CHAPTER SIX
1979-1986: POLITICAL STALEMATE

6.1. Introduction

The invasion of Cambodia by the Vietnamese troops in December 1978 brought about a period of frozen bilateral relations between Vietnam and Malaysia as well as ASEAN. Although diplomatic relations were maintained, Vietnam's action in Cambodia was deplored by Malaysia thus ending a brief period of accommodation and promising relations from 1975 to 1978.

The period from 1976 to 1986 falls within the period which has been usually described as the 'second cold war', resulting largely from the occupation of Afghanistan by the Soviet Union and Vietnam's action in Cambodia. Vietnam was relegated to the status of an outcaste by the international community. In the era of the Second Cold War in Southeast Asia, Vietnam-Malaysia relations were maintained through ASEAN's efforts in bringing about a peaceful solution to the Cambodian conflict. For its part, Vietnam exerted efforts to convince Malaysia and other nations to accept the status quo in Cambodia.

Hence, the bilateral relations between Vietnam and Malaysia during this period centred upon the Cambodian conflict. At the same time several other issues also featured in the bilateral relations including the
Vietnamese refugee problem and the dispute over the Spratly islands. Beside these issues, Vietnam-Malaysia relations were also greatly influenced by the actions of external powers, namely the presence of Soviet military bases in Vietnam, and the increased Chinese influence in Southeast Asia, especially after the Sino-Vietnamese conflict in 1979.

This chapter attempts to trace the various trends in Vietnam-Malaysia relations by looking at the different approaches adopted by both Vietnam and Malaysia, especially on issues of mutual concern. This chapter also aims to examine the extent of external power influence upon the bilateral relationship.

6.2. The Cambodian Conflict

The invasion and occupation of Cambodia by Vietnamese troops since December 1978 was a result of several factors. Since the 1960s the Vietnamese have been strong supporters of the Cambodian communists. Hanoi's support was particularly evident in the early seventies when the Cambodian communists, commonly known as the Khmer Rouge, were in the process of ousting the US-backed Lon Nol administration. This amicable relationship turned sour immediately after April 1975 when the Khmer Rouge took over power in Cambodia.
The Khmer Rouge, fresh from its victory and in control of the nation worked toward the preservation of Cambodia's territorial sovereignty and integrity, especially over several areas also claimed by Vietnam. Thus armed intrusions and minor border skirmishes broke out between the Vietnamese and the Cambodians. The Cambodians have always been conscious of the ever present historical threat from Vietnam since the rise of the Vietnamese people and their expansion to the south and the east in the 10th century.

1. The idea of an Indochina Federation mooted by the French colonial administration in 1887, and reinforced by the formation of the Indochinese Communist Party in 1930 was another factor in Vietnam-Cambodian relations. As mentioned earlier in the second chapter, the name Indochinese Communist Party (ICP) replaced the Communist Party of Vietnam (CPV) under a directive from the Comintern in October 1930. The aim was to facilitate the expansion and organisation of the movement in Indochina under the leadership of the Vietnamese. The idea was

further promoted by the recreation of the French Union of Indochina after the second world war.

Perhaps the critical issue in Hanoi-Phnom Penh relations stemmed from what was commonly known as the 'Ho Chi Minh' Testament or rather the will of Ho Chi Minh. The testament envisioned among many things, a federation of Indochinese states under the leadership of the Vietnamese. This vision in some way or another had a profound influence upon the Vietnamese scheme in Cambodia, which they regarded as part of the federation under Vietnamese direction. While the Vietnamese were fairly successful in maintaining a strong influence over Laos, they were unable to do so in the case of Cambodia after the 1975 victory, especially with the conflicting interests vis-a-vis the Khmer Rouge. Thus for Vietnam, maintaining its position in Cambodia was very important to its national goal. On this basis alone, it was clear that the Vietnamese felt justified in their offensive against the Khmer Rouge in Cambodia.

However, Vietnam's historical as well as political

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presumptions were unacceptable to Malaysia and other ASEAN countries. To Kuala Lumpur, the Vietnamese action only reinforced their fear of a southern expansion by the communists. Hanoi's action worried Malaysia as it demonstrated Hanoi's disrespect towards another nation's sovereignty, and its aggressive nature despite its peace overtures in 1978. Malaysia moved to join ASEAN in condemning Hanoi's action and called for the withdrawal of Vietnamese troops from Cambodia.

In January 1979, the Peoples' Republic of China (PRC) launched an offensive against Vietnam in the northern part of the country under the pretext of 'teaching Vietnam a lesson'. The PRC's action was an immediate reaction resulting from the Sino-Vietnamese conflict which was precipitated by the invasion of Cambodia by the Vietnamese. The conflict between China and Vietnam, is by itself historically rooted in Vietnamese attempts to repulse Chinese imperialism.

Although China's action can be viewed as equally aggressive as Vietnam's action in Cambodia, it nevertheless did not receive heavy criticism from Malaysia and other ASEAN countries compared to their condemnation

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of Vietnam. The outright condemnation of Vietnam was not paralleled by a similar condemnation of China. The Chinese action did not last long, as the Chinese People's Liberation Army withdrew from Vietnam after two months of action. Despite the PRC incursion into Vietnam, Hanoi refused to alter the status-quo in Cambodia.

Following the withdrawal of the Chinese People's Liberation Army from Vietnamese territory, various attempts were made by Malaysia and ASEAN to help solve the Cambodian issue. These efforts constituted the principal substance of Vietnam-Malaysia relations in the early 1980s. The same period can be categorised into at least three phases in the context of Vietnam-Malaysia relations, namely:

**Phase One**: Early 1979 to January 1980,
**Phase Two**: February 1980 to June 1982, and
**Phase Three**: July 1982 to December 1986.

These phases witnessed different trends in bilateral relations as both held vastly different views on the settlement of the Cambodian issue.

**Phase One**

Early 1979 signified the revival of mutual suspicions especially on the Vietnamese side regarding the sincerity and stand of Malaysia especially over Kuala Lumpur's repeated calls, either individually or collectively through ASEAN, for the withdrawal of Vietnamese troops.
Malaysia's (and ASEAN's) calls and actions coincided with the Chinese invasion of northern Vietnam. Thus, Hanoi was inclined towards at least two interpretations of Malaysia's stand. First, China and ASEAN were concerting their actions to oppose Vietnam and second, Beijing in its Southeast Asian policy was pitting ASEAN against Vietnam, hence ASEAN was a tool of China's policy against Vietnam. It was not clear as to which view was adopted in their policy especially in relations with ASEAN countries including Malaysia. Nonetheless, it was more likely that the second view prevailed upon Hanoi's leaders who preferred not to create more enemies especially after incurring the wrath of Beijing.

This second view also offered Vietnam the opportunity to use the Chinese threat as a weapon to forge closer relations with ASEAN states, especially with Malaysia and Indonesia which perceived a Chinese threat. According to one writer, Malaysian leaders believed that a weakened Vietnam would heighten Malaysian fears over the expanding power and influence of China in Southeast Asia. Thus Hanoi was hopeful that Malaysia and other ASEAN countries would be more sympathetic towards the Vietnamese presence

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in Cambodia.

The continued presence of nearly 200,000 Vietnamese troops in Cambodia even after successfully overthrowing the Pol-Pot regime seems unwarranted as it was generally conceded that the veteran Vietnamese army, victor against the French and the United States had the capacity to decimate the Khmer Rouge and other Khmer resistance groups. This has not occurred thus clearly portraying Hanoi's purush into Cambodia as a conscious decision. Moreover, the elimination of resistance groups would also evaporate the military threat to the Heng Samrin Government in Phnom Penh, and Vietnam would lose whatever justification for its presence in Cambodia.

This phase ended prior to the Malaysian Foreign Minister Tengku Ahmad Rithauddeen's visit to Vietnam in seeking Hanoi's view for a peaceful settlement over the Cambodian issue. This phase also witnessed a period of mutual suspicions especially on Vietnam's side towards Malaysia and other ASEAN countries' intention and role in the Cambodian conflict.

Phase Two

Malaysia's campaign in helping to solve the Cambodian

conflict during the second phase was manifested in three
different forms namely,
a) acting on its own accord,
b) lobbying international pressures against Vietnam
to withdraw from Cambodia, and
c) supporting the Cambodian resistance movement.

On its part, Malaysia sent its foreign minister
Tengku Ahmad Rithauddeen (in his capacity as chairman of
the ASEAN standing committee) went to Hanoi in 1980.
Rithauddeen's trip did not result in the withdrawal of
Vietnamese troops from Cambodia, and was considered to be
a failure by the Thai Government. It did however open a
channel for communication and dialogue. The trip was
stressed by Hanoi as being made only in his capacity as
foreign minister of Malaysia, and not so much as chairman
of the ASEAN standing committee.

Rithauddeen reported that while the Vietnamese leaders
were adamant in their stand over the Cambodian conflict, they were still quite willing to maintain dialogue with
Malaysia. Hanoi also reassured Rithauddeen of Vietnam's
adherence to the principle of independence, and promised
not to interfere with Thailand's sovereignty. The
Vietnamese were also reported to be keen in talks on the

concept of ZOPFAN. For Hanoi, Rithauddeen's visit was considered to be a 'fine success', as it helped to "strengthen mutual understanding and tighten friendship between the two countries, and has contributed to detente in Southeast Asia." Clearly, Hanoi wished to strengthen bilateral ties with Malaysia but for the Cambodian issue.

Not long after Rithauddeen's visit, Malaysia and Indonesia reached agreement on what came to be known as the 'Kuantan Principle' following a meeting between Malaysian Prime Minister Hussein Onn and President Suharto of Indonesia in the Malaysian city of Kuantan in March 1980. Malaysia and its ASEAN partners were deeply concerned that the Cambodian conflict would increase superpower involvement and aggravate regional tension. Both leaders therefore stressed the need for superpower restraint. The move demonstrated Malaysia's unceasing efforts in bringing about an end to the Cambodian conflict. More importantly, the principle was also an attempt to reaffirm Malaysia's commitment to the realisation of ZOPFAN in Southeast Asia. However, three

10. Ibid.


months later, Vietnamese troops intruded into Thailand on 23 June 1980 in apparent violation of the Kuantan formula.

The intrusion into Thailand by the Vietnamese troops was explained by Vu Bach Mai, the Vietnamese ambassador to Malaysia as a response to the hostilities of the Thai authorities against Cambodia — a step which he alleged was master-minded by China and the United States. Hanoi bluntly indicated its reluctance to condone any outside interference with its position in Cambodia.

Rithauddeen's January visit was reciprocated by the Vietnamese Foreign Minister Nguyen Co Thach in April 1980. Thach's visit was considered to be significant as it contained the prospect of enlarging the room for negotiation and dialogue. During his two-day stay, the Vietnamese Foreign Minister showered extensive praise on Malaysia for initiating dialogue with Vietnam. Although Thach’s stand on the Cambodian issue was considered to be "as tough as ever", there were some minor breakthroughs when he tried to justify Vietnam's action as resulting from what he described as the "threat from China". Thach further declared that Vietnam would withdraw from Cambodia the moment that threat was removed, stating: "we will not

remain there for even one day longer." Thach also reiterated Vietnam's promise given at the Geneva Conference on Refugees in July 1979 to ensure the orderly departure of people wanting to leave the country.

Thach's statement was the first sign of Hanoi's readiness to negotiate the Cambodian issue. Thach even suggested the formation of a regional observer team comprising Malaysia, Indonesia and Laos to watch the proposed Cambodian General Election in early 1981. The statement reflected Hanoi's desire to gain ASEAN's acceptance of a Laos-type situation in Cambodia with a government friendly to Hanoi and protected by Vietnamese troops. For Thach, Kuala Lumpur was the most appropriate venue to make such a statement as Malaysia was seen to be very moderate among the ASEAN nations on the Cambodian conflict. The Vietnamese were also keenly aware that, while publicly calling for a total Vietnamese troop withdrawal from Cambodia, Malaysia and Indonesia seemed prepared to accept Vietnam's position in Cambodia, at least temporarily, to act as a buffer against the Chinese threat that could be realised through the Pol Pot-Khmer Rouge regime in Cambodia. While Thach indirectly expressed this view after the visit, he denied any intention on the part of Vietnam to turn Cambodia into a buffer zone.

15. Ibid.
between the Indochinese states and ASEAN.

For Vietnam, Thach's trip was considered to be fruitful, as it managed to at least keep the channel of communication open through its readiness to discuss its position in Cambodia. The Soviet newspaper 
Pravda described the talks between Vietnam and Malaysia and Thailand "a new step toward easing tension in Southeast Asia and the world as a whole." Thus by creating some room for compromise on the Cambodian issue, Hanoi hoped to achieve two objectives: first, the acceptance by ASEAN of its position in Cambodia and second, to win ASEAN's support in deterring China from further threatening Vietnam.

Not long after Nguyen Co Thach's visit however, the situation in Cambodia began to deteriorate further. The fighting was still going on and inflicting severe losses on the Cambodian people. On 23 June 1980, twenty-one divisions of Vietnamese troops massed at the Thai-Cambodia border and fighting broke out when elements of Vietnamese troops intruded into Thai territory. The intrusion, though small and easily checked by the Thai Armed Forces, indicated Vietnam's unwillingness to comply with

17. Ibid.
assurances given earlier to Malaysia regarding Hanoi’s forbearance on this matter.

Vietnam’s conciliatory gestures did not bring about the desired result. The unclear conditions set by Hanoi for the cessation of the Chinese threat could not be met by Malaysia and ASEAN. Furthermore, Malaysia and ASEAN had demanded a total withdrawal of Vietnamese troops, and non-recognition of the Vietnamese-installed Heng Samrin regime in Cambodia. In the debate over the credentials of the Democratic Kampuchea (DK) on 13 October 1980 at the 35th United Nations General Assembly (UNGA), Malaysia rejected the move by Vietnam and the Soviet Union to replace the delegation of Democratic Kampuchea with that of the Heng Samrin regime. Malaysia also rejected any attempt to declare the Cambodian seat vacant. Malaysia maintained that the Democratic Kampuchea delegation held the legitimate right to occupy its seat in the UNGA.

Malaysia’s action in the UNGA (contradicted Vietnam’s position. In an interview with the French paper Le Monde, Nguyen Co Thach maintained that "the presence of Vietnamese troops in Kampuchea [Cambodia] is not irreversible. What is irreversible, on the other hand, is

the exclusion of a return to power by the Khmer Rouge."

Parallel to these developments, which did little to improve the weakened bilateral relations, Vietnam-Malaysia relations were also marred by two sensitive issues: the Spratly Islands disputes, and the Vietnamese refugee problem, which will be discussed later in the chapter.

An important point to note is that, like Vietnam, Malaysia did not regard Vietnam as an enemy, even after the invasion of Cambodia. The Foreign Ministry stressed that Vietnam and Malaysia "differ only in views and measures to solve the Kampuchea (Cambodia) problem." Bilateral relations were severed only in terms of freezing economic and technical assistance from Malaysia to Vietnam, and the banning of official trade with Vietnam as a measure to put pressure on Hanoi.

As Malaysia laboured with ASEAN to bring about a peaceful solution to the Cambodian conflict, Vietnam responded negatively by refusing to attend the UN-sponsored International Conference on Kampuchea (ICK) held in Geneva in 1981. Malaysia's disappointment was clear as


Zainal Abidin Sulong, the Malaysian Representative to the United Nations said:

...as the country that is most directly concerned in the problem in Kampuchea, Vietnam's absence makes us wonder whether she is indeed desirous of peace and stability in Southeast Asia as she claims she is.

IN the ICK, Malaysia even took pains to invite the three Cambodian factions to the conference. All efforts however proved futile as Vietnam, Laos and the Soviet Union, the principal communist actors, stayed away.

For Vietnam, to attend the ICK would mean that Hanoi has compromised its original stand. Vietnam put forward its own scheme in early 1981 by proposing a regional conference between the Indochinese states and ASEAN to discuss "problems of mutual concern". This was clearly another attempt by Hanoi to seek legitimisation of its action in Cambodia and to win Malaysia's and ASEAN's recognition of the Heng Samrin regime in Phnom Penh.

Malaysia's and ASEAN's frustration in their attempts to solve the Cambodian conflict resulted in their support for the newly formed Coalition Government of Democratic

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Kampuchea (CGDK) on 22 June 1982. The support included supplying equipment and armament. The formation of the CGDK and the role played by Malaysia and ASEAN recharged the feelings of hostility between the regional grouping and Hanoi. The Malaysian Minister of Foreign Affairs Ghazali Shafie called for support to the CGDK as it would in the Malaysian view, enhance the effort of the coalition towards achieving its objectives of eradicating the Vietnamese forces from Cambodia. Such support would also lead to the implementation of the Declaration of the International Conference on Kampuchea (ICK), and thereby promote regional peace and stability in Southeast Asia.

Although Hanoi did not react gravely to the CGDK, it did however react furiously against Malaysia’s and ASEAN’s interference in Cambodia’s internal affairs and threatened to use subversion against these countries. The fact that the formation of the CGDK actually took place in Kuala Lumpur did not help to improve the situation. Another issue that arose from the formation of the CGDK was Malaysia’s role in extending military assistance to the Khmer Resistance forces. Naturally notwithstanding official denials, Malaysia’s support for the CGDK


definitely did not help to improve bilateral ties. Furthermore, the Malaysian Government was the only ASEAN country to name an ambassador to the CGDK.

**Phase Three**

The third phase started with a serious tour of ASEAN countries by the Vietnamese Foreign Minister Nguyen Co Thach. While visiting Singapore and Thailand, Thach issued stern warnings that threatened leaders of the two countries. The visit seemed to aggravate the already tense situation. Thailand in particular was strongly condemned for its part in supplying arms to the CGDK factions including the Khmer Rouge. The Thais were also accused of collaborating with Beijing's southward hegemony programme. In Singapore Thach issued yet another warning against interference by ASEAN states in the Cambodian issue, and warned Hanoi may take "self-defence measures". Hanoi further threatened to support subversive activities in the ASEAN states.

Co Thach's statements seem to be inconsistent with

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27. The Malaysian Ambassador to Thailand was simultaneously accredited as Ambassador to the CGDK.


his earlier announcement made on 7 July 1982 on the occasion of the 6th Ministerial Conference of Indochinese foreign ministers in Ho Chi Minh City, where he announced a partial withdrawal of Vietnamese troops from Cambodia. Hanoi's initiative was viewed by some as the result of economic cutbacks to the Soviet-armed Vietnamese army. Vietnam has the 4th largest standing army in the world, with an estimated US$ 3 million a day extended by Moscow in aid to Vietnam.

Thach's action encouraged speculation in the Malaysian press prior to his arrival in Kuala Lumpur. The Malaysian leaders were not expecting any improvement from Thach's former visit, and were instead bracing themselves for the bashing by Thach. Thach's stay in Kuala Lumpur from 25 to 26 July however differed vastly from his previous two stops in Thailand and Singapore. Instead of demonstrating anger and displeasure, Thach showed considerable flexibility in discussions with Malaysian leaders including extending his stay for another day. It was clear that Thach and his country realised that Malaysia remained one of the few countries that were willing to listen.


Condemnation of Malaysia for its role in supporting the CGDK would hamper future prospects for dialogue. Thach himself expressed satisfaction over his stay in Kuala Lumpur:

The Malaysian leaders received us with openness; they did not believe in what the Singaporean and Thai press had said about Vietnam’s threat and support for subversive action against ASEAN.

Thach commented further:

Malaysia, together with Indonesia has always persisted in the approach of dialogue and started its dialogue with the Indochinese countries in early 1980 when the situation was tense. With the responsible attitude of the Malaysian Government leaders, we are convinced that Malaysia can play a very important role in maintaining peace and stability in the region.

Although Thach’s visit did not produce any major breakthroughs on Cambodia, his discussion with the Malaysian Foreign Minister, Ghazali Shafie, was described as beneficial for mutual understanding. The editorial of the New Straits Times even commented on Ghazali Shafie’s perception that Vietnam had a great interest in being a close friend of ASEAN. Thach reiterated that Vietnam would withdraw some of its 180,000 troops in Cambodia —

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34. Straits Times, 31 July 1982.
a statement that lacked credibility as Hanoi had chosen to deny the existence of any Cambodian problem, and considered the matter to be non-negotiable and irreversible.

On the strength of Malaysia's willingness to listen, the Vietnamese put forward a solution for the Cambodian problem called the "Ho Chi Minh Proposal". The proposal was rejected by Kuala Lumpur as merely another of Hanoi's designs to justify and further entrench its position in Cambodia, and geared towards maintaining the status-quo.

Another issue that emerged during this phase and which further complicated the Cambodian issue and also Vietnam's relations with Malaysia was the Friendship and Mutual Assistance Treaty between Vietnam and the Soviet Union on 3 November 1978. Under the treaty, Vietnam allowed the Soviet Union to turn the former US naval base at Cam Ranh Bay into a Soviet Naval Facility. Hanoi's action was contrary to its earlier enthusiasm for the creation of a Zone of Peace in Southeast Asia and also ASEAN's concept of ZOPFAN initiated by Malaysia. The Malaysian leaders reacted strongly by condemning Vietnam for inconsistency and courting danger by opening its doors to the Soviet Union. Malaysian Foreign Minister, Ghazali Shafie commented:

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Vietnam has no qualms about turning Southeast Asia into a theatre for war or nuclear conflict contrary to Vietnam’s professed policy of promoting peace and neutrality in the region.

The Malaysian reaction was understandable as Nguyen Co Thach in his visits to Kuala Lumpur had assured Malaysian leaders of Vietnam’s support for ZOPFAN. Ghazali further explained Vietnam’s action:

Judging by what was stated, it could be concluded that Vietnam in her desperation, the result of her own creation which is the illegal occupation of Kampuchea (Cambodia), is prepared to seek a solution by such negative measures instead of adhering to the international call for a political solution.

Vietnam’s inconsistency in its policy might be explained as follows. Firstly, Vietnam in the early stage maintained that its peace overtures in accepting ZOPFAN was important to woo Malaysia and the ASEAN states into accepting its position in Cambodia. Secondly, the negative response from Malaysia and its allies towards Vietnam’s proposal and gestures plus the strain of maintaining its troops in Cambodia increased pressures upon Hanoi to review its stand. Thirdly, as a result of international pressures and sanctions advocated mainly by Malaysia and the ASEAN countries, Vietnam was in great need of economic

40. Ibid.
and technical assistance for its national development, and to strengthen its position as the dominant country in what was regarded as the Indochinese Federation. Finally, Hanoi felt its security was constantly threatened by the Chinese warning of a second punitive expedition into Vietnam. Thus, Vietnam's decision to align itself with the Soviet Union would help to overcome several, if not most of the difficulties it faced.

The events from 1983 to 1986 differ very little from the earlier developments. Malaysia remained critical over Vietnam's position in Cambodia and suspicious of every effort by the Vietnamese to maintain the status-quo in Cambodia. Earlier in October 1982, Malaysia together with other ASEAN states voted for the Democratic Kampuchea to maintain its seat at the 37th United Nations General Assembly. Malaysia continued its support of the CGDK through ASEAN. Malaysia also condemned the Vietnamese troop intrusion into Thailand in April 1984. In February 1985, the Malaysian Foreign Ministry expressed concern to the Soviet Ambassador to Malaysia over the Vietnamese action and described Vietnam's action as a result of

41. Chinese Deputy Prime Minister Li Xiannian warned of the possibility of a second Chinese punitive war against Vietnam: Straits Times, 12 July 1979. At the same time Chinese naval forces were also building up in Hainan Island: New Straits Times, 21 October 1980.

increased Soviet assistance which contributed to the escalation of the war in Cambodia.

On the other hand, Hanoi remained adamant over its position in Cambodia. It maintained its firm belief in the Ho Chi Minh Testament concerning its role as the leader of the Indochinese Federation. With Soviet support, its position seemed to be unshakable. Thus, throughout the period between 1982 to 1986, Vietnam remained critical of ASEAN's support for the CGDK, although it adopted a softer stand vis-a-vis Malaysia in comparison to Thailand, which provided unqualified support for the CGDK.

Malaysia's last attempt to help solve the Cambodian conflict during this phase was the 'proximity talks' proposal made by Foreign Minister Tengku Ahmad Rithauddeen in January 1985. The proposal was aimed at inviting ASEAN to negotiate with the ASEAN-backed United Nations-recognised CGDK through an intermediary. The proposal was rejected by Hanoi, maintaining its consistent line of refusing to hold talks with a coalition that also included the Khmer Rouge which Hanoi insisted should be eliminated before there could be any move towards a political solu-

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43. Foreign Affairs Malaysia, Vol.18, No.1, 1985, p.27.
Hanoi's position at this juncture was understandable as there was no strong pressure for it to join in an act that would jeopardise its position in Cambodia, especially when it still enjoyed firm Soviet backing. The Soviet factor was evident after the CPV Secretary General Le Duan's visit to Moscow in June when the USSR pledged continuing support to Vietnam. This development also helped to explain Hanoi's rejection of a modified 'proximity talks' proposal made by ASEAN and supported by the CGDK in July the same year.

Thus, throughout 1979 to 1986, Vietnam and Malaysia found themselves in opposite positions in the Cambodian conflict with little prospect for reconciliation. One important development during this period was Hanoi's confidence in Malaysia as a channel to voice its grievances to the outside world. Hanoi also appeared to be less critical towards Malaysia compared to other ASEAN countries, especially Thailand and Singapore.

45. Ibid.
46. Ibid. See also Paul Quinn-Judge, "Hanoi's Friendly Noises", Far Eastern Economic Review, 29 August 1985, p.16.
6.3. The Refugee Problem

The exodus of Vietnamese refugees continued even after almost five years since the Vietnam war ended in 1975. As mentioned earlier in the previous chapter, Malaysia and Thailand and to a lesser extent, Indonesia were refugee targets. Although Cambodians also fled from their country after 1975, almost all the refugees arriving in Malaysia were Vietnamese.

The situation in the period 1979 to 1986 did not show any marked improvement in the refugee problem over the earlier period. Kuala Lumpur remained skeptical of Vietnam's effort in curbing the outflow. The refugee exodus, it appeared, was not only managed as an official policy from Hanoi, but also assumed greater urgency in late 1978 and early 1979. Hanoi's attitude was thus contrary to the pledges it made during Prime Minister Pham Van Dong's visit to Kuala Lumpur in November 1978.

By January 1979, the number was at a staggering 53,069 mark, forcing Malaysia to deal with an unbearable

47. Straits Times, 10 January 1979.
situation so that Kuala Lumpur felt compelled to criticise certain developed countries which were reluctant to help solve the refugee problem. By 1984, the Malaysian Government had spent more than $US 22,400,000 in assisting some 194,000 Vietnamese refugees, a staggering sum that could be channeled into other national development projects. The refugee issue also created other social and political problems for multi-ethnic Malaysia which practices communal politics. Malaysia felt compelled to call for the setting up of a processing centre on an island elsewhere outside of Malaysia to arrange for the departure of the refugees. By the end of January however, the continued outflow of refugees spurred Malaysian Prime Minister Hussein Onn to warn Vietnam that Kuala Lumpur would not hesitate to sever diplomatic relations with Hanoi if it sends communist cadres under the guise of refugees. Although there has not been any evidence to back Hussein's warning, it was made perhaps to express Malaysia's displeasure with Vietnam. Hussein Onn's response may also be linked to increased tension building up in Indochina following the invasion of Cambodia by Vietnam.

Hanoi's response to Hussein Onn's warning was communicated in a letter from Premier Pham Van Dong who

said his government was trying to solve "in a positive manner" the problem of the outflow of people from his country, and as such Vietnam would not create more difficulties for Malaysia and other Southeast Asian countries. Although the reply was meant to be well-intended, Kuala Lumpur remained indifferent as the refugee situation in Malaysia was becoming more critical. A month later, Dr. Mahathir Mohamad, the Deputy Prime Minister announced Malaysia's decision not to allow any more Vietnamese illegal immigrants to land in Malaysia. All future refugee boats would be towed out to international waters. Even though efforts were being carried out to implement the strong stand, the measure did not help to reduce the flow of refugees. Between the months of March and June alone, while the Malaysian government successfully "shooed" away 12,000 Vietnamese illegal immigrants, the total number in refugee camps soared from 50,000 to 73,000. The refugee influx tended to harden Kuala Lumpur's stand, and when the Vietnamese announced an "orderly departure" plan proposed by the UNHCR, the Home Minister Ghazali Shafie could only provide a cautiously optimistic response as Malaysia remained doubtful of Vietnam's sincerity towards such a plan.

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Hanoi was aware that it would not be able to curb the outflow of refugees as it was against its policy to do so, especially when those who wished to leave were the so-called politically unwanted elements and Vietnamese ethnic Chinese. Thus, it was only trying to do what it was in Vietnam's best interest by regulating their departure, in the hope of restoring its image in the community of nations. Hanoi put forward a seven-point proposal to regulate the departure and sought both Malaysia's and Indonesia's views. Although Malaysia welcomed Vietnam's efforts, it nevertheless recommended that ASEAN urge Vietnam to be responsible for the boat people who leave the country on their own accord, i.e. without going through the system agreed upon with the UNHCR. The problem, however, was far from over as the Orderly Departure Programme only applied to fresh departures, with the plight of the existing refugees yet to be solved; and it was this latter category which put pressure on Malaysia. Hanoi was later invited to attend the Geneva Conference on Indochinese Refugees in July 1979.

Malaysia persisted in its efforts to resolve the problem including the call for the UNHCR to set up a United Nations refugee processing centre within the country of origin, and also the call for resettlement.

countries to step up acceptance of refugees. These efforts appeared to bear fruit when Ghazali Shafie announced that Malaysia would be free of residual refugee problems by 1980 if Vietnam fulfilled the pledges it made at the Geneva Conference on Indochina Refugees. Vietnam agreed to adopt two important measures:

a) to make every effort for a reasonable period to stop illegal departures, and

b) to expand the scope of its seven point agreement with the UNHCR to provide for a scheme of orderly departure.

By August there were signs of decrease in the number of boat people landing in Malaysia, indicating Vietnam was keeping its pledge. And during the visit by Ghazali shafie's successor, Tengku Ahmad Rithauddeen to Hanoi in January 1980, the Vietnamese leadership reiterated its pledge for the orderly departure of refugees.

Nevertheless, there were still complications in overcoming the whole problem. There were newspaper reports of Malaysia and Indonesia managing to thwart attempts by Vietnam to create a rift between the two countries over the Vietnamese refugee problem. It was reported that

Hanoi tried to have Malaysia push the refugees back into the high seas so that they would enter the eight Indonesian islands in the Riau Archipelago. It was difficult to ascertain the truth behind the report, especially when so far Hanoi had been able to deal with Malaysia on various issues separately without relating one to another. Nonetheless, Hanoi’s strategy contained the prospect of undermining Malaysian-Indonesian cooperation in ASEAN’s effort to find a solution to the Cambodian issue.

Although regionally, the refugee problem was overshadowed by the Cambodian conflict, it nevertheless remained an important agenda of Vietnam-Malaysia relations, at least from the Malaysian point of view. For the Vietnamese, the main consequence of the refugee problem was its contribution toward further tarnishing Hanoi’s international image and also jeopardising its relationship with first asylum countries like Malaysia and Indonesia.

Vietnam’s indifference to, or rather passive reaction towards the problem could best be summarized by Nguyen Co Thach’s remarks at an interview:

We have stopped the exit of refugees since 1975...but criticised because we had not given the people freedom to go away. Then we decided to let them go freely and we are criticised by the west for exporting refugees. And now we have agreed to channel them through
legal exits in part through the UNHCR and stop all illegal exits. But now the Seventh Fleet is coming in and encouraging the people to go illegally.

Compared to the Cambodian conflict which was closely linked to Vietnam's security, the refugee problem however was a less burdensome as well as "negotiable" issue, as demonstrated by Vietnam's willingness to attend the United Nations Conference on Indochinese Refugees in July 20-21, 1979. The Vietnamese even expressed their sympathies towards Malaysia and other ASEAN countries by referring to the refugees as a "burden weighing on our Southeast Asian neighbours."

Vietnam's indifference was indirectly explained by Nguyen Co Thach. Referring to the composition of the refugees, he said there were two broad categories of people fleeing the country: the first group were the 1.5 million people who cooperated with the US Army, and the second group of refugees were the Chinese whom Co Thach explained would be facing a dilemma of loyalty to either Vietnam or China and, who cannot fit into the socialist reformation of South Vietnam. Both were unwanted elements which Vietnam was glad to eliminate.

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60. New Straits Times, 8 August 1979.
Vietnamese refugees continued to arrive in Malaysia, even though the number decreased, mainly due to the implementation of the ODP by the Vietnamese authorities. Nevertheless, by May 1986, there remained 8,818 Vietnamese illegal immigrants still in transit camps in Malaysia. From this figure, 40% were considered as "rejects" by the receiving countries. According to the Malaysian Deputy Foreign Minister Abdul Kadir Sheikh Padzir, these "rejects" were left behind because they were either handicapped or did not have relatives in the countries they wanted to finally settle. Some were still waiting for resettlement in third countries after seven years in those camps.

The refugee problem remained a bilateral hindrance between Vietnam and Malaysia even after 1990. The failure to solve it was mainly due to Vietnamese indifference towards the problem which in many ways favoured its national interests. On the other hand, serious questions also arise from the discriminatory procedures of selection on behalf of its national interest. Conversely, questions also arise from the discriminatory procedures of selection of resettlers amongst the Vietnamese refugees adopted by the receiving countries. Hence, the problem

63. Bernama in English 0819 GMT, 22 May 1986, FBIS-AP, 30 May 1986, p.01.
remained a burden for Kuala Lumpur and could not be easily alleviated in the short term as expected by the Vietnamese in 1980.

6.4. Spratly Islands Dispute

The Spratly islands claims became an issue in Vietnam-Malaysia relations when in 1977, Vietnamese troops occupied a small island called Amboyna Cay (Pulau Kecil Amboyna), 160km off the west coast of the Malaysian state of Sabah. The incident was not made public then and only surfaced three years later when Tengku Ahmad Rithauddeen, the Malaysian Foreign Minister, raised the issue with his Vietnamese counterpart in Hanoi during his visit in 1980.

In January 1980 Malaysia gazetted a new official map of its continental shelf which included many islands claimed simultaneously by other nations. In the context of Vietnam-Malaysia relations, the disputes centred on the Spratly Archipelago which was also claimed by China, the Philippines and Taiwan. Historically, the Spratly Islands were claimed by Imperial China since the Han Dynasty (206

BC to 220 AD) started its claim to these islands together with other archipelagos in the South China Sea. The Vietnamese began to have an interest in these islands since early times, but the official claim was registered in the eighteenth century when teams were sent to exploit the potential resources of these islands. During the period of colonial administration, both the French and the British also made claims on the Spratlys on behalf of French Indochina and the British Straits Settlements respectively. The French Navy occupied the islands including the Spratly Island and Amboyna Cay in 1931. The occupation was protested by Britain but without success as the French controlled the islands. The period after the Second World War witnessed the Chinese nationalists, French Indochina, and the Philippines claiming the whole or part of the Spratlys.

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66. For a survey on the historical dimension of the dispute, see Dieter Heinzig, *Disputed Islands in the South China Sea*, Institute of Asian Affairs in Hamburg, Otto Harrassowitz, Wiesbaden, 1976.


68. The existing works however, do not indicate any British involvment. Detailed original correspondence and reports on the British interest can be obtained from various volumes of Great Britain, Colonial Office, *Straits Settlements: Original Correspondence* [CO273]. (Hereafter CO273)


70. For various post-war claims, see Dieter Heinzig, *op.cit.*., pp.35-37.
Thus the maritime disputes over the Spratlys is not a new phenomenon. Even when the issue surfaced publicly in terms of Vietnam-Malaysia relations in 1980, it was not new either, as Malaysian leaders had protested to the Vietnamese in as early as 1978 during Vietnamese Premier Pham Van Dong's visit to Kuala Lumpur. In 1975, the Malaysian Government protested to the Peoples' Republic of China against a 1975 Chinese map claiming a large area off the Borneo coast, but with no response from Beijing. Rithauddeen raised the issue again with the Vietnamese during his visit to Hanoi in January 1980. The matter was not discussed in detail, but both sides agreed to find a peaceful settlement of the dispute although Malaysia and Vietnam had no bilateral agreement on the extent of their territorial waters. Malaysia protested to the Vietnamese once more during Foreign Minister Nguyen Co Thach's visit to Kuala Lumpur in June 1980.

The resurgence of international disputes over the islands could be explained by several factors, including economic and strategic considerations. Dr. Subroto, then Mining Minister of Indonesia said, "the Vietnamese claim to the area came after it was known to have oil and

natural gas resources". Economic reasons definitely played a part in attracting claimants to these islands. The early Vietnamese and British claims for instance have been more economic rather than strategic in character. The rich guano deposits and various sea products constituted the early economic attractions. The speculation of rich oil and gas deposits underneath the continental shelf of these islands could only further strengthen this argument.

The strategic importance of these islands was yet another major factor behind the conflicting claims. Situated midway on the sea route from Singapore to China and the Philippines, these islands could serve as important replenishment stops for ships. Although in the earlier days, the British dismissed the idea of the strategic importance of these islands, the Japanese demonstrated their value by turning one of the islands into a submarine base during the Second World War. In the context of Vietnam-Malaysia relations, the occupation of the islands could only mean that the distance between Vietnamese and Malaysian territories is reduced by half, thus evoking Malaysian security concerns.

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74. Ibid.

75. The petition of claims submitted to the British were all based on the reason of exploiting the resources of these islands. See CO273, various volumes.

76. Dieter Heinzig, op.cit., p.29.
The principle of the 200-mile Exclusive Economic Zone (EEZ) and the continental shelf contribute another dimension to the disputes. The implications of having exclusive rights to these islands are indeed vast, especially the question of sovereignty and control of sea lanes.

For the Vietnamese, the islands were also important in relation to Hanoi’s perception of the Chinese threat in Southeast Asia. All Vietnamese statements and publications on the Spratlys (Truong Sa) were in response to the Chinese claims on those islands -- rarely did the Vietnamese refer to other claimants. Hence, when the issue was brought up in the context of bilateral

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77. For a detailed study on the importance of these islands, see Lim Joo-Jock, Geo-Strategy and the South China Sea Basin, Singapore University Press, published under the auspices of the Institute of Southeast Asian Studies, Singapore, 1979.

78. On no fewer than 10 occasions when the Vietnamese exerted their claims on the Spratlys, they referred to the Chinese claims as the principal threat and not Malaysia. See,

1) SRV, Ministry of Foreign Affairs, Vietnam’s Sovereignty Over the Hoang Sa and Truong Sa Archipelagoes, Hanoi, 1979.
3) , 31 January 1980.
7) , No.8, 1982, pp.6-7.
8) , No.9, 1982, pp.3-6.
9) , No.12, 1982, pp.6-7.

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Map Four: Overlapping Vietnam-Malaysia Claims Over Amboyna Cay in the Spratlys.
relations, Hanoi did not want it to develop into another major obstacle like the Cambodian issue which jeopardised Vietnam-Malaysia relations. Whenever Vietnam condemned Chinese claims on the islands, it adopted a more conciliatory approach with regard to similar claims by Malaysia.

For Hanoi, the Chinese claim on the islands could be exploited to portray China as the real culprit in both the Cambodian conflict as well as other related issues where Chinese hegemonism could be used to redeem Vietnam's tarnished image in the Cambodian conflict. The fact that China may use force to take over the Spratlys from the Vietnamese would upset Southeast Asia as a whole, especially the other claimants including Malaysia.

The tussle between Hanoi and Kuala Lumpur over the islands culminated in several forms. There were talks by Malaysian Foreign Minister Ghazali Shafie of changing the name of South China Sea into the "Sopan Sea" (Sea of Peace and Neutrality) in relation to ASEAN's struggle for ZOPFAN in Southeast Asia. Militarily, from time to time, the Vietnamese increased and strengthened their garrison in the Spratly islands occupied by them. There were reports of distribution of medals to Vietnam's

'volunteers' serving on these islands and the strengthening of armaments for the Garrison. The Vietnamese were reported to have been supplied with at least 2 amphibious light tanks on the islands.

Following a five-nation naval and air exercise in June 1983, under the Five-Power Defence Arrangement, the Malaysian military forces occupied the Swallow Reef, a tiny coral reef in the Spratly Archipelago, 60 km southeast of the Vietnamese-occupied Amboyna Cay. The reef was renamed Terumbu Layang-layang. Although explained as a measure of "looking after our own interests, protecting our waters and sovereign territory" by the Chief of Armed Forces Gen. Mohd. Ghazali Seth, the move demonstrated the potential area for future armed clashes between the claimants including Vietnam and Malaysia.

In a speech at the UNGA in 1980, Foreign Minister Nguyen Co Thach criticised China's position on the Spratlys:

They [China] occupied Vietnam's Hoang Sa (Paracel) Archipelago in 1974 and are claiming sovereignty over Truong

83. Also known as Swallow Cay in western sources.
84. Ibid.
Sa Archipelago (Spratly Islands), and here defined their territorial waters in the South China Sea as encompassing the entire whole exclusive economic zones and continental shelves of Vietnam, Malaysia, Indonesia, and the Philippines.

Clearly, Hanoi could accept the other claimants' position including Malaysia's as it considered their claims as minor compared to China's overall claim, not to mention the Chinese military threat.

Hanoi protested against Kuala Lumpur's move, calling for Malaysian troop withdrawal from the island. The Malaysians replied with a similar complaint against Hanoi. Malaysia also explained that it has no claim over the Spratly archipelago but only on Pulau Kecil Amboyna and the other island which "has always been and is part of Malaysian territory". The Chinese also protested against Malaysia's action. The protest, however, did not name the country but merely "foreign troops", and the source attempted to blame the Malaysian occupation on the Vietnamese occupation of other islands. Although the Chinese response was aimed at reminding Vietnam and Malaysia of Beijing's sovereignty over these islands, it nevertheless took the opportunity to condemn Vietnam.

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The disputes however, did not precipitate any military confrontation between Vietnam and Malaysia. Realising the importance of keeping the channel of communication open in relation to the Cambodian issue, Hanoi was willing to settle the problem at the negotiating table. The matter was brought up over several meetings between officials from both sides including at ministerial level. Until 1986, the situation remained stagnant with neither party willing to reverse its decision. Although there were proposals for joint ventures to exploit the natural resources of the archipelago, there was little prospect of realisation in view of the enmity that existed between Vietnam and Malaysia, and also between Vietnam and the rest of the claimants, stemming largely from the Cambodian issue.

88. In October 1983, Nguyen Co Thach and Ghazali Shafie held a meeting to discuss the matter. See New Straits Times, 5 October 1983.

6.5. International Politics and Vietnam-Malaysia Relations

The invasion of Cambodia by Vietnam virtually coincided with the Soviet invasion of Afghanistan in 1979, altering at the same time, world opinion against the two communist powers. It is pertinent to note that Hanoi's thrust into Cambodia came immediately after the Soviet-Vietnamese Friendship Treaty of November 1978. There was no doubt that Vietnam's persistent stand on the Cambodian issue was hardened by the treaty. Soviet use of the naval facilities at Cam Ranh Bay since 1979 tended to support the argument that Moscow encouraged if not acquiesced in Hanoi's military adventure against the Khmer Rouge. On the other hand the Sino-Soviet conflict and the Soviet invasion of Afghanistan created a de facto alliance between the United States and China in common opposition to Soviet and Vietnamese "aggression" against weaker neighbours.

In Southeast Asia, Vietnam-Malaysia relations were influenced by this development, as demonstrated by the Cambodian issue. As Vietnam hardened its position in Cambodia, Malaysia and the ASEAN countries appeared to be moving closer to the US, and to a certain extent, the PRC. Vietnam's hegemonism in Indochina worried Malaysia and other ASEAN countries, especially Thailand which had became a frontline state against Vietnam's military might. Malaysia and ASEAN urged support for the Cambodian
guerilla fighters. The formation of the CGDK on 22 June 1982 in Kuala Lumpur could be interpreted as Malaysia's strategy to manage the Cambodian conflict in a manner that protected its own national security. It was therefore understandable for Malaysia to seek the US support against Vietnam. For Vietnam, such a move had the effect of eroding prospects for normalising relations with Malaysia and other ASEAN countries as the US was still Hanoi's enemy and ASEAN's friend on the Cambodian issue.

Vietnam perceived China as the arch-enemy of its cause in Cambodia. As the Chinese also took the line of condemning Hanoi's action to the point of armed invasion in 1979, it appeared to Hanoi that China was conspiring with the ASEAN countries to act against Vietnam. Vietnam exploited this possibility by constantly warning Malaysia and the ASEAN countries against being used as tools in the Chinese policy of "dominating" the region. Vietnam effectively used the Chinese threat to weaken ASEAN solidarity, with Malaysia and Indonesia as the main targets of Hanoi's diplomacy.

The atmosphere remained stagnant even up to 1985 with no basic change in the Cambodian issue as well as in bilateral relations, save for Vietnam's announcement of a

partial withdrawal of its troops after the 6th Indochinese Foreign Ministers Meeting in Ho Chi Minh city in July 1982. As Malaysia and ASEAN demanded for a total withdrawal, Hanoi's announcement on a partial pull-out was viewed by Malaysia with suspicion.

The rise of Mikhail Gorbachev as the new Soviet leader in 1985 and the subsequent Sino-Soviet rapprochement through both President Gorbachev's Vladivostok initiative and Deng Xiaoping's subsequent offer to meet the Soviet leader, paved the way for a basic shift in Vietnam's foreign policy vis-a-vis Cambodia, as well as in its relations with Malaysia and the rest of the ASEAN countries. The Kremlin leader's policy of Perestroika and Glasnot eventually opened avenues for the normalization of Soviet relations with the US and the PRC, thus invariably affecting intra-regional relations of Southeast Asia, including Vietnam-Malaysia relations.

The visit by Le Duan, Secretary General of the Communist Party of Vietnam, to Moscow in June 1985 resulted in Gorbachev's pledge of continuing support for


92. President Gorbachev's Vladivostok initiative stipulated the Soviet leader's desire to normalise relations with China and the United States to pave the way for the success of his Perestroika and Glasnot programmes.
Vietnam's military presence in Cambodia. It also resulted in a pledge of another 5-year Soviet commitment to support Vietnam's economic development. The visit nevertheless coincided with the process of negotiation for normalization between the Soviet Union and the PRC in which the Chinese were willing to accept the Soviet position at Cam Ranh Bay if Moscow would pressure Hanoi to withdraw its troops from Cambodia. In fact, the Vietnamese troop withdrawal from Cambodia was one of the preconditions set by Beijing for the normalization of relations between China and the Soviet Union.

President Gorbachev's desire to improve relations with China and ASEAN turned the Cambodian conflict into a means towards achieving the goal of enhancing Moscow's image in Asia. Although there appeared to be no change in the status-quo, the Soviet leader did however encourage Hanoi to improve its relations with Beijing as a step

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94. Ibid.

95. The 9th round of Sino-Soviet talks in October 1986 provided the opportunity for Chinese efforts to create pressure on Hanoi. After having refused since 1983 to discuss with Beijing on the Cambodian question, the Soviet negotiator, Igor Rogachov, agreed to include the matter in the agenda. See Far Eastern Economic Review, 25 December 1986, p.15.
towards Sino-Soviet normalization. Over-dependence on Moscow's support left Hanoi with not much choice but to follow the line adopted by the Soviet Union. The convening of the 27th Party Congress of the Communist Party of the Soviet Union (CPSU) in February 1986 would drastically change Vietnam's domestic and foreign policies. The resolution of the 27th Congress influenced the direction of the 6th National Congress of the Communist Party of Vietnam in December 1986 by effecting changes that resulted in the total withdrawal of Vietnamese troops from Cambodia, and the normalization of relations between Vietnam and Malaysia.

6.6. Trade and Social Relations

Even after official relations between Vietnam and Malaysia became frozen following the Cambodian conflict, trade relations continued, although at an unofficial level. Throughout the period, the Malaysian government banned government agencies from carrying out trading activities with the SRV. It, however, did not ban private companies from dealing with businesses in Vietnam.

For the Vietnamese, the trade policy towards Malaysia

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remained unchanged -- Hanoi encouraged closer trade contacts with Malaysia. Nonetheless, bilateral imports and exports remained insignificant in relation to the total volume of trade on both sides.

As before, the commodities imported by Vietnam from Malaysia were mainly machinery and tin ore whereas it exported foodstuffs including rice, beans etc., and handicrafts to Malaysia. The similarity of climatic conditions in southern Vietnam and Malaysia yielded similar agricultural produce, thereby limiting a greater volume of trade.

The Cambodian invasion by Vietnam resulted in a drop in Vietnam's exports to Malaysia from M$2 million to M$1.1 million in 1978. This figure dropped further to M$0.4 million in 1979, only to increase to M$0.6 million in 1980. It suffered a slight decrease in 1981 to M$0.5 million. The exports from Malaysia to Vietnam which were usually in small volume dropped to a rock bottom in 1980 and 1981 at M$0.1 million a year. The significant drop in volume of bilateral trade was mainly due to the quasi-boycott by the Malaysian Government that affected even private traders who were reluctant to venture further into Vietnamese markets. The subsequent announcement by the Malaysian Government allowing private companies to continue to operate in Vietnam enabled the volume of trade to be restored to the 1982 level.
Vietnam on the other hand exported more goods to Malaysia than before. Vietnam's exports to Malaysia in 1982 soared to an unprecedented M$5 million, the highest since 1975. Vietnam's exports to Malaysia continued to grow with the total volume increasing almost six-fold in 1985 to M$33.2 million, and M$42.2 million in 1986. On the other hand, Vietnam's imports from Malaysia remained steady between M$1.3 to RM$3.6 million a year throughout 1982 to 1986.

The tremendous increase in Vietnamese exports to Malaysia could be explained by Malaysia's growing economy and growing demands during the mid-1980s. The total volume of trade between the two nations could have been higher if trade conducted through third countries, especially Singapore was taken into account, but such figures are hard to establish given statistical problems in computing trade via third countries.

6.7. Conclusion

The period between December 1978 to December 1986 witnessed both countries being basically engrossed in the Cambodian conflict which created enmity between Vietnam and Malaysia as well as between Vietnam and other ASEAN
countries. Issues pertaining directly to bilateral relations such as the Vietnamese refugee problem and the disputes over the Spratlys only aggravated the tense atmosphere issuing from Vietnam's military adventure in Cambodia. On the Cambodian issue however, Kuala Lumpur played into the hands of Hanoi via Vietnam's manipulation of the Chinese threat to Malaysia and Southeast Asia, which to a certain extent contributed to easing the tension between Vietnam and Malaysia. The external factor however dictated the course of events especially in the case of Soviet support for Vietnam in Cambodia. Ultimately, it was the same external factor that would change the course of events for Vietnam and Malaysia in so far as their bilateral relations are concerned. This will be discussed in the next chapter.