

War, they were then scaled back, as President Dwight Eisenhower sought to rein in the “military-industrial complex.” By 1961, Soviet military expenditures had nearly caught up with those of the United States. During the 1960s, the two powers kept pace with one another. From 1956 through 1970, for example, Washington’s defense outlay totaled \$861.7 billion and Moscow’s \$812.8 billion.⁶ The United States forged substantially ahead only during the administration of President Ronald Reagan. US foreign arms sales, mainly to the Middle East, increased exponentially during the 1970s, exceeding those of the USSR.

While the largest portion of Soviet increases in military expenditures was in missiles and air power, and while nuclear parity had been achieved, the buildup of the Soviet fleet also required substantial outlays. The price of this buildup placed a heavy strain on the Soviet economy and society. The price of this buildup placed a heavy strain on the Soviet economy and society. With a reported gross domestic product that was half that of the United States and a per capita income that in real terms was probably only one-third that of its rival, the USSR succeeded in matching the United States in military expenditures during phase II. Increasingly plagued by food and consumer goods shortages and lagging in high technology, the Soviet Union was ill prepared to compete under the further strains that would result from the arms buildup of the Reagan administration.

Phase III: 1980–89

COMMUNIST POWER RETREAT FROM THE MARITIME REALM

In the 1980s the world geopolitical map again underwent major restructuring. Most significantly, China broke away from the Eurasian continental world to establish a separate East Asian geostrategic realm. Other hallmarks of phase III were the hard-line stance taken against the Soviet Union and other Communist states by the Reagan administration and the rapid decline of Soviet influence in the Middle East, Sub-Saharan Africa, and Latin America.

This phase followed upon the period of détente between the United States and the USSR during the 1970s, which resulted in SALT I and SALT II—accords that banned new ICBMs and launchers. The détente ended in early 1980 with the Soviet invasion of Afghanistan and the US boycott of the Moscow Summer Olympics.

If phase II marked the apogee of Soviet penetration of the maritime world, phase III was its nadir. The USSR’s bloody and ultimately unsuccessful war in Afghanistan left it with little surplus energy to devote to its other Cold War pursuits. Considerable pressure was put on Moscow by the decision of the Reagan administration to scrap détente and greatly increase US military expenditures, for it triggered an arms race that the Soviet Union could neither afford nor win.⁷ By 1989, the end of phase III, the annual defense expenditures of the United States were \$275 billion. The Soviet figure was \$190 billion—significantly higher than its average annual expenditures during the previous phase but inadequate to prevent the arms gap from widening. The United States had extended its lead, particularly in the application of high technology and telecommunications to modern warfare, as it would demonstrate in the Gulf War.

Economically, the situation was worsening in the Soviet Union, as living standards dropped, consumer goods were in short supply, and Soviet agriculture failed to meet the needs of the nation. While the defense budget of the USSR was two-thirds that of the United States, its gross national product had dropped to one-sixth that of the United States. By the end of the decade, it had become evident to Soviet leadership that the costly and uneven arms race could not be sustained, that the country would not have both “guns and butter.”

EMERGING MAJOR POWERS

The multilateral nature of the international system began to emerge clearly during phase III, as the European Union, Japan, and China became recognized as global power centers. The extraordinary economic growth and prosperity of maritime Europe and Japan were important factors affecting the Cold War balance during this period. The economic success of Western Europe and the buildup of its military forces within NATO put new pressures on the Soviet position in Eastern Europe. There the unrest over lack of consumer goods, the rise of the Solidarity movement in Poland, and “creeping capitalism,” especially in Hungary, were beginning to undermine the foundations of the “command economies” and the stability of the Soviet Union’s satellite Communist regimes.

Japan’s startling economic and technological success in the 1980s, during which its gross domestic product expanded to become the second largest in the world, enabled it to increase its influence in Southeast Asia as well as in its own offshore Asian region. By the end of the decade, Tokyo had forged important economic links with Communist Vietnam, providing investment capital and aid. These links came about as Vietnam redirected its state economy toward privatization and reached out for foreign investment when Moscow was forced to reduce its substantial subsidies. Rebuffed by China, from which it had requested help, Hanoi shifted toward the development of a market economy and turned to Japan. The latter had the financial capacity and the political and economic interest to respond positively, and it did so.

Relations between Moscow and Beijing continued to worsen in the 1980s, not only over Vietnam and Cambodia but also over the need for the USSR to maintain a large military force along the border with China. The Soviet buildup there had started in 1969, with clashes between the former allies in Manchuria and Xinjiang. Hostility between the two was also fanned by China’s opposition to the Soviet invasion of Afghanistan.

During the previous two Cold War phases, China had shared the Eurasian continental realm with the Soviet Union, first as its satellite and then as a hostile competitor. While tensions between China and the Soviet Union were high over ideological differences and boundary disputes, their mutual vulnerability along what was then their 4,500-mile land border had served to keep them geostrategically linked. Moreover, each operated behind closed political and economic systems, reinforcing their common distrust of the maritime realm powers.

China’s strategic position vis-à-vis the USSR began to change after the mid-1970s, when the United States withdrew from Southeast Asia and Vietnam was reunified under a Communist regime. For China, this was a major geostrategic victory. The perceived Western military threat to its southern provinces was removed, and Beijing was free to pursue expansionist aims within the South China Sea region. Deng Xiaoping, Mao’s successor, could also now enter into a new political relationship with the United States and other maritime states that would enable him to introduce badly needed economic reforms into the stagnant socialist state economy. In 1979, diplomatic ties between the United States and China were established and four coastal economic zones were created to attract foreign investment and to spur international trade.

These developments were the necessary preludes to China’s vigorous economic growth during the 1980s—a growth that coincided with a period of unprecedented economic expansion throughout the Asia-Pacific Rim. Expansion in that region enabled Japan, Taiwan, Hong Kong, and Singapore to join the United States in providing China with the capital and technology that expanded its manufacturing base and stimulated its export economy.

The foreign policy impact of China’s sweeping economic reforms was that it began to seek political accommodation with nations of the maritime realm, balancing off its traditional

continental orientation. The strategic consequence was the emergence of East Asia as the world's third geostrategic realm and a new balancer in the global power equation.

THE WANING OF SOVIET INFLUENCE

Southeast Asia

The northern half of peninsular Southeast Asia—Indochina—remained a shatterbelt, but now the major external interveners were not the Communist powers and the West but the two opposing Communist states. The Soviet Union was able to maintain some of its past influence in Vietnam, serving as its main political ally and military supplier. Relations between China and Vietnam, on the other hand, worsened because of the dispute between the two over Cambodia. After the Vietnamese invaded the country in 1978 to oust Pol Pot and the Khmer Rouge, their troops remained in Cambodia for the next decade. The Vietnamese also established a military presence in Laos. In addition, Vietnam and China skirmished over territorial claims in the Paracel and Spratly archipelagoes of the South China Sea.

The southern parts of peninsular Southeast Asia, by contrast, became more firmly tied to the maritime realm's Asia-Pacific Rim. Singapore, Malaysia, and Thailand benefited from their close economic relations with Japan, as they participated in the region's remarkable economic resurgence. Indonesia, too, made rapid progress as a modernizing industrial power and trading state within offshore Asia and the broader maritime world system.

Middle East

Within the Middle East, Soviet influence became substantially diminished during phase III. Moscow's greatest setback came from the entry of Egypt into the Western bloc. Another major Soviet setback in the Middle East was the weakening of its Iraqi ally as a result of the Iran-Iraq war, which lasted from 1981 to 1988. Taking advantage of the turmoil in Iran, the Iraqis launched an invasion to seize the disputed Shatt-al-Arab waterway. Rather than gaining the expected speedy victory, they became mired in a bloody conflict. Ironically, as matters later turned out, Iraq received considerable backing from the United States in this war.

Syria was left as Moscow's main Middle East ally during this period. Damascus was fully dependent upon arms purchases from the Soviet Union to support its military presence in Lebanon and its continuing conflict with Israel. The Syrians were helped by Soviet-maintained economic surveillance stations within the country. However, Syria's economic ties became more balanced. Even though it had formed economic alliances with the USSR and Libya in 1980, and even though the Soviet Union still constituted its largest export market, because of the faltering Soviet economy Damascus forged stronger trade ties with the West, especially the countries of the European Union. During this period, Syria tightened its grip on Lebanon both militarily and economically, bringing an end to the civil conflict that had continued to rage between the Christians and the Lebanese Muslim and Palestinian communities.

South Yemen was the other remaining Soviet ally within the region during the 1980s. The Marxist regime continued to provide Moscow with the naval base at Aden and sites for communications and electronic intelligence facilities. This enabled the Soviets to retain a strategic presence in the Red and Arabian Seas. A peace treaty was subsequently signed with North Yemen, initiating talks that ultimately led to the unification of the two countries in

1990. When the Marxist state disappeared, the Soviet strategic foothold on the Arabian Red Sea and Gulf of Aden coasts disappeared with it.

Sub-Saharan Africa

In the Horn of Africa, the Marxist regime in Ethiopia, led by Mengistu Haile Mariam, remained in power. However, it was beset by famine and bitter rebellions in Tigre and Eritrea, placing in peril the Soviet African Red Sea bases. Moreover, as economic aid from Moscow and Havana declined during this period, the Ethiopian regime had to look to other sources for economic help.

Elsewhere on the continent, and especially in West Africa, Soviet influence declined rapidly as Marxist regimes were overthrown in many countries and severely weakened in others. The diminished military and economic support of the Soviet Union and its Cuban ally forced African Marxist regimes to turn to the West economically, thus rebuilding the region's geostrategic ties to the maritime realm. Moscow continued to strongly support the Communist regimes in Angola and Mozambique as well as the Cuban troops who continued to fight side by side with governmental forces against the rebels, who received considerable aid from South Africa.

Toward the end of the decade, however, the Marxist fervor of the Angolan regime weakened as it began to implement land and industrial privatization programs. In addition, the United States entered the scene directly by providing arms to the UNITA rebels. In Mozambique, as Soviet and Cuban influence faded, the Communist government turned to Zimbabwe for help. The radical leftist regime there responded by sending troops to guard the railway and oil line that extended into Zimbabwe from the port of Beira.

Latin America

During much of the 1980s, Communist attempts to penetrate Latin America had some successes. However, by the end of the decade, these also had largely dissipated. While Cuba remained the Soviet's major power base, in Nicaragua right-wing guerrilla actions and a US trade embargo undermined the economy of the Sandinista government. Economic distress and dissatisfaction with the repressive regime led to the ouster of the regime in the general election held in 1990. In Grenada, the Marxist regime of Maurice Bishop was toppled in a coup following the invasion and occupation of the island by the United States.

The 1980s were a period of rising strength for leftist rebel movements in Colombia and Maoist guerrilla forces in Peru. However, these terrorist groups were internally generated and directed, offering little scope for the Soviet Union and Cuba to extend their influence within the western Andes. Without outside aid, the guerrillas became increasingly dependent on the drug trade to finance their endeavors.

THE WAR IN AFGHANISTAN

Afghanistan was the major focus of Soviet military energies abroad during phase III. While only one of several factors that eventually contributed to collapse of the Soviet empire, the Afghan war had a traumatic effect upon the Soviet military. The conflict began in 1979, when thirty thousand Soviet troops entered Afghanistan to save the Marxist regime that had seized power the previous year and aligned itself with the USSR. Moscow installed Babrak Karmal