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The Peking-Hanoi-Phnom Penh Triangle

An Intelligence Assessment

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June 1978

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The Peking-Hanoi-Phnom Penh Triangle

*Central Intelligence Agency
National Foreign Assessment Center*

June 1978

Key Judgments

The current Sino-Vietnamese quarrel over Hanoi's treatment of the ethnic Chinese population in Vietnam is the most clear manifestation to date of the fundamental differences between Peking and Hanoi. These differences center on Hanoi's ties with Moscow and the competition for influence in Indochina and the rest of Southeast Asia.

- Peking is deeply suspicious of Vietnam's regional ambitions, and also its tilt toward Moscow.
- Hanoi resents what it sees as Peking's attempts to dominate Southeast Asia as well as its support to Cambodia.
- Cambodia is pivotal in the rift between China and Vietnam since it is the current focus of their rivalry for regional influence. Hanoi seems determined to bring a more malleable regime to power in Phnom Penh, while China shows no sign of willingness to soften its support of the current Cambodian leadership.
- The prospect is for continuing fighting between Cambodia and Vietnam, which means that Chinese support to Phnom Penh and Soviet assistance to Hanoi are also likely to increase.
- Although both sides realize that neither is likely to benefit from an all-out confrontation, bitterness is so deep that the situation could deteriorate further, especially if the Vietnam-Cambodia fighting intensifies.
- Hanoi might eventually feel it necessary to permit a Soviet military presence in Vietnam, long a major concern of Peking.
- The relationship between Peking and Hanoi already has moved into a new and probably protracted stage of open political warfare and heightened military tensions that could threaten the new equilibrium that has developed in Southeast Asia since the end of the Indochina war in 1974.

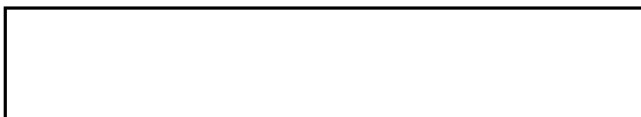
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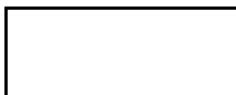
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- The deterioration of Sino-Vietnamese relations almost certainly will prompt Hanoi to seek better relations with the United States, which the Vietnamese believe could become an alternate source of economic assistance.

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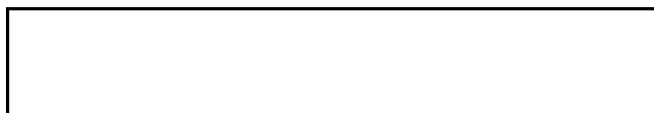
Introduction

The current dispute between Hanoi and Peking over Vietnam's treatment of its ethnic Chinese population is the latest and most spectacular manifestation of serious Sino-Vietnamese problems that have emerged since the Indochina war ended in 1975. The Vietnamese decision to "nationalize" private trade in both the northern and southern sectors of the country in late March was the immediate catalyst for the current problem. The Vietnamese move, which affected most severely the overseas Chinese community in Vietnam, was characterized by Chinese Vice Premier Teng Hsiao-ping as the "11th step" against China, one which he said required Chinese "retaliation." Although neither side probably was prepared for the mass exodus of refugees from Vietnam to China that followed the implementation of nationalization, the adversary relationship that already existed between Peking and Hanoi has made it impossible for either to make the kinds of compromises that would ease the tensions significantly. In fact, mutual suspicions are so acute that any mishandling of the refugee situation could quickly lead to a formal, open break between the two most powerful Communist countries in Asia.

Background

For centuries China has believed that it should be the primary power in Southeast Asia. The Vietnamese, for their part, have resented China's dominance and have long hoped to carve out their own sphere of influence. During the long Indochina war, this basic conflict was held in check by a common desire to reduce first French and then US influence in the region, and by Hanoi's great need for Chinese support.

When the Communist governments assumed control in Vietnam, Cambodia, and Laos after the war, the wartime constraints that had muted the Sino-Vietnamese dispute quickly evaporated. With the greatly reduced US presence in the area no longer perceived as a major threat and Hanoi no longer in need of military support from China, a series of difficult problems involving the national interests of both countries surfaced. Even before the fighting had ended, Hanoi and Peking were disputing ownership of islands in the South China Sea, principally the Paracels—which the Chinese occupied in 1974, and the Spratlys—portions of which are controlled by Vietnam. For the past three years there have also been sporadic reports of conflict—including small-scale firefights this year—over the land border between the two countries, a border that was demarcated in the 19th century.



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The issue of Soviet influence in Indochina has been a fundamental and perennial source of Sino-Vietnamese tensions. The Vietnamese Communists, who needed the support of both Moscow and Peking to gain control of all Vietnam, skillfully played the two Communist powers against one another during the war, tilting one way for a time and then the other in order to gain maximum advantage from both. When the war ended, the USSR was in a better position than China to provide the economic assistance Vietnam needed to reconstruct and unify the country. Moreover, as the more distant power, Moscow clearly represented a less direct potential threat to Vietnam than did China. As a result, Hanoi's relations with Moscow in the postwar years grew closer, just as Sino-Vietnamese tensions were increasing.

Still, for obvious reasons, neither Hanoi nor Peking seemed to want a complete rupture of relations. From Peking's point of view, a break would push Hanoi even further toward Moscow and almost certainly result in an increased Soviet presence in Vietnam. Hanoi would find itself with a powerful antagonist on its northern border, and nearly totally dependent on Moscow and its East European allies for vital assistance.

The Importance of Cambodia

Despite the interest of both sides in holding their differences in check, frictions continued to mount during the postwar period. With the outbreak of serious fighting between Vietnam and Cambodia last December, these frictions became acute.

The attitudes of China and Vietnam toward Cambodia demonstrate the stark conflict of interests in the region. Peking wants a sympathetic government in Phnom Penh that will serve both as a counter to what the Chinese see as Vietnamese regional ambitions and as an obstacle to the growth of the Soviet presence in the area. Hanoi, on the other hand, wants a Laos-type regime in Cambodia that will be responsive to Vietnamese direction and thus enhance Hanoi's aspirations for a "federation" of Indochinese states dominated by Vietnam. Peking's deep involvement in Cambodia—especially its military aid to Phnom Penh since the fighting began—has been especially nettlesome to Hanoi. From Peking's point of view, however, the support is essential if Cambodia is to remain an effective counter to Hanoi.

Peking became increasingly outspoken about its displeasure with Hanoi as the Vietnam-Cambodia fighting intensified early this year. Party Chairman Hua Kuo-feng's criticism of "regional hegemony" at the fifth National People's Congress in February was aimed directly at Vietnam.

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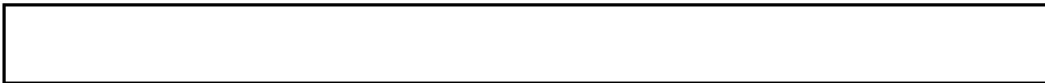
[Redacted] Chinese officials have become increasingly critical of Vietnam's "ingratitude" for the support China gave it during the war.

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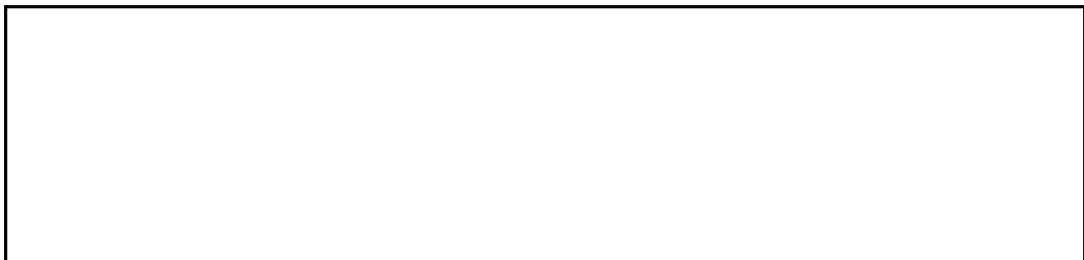
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At the same time, Vietnamese frustration with Peking's continued support for the Cambodian regime was growing. After the Vietnam-Cambodia fighting increased, Vietnamese officials raised the level of their private attacks on Chinese support for the Cambodians, revealing their conviction that China was encouraging the Cambodians to stir up trouble on the Vietnam-Cambodia border. While it is extremely difficult to assess how much Peking is able to influence Cambodian policies, there is little doubt that Peking would not be disappointed if Cambodia-Vietnam tensions led to a drain on Hanoi's energies. At the outset of the Vietnam-Cambodia fighting, Peking adopted a relatively evenhanded public stance, calling for a Vietnamese withdrawal from Cambodia and a negotiated settlement. During the first four months of the year, Vietnamese Deputy Foreign Minister Phan Hien was frequently in Peking. While the talks probably covered a broad range of problems, the Vietnam-Cambodia dispute was discussed. The talks, however, seem to have broken off in late April without any resolution of the fundamental disagreement between the two sides.

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This growing frustration with Peking probably ended whatever misgivings the Vietnamese had about proceeding with "nationalization" measures they knew would most affect Vietnam's ethnic Chinese community in both the North and South. Although economic considerations were the most important factors in the decision to "nationalize," the Vietnamese also knew that the planned measures would be deeply resented in Peking. Whether or not the Vietnamese fully anticipated the mass exodus to China that followed these measures, their frustration with Peking seems to have led them to accept the further deterioration of bilateral relations that was almost certain to follow implementation of the plan. In fact, as early as March Vietnamese officials were saying privately that there was little hope of any improvement in relations with Peking.

Peking's Likely Approach

Peking is likely to pursue a two-pronged approach toward a hostile Vietnam that has close links with the USSR. The Chinese probably will increase their support to Cambodia in an attempt to prevent Phnom Penh from coming under Hanoi's dominance. Besides continuing efforts to improve relations with other countries—especially in Southeast Asia—Peking also is likely to play on the already healthy fears in the area about Hanoi's and Moscow's intentions. The Chinese are portraying the Vietnamese as Soviet

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pawns and aggressive regional "expansionists" who require united Southeast Asian resistance. Peking has built good relations with Thailand, Malaysia, and the Philippines since 1975, but it has not yet normalized ties with Indonesia or Singapore.

The Chinese also seem determined to "punish" Hanoi by bringing their remaining leverage to bear on the Vietnamese. Vice Premier Teng Hsiao-ping told visiting Thai reporters in early June that China had watched "tolerantly" while Hanoi took "10 steps" against China, and had retaliated only when the Vietnamese took the "11th step"—the "expulsion" of Vietnam's ethnic Chinese. Teng added that Peking is prepared to take additional retaliatory measures if Hanoi does not moderate its overseas Chinese policies. Peking has already terminated some of its economic assistance projects and is undoubtedly prepared to end others. While we do not know the precise levels or kinds of Chinese assistance to Vietnam, Peking clearly has less economic leverage over Hanoi than it had during the war. Even if Peking halted all its projects in Vietnam, the effect would be nettlesome but not catastrophic, since the USSR could make up the difference.

The Chinese already have demanded the closure of three Vietnamese consulates in southern China, where a small Vietnamese minority resides. The move will force Hanoi to deal through Peking on virtually all its business, presumably including low-level trade and other essentially regional business that had been handled between the consulates and China's provincial authorities. The Chinese also have engaged in some military posturing along the border and in the Gulf of Tonkin. Although there has been no major troop buildup near Vietnam, Peking doubtless wants to remind Hanoi that it already has considerable military forces in the region.

The Chinese probably will try to press Phnom Penh to adopt more reasonable domestic and foreign policies, especially toward neighboring Thailand. This may prove to be a difficult task. The same xenophobia that drives the Cambodians to provoke the Vietnamese appears to lie behind their persistent aggressiveness on the Thai border, where Cambodian attacks on Thai villages and police outposts occur frequently.

Hanoi's Options

The continuing deterioration in Sino-Vietnamese relations, coupled with increased Chinese support to Phnom Penh, presents Hanoi with a series of interrelated policy problems. Since the end of the Indochina war, Hanoi has seen rapid economic development as its primary national objective. Problems with Cambodia have diverted Vietnamese resources away from this objective. Furthermore, the Vietnamese realize that China has the economic leverage to put additional strains on the development effort. In the past, the Vietnamese had hoped to negotiate their differences with Phnom Penh and, if necessary, try to obtain Chinese cooperation in seeking an end to Cambodian provocations. With both of these avenues blocked—at least for the time being—and

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with China and Vietnam arguing bitterly over other issues, Hanoi's options are limited. One fundamental decision it must make is whether to attempt to resolve the Cambodian matter by forcing a change in leadership in Phnom Penh or to try to alleviate tensions by seeking a negotiated settlement with the Cambodians.

Although another limited military thrust into the border area would offer no guarantee of forcing Cambodia to the bargaining table and would again mark Hanoi as an aggressor, continuing Cambodian provocations could generate increasing pressure from the Vietnamese military for a punitive attack such as that conducted last December.

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[redacted] Hanoi may be pursuing another option—that of training a Cambodian resistance force to fight the present Phnom Penh regime. The chances of a Vietnam-based resistance movement developing a viable base of support in Cambodia seem slim at best. Although Hanoi played the key role during 1970-73 in developing the ragtag Khmer Communist insurgent movement into an effective organization and developed close associations with a broad range of Khmer Communists, it is unlikely that many pro-Hanoi cadres have survived the widespread purges in Cambodia. Nonetheless, there is an outside chance that there are still some who—if given an opportunity—would cooperate with the Vietnamese. In any event, in view of the risks involved in overt military operations, Hanoi may now see the mounting of an increased subversive challenge to Phnom Penh as a relatively low-cost gamble that could in time pay off.

We cannot rule out other, more dramatic destabilizing developments. If fighting flares up again, a major Vietnamese offensive, much larger than the intrusion last year, could conceivably lead to a rout of Cambodian military units and pave the way for the introduction of a pro-Vietnamese puppet regime in Phnom Penh. Although our extremely limited knowledge of political and security conditions in Cambodia suggests that the present Cambodian leadership remains firmly in control, an open breakdown of political unity in Phnom Penh and/or large-scale popular uprisings in the countryside might tempt Hanoi to move with whatever force necessary to install a friendly regime. Nonetheless, the capture of the capital would probably be a Pyrrhic victory, leaving the Khmer Government at large in the jungle to continue guerrilla warfare against long, exposed Vietnamese supply lines.

US Angle

Vietnam's deteriorating relations with China will probably increase Hanoi's interest in establishing diplomatic ties with the United States as an alternative political and a possible economic counterweight to the Soviet Union. The reduction and potential cessation of Chinese aid already threaten to push Hanoi into a more dependent and thus less flexible relationship with Moscow—a position Vietnam's leaders have been anxious to avoid. The need

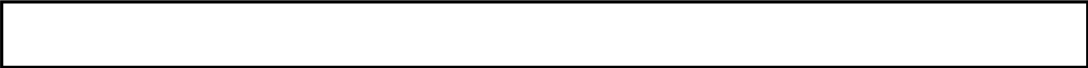
for other sources of aid—a major consideration from the beginning in Hanoi's desire for diplomatic relations with the United States—undoubtedly will now be an even more explicit motive.

Increased political pressure on Hanoi by Peking and Moscow may also produce a more flexible approach to Washington. Hanoi clearly sees intrinsic political value in an American presence in Vietnam. Vietnamese Deputy Foreign Minister Nguyen Co Thach has remarked that Hanoi was trying to stay out of a Sino-Soviet squeeze and would be better off in a tripolar world. Even without prior assurances of US aid, then, the Vietnamese might regard an American embassy in Hanoi as a useful symbol of Vietnam's basic independence from Moscow. Signs that China and the United States were moving toward full diplomatic relations would increase Hanoi's fears of isolation, moreover, and generate even stronger pressure for modification of its own conditions for normalization. There already are tentative signs that Hanoi may be considering dropping its demands for reparations.

The View From ASEAN

The non-Communist states of Southeast Asia have drawn some comfort from the open fighting between Cambodia and Vietnam. Aside from the deflection of Vietnamese attention and resources, the conflict provides the most dramatic evidence to date of a new and welcome political equilibrium in the region that pits the Communist states of Indochina and their Great Power backers against each other. Without exception, member countries of the Association of Southeast Asian Nations (ASEAN) regard a Vietnam-controlled Indochina as a threat to the stability of the area. Attempts to implant a friendly regime in Phnom Penh would severely undermine Hanoi's postwar diplomatic efforts to establish an image as a nonaggressive power seeking peaceful relations with its neighbors. Nonetheless, there clearly is some sympathy for Hanoi's treatment of the overseas Chinese problem, one that most ASEAN countries share. Some, especially Singapore and Indonesia, which have not yet established normal diplomatic relations with China, are wary of Peking's connections with the ethnic Chinese. In fact, Singaporean officials have expressed their concern about the possibility that China's handling of the ethnic Chinese problem in Vietnam indicates that Peking is determined to take a stronger hand in "protecting" overseas Chinese throughout the region.

For Thailand, the neighbor most immediately concerned with the conflict and its outcome, the view is considerably more complicated. From Bangkok's perspective, Hanoi's military strength and its aspirations for regional influence make Vietnam a much more serious potential threat than Cambodia. The Thai, in fact, are inclined to accept the Chinese and Cambodian charge that Hanoi intends to establish an Indochinese "federation." This would be the worst of all possible Cambodian outcomes for



Bangkok, since Vietnamese-controlled forces would then confront the Thai directly along their border with Cambodia.

In short, the status quo, with a Chinese-oriented Cambodia serving as a buffer between Vietnam and Thailand, would seem the best possible situation for Bangkok. Other ASEAN states would also quietly approve a stalemate between Cambodia and Vietnam.

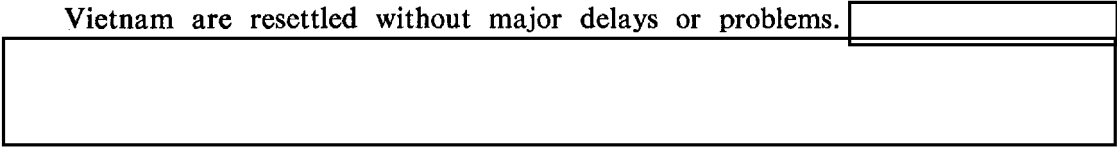
The View From Moscow

The USSR has fully supported Hanoi in the Vietnamese-Cambodian fighting, while accusing Peking of encouraging Cambodian mischief along the border. Soviet press coverage of the Sino-Vietnamese imbroglio over the ethnic Chinese issue also reflects Moscow's readiness to exploit the rapid deterioration of relations between Peking and Hanoi. Moscow has been quick to label the issue as one involving Chinese "interference" in Vietnam's internal affairs, implicitly warning all Southeast Asian leaders that China might use the overseas Chinese to stir up problems in their countries as well.

While the USSR has no major economic stake or vital strategic objectives in Southeast Asia, it has long sought—with limited success to date—to counter Chinese influence in the region. Moscow, of course, will welcome continuing polemics between Peking and Hanoi and will use the opportunity to bolster its own influence and presence in Vietnam. Over the longer term, the Soviets almost certainly see closer ties with Hanoi as the key to extending their influence deeper into the region. At the same time, Moscow views the potential development of a second "front" against China in Vietnam—complementing the Soviet front in the north—as a new contribution to its strategic interests vis-a-vis Peking.

Prospects

While the brouhaha over Vietnam's Chinese population will leave a bitter aftertaste in both Peking and Hanoi—as well as increase apprehensions in other Southeast Asian countries with large overseas Chinese communities—this specific issue will probably subside if the Chinese refugees from Vietnam are resettled without major delays or problems.



Even if the overseas Chinese issue is resolved or pushed aside, however, Sino-Vietnamese relations are not likely to improve in the near future. Cambodia remains a far more important bone of contention between the two countries, and the prospects are for continued fighting. Hanoi now seems to have abandoned all hope of reaching an acceptable *modus vivendi* with the present Cambodian leadership and probably is embarked on a long-term effort to bring a more malleable regime to power in Phnom Penh. Under these



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circumstances, Peking will continue to denounce Hanoi as a "regional hegemonist."

In addition to strong propaganda commentary, Peking can and probably will resort to a number of other measures to remind Hanoi of China's influence and capabilities in the region. These are likely to include further reductions in economic assistance and trade, military posturing along the border, increased diplomatic attempts to convince other countries—especially in Southeast Asia—to reduce China's dealings with Vietnam, and perhaps a more aggressive assertion of its claims to islands in the South China Sea, which are disputed by Vietnam as well as other countries.

One possible outcome of the current downward spiral in Sino-Vietnamese relations is increased Soviet influence in Vietnam. If the Chinese follow through on their threats to terminate economic assistance to Vietnam, now about one quarter of Hanoi's foreign aid, the Soviets and their East European allies almost certainly will pick up the Chinese portion. In return, Moscow undoubtedly will anticipate political and perhaps military concessions from Hanoi. At a minimum, Hanoi could be expected to become a firmer supporter of Moscow's side in the Sino-Soviet dispute and of other Soviet foreign policy objectives.

If the present leaders in Phnom Penh were to be replaced with others subservient to Hanoi, the impact would be far reaching. Hanoi's image of restraint, which has been carefully nurtured since the end of the Indochina war, would be badly tarnished. In Bangkok and other Southeast Asian capitals, apprehension about Vietnamese intentions would increase sharply and probably would create heightened interest in joint security arrangements. Hanoi's dominance of Indochina and Moscow's presumably closer ties to Vietnam would be a sharp blow to Peking's interests and would set the stage for an even more intense confrontation with Hanoi. If Hanoi felt it was under intolerable pressures, it might accede to a Soviet military presence in Vietnam, long one of Peking's major fears about Soviet intentions toward the region.

Whatever the fate of the current regime in Phnom Penh, the rancor and bitterness that have developed between Peking and Hanoi over the past year will not die quickly. In fact, Sino-Vietnamese rivalry is likely to intensify. While fundamental but largely contained tensions between Peking and Hanoi have up to now been the central element of the postwar political equilibrium in Southeast Asia, a prolonged confrontation between the two states could work to disrupt regional stability. The ASEAN states may over the shorter term take some comfort from the fact that Vietnam, already preoccupied with internal problems and a frontier war with neighboring Cambodia, is further distracted by its dispute with China. At the same time, however, regional hopes to keep the lid on Great Power maneuvering and rivalry in the area over

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the longer run have been set back by the open political warfare between China and Vietnam.

ASEAN capitals already are concerned about the possibility of a more aggressive and supportive Chinese approach to overseas Chinese populations in the wake of Peking's intervention on behalf of local Chinese in Vietnam. Southeast Asian leaders probably also realize that the stage may be set for more direct Sino-Vietnamese rivalry for influence within the Thai Communist party and for insurgency, a development that ultimately could result in the rebels posing a much more serious threat to Bangkok. Finally, the Sino-Vietnamese split seems certain to further strain relations between China and the USSR as the two countries maneuver for position and influence in the region.

The author of this paper is [Redacted] East Asia - Pacific Division, Office of Regional and Political Analysis. Comments and queries are welcome and should be directed to [Redacted]

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