

had to be on a basis of non-interference, while stressing political differences rather than what there was in common between the two nations. As the representative of a society made up of a predominantly overseas Chinese population, Lee has been extremely cautious about the sensitivities of Malaysia and Indonesia — two countries with large Chinese minorities. He must avoid being labelled leader of the "Third China" if ASEAN national feeling is not to be aimed at the overseas Chinese communities in their midst.

Impasse broken

The break in the ASEAN-Vietnam impasse came after the ninth annual ASEAN foreign ministers' conference in Manila in July 1976. The meeting itself produced no new breakthroughs in the numerous plans outlined at the Bali meeting, but it did confirm the appointment of Secretary-General Dharsono and the agreements on the Secretariat, which would not be fully launched until early autumn.

Vietnam was officially reunified, and the foreign ministers in Manila welcomed the move. Although wary of U.S.-Philippine talks on the status of bases at Clark and Subic, Hanoi let it be known that a goodwill mission would be visiting several ASEAN capitals. Deputy Foreign Minister Phan Hien led the delegation to Malaysia, the Philippines, Indonesia, Singapore and Burma in July, and almost immediately, a more friendly line towards ASEAN was evident in the Vietnamese media. The withdrawal of U.S. forces from Thailand and Manila's efforts to recover sovereignty over its bases may have been crucial in the changed attitude of Hanoi, but it was also clear that, if Vietnamese recovery and reconstruction were to be accomplished without economic dependence on the Soviet Union or other major powers, then economic and political co-operation with Vietnam's regional neighbours was important.

Phan declared that his Government was prepared to establish relations with Southeast Asian countries on the basis of four principles:

- (1) mutual respect for sovereignty, territorial integrity, equality and peaceful co-existence;
- (2) prevention of any foreign country from using one's territory as a base for direct or indirect aggression and intervention against the other country or other nations in the region;
- (3) establishment of friendly relations, economic co-operation and cultural exchanges on the basis of equality and mutual benefit;

- (4) development of co-operation among countries in the region for their prosperity and for the benefit of independence, peace and genuine neutrality in Southeast Asia, thus contributing to world peace.

On July 12, the Philippines and Vietnam announced the establishment of diplomatic relations. The diplomatic thaw was possible because Hanoi was willing to tolerate U.S. bases in the island republic, Manila having pledged that they would not be used against Vietnam. Perhaps more important in decreasing hostilities in the region was the growth of economic relations between Vietnam and the ASEAN countries. Singapore in particular has enjoyed a boom in its trade with Vietnam as the latter country gains momentum in postwar reconstruction. Nevertheless, this trade represents only about 1 per cent of Singapore's total.

The Hanoi mission visited Malaysia, and received a promise of help in the rehabilitation of the rubber plantations damaged by the war. Malaysia also invited Vietnam to join the Association of Rubber-Producing Nations, and has agreed to help the development of the palm-oil industry. An oil-industry delegation accompanied the Vietnamese goodwill mission to Indonesia, and it appears that the promising oil-field off the south coast of Vietnam may be developed with Indonesian assistance in the future. Thailand became the last ASEAN country to establish formal ties with Vietnam (August 6, 1976).

Vietnam is the second most populous country in Southeast Asia, after Indonesia. In its efforts to industrialize, the country has been heavily dependent on Soviet assistance. Progress has been excellent in electric power, coal and steel, and Vietnam may one day become an economic super-power in the region. Thus the threat to ASEAN countries may not be military or political, as they once suspected, but economic. The Vietnamese socialist system rests on different economic and political premises from the economies of the ASEAN countries, and complete integration of Hanoi into the association is not likely. Nevertheless, it is vital to Vietnam to cultivate economic and diplomatic relations with ASEAN both to strengthen its program of recovery and to minimize dependence on a single foreign power. If anything, Vietnam does not want to repeat the Chinese experiences of 1960, when the Sino-Soviet rift occurred and Soviet assistance was abruptly withdrawn.

Thus, in responding to the question of postwar settlements, the ASEAN coun-

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