



U.S.-Southeast Asian Relations:
Bush Reaches Out at APEC

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In his November visit to Southeast Asia attendant to the Hanoi Asia Pacific Economic Cooperation (APEC) Leaders Meeting, President George W. Bush raised the prospect of an Asia-Pacific free trade area, discussed implementation of the ASEAN-U.S. Enhanced Partnership that emphasizes good governance, praised Indonesia for the success of the peace process in Aceh, and assured Vietnamese officials that permanent normal trade relations would be approved by the U.S. Congress by year's end. (It was.) The Visiting Forces Agreement in the Philippines survived a severe test when a U.S. Marine was convicted of rape and sentenced to 40 years in a Philippine prison. The conviction is being appealed. At the APEC summit, Philippine President Gloria Arroyo asked the U.S. president for a "deeper and broader" U.S. role in combating Philippine terrorists as well as in the ongoing peace process with the Moro Islamic Liberation Front. Although continuing to press the Thai coup leadership to restore democracy, Washington announced plans to hold the annual multinational *Cobra Gold* military exercise in May 2007 and continued to provide assistance for counterterrorism.

Bush emphasizes politics and economics in Southeast Asia

Briefly extending his attendance at the mid-November APEC Leaders Meeting in Hanoi to include separate bilateral talks in Vietnam, Singapore, and Indonesia, President Bush emphasized the importance of U.S. political and economic ties to Southeast Asia. These discussions constituted a belated recognition on the part of the U.S. administration that Iraq and counterterrorism were not at the top of Southeast Asia's agenda. Rather, economic growth, free trade, and closer political relations are. The latter required U.S. reassurance that despite its Middle East troubles, the U.S. was not about to abandon its commitments in Asia.

In consultations with ASEAN members on the sidelines of the APEC meeting, Bush and Secretary of State Condoleezza Rice proposed a sprawling free trade area that constituted an alternative to an Asian economic community that would exclude non-Asian countries. This was clearly a long-range vision rather than an action item for regional agendas. It comprised the administration's way of declaring that it understood Southeast Asian priorities. Moreover, ASEAN and the U.S. issued a joint press statement on the Action Plan for ASEAN-U.S. Enhanced Partnership 2006-2011. The plan emphasizes good governance, transparency, protection of intellectual property rights, aid to medium and

small scale enterprises, and U.S. assistance to ASEAN public health activities to combat HIV/AIDS and other contagious diseases.

In *Indonesia*, President Susilo Bambang Yudhoyono broached a list of six issues he wished to discuss with Bush: investment, renewable energy, education, health, natural disasters, and technology; counterterrorism was notably absent. Over the past six years, U.S. investors put over \$1 billion into Indonesia, the majority in the energy sector. Defense Minister Juwono Sudarsono stated that Indonesia was “a friend and equal partner not an ally” with the U.S. A Foreign Ministry spokesman went on to explain the U.S. president’s visit as a continuation of reciprocal exchanges that go back to former President Megawati Sukarnoputri’s 2001 trip to Washington. In an implicit rejoinder to those Islamist groups in Indonesia opposing President Bush’s arrival, the spokesman stated that it was only proper that Indonesia host the U.S. president and that Jakarta’s relationship with Washington is “part of a strategic partnership in the region where Indonesia is also cooperating with China, New Zealand, and Australia.”

President Bush spent only six hours in Indonesia in a carefully orchestrated meeting with President Yudhoyono at Bogor where several thousand demonstrators were kept away from the heads of state. Nevertheless, Bush praised Indonesia’s freedom of speech and said somewhat wryly, “It’s not the first time, by the way, where people have showed up and expressed their opinion about my policies.” In their joint statement, the U.S. president congratulated Indonesia on the peace process in Aceh and on Jakarta’s receipt of a \$55 million grant from the Millennium Challenge Corporation to aid its anticorruption efforts. The joint statement also praised the restoration of military ties, emphasizing the importance of training on the roles of militaries in democratic societies as well as regional and maritime security. The communiqué included a reference to “the possibility of a Status of Forces Agreement” in the future.

Curiously, despite strong Indonesian Muslim political opposition to the U.S., President Yudhoyono appeared to endorse President Bush’s conditions for a solution to the Iraq war by stating that national reconciliation and international cooperation in Iraq’s rehabilitation were necessary before a complete U.S. troop withdrawal. On a more sour note, the respected mainstream Muslim intellectual Asyumardi Azra – a former rector of Syarif Hidayatullah State Islamic University – noted that very little of the \$157 million promised by the U.S. over two years ago for Indonesia to aid education and health had been disbursed.

In other U.S.-Indonesian domains, Jakarta’s Ministry of Defense stated on Oct. 9 that obtaining *Hercules* transport aircraft and refits for its *F-5E* and *F-16* fighter aircraft are among its purchase priorities. The U.S. arms embargo was lifted in November 2005; however, Indonesia has been slow in buying arms. In November, Defense Minister Sudarsono stated he wanted to wean Indonesia off dependence on Western armaments. Turning particularly to Russia, which offered \$1 billion in credits to strengthen military cooperation between the two countries from 2007-2010, Sudarsono stated: “Politically, this will give us more space so that we will not depend on the U.S. when one day the superpower may impose an embargo again.” Indonesia is negotiating for *Sukhoi* combat

jets, submarines, amphibious tanks, and anti-aircraft missiles. Should the Russian purchases be made, logistics will become more complicated for the Indonesian armed forces because U.S. and European suppliers have accounted for 90 percent of the country's inventory since the mid-1980s. For similar political reasons, Jakarta is also considering buying weapons from China, Sudarsono said on Nov. 1. He also noted that Chinese and Russian weapons are offered at lower prices than those of the U.S.

Finally, perhaps as a way of asserting Indonesia's renewed importance in world affairs, President Yudhoyono during his November meeting with President Bush offered to serve as an honest broker between Washington and Iran and to assist in negotiations in the Israeli-Palestinian conflict. There is no indication that Bush accepted these proposals.

Hoping to visit *Vietnam* with the gift of permanent normal trade relations (PNTR), President Bush suffered a temporary setback when the House of Representatives on Nov. 13 defeated the bill – probably because the Republican leadership did not wait until many of its members had returned to Washington after the mid-term elections. Vietnam voiced regret but expressed confidence “the U.S. Congress will approve PNTR at an early date.”

Washington obtained some political concessions from Vietnam prior to the PNTR votes, including Hanoi's decision to abolish detention without trial that was used to jail political dissidents. Removal of that decree had been a top U.S. priority in the human rights dialogue with Vietnam. Hanoi also freed and deported a Vietnamese-U.S. activist who had been convicted on terrorism charges and incarcerated for over a year. In mid-November, the State Department removed Vietnam from its list of countries that severely violate religious freedom, noting that a number of religious prisoners had been freed and churches had been permitted to reopen. The Vietnamese government also put an end to the practice of forcing tens of thousands of Christians to renounce their faith.

Finally, at the 11th hour of an outgoing U.S. Congress, PNTR was approved Dec. 9. The deal requires Vietnam to reduce or repeal many import duties, eliminate a long list of textile subsidies, and allow foreign banks to open subsidiaries. In return, U.S. quotas on Vietnam's garment exports will be lifted. The U.S. runs a substantial balance of trade deficit with Vietnam, importing nearly \$9 in goods for every dollar it exports. What Vietnam really wants from the U.S. is high technology, including nuclear power plants, though restrictions on military-related technology hamper this type of commerce. U.S. AID signed a \$9 million grant for Vietnam in mid-November as part of a bilateral trade acceleration project that will provide economic and legal training to enhance economic management. Vietnam will formally join the WTO as its 150th member on Jan. 11.

Political frictions between the U.S. and Vietnam persist, however. In mid-December U.S. Ambassador Michael Marine urged the country to allow greater room for political dissent and called the members of Vietnam's small pro-democracy movement “true patriots.” The ambassador complained about limits placed on dissidents even after they are released from prison, including house arrest and harassment of those who visit the dissidents.

Visiting Forces Agreement tested in the Philippines

In a year-long rape case involving four U.S. marines and a young Filipina that roiled Philippine public opinion, the Visiting Forces Agreement (VFA) between the two countries came under fire from Philippine media and by nationalist political groups. When one of the marines was convicted and sentenced to 40 years in a Philippine prison, the U.S. embassy insisted that he remain in U.S. custody until all judicial appeals have been exhausted as provided for in the VFA. The Philippine government concurred, but the executive director of the VFA Commission insisted that the treaty should be renegotiated along the lines of the U.S. Status of Forces Agreement with Japan in which the Japanese government has greater control of U.S. military defendants in criminal cases. Both the Philippines and the U.S. affirmed that the rape conviction would not affect ongoing bilateral exercises; the U.S. embassy stressed that “continued U.S.-Philippine military cooperation relies upon adherence to the VFA, which provides a clear framework for the legal status of visiting U.S. service members.” Nevertheless, on Dec. 21, Pacific Commander Adm. William J. Fallon declared that the U.S. armed forces could not accept a Philippine judge’s decision to keep the convicted marine in a Philippine jail in violation of the VFA. Clearly playing hardball, Fallon stated that the U.S. military was halting aid and reconstruction programs in the Philippines until he was confident that his troops’ legal rights would be protected. Thus, a U.S. aid team assessing Philippine needs in the wake of a devastating typhoon has been withdrawn, and a number of future U.S. ship visits have been canceled. The Philippine embassy in Washington agrees that the U.S. is right to claim custody of its marine but that the judicial branch of the Philippine government is independent of the country’s executive and legislative bodies. Most severe, Fallon cancelled field training exercises that were to begin in a few weeks and would involve 4,700 U.S. military personnel and 3,000 Philippine forces. This will disrupt ongoing counterterrorism training. On Dec. 31, the Philippine judge finally relented and returned the marine to U.S. custody, undoubtedly under pressure from Malacanyang. Presumably this means that the exercises and ship visits that Adm. Fallon had cancelled will now proceed as originally scheduled.

U.S. forces have been training and exercising with the Philippine military since the beginning of the decade in both Luzon and Mindanao, focusing particularly on counterterrorism capabilities in the south. Both governments are concerned that the Philippine Abu Sayyaf Islamist terror group has given shelter and support to al-Qaeda-linked Jemaah Islamiyah (JI) fugitives who fled Indonesian Borneo for the southern Philippines. JI recruits may also train in Abu Sayyaf camps in the Sulu archipelago. To help interdict these terrorist movements through the porous southern Philippines, the U.S. Navy at the end of September offered to support and equip a coast watch system with radar capability for the Philippines by 2008. Philippine Coast Guard personnel are undergoing antiterrorist training in the U.S. A number have become sea marshals with bomb sniffing dogs who accompany the many ferries plying Philippine internal waters. Australian Special Forces are also cooperating with the Philippine-U.S. antiterrorist efforts in Mindanao, using high-speed inflatable boats.

U.S. intelligence has been working with the Philippine military to capture JI bomb makers Dulmatin and Umar Patek who were involved in the 2002 Bali bombing. With an \$11 million U.S. bounty on their heads, they slipped into the Philippines three years ago and are being protected by the JI in the dense jungles of Jolo. Dulmatin's Indonesian wife was captured in Mindanao in September, leading to a wave of what the Philippine military call JI-Abu Sayyaf revenge bombings that killed 12 and wounded 40. At the November APEC summit, President Arroyo in a private meeting with President Bush called for a "deeper and broader" U.S. role in both counterterrorism and the peace process in which Manila is engaged with the Moro Islamic Liberation Front (MILF). Arroyo made the appeal to the president after he stated his administration would not "retreat" from Southeast Asia. Arroyo particularly praised the U.S. AID programs in Mindanao that provide the economic assistance that could "transform rebels from fighters to farmers and fishermen."

A significant obstacle to Philippine-U.S. antiterrorist cooperation remains the absence of an antiterror law that the Philippine Congress has resisted approving over concern about civil liberties. The Philippines is the only Southeast Asian state that has declared an all-out war on terror and still has no antiterrorism law. Under the current system, the police can detain suspects without charges for only nine hours. This limit hampers the Philippines' ability to coordinate with foreign intelligence and investigative agencies and in at least one prominent case led to the release of a suspect before evidence against him from a foreign agency was provided.

While the U.S. is not involved in the ongoing MILF peace negotiations in the south, U.S. Ambassador Kristie Kenney in late November stated that U.S. medical missions, school construction, and internet facilities in the region all contribute to the benefits of peace. U.S. AID has provided \$260 million between 2001 and 2006 to reinforce Philippine government efforts in Mindanao; President Bush promised in mid-December to increase development aid once the government and the MILF signed a peace agreement. Talks are currently stalemated over the MILF's demand to include approximately 1,000 villages in the Moro autonomous Mindanao region, while the government offers only 600. Differences also exist over whether a plebiscite must be held to confirm the agreement. The government says it must according to the constitution, while the MILF disagrees. (A plebiscite would favor Manila because the majority of the people in the affected region are Roman Catholic.)

U.S. continues security ties to Thailand, while cutting aid

The Sept. 19 Thai military coup, though promising the restoration of democracy within a year, has proved an embarrassment for the Bush administration whose overall foreign policy has been based on the sanctity of democratic governance. The U.S. has to deal with the Thai military government because it is the designated liaison between ASEAN and Washington for the Enhanced Partnership Agreement. The U.S. will also continue the *Cobra Gold* joint military exercise – the largest U.S. ground exercise in Asia – that takes place annually in Thailand in the Spring and involves several Asian armed forces as participants and observers. *Cobra Gold* has become important as a counterterrorism

exercise and thus is independent of U.S. military aid to Thailand, \$24 million of which was suspended after the coup. (By contrast, China welcomed the new Thai leadership and characterized the coup as Thailand's internal affair.)

By mid-October, the U.S. Embassy called for an end to martial law and the holding of new elections as soon as possible instead of waiting until October 2007. Earlier, on Oct. 7, the White House warned that Thai-U.S. relations and Thailand's global image would suffer unless there was a quick return to democratic rule. White House spokeswoman Dana Perino stated: "We remain concerned by restrictions on civil liberties, provisions in the draft constitution that appear to give the military an ongoing and influential role in decision-making and the lengthy timetable for domestic elections."

While U.S. aid has been cut for military procurement, IMET training, and for support of Thai participation in peace missions abroad, \$9.77 million in counterterrorism assistance has not been affected because it is considered important to U.S. security. Moreover, on the sidelines of the November APEC meeting in Hanoi, President Bush told Thai Prime Minister Surayud Chulamont that he understood Thailand's situation – a statement interpreted by the Thai press to mean that the U.S. understood the complexity of the current Thai political transition and was willing to give the interim government time to sort things out.

On Dec. 15, former U.S. President George H.W. Bush dined with King Bhumibol in honor of his 60th anniversary on the throne. The elder Bush's visit followed those of former U.S. Presidents Carter and Clinton in November and December. These high-level appearances further reassured the Thai government that U.S. disappointment over the setback to Thai democracy would not rupture the overall bilateral relationship.

U.S. and ASEAN legislators press Myanmar (Burma) in the UN

ASEAN parliamentarians and the U.S. UN delegation are pressing for Security Council sanctions against Myanmar for its human rights violations, including the drafting of thousands of child soldiers to fight against ethnic minorities opposing the military junta. Ignoring these pressures, the military government continued to crack down on pro-democracy activists during this quarter. At the same time, the Myanmar regime forced the Red Cross in November to close its clinics after the regime denied visits to its prisons. Meanwhile, after visiting Myanmar, UN Under Secretary General Ibrahim Gambari told junta leader Gen. Than Shwe on Nov. 11 that the government should mend its ways on forced labor and political prisoners – accusations that Myanmar's leadership subsequently vigorously denied.

In late November, U.S. Ambassador to the United Nations John Bolton announced he would introduce a Security Council resolution condemning the ruling military junta as a "threat" to regional peace because of the "continuing flow of internally displaced persons and refugees across Burma's international borders" leading to "over a million Burmese citizens in neighboring countries." Moreover, the government had failed to curb trafficking in people, illicit drugs, and the transmission of diseases such as HIV/AIDS,

tuberculosis, and malaria across its borders. In hopes of obtaining Russia and China's approval, the U.S. resolution contained no sanctions provisions. However, the U.S. ambassador said that the resolution would lay out markers to improve Myanmar's performance. The junta's national police chief on Nov. 29 condemned any UN Security Council discussion as interference in the country's internal affairs and warned it would "destroy the peace." Despite the probability of a Chinese or Russian veto of any anti-Myanmar Security Council resolution, the U.S. stated it was prepared to introduce harsher resolutions if the military regime failed to comply. Moreover, in late November, the UN General Assembly in a decision that paralleled the Security Council passed a resolution condemning Myanmar's human rights record.

With its policy of isolation toward Burma, the Bush administration has allowed China as well as India to have a free hand in the country. Both have increased trade and investments in efforts to insure that the other does not dominate. Meanwhile, U.S. diplomatic threats appear to fall on deaf ears as Myanmar's generals believe they have little to lose from the country's continued political isolation. Trade in teak with neighbors and new-found gas reserves keep the regime afloat.

The way forward

The Philippines postponed hosting the ASEAN summit in Cebu until January because of concerns over an approaching typhoon and possible terrorist threats. The U.S. has an opportunity to support ASEAN's agenda in the January post-summit ministerial meetings with the association's dialogue partners. For the first time, ASEAN members seem prepared to pass a draft counterterrorism treaty that will be submitted to its several governments. The draft treaty may include extradition provisions as well as enhanced intelligence and law enforcement collaboration. These fit very closely with U.S. global counterterrorism concerns, and Washington should be ready to offer technical assistance to all ASEAN states that ratify the draft document. Additionally, ASEAN has developed a nontraditional security threat array, including contagious diseases, regional haze, and a tsunami warning arrangement. On these, too, the U.S. has and should continue to pledge assistance. U.S. aid for all these endeavors demonstrates to ASEAN that Southeast Asia remains an important region for the U.S. and that Washington understands that the region should determine its own security priorities for which the U.S. is able to provide support.

Chronology of U.S.-Southeast Asian Relations October-December 2006

Oct. 1, 2006: Newly appointed interim Thai prime minister, retired Gen. Surayud Chulamont, meets U.S. Ambassador Ralph Boyce to reassure him that there will be a democratically elected government in the future. The U.S. has suspended \$24 million in military aid in the wake of the Sept. 19 coup that ousted Prime Minister Thaksin.

Oct. 3, 2006: Indonesia's military denies any link to four Indonesians, including a retired general, charged in the U.S. with conspiring to export arms to Tamil rebels in Sri Lanka and to customers in Indonesia.

Oct. 16-31, 2006: U.S. and Philippine forces engage in amphibious exercises.

Oct. 20, 2006: In a speech at Southern Methodist University, Singapore's Minister Mentor Lee Kwan Yew urges the U.S. to stay the course in Iraq because successful liberalization in the Arab world will positively affect Southeast Asian Muslims.

Oct. 20, 2006: U.S. marines on a humanitarian mission in Mindanao rescue three Filipino fishermen whose boat had capsized.

Oct. 22, 2006: Secretary Rice using her discretionary authority allows Chin minority refugees from Burma into the U.S. even though they fought against the government of Burma – an apparent violation of the 2001 U.S. Patriot Act.

Oct. 29, 2006: During the Philippine-U.S. biannual *Talon Vision* and Amphibious Landing Exercise in Luzon in which 5,700 U.S. marines and sailors from Okinawa participated, Philippine forces receive training in explosive ordnance control using remote control robots Americans have developed in Iraq.

Oct. 30, 2006: State Department spokesman Sean McCormack welcomes PRC Premier Wen Jiabao's proposal for increased military cooperation with ASEAN as "part of a broader dialogue on common security issues." The State Department greeted the Chinese offer as a move to "increase transparency and promote stability."

Nov. 4, 2006: The *SS Wilson*, a U.S.-flagged chartered ship, leaves Indonesia with equipment for Indonesia's peacekeeping forces bound for Lebanon – an instance of cooperation between the Indonesian and U.S. militaries.

Nov. 4, 2006: 700 Indonesian Muslims rally outside the U.S. Embassy in Jakarta protesting the forthcoming visit of President Bush.

Nov. 7, 2006: The U.S. officially welcomes Vietnam into the World Trade Organization for which it initially applied nearly 12 years ago.

Nov. 7, 2006: U.S. Ambassador to the Philippines Kristie Kenney states that the U.S. is satisfied with the conduct of a trial for four U.S. marines charged with rape. Kenney said the trial showed that the Philippine-U.S. Visiting Forces Agreement worked and requires no revision.

Nov. 7, 2006: A member of deposed Philippine President Joseph Estrada's inner circle who fled to the U.S. after being charged with corruption six years ago is extradited to face criminal prosecution in Manila. Charlie Ang allegedly ran a protection racket for gamblers at the behest of Estrada.

Nov. 13, 2006: The State Department removes Vietnam from its list of nations that severely violate religious freedom.

Nov. 16, 2006: President Bush arrives in Singapore to begin a five-day Asian tour that includes the APEC summit in Hanoi and a six-hour stop in Indonesia.

Nov. 16, 2006: Secretary Rice broaches prospect of a Pacific free trade zone stretching from China to Chile if WTO talks fail. The proposal was made at the APEC summit.

Nov. 17, 2006: President Bush meets General Secretary of the Vietnam Communist Party, Nang Duc Manh as the 14th APEC summit gets underway.

Nov. 18, 2006: President Bush meets leaders of the seven ASEAN members of APEC on the sidelines of the conference.

Nov. 18, 2006: President Bush expresses “understanding” of Thailand’s political situation. In a separate meeting with President Arroyo, the Philippine leader calls for a “deeper and broader” U.S. role in Philippine counterterrorism.

Nov. 20, 2006: President Bush spends six hours in Indonesia and meets President Yudhoyono, speaking about education and health aid while thousands of protestors are kept away from the meeting site in Bogor.

Dec. 1, 2006: Malaysian Minister of International Trade and Industry Datuk Seri Rafidah Aziz urges U.S. business people in Chicago to invest in several new Malaysian growth areas for which the government has pledged \$100 million to build infrastructure.

Dec. 2, 2006: Former U.S. President Bill Clinton on a visit to Thailand urges its military rulers to restore democracy quickly after their September coup. President Clinton was touring Southeast Asia to examine post-tsunami recovery.

Dec. 4, 2006: In a notorious rape trial in the Philippines that became a test for the U.S. Visiting Forces Agreement, a U.S. Marine is convicted and three others acquitted. Sentenced to 40 years, he became the first U.S. soldier convicted of wrongdoing since the Philippines shut down U.S. bases in 1992.

Dec. 4, 2006: U.S. AID provides \$250,000 in cash assistance to Philippine families affected by Super Typhoon Reming. AID is providing additional funds to relief organizations assisting areas hit by the Super Typhoon.

Dec. 6, 2006: New Marine Police Training Facility built with U.S. funds opens in Jakarta. It focuses on training marine police to deal with maritime security and transnational crime.

Dec. 7, 2006: A day before the Philippines postpones the ASEAN Cebu summit because of a hurricane heading toward Cebu City, intelligence about possible terrorist attacks leads the U.S. and other embassies to warn their citizens to avoid travel to Cebu.

Dec. 9, 2006: U.S. Congress gives final approval to a bill providing Vietnam with normal trade relations with the U.S.

Dec. 11, 2006: The Aceh provincial and district heads election is being monitored by an official 40-member U.S. team that will visit all polling stations.

Dec. 11, 2006: Former U.S. President George H.W. Bush dines with King Bhumibol to honor his 60 years on the Thai throne.

Dec. 21, 2006: Pacific Commander Adm. William J. Fallon declares that the U.S. armed forces could not accept a Philippine judge's decision to keep the convicted marine in a Philippine jail in violation of the VFA.

Dec. 31, 2006: Philippine judge relents and returns the marine to U.S. custody.