for the foreseeable future.

Recent trends have not been favorable for the resistance forces. The two main groups—the Communist Democratic Kampuchean forces backed by China, and the non-Communist forces of Son Sann supported by Thailand and other ASEAN countries—distrust each other. The militarily stronger DK tolerates the non-Communist forces largely in order to help preserve its UN membership, which is retained primarily through the efforts of the ASEAN countries. A third group, associated with Prince Sihanouk, has been insignificant militarily, but legitimized Sihanouk's claim to participate in the loose coalition of resistance forces established in July 1982. Sihanouk evidently retains considerable popularity. For example, as a

result of his visits to refugee camps, several thousand people agreed to move to Sihanouk's border headquarters.

In 1981 the overall size of the resistance forces expanded by a few thousand troops, but subsequent growth has been limited because the main source of recruits—Kampuchean refugees in Thailand—has diminished. The militarily strongest group, the DK, has not been able to overcome its bad image in Kampuchea, earned as a result of the widespread atrocities committed under its Pol Pot leadership. In less than four years, the brutality of the Pol Pot regime caused an actual drop in the population of between 1.2 and 1.8 million people.² The other two resistance forces also have been unable to make significant inroads into the interior of Kampuchea and are of doubtful viability without considerable outside support of food, arms, and ammunition. The resistance forces in Laos are even weaker and pose no serious threat to the Lao Government or to its Vietnamese backers.

The Vietnamese Economy. Hanoi is clearly under economic pressure, and how the leadership handles its economic problems could affect the Indochina situation. Vietnamese officials have acknowledged that the economic situation in 1980 was worse than at the end of the war in 1975. Today, Vietnam, Laos, and Kampuchea remain among the world's poorest countries, with annual per capita incomes below \$100. Vietnam's poor economic performance was largely the result of bad management, bad weather, conflicts with China and Kampuchea, and the loss of foreign aid and trade. The direct impact of Hanoi's Indochina policy on the Vietnamese economy is difficult to measure, but the resulting economic isolation and the cost of maintaining 1.2 million men under arms compound already serious economic problems.

The loss of foreign aid has been a major setback for Vietnam and has led to an uncomfortable dependence on the Soviet Union. Foreign aid was to have played

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Table 1
Indochina Military Trends:
Ground Force Personnel

	1977	1978	1979	1980	1981
Government Forces					
Vietnam ^a	615,000	680,000	800,000	900,000	1,200,000
Opposite China and northern Vietnam	100,000	100,000	200,000	400,000	700,000
In Kampuchea	0	0	220,000	150,000	170,000
In Laos	40,000	40,000	45,000	50,000	50,000
Laos	47,000	47,000	47,000	47,000	50,000
Kampuchea	NA	NA	NA	20,000	30,000
Resistance Forces ^b					
In Kampuchea					
Pol Pot's DK	NA	NA	20,000	30,000- 35,000	35,000
Son Sann's KPNLF	NA	NA	NA	3,000- 5,000	7,000- 8,000
Sihanoukists	NA	NA	NA	500- 1,000	500- 1,000
In Laos	NA	NA	NA	NA	6,000- 8,000

^a Includes main forces, active duty militia, and economic construction forces.

^b Estimates of resistance forces are less certain. Their numbers vary widely during each year.

an unusually large role in its 1976-80 Economic Plan, which called for foreign contributions of \$5.4 billion while the entire national income for the same period was projected at only about \$25.5 billion. Both China and the United States were to play important roles in Vietnam's economic development. Previously, China had been an important contributor, providing between \$10 billion and \$20 billion in economic aid to Vietnam between 1955 and 1975. In mid-1978, China stopped aid to Vietnam and cut off petroleum exports which accounted for about 50 percent of Vietnam's total oil requirements. Shortly thereafter, the Vietnamese invasion of Kampuchea led to the termination of additional foreign aid from several other countries. During the same period, Vietnam unsuccessfully pressed claims for about \$3 billion in US aid that Hanoi argued it was supposed to receive as part of the 1973 Paris Agreement. The loss of Chinese and other

foreign aid has not been completely offset by increased Soviet assistance. Furthermore, economic isolation of Vietnam as a result of the Kampuchean invasion has deprived Hanoi of important trade and investment capital.

Vietnam's poor economic performance also has put added pressure on the USSR. Hanoi has been unable to meet payment obligations on a \$3.5 billion external debt. In 1981, debt service payments alone amounted to about 77 percent of total exports. Rescheduling of the debt has brought only temporary relief and foreign creditors hope that Moscow will once again come to Hanoi's rescue.

Hanoi has not been willing to withdraw its forces from Kampuchea to regain foreign aid and trade opportunities despite the fact that control over the Lao and

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Kampuchean economies does not provide Hanoi with any significant offsetting economic benefits. Indeed, it probably constitutes a net drain in Vietnamese resources. Should Vietnam press the "socialist transformation" of the Lao and Kampuchean economies, Hanoi would probably be faced with responses similar to those encountered in southern Vietnam, including peasants' reducing acreage, hiding grain from government collectors, and leaving farms and villages for exile abroad.

Roles of Outside Powers

USSR. The USSR generally supports Vietnamese efforts to dominate Indochina. The main concern from the Soviet perspective is China. A stronger, more united Indochina aligned with the USSR presents China with a worrisome, second-front problem. Since Laos is vulnerable to Chinese pressure and Kampuchea could revert to a pro-Chinese orientation if Vietnamese occupation forces were removed, the Soviets see it as to their advantage to support Hanoi. This support helps keep China out of Indochina and also provides Moscow with access to military facilities, further strengthening Soviet influence in Southeast Asia. Moscow also enjoys the support of Vietnam and Laos in international forums. For example, Vietnam and Laos voted with the USSR on 42 of 43 important issues before the United Nations in 1981, whereas the ousted Pol Pot government, as noted, still controls the Kampuchean seat in the United Nations and consistently votes against the Soviet position. On a larger scale, the relationships of the USSR with the Indochina states, when added to its dominance of Mongolia, its presence in Afghanistan, and its ties with India, raise fears in Beijing of persistent Soviet efforts to encircle China.

The two main levers of Soviet influence in Vietnam are oil and arms. The USSR now provides over 90 percent of Vietnam's petroleum needs and is the sole source of military equipment. Since the Chinese invasion of Vietnam in 1979, the USSR has provided substantial amounts of military assistance to Vietnam, as indicated in table 2.

Soviet military aid to Indochina has declined after the massive infusion in 1979 and friction over aid programs has strained Soviet-Vietnamese relations some-

Table 2
Soviet Military Assistance to Vietnam,
1979 Through July 1982

Equipment	Totals
Fighters	257
MIG-15/Fagot and MIG-17/Fresco	53
MIG-21/Fishbed	161
SU-17/Fitter	3
SU-22/Fitter	40
Transports	67
TU-134/Crusty	3
AN-26/Curl	52
II-18/Coot	1
YAK-40/Codling	4
AN-2/Colt	7
Helicopters	112
MI-24/Hind	16
KA-25/Hormone	37
MI-8/Hip	37
MI-6/Hook	22
Maritime reconnaissance	4
BE 12/Mail	4
Naval Vessels	41
Petya-class light frigates	2
Yurka-class fleet minesweeper	1
K-8 minesweeping boats	5
Osa II-class missile-attack boats	8
SO-1 submarine chasers	6
Shershen-class torpedo boats	10
Zhuk-class patrol boats	6
Polnocny-class amphibious assault landing ships	3
Ground, air defense weapons, and missiles	1,715
Tanks	259
APCs/armored cars/armored reconnaissance vehicles	272
Self-propelled assault guns	216
Artillery	451
SA-2/Guideline and SA-3/Goa launchers	49
SA-2/3 surface-to-air missiles	418
SS-N-2/Styx missiles	48
SSC-L/Sepal antiship cruise missiles	2

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Table 3
Soviet Aid to Indochina^a

Million US\$

	1978	1979	1980	1981
Total	575	1,780	1,240	1,265
Economic aid	485	700	545	950
Military equipment	90	1,080	695	315

^a Minimum estimates.

what. The Soviets have pressed Vietnam into replacing many officials who have been accused of corruption and inefficiency in administering Soviet-provided aid. Furthermore, the USSR has begun to provide aid directly to Kampuchea and Laos rather than through Vietnam. This, in effect, causes Vietnam to relinquish some control over its two neighbors.

Assuming continued poor economic performance in Indochina and no major new sources of foreign aid, Soviet assistance will continue to be critical. However, it will be difficult for the USSR to meet increased demands from Indochina. The cost of supporting other allies has increased for the USSR. At the same time, Soviet economic growth rates have been declining and domestic labor and energy problems are growing more serious. Thus, Soviet economic growth in the next several years probably will be too small to meet mounting domestic investment requirements and simultaneously maintain growth rates in military spending, raise the Soviet standard of living, and increase foreign aid. In such circumstances, Vietnam will continue to be relatively low on Moscow's list of priorities and, therefore, cannot be assured of increased aid. Moscow, however, probably will continue to meet Hanoi's minimum needs.

China. From China's perspective, Vietnamese domination of Indochina is part of a series of anti-Chinese acts promoted by the Soviet Union. China has characterized Vietnam as the "Cuba of the East." Beijing has developed a long-term strategy to "bleed Vietnam

white," while at the same time raising the "cost of empire" for the USSR. The main feature of this strategy includes support for resistance forces within Indochina, especially the Democratic Kampuchean forces of the deposed and pro-Chinese Pol Pot regime. China also maintains a large, threatening force along Vietnam's northern border. China's leaders apparently hope that a combination of factors will eventually lead to a change in Vietnam's Indochina policy and relations with the USSR. These factors include:

- The aging leadership in Hanoi.
- Vietnam's dismal economic performance.
- The debilitating effects on Vietnam of having simultaneously to fight in Kampuchea, occupy Laos, and defend the northern border.
- Nationalistic reactions in Vietnam to overdependence on the USSR and anti-Vietnamese reactions by the Lao and Kampuchean people.

While China has tried to improve relations with countries that have been close to the USSR such as Syria, Libya, Ethiopia, and Angola, the Beijing leadership has not made any serious attempts to improve relations with Vietnam. The preconditions for better relations were spelled out in the July 1982 PRC white paper on Sino-Vietnamese relations, which continued to link normalization to complete withdrawal of Vietnamese troops from Kampuchea and abandonment of Vietnam's role as a "tool of Soviet expansionism." Even if the Kampuchean problem were resolved, China would most likely continue to oppose a militarily strong Vietnam allied with the USSR. Thus, there is little basis for improved Sino-Vietnamese relations within the next five years.

ASEAN. ASEAN has been in the forefront of diplomatic activity to pressure Vietnam into withdrawing its troops from Kampuchea. In July 1981, ASEAN held an international conference on Kampuchea that called for Vietnamese withdrawal and self-determination for the people of Kampuchea. ASEAN diplomacy also has been successful in denial of the Kampuchean UN seat to the Vietnamese-installed government in Phnom Penh. In July 1982, ASEAN finally succeeded in persuading Son Sann, Sihanouk, and Khieu Samphan to form a loose coalition of the Kampuchean resistance forces.

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Table 4
Refugees Departing Indochina

	1977	1978	1979	1980	1981	1982 ^a
Total	152,900	311,700	276,600	190,300	140,500	36,400
Vietnam	117,300	247,800	212,000	80,800	83,900	32,700
Laos	26,500	56,800	54,600	74,300	27,800	3,700
Kampuchea	9,100	7,100	10,000 ^b	35,200	28,800	0

^a To 30 June 1982.

^b In addition, about 750,000 were displaced and probably returned to Kampuchea.

[Redacted]

[Redacted]

Thailand has been in the lead of most ASEAN efforts on Indochina. For Bangkok, a serious problem resulting from the Vietnamese domination of Indochina has been the large influx of refugees. Most of the Indochina refugees flee to Thailand where they overburden local relief capabilities (see table 4). Since refugees also have provided the main source of manpower for the resistance forces, the refugee resettlement camps are closely watched and occasionally harassed by Vietnamese forces or the Vietnamese-backed Kampuchean forces.

ASEAN unity in opposing Vietnam is fragile because of underlying differences about whether China or Vietnam poses the greater threat. Indonesia is more inclined to see a strong Indochina bloc as useful to balance China. Differences with regard to the threat also are reflected within each of the ASEAN countries, thus contributing to an ambivalence that is likely to increase.

Questions Concerning the Future of Indochina

Will Vietnam's hold on Kampuchea and Laos be significantly weakened? Vietnamese domination of Kampuchea and Laos is not likely to be weakened seriously by either internal or external pressure over the next five years or so. Internal pressure comes mainly from the resistance forces in Kampuchea, which may grow modestly under the coalition framework. The coalition possibly could combine Sihanouk's popularity with the more effective military structure of the DK, but the deep distrust between the Kampuchean resistance groups limits the extent of their cooperation. In any event, the resistance forces are not viable without substantial outside support, and there is little chance for them to become more self-sufficient within the next five years. Vietnam has been successful in containing resistance forces in remote areas along the Thai border. Furthermore, Vietnam will continue to build the local administrative and party infrastructure to deny the resistance forces the opportunity to spread and seriously challenge the regimes in Phnom Penh and Vientiane. Besides the resistance forces, there are no other organized internal opposition groups capable of bringing any significant pressure on Hanoi to change its Indochina policy.

Externally, the main source of pressure against Vietnamese domination of Indochina is the threat of a

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second attack by China. But the military balance along the Sino-Vietnamese border has changed dramatically since the Chinese invasion of 1979. Vietnam has expanded its armed forces by over 300,000 personnel and received about \$2 billion in Soviet military assistance since 1979. During the same period, Chinese forces in the border area have not been upgraded significantly. Vietnamese forces in the northern areas now total about 700,000 personnel, well in excess of the 400,000 troops that China committed against Vietnam in 1979.

Other external pressures on Vietnam are largely diplomatic in nature. Political and economic isolation is irritating for Hanoi. The Vietnamese announcement of a partial troop withdrawal in July probably was designed to undermine international opposition to Vietnam. Vietnamese Foreign Minister Thach also has suggested that a neutral zone could be established along the Thai-Kampuchean border. These and other Vietnamese initiatives are likely to continue, but will not seriously weaken Hanoi's influence over Laos and Kampuchea.

How will Vietnam's severe economic problems affect its domination of Indochina? There are two main ways in which economic problems could affect Hanoi's control over Indochina. First, the burden of sustaining a very large military force structure could theoretically be reduced if occupation forces were removed from Laos and Kampuchea, and relations improved with China. Second, Vietnam's chances of gaining badly needed foreign aid and trade might increase if its troops were pulled out of Kampuchea. But both of these lines of reasoning are flawed. Demobilization of large numbers of Vietnamese military personnel while unemployment continues to be relatively high would compound Hanoi's economic problems. Furthermore, there are no signs that the cost of maintaining a large force structure is becoming intolerable. While Hanoi would be eager to obtain Western aid and trade, the amounts that Hanoi can realistically expect to receive are small and not likely to be a significant stimulus to economic growth for the next five years at least. For example, France has promised \$34 million and India pledged about \$12 million in aid. At the same time, other donors, such as Norway, are phasing out aid programs in Vietnam.

OPEC (Organization of Petroleum Exporting Countries) also deferred a previously approved \$31 million loan to Vietnam. Furthermore, Vietnam is considered a poor risk by private investors. Hanoi has fallen behind in repaying several foreign loans and has accumulated a foreign debt of over \$3 billion while running an annual trade deficit of \$600-800 million.

Although other countries may establish modest aid and trade programs in Vietnam, Laos, and Kampuchea, marginally reducing Soviet influence in Vietnam over the longer term, aid and other sources of trade are unlikely to have a major impact on Vietnam's future. Thus, the series of dependent relationships which now characterize Indochina—Laos and Kampuchea dependent on Vietnam, and Vietnam, in turn, dependent on the USSR—are not likely to be changed much over the next five years.

Will Vietnam become a "Cuba of the East," a Soviet proxy, or an exporter of revolution in Southeast Asia? Domination of Indochina does not enhance appreciably Vietnam's ability to project power at this time. Unlike Castro's Cuba, Vietnam has not indicated any interest in sending its forces beyond Indochina. Vietnam has transferred some captured US weapons to insurgents in El Salvador. However, the scale of such efforts has been small given Vietnam's ideological affinity with many revolutionary groups and large stockpiles of US-made military equipment, including over 1 million small arms. Within Southeast Asia, most of the Communist insurgencies are pro-Chinese in orientation and are unlikely to fall under Vietnamese influence. In any event, Vietnamese materiel support is not likely to be the critical factor in determining the success of any Communist insurgency in the next five years.

Will a Vietnamese-dominated Indochina threaten Thailand? The threat of a large-scale, direct attack by any combination of Indochinese forces against the Thai armed forces is remote for at least five years. Such a move would not serve Vietnamese or Soviet interests and would most likely result in stronger US and Chinese backing of Thailand. China has threatened Hanoi with a "second lesson" if Thailand is

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attacked. However, Vietnam can be expected to mount operations against the resistance forces along the border, and these operations could escalate to include clashes with Thai forces. In addition, Vietnam has attempted to establish a front organization in Laos with subversive potential for Thailand. But this endeavor is quite small and appears to have little chance of developing into a serious threat to Thailand within the next five years. Thailand will also continue to monitor the activities of the 70,000 or so Vietnamese who have resided in northeastern Thailand, most of whom migrated in the mid-1950s.

What major changes, if any, are likely in Soviet and Chinese policies toward Vietnam and Indochina?

Given Vietnam's economic difficulties, Hanoi probably will seek additional aid from the USSR. However, as noted, it seems unlikely that aid levels will be increased significantly. Moscow provides some aid directly to Laos and Kampuchea, but this probably represents Soviet concern for more efficient use of their aid rather than deliberate efforts to undermine Vietnamese influence in Indochina. In return for Soviet aid, Moscow will continue to extract concessions from Hanoi. Soviet military access to Da Nang and Cam Ranh Bay will continue, and the Soviets may gain more direct access to certain sectors of the Vietnamese economy. For example, the Soviets recently gained direct management authority in developing a Vietnamese offshore-oil leasehold. Vietnam also exports labor to the USSR and Eastern Europe to help reduce the trade deficit. At least 50,000 Vietnamese "guest workers" are now overseas and this number could reach as high as 300,000, according to some reports. While these and other relationships between Moscow and Hanoi are likely to produce some friction, there is not likely to be any significant change in Soviet policies toward Indochina during the next five years.

China also is unlikely to change its Indochina policy over the next five years. Chinese support of the resistance forces in Kampuchea and Laos and threats of a second invasion of Vietnam cost Beijing relatively little and are easy to sustain. There is always the possibility that China would change its Indochina policy if the leadership in Beijing concluded that the current strategy was counterproductive and contribut-

ed to closer ties between Vietnam and the USSR. Such assessments by Beijing could result in Chinese efforts to reduce Vietnam's dependence on Soviet food and petroleum, for example. However, China is more likely to continue its opposition to Vietnam's occupation of Kampuchea and Hanoi's close military ties to Moscow.

What major changes, if any, are likely in ASEAN policies toward Vietnam and Indochina? Although Thailand will continue to urge ASEAN to maintain diplomatic pressure on Vietnam, Indonesia and the Philippines are more inclined to accommodate to Vietnam's domination of Indochina unless Hanoi were to press its claims in territorial disputes with Jakarta and Manila. Singapore and Malaysia are more sympathetic with the Thai view of Vietnam as a threat. One indicator of changing ASEAN views on Vietnam is the trend in the nature and magnitude of military expenditures. In most of the ASEAN countries there was increased interest in upgrading military capabilities to deal with external threats, rather than insurgencies, after the Vietnamese invasion of Kampuchea in 1979. If, in the future, most of the ASEAN countries do not feel directly threatened by Vietnam, we can expect to see some decline in the levels of defense expenditures.

Who will occupy Kampuchea's seat in the United Nations? The seat is currently held by Pol Pot's deposed Democratic Kampuchean regime only because the ASEAN countries have been successful in denying the seat to the Vietnamese-installed Heng Samrin government. The annual debate on Kampuchean credentials has been resolved in favor of the DK by a 2-to-1 margin for the last two years. However, the vote is more representative of support for the principle of nonrecognition of regimes imposed by foreign invasion, rather than an endorsement of the Pol Pot regime. While the DK seat was not in immediate jeopardy, support was beginning to erode as leading Western countries, such as the United Kingdom, ceased support for Pol Pot. The formation of a coalition of resistance leaders including Sihanouk and Son Sann under the DK name has given new respectability to the DK and probably ensured retention of

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the UN seat for the next five years or so. Should the coalition split, however, support might erode and movement toward an "open-seat" formulation would be likely. The open-seat approach would still keep the Heng Samrin regime from participating more directly in UN humanitarian relief and gaining more support for economic development activities. If the Heng Samrin regime won control of the UN seat, ASEAN diplomatic prestige would suffer a serious setback.

How serious a problem does a Vietnamese-dominated Indochina pose for the United States? Although there is the potential for dangerous escalation of the conflict in Indochina which could involve the USSR, China, and the United States, it seems more likely that the conflict will remain limited to engagements along the Thai border and occasional clashes along the Chinese border. Hanoi is unlikely to risk a deep attack into Thailand, and direct outside intervention on behalf of the resistance forces also is unlikely. Nevertheless, Vietnam's attacks against resistance forces will occasionally spill over into Thailand [REDACTED]

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Continued Vietnamese domination of Indochina is not likely to pose serious security problems for the United States over the next five years. The threat to Thailand is low, and China provides a useful balance to Vietnamese military power in the region. Moreover, the Vietnamese have reason to doubt how much Soviet support they would receive for a more aggressive policy. Indeed, friction has arisen between Hanoi and Moscow over the amount and uses of Soviet aid, the administration of Kampuchea and Laos, and other issues. This friction also is likely to limit the further growth of Soviet influence in Vietnam. These considerations will tend to check Vietnamese power and Soviet influence in the region for at least the next five years.

The more likely problem for the United States is apt to be coordinating its Indochina policies with ASEAN and China if they follow contradictory policies toward Vietnam. ASEAN—eventually including even Thailand—might decide to reach an accommodation with Vietnam, while China is likely to continue taking a more confrontational approach toward Hanoi.

Another development related to Vietnam's domination of Indochina may be an increase in the movement of refugees, particularly if economic conditions do not improve, even though Thailand has discouraged further immigration. Most of the refugees flee to Thailand, where they often overburden local relief capabilities. Most of the refugees prefer resettlement abroad. This would cause Thailand to try to prevail on the United States and other countries to accept larger numbers of refugees.

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