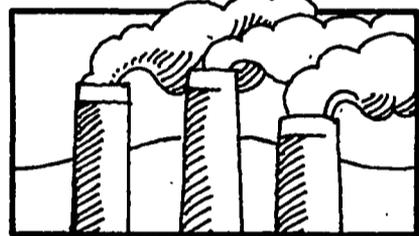


A WORLDVIEW SYMPOSIUM / IN  
COOPERATION WITH THE ASIA SOCIETY

# DAY AFTER TOMORROW



IN



# THE PACIFIC REGION, 1981

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HONGKOO LEE, NORMAN MACRAE,  
ALEJANDRO MELCHOR, JR., NOORDIN SOPIEE,  
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*"Day After Tomorrow in the Pacific Region, 1981" is the sixth in a series of symposia published jointly by The Asia Society and Worldview. It is made up of background readings prepared by participants in the "Williamsburg" meetings co-convened over the past ten years by John D. Rockefeller, 3rd, Saburo Okita and Nobuhiko Ushiba of Japan, Soedjatmoko of Indonesia, and Phillips Talbot and George Ball of The Asia Society. The United States, Indonesia, Japan, Hong Kong, Canada, Malaysia, Australia, Thailand, and the Philippines have been host to the meetings. The topic for the tenth session—held in late 1980 at Colonial Williamsburg for the second time—was "Coexistence of Differing Systems in the Pacific Region: Styles and Mechanisms for Crisis Management." There are forty participants at each "Williamsburg" meeting, but the aggregate listing of participants and observers exceeds two hundred.*

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## MANAGED INTERDEPENDENCE: SOME LIMITS

Guy J. Pauker

The broadening of human consciousness is a slow process. As Karl Jaspers pointed out a generation ago, universalism was first perceived during the "axial period" from about 800 to 200 B.C., when almost simultaneously, and probably independently of each other, the major schools of Chinese philosophy were developed; India produced the Upanishads and Buddhism and explored all modalities of philosophical interpretation; Zarathustra, in Iran, came to view the world as a struggle between good and evil; the Hebrew prophets thundered in the Holy Land; and Greek thought progressed from Homer to Plato, Thucydides, and Archimedes.

Yet twenty-five centuries later the world is still plagued by tribal wars, ethnic conflicts, and xenophobic nationalism. It is therefore remarkable that in one short decade, the 1970s, the concept of global and regional economic interdependence has gained fairly wide recognition among specialists in foreign affairs and that proposals such as those concerning the creation of a Pacific community receive attention in some governmental, business, and academic circles. Necessity, as well as the rapid pace at which ideas circulate by jet and satellite, makes it plausible to assume that it will take less time to develop practical means for the management of economic interdependence than it took for the ideas of the Abbé de Saint-Pierre, Immanuel Kant, and other eighteenth-century visionaries to germinate as the present United Nations.

But it is doubtful that a bold, new approach will materialize early enough to ease the growth pains of the Pacific region in the 1980s. The record of several years of bilateral and global consultations, both official and informal, conveys the distinct impression that the magnitude and complexity of current issues overwhelm the analytic and managerial capacity of today's national leaders. Eventually, men and women with different skills and outlooks will emerge, and new methods for their selection will evolve. But the transition to the

patterns of government required by the future will be painful at best.

Of course a few governments have managed to deliver on some, perhaps many, of their promises. But it is obvious that no system of government, no socio-economic doctrine, has a reliable cure for the ills afflicting humanity. The tragedy of the human condition is compounded by wasteful and misleading disputes between the zealous or disingenuous champions of various spurious remedies. Still, the revolutionary transformations that have improved the lives of common people in some countries in the last two centuries will surely spread in time to all humanity, even though our generation may not perceive the paths these changes will follow.

Piercing into the immediate future should be a sobering exercise for all those willing to assume the burdens of leadership. By the year 2000 a billion people will probably be added to the 2.5 billion now living in the Asian countries that fill the space from Afghanistan to Japan. With few, and temporary, exceptions, most of those countries import a substantial part of their energy requirements as well as a significant fraction of their food. The situation will get worse in the next two decades. Two years ago I estimated that by the year 2000—using conservative assumptions—the five ASEAN countries would have to import from outside the region about 7 million barrels of crude oil daily. This is close to the amount currently imported by the United States.

I can think of no financial arrangements that would allow the five ASEAN countries to import oil in such quantities, or to develop in time alternative sources of energy that would satisfy projected demand. ASEAN includes the two major oil-exporting countries in the Western Pacific, Indonesia and Malaysia. But barring the discovery of giant oil fields in those two countries (a statistically unlikely prospect), exports and domestic consumption will have exhausted their recoverable oil

reserves before the turn of the century.

The only other potential major oil exporter in the Western Pacific is China. Estimates of its recoverable onshore and offshore reserves vary from a conservative 20 billion barrels to an optimistic 100 billion barrels. Even the higher figure gives no comfort if weighed against the needs of a billion people who are still in the early stages of modernization and will need substantial amounts of petroleum products for industrialization, for increasing agricultural production, expanding transportation systems, and for military contingencies. Whatever the intentions of its economic managers, China will not be able to export substantial amounts of oil for more than a few years unless its own plans for meaningful modernization are abandoned.

The CIA estimates that in 1978 China exported 270,400 barrels of crude oil per day, of which 24,000 b/d went to the Philippines, 15,000 to Thailand, 27,000 to Hong Kong, and 155,400 to Japan. In 1979 total exports of Chinese crude oil increased to 338,300 b/d, of which 24,000 went to the Philippines, 19,000 to Thailand, 57,000 to Hong Kong, and 158,300 to Japan. There are rumors that the Philippine and Thai sales may have been at concessional prices, but China is clearly not in a position to satisfy the needs of its neighbors for petroleum products.

Similarly, Indonesia has sold crude oil to the Philippines at the rate of 28,000 b/d in 1977, 31,000 in 1978, and 22,000 in 1979. In each year the amount represented 2 per cent of total Indonesian crude oil exports. More recently, Thailand may have purchased comparable amounts from Indonesia. Indonesia, it seems, does not sell crude oil to its ASEAN partners at concessional prices, despite its oft-proclaimed commitment to strengthening "regional resilience." Like the other oil-importing countries of the Pacific region, the Philippines and Thailand depend primarily on the Middle East (defined here as including Iran but not North Africa). According to United Nations statistics for 1977, out of total crude petroleum imports of 190,000 b/d, the Philippines purchased 74.5 per cent from the Middle East. In the same year Thailand imported 164,000 b/d of crude petroleum, of which 83.6 per cent came from the Middle East, and South Korea imported 414,800 b/d of crude petroleum, all of which came from the Mideast. Even Japan, despite special efforts to diversify its sources of supply, purchased from the Mideast 78.5 per cent of the 4,809,600 b/d it imported in 1977. India, which imported 284,200 b/d in 1977—a modest amount for a country of its size—obtained 88.3 per cent of that amount from the Middle East.

Obviously, with regard to economic relations between the Middle East and the oil-importing countries of Asia and the Pacific, the term interdependence is a misnomer. The countries of the Middle East can draw on the industrial capacity and manpower resources of the whole world and pay for goods and services in convertible currencies. The oil-importing countries of Asia and the Pacific are vitally dependent on Middle Eastern oil and may find it increasingly difficult to pay for oil imports under conditions of global economic recession and growing protectionism in the developed countries.

Prospects appear even gloomier if we take into

account the region's increasing dependence on food imports. The Second Asian Agricultural Survey of the Asian Development Bank, released in 1977, concluded that ten of its Asian member countries (not including China), which had a shortfall of less than 8 million metric tons of food grains in 1972, would have a deficit of 46 million metric tons in 1985. The "green revolution" will not be able to raise agricultural output in those countries at a rate that matches population growth. True, the major grain producers of the world—the U.S., Canada, and Australia—may be able to produce sufficient amounts of food grains to fill that deficit. But how will the food-importing countries earn the foreign exchange to pay for their food imports, not to mention their energy imports, when they also need capital goods for economic growth and must pay for the servicing of debts already accumulated abroad?

Extrapolating from current trends in the developed countries of the Pacific region, especially the U.S., Japan, and Australia, there are no indications that the creation of a Pacific community would provide remedies—other than better statistical and analytic documentation of the plight of the developing countries perhaps. With their own inflation, unemployment, and energy problems, the advanced countries will find it politically impossible to provide more than limited assistance to their poorer neighbors, unless their whole outlook on global problems changes.

Asymmetrical dependence on Middle Eastern oil has made it difficult for even Japan and Western Europe to close ranks with the United States in support of principles of global order or to sustain regional balance in the Persian Gulf. The developing countries of Asia, with different and sometimes divergent interests, will find it even more difficult to form a common front to oppose energy prices dictated by the oil-exporting countries of the Middle East. Their bargaining power would not be strengthened by common action as consumers but only perhaps by the development of alternative energy supplies: petroleum products from areas other than the Mideast or energy from non-oil sources. In the short run at least, neither option looks promising.

México, the country in the Pacific with the greatest surge potential, has adopted a policy of limiting oil production so as to avoid the misallocation of resources experienced by other oil-producing countries. Everywhere the development of alternative sources of energy—including coal, nuclear power, hydroelectricity, and solar power—is mobilizing specialists and the support (or opposition) of various interest groups. These activities will, at best, satisfy a fraction of total energy demand by the end of the century, without significantly reducing dependence on oil.

Are we fated to stand by helplessly while industrial civilization suffers a major systemic breakdown and the developing countries regress to patterns of existence that are now viewed as incompatible with human dignity? Will future urban agglomerations of tens of millions of the poverty-stricken make life more nasty, brutish, and short than the imagination of even the toughest minded political philosophers could anticipate? If gas chambers, gulags, Hiroshima, Vietnam, famine, and terrorism within the experience of one genera-

tion have failed to provide the shock treatment needed to carry the élites beyond ritualistic recitations of concern for humanity's welfare, then one shudders to contemplate what it *does* take to broaden human consciousness.

The decade that produced the concept of interdependence also produced the first disciplined analytic attempts to view global problems comprehensively and to formulate pragmatic solutions. Opinions differ as to

the qualities of these various efforts. But the emerging conclusion is that the search for a different global order is not the stuff of latter-day alchemy but of rational attempts to utilize the intellectual and material resources currently available to humanity to achieve meaningful results that involve relatively minor structural changes.

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## PEACEFUL COEXISTENCE IN THE ASIA PACIFIC REGION

Han Xu

Since the end of World War II the Asia Pacific region has undergone tremendous changes. A number of countries have shed the status of colonies and semi-colonies and won independence. After a protracted and arduous struggle, the Chinese people achieved an earthshaking victory in 1949 and founded the People's Republic of China. On the very day of its founding, China proclaimed that it would unite with *all* peace-loving countries to oppose the imperialist policies of war and aggression and to strive for lasting world peace.

In the thirty-one years since its founding China has consistently pursued a foreign policy of peace. As early as 1954, China declared jointly, first with India and then with Burma, the Five Principles of Peaceful Coexistence: mutual respect for sovereignty and territorial integrity; mutual nonaggression; noninterference in each other's internal affairs; equality and mutual benefit; and peaceful coexistence. At the Bandung Conference attended by twenty-nine Asian and African countries in 1955, China joined the other participants in developing the Five Principles of Peaceful Coexistence into Ten Principles that further safeguard national independence, strengthen friendly cooperation, and preserve world peace. The additional principles include: "Respect for the right of each nation to defend itself singly or collectively, in conformity with the Charter of the United Nations"; "abstention from the use of arrangements of collective defense to serve the particular interests of any of the big powers"; and "refraining from acts or threats of aggression or the use of force against the territorial integrity or political independence of any country." Unswervingly abiding by these principles, China has established friendly and cooperative relations with more and more countries, not only in the Asia Pacific region but throughout the world.

As China is committed to the modernization of its national economy in the twenty years remaining to this century, a long-term peaceful international environment is a necessity. Therefore, we made it a guiding principle of our foreign relations, at the First, Second, and Third Sessions of the Fifth National People's Congress held in February, 1978, June, 1979, and September, 1980, respectively, to "oppose hegemonism and safeguard world peace." Hegemonism is bound to disrupt peaceful coexistence and lead to war. To oppose

hegemonism and safeguard world peace are two sides of the same coin.

The armed occupation of Afghanistan by the Soviet Union and its backing of Vietnam's aggression against Kampuchea have aggravated international tensions and visibly heightened the danger of a world war. As a departure from its previous practice of employing proxies, the Soviet Union has now used large numbers of its own armed forces for intensified military expansion abroad. Its war in Afghanistan is seriously jeopardizing the independence and security of Pakistan, Iran, and other countries in the Middle East and the Gulf region. At the same time, Vietnam has not only stepped up its armed aggression against Kampuchea, but also made flagrant incursions into the territory of Thailand, posing an increasing threat to Southeast Asia.

In face of this stark reality, the people of all countries have come to a clearer understanding of the expansionist ambition and adventurous nature of the Soviet Union. They have made new progress in strengthening their unity and struggle against Soviet and Vietnamese aggression. The force of united struggle against hegemonism has become stronger and constitutes the main trend in international developments. To counter the strategic offensive of the hegemonists, countries should pursue a comprehensive policy through close consultation and coordination. The hegemonists should be dealt head-on blows wherever they carry out expansion. It is entirely possible to contain the hegemonists and stop them from launching a new world war so long as all of us unite, persist in the struggle, and take effective measures to assist the countries and peoples subjected to aggression.

Vietnamese occupation of Kampuchea should not be viewed in isolation and treated in the context of Southeast Asia or the Asia Pacific region alone. Instead, it should be viewed in connection with the Afghan question, as both are integral parts of the Soviet strategy for global expansion. Although its strategic focus is in Europe, the Soviet Union intends to outflank Europe from the Middle East and Africa. It has effected a pincer movement against the Middle East and the Gulf region. On the one hand it has a hold on the entrance to the Red Sea through Ethiopia and South Yemen, thus menacing Saudi Arabia. On the other hand, using Afghanistan as a foothold, it is fomenting trouble

among the Baluchis and other ethnic minorities in Pakistan and Iran in preparation for the dismemberment of the two countries.

The Soviet southward thrust in the Pacific and its southward drive to the Indian Ocean are closely coordinated strategic moves. Even if the Soviet Union should succeed in helping Vietnam annex Kampuchea and set up an "Indochina federation," it will not stop there. It would use Vietnam gradually to carry out infiltration into Thailand, Malaysia, and Singapore. Meanwhile, it would try to control the South Pacific and the Malacca Strait through the naval and air bases in Vietnam so as to cut off the sea lanes between the Pacific and the Indian Ocean when necessary. If the Soviet Union is allowed to accomplish its whole strategy of southward drive, not only would the Middle East and the Gulf region fall into Soviet hands, but countries in Southwest and Southeast Asia would come under Soviet threat and control. The United States and other Western countries would be subject to strangulation and faced with a choice between surrender and a showdown with the Soviet Union in a most unfavorable strategic situation. In such an eventuality, a new world war could hardly be avoided.

In order to undermine the unity of antihegemonist forces in Asia, the Soviet Union and Soviet-backed Vietnam are resorting to a dual tactic of military blackmail and political disintegration. Their aims are, first, to sow discord between China, the United States, and Japan, with emphasis on luring as well as pressuring Japan; and second, to drive a wedge between China and the ASEAN countries, with a focus on influencing the latter. Not long ago, the Soviet Union took advantage of the thirty-fifth anniversary of the conclusion of World War II to oppose by barefaced intimidation Japan's effort to strengthen its defense capabilities, to accuse Japan of aligning with the U.S. and other Asia Pacific countries against the USSR, to reject Japan's just demand for the recovery of its four northern islands, and to ask Japan to conclude a treaty of good-neighborly cooperation with the Soviet Union on Moscow's terms. Using Japan's four northern islands as its bridgehead, the Soviet Union has been augmenting its naval and air forces near Japan and, by supporting Vietnam in its occupation of Kampuchea, threatens the sea lanes between Japan and the Persian Gulf—the lifeline of Japan's economy. The Vietnamese leaders in their turn have done their utmost to fabricate the myth of Chinese threats to the ASEAN countries. During his visit to these countries last May, Vietnamese Foreign Minister Nguyen Co Thach said time and again that Vietnam has never had any expansionist designs on the ASEAN countries. At the same time, he talked a lot of nonsense, alleging that the threats to the independence and sovereignty of the ASEAN countries come first from China. Yet even as his visit was in progress, Vietnam launched military incursions into Thailand.

It is noteworthy that, having met with strong opposition from all sides, the hegemonists usually follow up their aggression and expansion with an "offensive of détente" to cover up their crimes, divert public attention, and preserve their gains. People of all countries must be sober-minded and not be undermined.

Some people still think peace can be preserved and the aggressors stopped by a mere recognition of the fait accompli of the Soviet annexation of Afghanistan and Vietnam's forcible occupation of Kampuchea. This line of thinking will inevitably encourage expansion. Nor will the granting of loans and economic assistance win Vietnam over from the Soviet side. This approach, too, is mere wishful thinking.

The Vietnamese leading clique, which has established a fascist rule at home, has degenerated into a tool of the Soviet Union in pressing on with its strategy of southward drive. True, between the USSR and Vietnam there exists a contradiction of the big bullying the small, of control versus struggle against control. However, the contradiction remains secondary and can be more or less reconciled when the two sides find it necessary to support and utilize each other to achieve their common strategic goals—and when they are swollen with arrogance at the thought that they have succeeded in occupying Kampuchea.

There are no indications yet that a centrifugal tendency is developing in Vietnam against the Soviet Union. On the contrary, Vietnam is busy working for the Soviet strategy of southward drive. It has allowed the Soviet naval fleet and air force access to Cam Ranh Bay, Da Nang, and other bases, thus putting under Soviet military threat the U.S. naval base at Subic Bay and Clark airbase in the Philippines as well as the territorial seas and airspace of the ASEAN countries. The Soviet Union now gives Vietnam US\$5 million in aid daily; but Vietnam is a bottomless pit and finds even this sum inadequate. With the tremendous drain on its resources in Cuba, Afghanistan, Ethiopia, South Yemen, and elsewhere, including the economic assistance it now must channel to a restive Poland, the Soviet Union shoulders a growing burden it will someday find too heavy to bear. Any loans and economic aid extended by other countries to Vietnam would only help to lighten the Soviet burden and ease Vietnam's difficulties, thus doing a great disservice to the antihegemonist struggle.

China is firmly opposed to the global hegemonism of the Soviet Union and the regional hegemonism of Vietnam. This is out of consideration not so much for maintaining China's own security as for the overall strategy against hegemonism and safeguarding world peace. The hegemonists will not easily give up their fruit, nor will they ever abandon their designs of further expansion. Therefore, the most effective way for nations to deal with these reckless aggressors is to unite in resolute struggle, to tie them down in Afghanistan, to drain their resources, and to create insurmountable obstacles in their push to the south. This will help us gain time for expanding the antihegemonist forces and delaying the outbreak of a world war.

It is understandable that some countries in the Asia Pacific region wish to see a political settlement of the Kampuchean question. China does not object to negotiations. However, these should not start with acceptance of the aggressors' position but should adhere to the following principles: that the Soviet Union and Vietnam withdraw all their troops unconditionally from Afghanistan and Kampuchea; that the Afghan and Kampuchean peoples be allowed to choose their own social

systems and forms of government, free from outside interference; and that the independent and nonaligned status of the two countries be guaranteed. This is the only approach that conforms to the aspirations of the two peoples and will win the approval of the people of all countries. Likewise, this is the only way to elimi-

nate the scourge of war and restore the much-desired peace to Southwest and Southeast Asia.

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## SECURITY IN EAST ASIA: MILITARIZATION OR NORMALIZATION?

**Paul C. Warnke**

I believe it would be most unwise for the United States to accept any invitation to put together a global alliance to confront the Soviet Union. I do not believe that our major concern is or should be to build up Chinese military strength for that purpose. In my view, nothing, could be better calculated to precipitate a desperate Soviet attempt to expand its influence in Asia by threatened or actual use of its military power.

From my own dealings with the Soviet leadership it is clear that their recurrent nightmare is an American effort to combine Japanese and Chinese technology and manpower to bring about an anti-Soviet military coalition on their eastern border. The consequences would not be confined to East Asia in all likelihood, but would be felt also in harsher Soviet responses to Eastern European moves toward greater freedom of action. Our mutual concern about the potentiality of Soviet offensive actions in East Asia should not lead us to actions that might increase that likelihood.

The fact is that, from the standpoint of peace and stability in East Asia, there is nothing wrong with the status quo in U.S.-China and U.S.-Japan relations. The United States should and I am sure will continue to maintain a strong military presence. This is time-honored and accepted. But extensive preparations for Soviet military moves, in the form of drastic changes in our military relations with the countries of East Asia, could well be a self-fulfilling prophesy.

American security interests and those of its East Asian friends are best served by preservation of the U.S.-USSR-PRC triangular relationship. To make the Soviets the "odd man out" could well lead to Soviet consolidation of its present territorial holdings in the Far East and active efforts to enlarge its sphere of domination. I doubt the United States will wager its security stake in East Asia on a still evolving and untested relationship with China.

Soviet military intervention, even including the Afghanistan outrage, has been limited since World War II to countries on its borders and to the propping up or resurrection of pro-Soviet governments. Projection of Soviet military power into countries more removed or against nonmembers of its conscript club of "socialist" nations has not occurred. I believe it will not occur if the U.S. and its friends and allies take reasonable steps to maintain the military balance of power and follow moderate policies not predestined to provoke the spasmodic exercise of Soviet military muscle. It might be noted that, despite its massive military forces, the USSR

did not attempt to come to the aid of its Vietnamese confreres at the time of the Chinese attempt to discipline Vietnam for its intervention in Cambodia.

I believe that the United States should continue to improve its relationship with the People's Republic of China. Trade agreements, exchange of science and technology, as well as cultural exchanges, should continue and intensify. For us to be friends, however, does not require or justify close military relations. The U.S. has today a network of common interests with the key countries of East Asia, but few would propose that this be converted into a formal alliance. Granted, the Soviet Union continues to expand its military capability. The new mobile intermediate-range ballistic missile launchers, the SS-20, are targeted against Asia as against Western Europe. The same is true of its big new medium bomber, Backfire. But this represents no major change in the military threat. For many years the Soviet Union has possessed the ability to devastate the countries of Asia by nuclear strikes. For many years also it has had a similar ability to destroy the United States.

What prevents this power from being unleashed is the certain recognition of the Soviet leadership that the United States could absorb any nuclear blow it delivered and still retaliate in a fashion that the Soviet Union could not withstand, either physically or politically. Also preventing Soviet use of its nuclear missiles and bombs is the utter purposelessness of such action—that is, unless it is impelled to a panic response by fear of a coordinated attack, from the east, from the west, or from both directions.

This network of common interests among the countries of East Asia, Australia, New Zealand, and the United States can, if diligently cultivated and continued, lead to Soviet moves toward normalization of its own relations in that area. Return of the Kuriles, for example, is not remotely imaginable during a state of "quasi-war." It is at least possible if conditions conducive to normalization are promoted.

There has been a good deal of talk about America's "China card" and when and how to play it. But once played, it loses whatever value it might have had in motivating the Soviet leadership to pursue a more constructive policy in Asia and elsewhere. And China, of course, is not a card but a sovereign country, with its own interests and its own objectives. I doubt that it will assent to be "played" in other nations' games.

It is of course not beyond the realm of possibility that, at some future date, the Soviet Union might

undertake military operations to expand its influence in the Far East. The names and nature of the successors to the present Soviet leadership are unknown, probably even in the Kremlin. But nothing suggests that Soviet attack is imminent and no need exists for putting ourselves on a war footing. What is desirable, if not required, is to preserve those military assets that contribute to stability and peace in the Far East.

For this reason I believe that the United States should and will continue to maintain significant ground and air forces in South Korea. Complete withdrawal of these forces was never a good idea, and it is not today. Like our troops in Western Europe, they serve a deterrent purpose that indigenous forces could not match in that they assure a potential aggressor of automatic U.S. involvement in any conflict he might initiate.

With respect to Japan, some improvement in the Self-Defense Forces is probably called for and should be considered. But I am conscious of no widespread dissatisfaction within the United States about Japan's limitation of its defense budget to less than 1 per cent of the GNP. There are, of course, sporadic prods for a significant Japanese military expansion. But there is at least equal support within the United States for the view that more money spent on international development by Japan would contribute far more to stability and peace in Asia and throughout the Third World. The time has not come for Japan to be cast as Far Pacific Policeman. With sensible diplomacy, it never will.

Nor do I see any warrant for a loss of confidence in the credibility of the U.S. security commitment. It is true that Korea remains a bitterly divided peninsula and the Middle East continues to be beset by Israeli-Arab and now Arab-Arab conflict. But these disputes are not the product of any U.S. military weakness and will not be solved by any increase in U.S. and East Asian mili-

tary strength. We can provide our good offices; we cannot dictate the solutions.

With respect to Taiwan, the United States should, and I hope will, make it clear that its future status is a problem for peaceful settlement between China and Taiwan. Any solution that is acceptable to them should certainly be acceptable to us. This is, by definition, not a U.S./China problem.

Any attempted use of Soviet military forces against American friends in the Far East would inescapably involve U.S. military forces. The Soviets are aware of this fact and alert to the serious and unnecessary risks this would create for their own security and survival. Nor is there need to worry that deterrence of Soviet military adventurism in Asia is weakened by a so-called "swing strategy" under which U.S. naval ground and air forces might be shifted from the Asian and Pacific regions to Europe in the case of a Soviet attack on Western Europe. A decade or so ago U.S. forces were theoretically structured to deal with two-and-one-half wars: against the Soviet Union in Europe, against the People's Republic of China in the Far East, and a "brush fire" contingency elsewhere. There is, however, only one Soviet Union, and armed conflict between it and the United States anywhere would mean a single war without artificial geographic confinement.

One need not count on the benevolence of the Soviet Union's intentions to conclude that, from its own selfish standpoint, genuine normalization of relations in East Asia is a better bet. A sound judgment to this effect by the Soviet leadership should not be precluded by actions that appear to accept the inevitability of military confrontation.

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## COMPREHENSIVE NATIONAL SECURITY AND JAPANESE DEFENSE

Kiichi Saeki

It is clear that in the age of nuclear weaponry and close interdependence among nations, defense efforts by individual nations alone are insufficient to ensure security and that collective security arrangements are indispensable. Under the constitution that renounces maintaining a war potential, Japan cannot rely on purely military efforts to ensure its security. Japan, more than any other nation, must resort to diplomatic and economic efforts and to collective defense arrangements. But our constitution does not deprive us of the right of self-defense, and we must have adequate military capability to assure this basic right. However, Japan should continue its policy of refraining from expansion of military efforts beyond the minimum necessary for self-protection. Our interpretation of the constitution suggests that Japan does not have the right to do more. On the same basis we judge that Japan should not send its Self-Defense Forces overseas for any military purpose.

Recently there has been an upsurge in discussions of

comprehensive national security for Japan. Most arguments, however, do not clearly indicate the position of the military defense capability in such an undertaking. When we discuss Japan's comprehensive national security, we must have clear answers to the following four questions:

- Has there been sufficient effort through economic and diplomatic measures to ensure Japan's security?
- How effective are these nonmilitary efforts? Is there any need to increase our military defense efforts? Can we even *reduce* our military defense efforts from the current level?
- What is the relationship between military and nonmilitary efforts? Do they complement or substitute for each other?
- If nonmilitary efforts cannot substitute fully for military defense efforts, what is the minimum Japan must do in the area of military defense?

I would answer these questions in the following way.

In spite of all the security efforts through diplomatic and economic channels, much remains to be done. I do not think even enhanced nonmilitary efforts in the future will replace purely military defense efforts. Moreover, recent deterioration in the global security situation seems to dictate for Japan a greater military build-up. The question of minimum military defense efforts required by Japan must be contemplated in the context of some important facts of the international situation:

*First*, the military power balance between the U.S. and the USSR has destabilized further. Not only has the U.S. lost its military superiority, but there is every possibility that the balance will shift in favor of the Soviets if recent trends continue.

*Second*, the recent Soviet invasion of Afghanistan, Russia's first direct and massive military intervention against an independent nation outside its satellites, indicates (a) that there was no consensus on the rules for détente between the U.S. and the USSR; (b) that there is now a stronger possibility that the Russians will resort to military action to increase their external influence in order to cover up their domestic weakness and their weakness vis-à-vis the rest of the Communist bloc; and (c) that when conflicts arise in the Third World or on its periphery, Soviet military intervention will become more difficult to prevent without use of defense efforts.

*Third*, it is probable that the entire Middle East will remain politically unstable for a long time. In addition to events in progress—the Iranian revolution, the Soviet invasion of Afghanistan, and the Iraq-Iran war—we must be prepared for the possibility of an explosion from the Arab-Israeli conflict or a coup d'état in Saudi Arabia. The impact of any one of these incidents may not be contained within the narrow area involved but may have worldwide ramifications in the form of disturbances in the oil supply and sky-rocketing oil prices. It may well affect the global security balance.

*Fourth*, the USSR has been accelerating its military build-up in the Asia Pacific area. Although the primary purpose of the build-up might be to catch up to U.S. military power and guard against China, we cannot deny that such a move increases the potential threat to the security of Japan. In addition, Russia's increased military build-up in the disputed Kuril Islands overlooks the sentiments of the Japanese people and therefore poses an outright challenge to our nation.

In spite of the Russian build-up in the Asia Pacific, the military capability of the U.S. and allied forces surpasses, or at least is in balance with, that of the USSR. Roughly speaking, three-fourths of Russia's conventional military forces (other than its naval force) is considered to be deployed in Europe and one-fourth in Asia. Of the fourth deployed in Asia, three-fourths is considered to be directed toward China and one-fourth could be directed at Japan. Therefore, we can estimate that Russia might direct a sixteenth of its conventional military force at Japan.

In the Pacific area the U.S. still enjoys a military position superior to that of the USSR. But if the U.S. Seventh Fleet gets partially tied up in the Indian Ocean or in the Persian Gulf for any extended period, Japan

might have to take some sort of measure to offset this shift to ensure its security at the minimum level. As for stabilization of the situation in Indochina, Japan should contribute primarily through diplomatic and economic efforts.

*Fifth*, the world economy in the 1980s will suffer from the legacies of the '70s—inflation, deteriorating productivity, and the shortage and high price of energy. In the process of overcoming these difficulties the world economy will go through a prolonged period of sluggish growth.

Against this background, the economic balance between the U.S. and Japan will continue to change in favor of the latter. Japan will steadily narrow whatever gap it has between the U.S. and itself. In 1960, Japan's total GNP was only 9 per cent of that of the U.S. Today the figure is close to 50 per cent. This means that Japan's nominal per capita GNP is roughly equal to that of the U.S.—although if we take into account factors such as land and space per capita, the U.S. still enjoys a much higher standard of living than Japan. Since Japan's productivity gain will continue to exceed that of the U.S. in the foreseeable future, Japan's nominal per capita GNP will soon surpass that of the U.S. In light of these circumstances, economic friction will increase between Japan and both the U.S. and Europe, and therefore the readjustment of international role and responsibility among allied nations will be inevitable. It will then be especially important for Japan to reassess its share of responsibility in the whole spectrum of comprehensive security efforts with the U.S.

With these conditions in mind, principles for formulating the comprehensive security and defense of Japan can be summarized in the following seven points:

- The era of Pax Americana is passing. We should realize that instability, uncertainty, and fluidity due to transition will continue for some time.

- Since the USSR does not have trustworthy allies, if NATO remains firmly in place and if the U.S., Europe, and Japan maintain long-term cooperation, it may be possible to convince the USSR that direct or indirect use of military power to exert political pressure is intolerably costly and risky.

- Although U.S. economic and military power are in relative decline and its foreign policy needs to be criticized in some areas, the U.S. remains the strongest overall national power. No country except the U.S. can be the leader of the free world.

- The use of a united-front military strategy among the U.S., Europe, China, and Japan or any action that suggests the development of such a strategy as a response to Soviet threat to the security of the free world should be carefully avoided. We must not behave in such a manner as to cause the USSR to feel that it is besieged. We should endeavor to reestablish détente through negotiations and through maintaining the military power balance, rather than returning to the cold war. Japan should cooperate with China economically but not militarily.

- Japan should strengthen its efforts at improving defense forces, but without revision of the constitution, without nuclear armaments, and by restricting activities to self-defense.

• On the other hand, under the provisions of the U.S.-Japan Security Treaty, Japan must make efforts to cooperate closely with the U.S., not only in defense, narrowly defined, but also in economic and diplomatic measures. Among the issues for joint consideration are: (a) a clarification of Japan's defense role in the new international situation; (b) improvement in the efficiency of the defense cooperation with the U.S. under the guidelines agreed to last year; and (c) fair allocation of our share of the costs of comprehensive security.

For the time being, Japan should emphasize the modernization of its armed forces rather than its expansion, based upon the general principles indicated in the grand defense plan drawn up in 1976. Accordingly, it is desirable to attain in 1983—a year earlier than the original timetable—the targets set out last year in the midterm defense build-up plan. Certainly, the budget for defense in fiscal 1981 should be increased at least by 4 to 5 per cent in real terms, i.e., to 9.7 per cent in nominal terms. [The actual increase, announced in December, was 7.6 per cent.—Eds.]

In formulating the midterm defense build-up plan after 1984, however, we should examine the possibility of bringing in a new dimension that includes a scaling

up of the defense force and would therefore result in basic policy changes in Japan's grand defense plan. For this purpose it is most important that the U.S. and Japan discuss fully each other's role. In the light of the new international environment, we must clarify the extent to which Japan can rely on U.S. efforts for its security and thus the role Japan should assume. Even if Japan scales up efforts in military defense after such clarification, Japan's defense spending is estimated to remain within 2 per cent of its GNP.

Serious consideration should be given to the fact that realization of new defense policies and military build-up in Japan is possible only where there is strong public interest and support. In order to achieve a national consensus on the defense issue, our government must realize that strong leadership is indispensable. Since there is a certain inevitable upper limit on Japanese expenditure for the reinforcement of armed forces, Japan should strengthen its efforts in the field of economic cooperation and diplomatic endeavors, especially for the security of Southeast Asia and for security of its energy supplies.

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## DO WE WANT A FAT, CORRUPT RUSSIA OR A THIN, DANGEROUS ONE?

**Norman Macrae**

The countries of the Pacific have had little or no direct involvement in the issues that have recently brought Russo-American relations to such a dangerous boil. It is in Asia that the main issues have been bubbling. Afghanistan, the desperate danger that Russia might finance rather easy coups d'état in feudal and oil-rich Araby, the way the Russian alliance has edged Vietnam in the saddest directions, the continuing threat of Russo-Chinese war. Would we contribute to the cause of peace by economic sanctions that tried to impel Russia's cracking economic system even nearer collapse? My views on this seem to be unusual. I think that the decay in Russia's economy and society has gone far further than most outsiders realize.

Start with the most visible muddle in Communist economies, which is the distribution system. In Russia, bureaucrats allocate goods to particular shops under tight price control, with the lowest prices decreed for the things that people want most, like meat or household appliances that actually work. In consequence, Russians can get decent meat and tolerable consumer goods only by (a) hunting for and queuing at the particular shops that suddenly have them; (b) bribing the shopkeeper; or (c) buying on the black market. The only escape route would be through a large price increase in precisely the most popular goods and flexible market-determined pricing thereafter. But this would cause a small problem with the *apparatchiks* and a bigger one with the workers.

The most self-important bureaucrats in Russia are the local planners who handle requests by local facto-

ries and shops for allocations of raw materials. These bureaucrats used to get especial job satisfaction from saying "no" to those without political influence while crawling obsequiously to those with it. But the gradual depoliticization during the sixty-two-year-old revolution means that more goods are allocated in Russia now through straight corruption. An open-market advance to freer price competition would rob lots of important bureaucrats in the local party offices of their job satisfaction, their influence, their most lucrative source of income—and uncover scandals that could send some of them to prison.

The local bureaucrats therefore advise strongly against such economic reforms, and they have a credible political argument when they say that the sensible economic course of at last raising prices of essential goods might induce riots. The troubles in Poland last summer arose initially because of a rise in meat prices. The Polish authorities tried to buy the strikers off with promises of higher wages, more rigid price controls, and slightly greater freedom to demonstrate. Since the first two are incompatible (and must together make the queues and black market larger), the demonstrations will return and return.

There is a check to escalation of riots in Poland because Russian troops might march in, and would probably still shoot Poles with nearly as little compunction as they shoot Afghans. But there must be increasing doubts whether Russian troops would fire on Russian rioters, unless the calculation for the later 1980s is really that rioting European Russians can be submitted

to the firepower of Soviet Asians.

Since about 1959 the Soviet Union's 215 million Europeans have grown more educated, more alcoholic, more bloody minded, more prone to massive absenteeism from work, and less willing to breed children. Soviet Europeans are now probably more "dissident" than Soviet Asians. The Soviet Union's 45 million Asians know they are richer than some Asians across their borders (in China, Afghanistan, Iran, maybe Asian Turkey); but the Soviet Europeans are beginning to realize that, if one measures their standard of living at black market prices, they are just about the poorest white people on earth in relation to their rather high level of education. Like other discontented poor whites, they are becoming prone to fissiparous nationalism (Jews, Lithuanians, Volga Germans, and Ukrainians could soon be throwing bombs), to individual bloody mindedness on the shop floor, and to racism.

This increasing racism of Soviet Europeans toward Soviet Asians poses a problem for Soviet leaders (who, to do them justice, are not racist at all). The drop in the European birthrate means that Soviet Asians (although only 17 per cent of the population now) will by some time in the 1990s be 40 per cent of Russia's teenagers, and more than 40 per cent of those who could most economically be conscripted for military service. By the 1990s many young Soviet Europeans may be unreliable people to possess guns. But can the Soviet leaders increasingly rely on Soviet Asian conscripts if the army may by then have the main job of restraining Soviet European dissent?

If this is the real background to what is happening in Russia—and I think it is—there will be several options before Mr. Brezhnev's successor. The most awesome would be if he decided that (a) he was becoming one of the many world leaders who has to go to bed each night fearful of being executed in a coup d'état before breakfast the next morning, and that (b) Soviet society has become unsuccessful at everything except foreign subversion and military conquest.

That way could lie a Soviet *Drang nach Süden* through the Middle East, and nuclear world war. In early 1945, Josef Goebbels yelled over the radio from the Berlin Sportsplatz, "If our national socialist German Reich is to go down, we will slam the door on history so hard that it will remember us for a thousand years." If Goebbels had had the hydrogen bomb, I fear that Hitler would have carried out this threat.

The second option before Mr. Brezhnev's successor—and initially the likeliest to be attempted—will be to try to continue on some modified version of the present course that will not work. This could include some Polish-style muddles, with the Soviet Union offering higher wages and tighter price controls, which will then together make the economic mess worse. It could also include purges of particular unpopular officials.

Before Afghanistan, Mr. Brezhnev thought of moving that way. In an extraordinary speech in November of '79, he said that if grave shortages of such essential goods as soap and diapers continued, "It would be necessary to find particular people to blame for such scarcity, and punish them." To most sane men it is farcical to think that a shortage of diapers—caused by Communist

abandonment of the price system—can be cured by finding and punishing some wretched deputy-controller of diapers; but the deputy-controller of diapers (and fifty thousand other deputy-controllers) might not appreciate the joke. This sort of policy would lead to more fights among the bureaucracy and more threats of coups d'état. So the eventual outcome in the Soviet Union will probably be either the first and awful option ("slamming the door on history so hard") or a third one, for which we should all hope and strive.

This option will be if Mr. Brezhnev's successor realizes that Soviet Europeans are now almost as educated as West Germans were in 1948 but have become enmeshed in the same sort of "controlled" (black-market-dominated) *ohne mich* economy. A dash for freedom on the West German 1949 pattern could bring a rapid Russian economic miracle; but unlike the West Germans after Hitler's war, the Russians now have a powerful bureaucracy and a discontented, proletarian-conscious work force in the way.

It will be hugely to the advantage of both enslaved and free men everywhere if Russia does take this third road. There is, therefore, a temptation to answer a loud "yes" to the question whether, even after Afghanistan, Russia's trading partners should collaborate in Soviet attempts to improve the performance of its economic system and the welfare of its people. If I believed that the Soviet economy would be greatly helped by imports of foreign technology, management, and food, I would be in favor of allowing it generous access to them.

To be frank, however, I think that, with the present Russian distribution system, all such imports would be wasted. I do not think that economic sanctions would alter very much either way the prospects for peace or war, for prosperity or further discontent. History cannot be greatly swayed by a few marginal substitutions in the tiny 2 per cent of its GNP that Russia devotes to its non-Communist international trade.

But let me end with two examples of what not to do: one economic and ridiculous, one political and serious. The silliest economic story of the past year has been that of Mr. Levi Strauss's trousers. There was a contract for about twenty thousand pairs of these to be sold to workers on Moscow's Olympic sites. In the present starved state of the Russian consumer economy, they would have been immediately resold on the Moscow black market for around \$200 each, and would have adorned the admired posteriors of twenty thousand Russian youths. Mr. Carter successfully leaned on Levi Strauss not to send these trousers as part of his ban on the Moscow Olympics. Why on earth? At least one Southeast Asian country banned the import of these same trousers because it did not want the bottoms of its most beautiful girls to be a constant, wobbling advertisement for the American way of life. When an American president bans export of such things, it is a departure from commonsense.

My more serious plea is that politicians stop imprisoning and executing rival politicians. When the disgraced Khrushchev retired to a dachau in 1964, I thought we had made the breakthrough. Since then the East European Communists, to do them justice, have not returned to murdering each other as bloodily as

they did in the 1950s. But we have grown more vengeful in the free world—not just in Africa and South America, but also (shamingly) in Asia and North America. In Asia I have been distressed at the vengefulness against Mr. Bhutto and the shah, both of whom did their countries real service, and I do not approve of the purification policies in normally sensible South Korea.

It is clear that Mr. Brezhnev's poor disreputable successor is likely to fall from power in disgrace, much clearer even than it was for poor disreputable Mr. Nixon after that post-Watergate election. This is because the economy and social system that Mr. Brezhnev's successor will inherit are cracking up (ask them

over there in Gdansk and Szczecin).

As they crack up, a lot of important and corrupt *apparatchiks* will either face a choice between imprisonment and an adventurous foreign policy (which might destroy the world in nuclear war), or between comfy retirement and adventures that might blow up the world. In the first circumstances they will probably choose the latter—and may destroy us. In the second circumstances they will probably choose the former—and save our children. This is the main consideration for any sane foreign policy in the 1980s.

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## TOWARD A NEW BALANCE OF POWER FOR THE COMMON WELFARE

Hongkoo Lee

Balance of power seems to be a worn-out concept that is of little use in prescribing a new order in Asia. However, time and again some fancy new concept has disappointed us with its scandalous lack of substance or relevance. Having reached the point at which we must overcome the fixation with grand designs and ideological slogans and get down to the fundamentals and realities, it might be useful to bring back the concept of balance of power and infuse it with new meaning.

The paramount objective of a balance of power is the prevention of war. The current war between Iran and Iraq is a vivid reminder of the human tragedies as well as international uncertainties that are the inevitable result of any war today. The common objective of the Asian countries clearly should be the prevention of a war in the region, for no single country could escape the consequences of failure in such effort. Going a step further, a balance of power can no longer be considered merely in terms of checking expansion and hegemonies of powerful nations; it must be viewed as an international arrangement reflecting the common desire to secure an environment necessary for promoting the *welfare* of all individuals in each individual country. The operating units in a balance of power are nations, but the beneficiaries should be primarily individuals. As for the definition of welfare, we should take a nominalist position and let each society and context find its own meaning.

A pervasive aversion to the notion of balance of power is mainly due to its unfortunate historical legacy. For a long time, up to 1945, balance of power had been understood as a balance among the colonial powers in their imperialistic adventures. The balance of power in the cold war era meant the strategic balance between the two superpowers. The new balance of power we envisage, however, will be constructed through a functional arrangement between outside balancers and inside balancers. By "outside balancer" we mean those countries outside Asia proper, particularly the United States, that consider the prevention of any military conflict in Asia an essential national interest and are willing to play a significant role to achieve a regional balance

of power. At present we need not rule out categorically the possibility of the Soviet Union becoming an outside balancer at some future date. By "inside balancer" we mean those Asian countries, big and small, that would opt to play an important role in prevention of military conflicts as a requirement for the promotion of welfare in all the countries of the region.

In order to develop a new balance of power, all concerned countries, including the ASEAN countries, must realize that any military conflict in the region could seriously endanger the well-being of all. Mere adherence to the principle of noninvolvement and non-intervention does not constitute a contribution to the regional peace and welfare. Second, all the countries, including China, must make a firm commitment to the protection of rational independence for all the nations of the region. Third, all the countries, including Japan, should take steps to promote the individual welfare of the people of all the countries of the region—for, after all, that is the ultimate rationale for constructing a new balance of power.

The emerging cordialities among China, Japan, and the United States could be viewed as positive steps toward a new balance of power, but there are two points for caution here. First, the combined strength of China and Japan in the regional picture is so overwhelming (their combined GNP constitutes over 80 percent of total product of the region) that a preoccupation with cordial ties among China, Japan, and the U.S. could result in neglecting the rightful role of other Asian countries, and thereby destroying the overall balance. Second, cooperation among the three might run the risk of becoming preoccupied with the problem of Soviet pressure to the point of neglecting the promotion of welfare for all Asians or the ultimate objective of the new balance of power. Any serious effort to develop a new international order in Asia should be well aware of these hidden traps and carefully consider the role of *all* Asian nations and their relation to outside balancers.

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## SOME LONG-TERM CONSEQUENCES OF ENERGY AND RESOURCE SCARCITIES

Alejandro Melchor, Jr.

Studies based on estimates of future rates of discovery, production, and consumption of oil indicate that the world will burn up 90 per cent of its reserves in a span of only two generations. Static lifetime indices of global mineral resources also show that a number of industrially important raw materials will be exhausted by the turn of the century. Less accessible and lower-grade ores will, of course, continue to be available, but the economic feasibility of processing them will depend as always on the availability of cheap energy.

Societies caught in this squeeze between declining conventional fuels, rising prices, and unsatisfactory alternative supplies will reassess their economic needs and adopt ways of reducing reliance on resources that might be near exhaustion. Conservation of energy and material resources will become a way of life, as will increased efficiency.

Reflecting this change in outlook, one may predict a worldwide shift from energy and material-intensive methods of production to more labor/information/technology-intensive ones and a shift too in development and personal goals to those that are concerned less with material output or GNP maximization and more with the development of human resources.

Both trends are already discernible in, for example, consumer tastes—the move away from large automobiles, electric stoves, expensive air conditioning systems, etc.—and in the growth of such service trades as tourism and the export of manpower. Repair services and recycling will tend to substitute for capital replacement. More and more conditions would favor the services sector, which is relatively more labor and information-intensive, especially in the so-called knowledge industries. The same conditions, however, would present continuing difficulties for the mining, power, and manufacturing industries.

We see too the growing disenchantment with purely economic indicators of development, like GNP; and the growing popularity of social indicators of development, like employment and education. New concepts and approaches like intermediate or appropriate technology, cooperative development, human settlements management, and human relations development indicate an increasing emphasis on human resource-centered approaches to development.

These shifts in human attitudes, perceptions, and activities reflect disillusion with material growth, of which concern for the environment is only one part. They have also brought on a renewed interest in biomass, which is convertible to energy and whose by-products provide developing countries with a short to medium-term increment in energy supply (and perhaps in the longer term a substantial, clean source of energy supply). Although new in our energy calculations, bioresources have been with us all along. In fact, until not too long ago mankind derived most of its sustenance from renewable resources. The majority—those who live in the developing countries—still do.

Biomass alone will not solve the energy problem; there are still many social, political, and economic problems in the way of realizing its full potential. But paired with a strong energy conservation approach and adopted as a complement to an existing energy mix, bioresources open a promising new array of alternative paths to world development that would take into account a community's unique environment, traditions, and level of development.

It is a strange coincidence that the socio-economic and political conditions prevailing in the developing countries of the Pacific region already approximate in many ways the conditions we can expect all over the world in the twenty-first century: high population density; ethnic diversity, with English the "lingua franca"; a mix of Eastern and Western cultures; strong and mixed economies; simultaneous peace and wartime conditions; scarcity of agricultural and forested land and indigenous energy resources; a mix of land and marine territory, with growing emphasis on marine-based resources; and a high value placed on education and knowledge. It is possible that the institutions, practices, and viewpoints that are evolving in these developing countries anticipate the basic forms and substance of social and political life that will arise under the population versus resources pressures expected in the next century.

In fact, many apparently unrelated developments in these developing countries could be viewed as a set of coherent adaptations to the crisis conditions prevailing there. Among these are: emphasis on tourism and manpower export, cottage and small-scale industries, experiments with social indicators and social technologies, and the popularity of the tricycle for public transportation. In short, the system that seems to be evolving in these developing countries places value on those elements expected to be more useful under conditions of decreasing land and resources per capita. Values bred under conditions of abundance during the last two centuries in the West will be less viable in the next one.

The disenchantment of the poor nations with the international economic order; the gradual erosion of confidence in the American dollar; the growing worldwide consciousness of resource scarcities; the increasing value of strategic commodities like oil, uranium, and gold—all these tend to shift political power to certain commodity-producer nations at the same time they tend to erode the political power of nations that control international currencies and international financial institutions. Resource-based power has led in recent years to resource-based political conflicts and has contributed to the multiplicity of power actors in the international arena.

Because all economic and military activities depend on the availability of energy, the magnitude of a country's consumption of energy is the best single physical parameter correlated with GNP, gross domestic production, and composite measures of national power. The

possession of indigenous energy resources and the technology requisite to their use then become two important ingredients of national power.

A rough assessment of the energy component of the global power equation shows that the near future will be critical for the United States as it continues dependent on external sources of oil and waits for the full development of alternative energy sources and the retooling of its industries to these new sources.

Because of exploration and production difficulties in the Siberian oil fields, the Soviet Union is expected to suffer an oil shortage in the 1980s, thus reducing its ability to supply oil to a number of Eastern European countries. In the distant future, when solar energy becomes important, the USSR faces a clear geographic disadvantage. In the long term the Soviet Union might well rely on nuclear fusion.

Because the People's Republic of China has energy resources—coal, oil, and uranium—that are more than sufficient for its domestic needs and because it has an announced plan to acquire future oil exploration and production equipment from the West, the energy parameter will be expected to project greater power for the People's Republic in the future.

The growing importance of such key resources as uranium may also be expected to confer greater influence on a few emergent countries in the next century: Canada, Brazil, Australia, and Gabon. Among the industrial countries in this century Japan is the most vulnerable. Lacking the basic physical foundation of power, Japan's economic power may be expected to decline in the future.

The vulnerability of the industrial West to forces it can no longer influence demonstrates that solutions to the West's present problems are not to be found merely in the humanist concept of "man as the measure of man" or in "rugged individualism." These new reali-

ties indicate that until the day when alternative energy sources are fully developed, the petroleum-based civilization of the industrial North will be vulnerable to fickle forces that no government can predict, control, or influence. No nation is spared feelings of insecurity.

The natural impulse to attempt to maintain one's global position—and in some cases merely to survive—may give rise to a crisis that is far more serious than the present one; and the increasing misery of the world's poor, who are the real victims of the present situation, may further threaten the fragile balance that sustains a degree of world cooperation. This prospect has imposed an obligation on all, rich and poor, to reconsider traditional habits of thought, attitudes, and aspirations. The approaching exhaustion of nonrenewable resources will eventually move the world toward value determinism, away from solely market determinism, for how does one measure the market price of cow dung or the opportunity-cost of other inputs in a biogas plant? We must now return to the original principles undergirding Western culture and civilization, the Christian system of moral values.

In a way, the most important promise of the new-found use of bioresources will be its ability to reinforce and shape these desired values. The very nature of bioresources, their ubiquity, favors economic, social, and cultural patterns that will encourage self-sustaining systems that are independent of external inputs and rely on individual responsibility rather than a hierarchical central structure. A bioresource-oriented community requires human cooperation with the environment and a sense of organicity in the outlook of its members. Inherent in such a society is the potential for promoting equality and reordering the urban-rural balance within nations and, one hopes, among nations.

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## **ASEAN AND THE PACIFIC BASIN CONCEPT: QUESTIONS AND IMPERATIVES**

**Noordin Sopiee**

Unless war comes to the region or the trends of the past are reversed, the foundations of a "Pacific Community" will continue to be built. Indeed, it is arguable that in many ways a Pacific community of sorts already exists. At this stage it is a pluralist and less than all-encompassing community of nations with only a minimum of intergovernmental institutions and limited common decision-making. However, proponents of the longer-term "Pacific Basin Concept" advocate a higher level of integration and the establishment of more common decision-making structures.

The first question that might therefore be asked is, What should be the level of integration? Essentially, there are eight models: (1) a pluralistic community; (2) a community with a forum; (3) a community with intergovernmental institutions that have limited, specific functions in specific areas; (4) a community with an overarching intergovernmental organization in

which decisions are made by consensus; (5) a community with an overarching organization in which decisions are made by majority vote; (6) a community with supranational institutions and a decision-making body that functions independently of national governments; (7) a confederation; (8) a federation.

A second question is: What is to be the functional scope of the Pacific Basin concept? The options are equally evident: economic, social, political, military, diplomatic. Third, what are the short and long-run "grand design" objectives: to create a Deutschean security community? a free trade zone? a diplomatic bloc? a military/political alliance? a common market? a forum? a series of overlapping circles of pan-Pacific cooperation? And following these questions, what is to be the membership of the particular Pacific community we wish to build in the short, medium, and long term?

It is my view that the ASEAN states *should* take a

positive, if cold, hard look at the Pacific Basin concept—contradictory, vague, and amorphous though it still is. The alternative is to be a bystander, unable to influence the destiny and the future of the region. How the ASEAN countries will respond must depend on at least five imperatives.

At this stage it is imperative that the ASEAN countries be convinced that ASEAN will not be weakened and that the association's existence and prosperity will not be jeopardized. Second, ASEAN states must perceive clear benefits from the Pacific Basin concept—clear benefits, furthermore, that in totality far exceed the possible costs. Third, the concept cannot be perceived as a Western neo-colonial proposal devised for Western neo-colonial purposes. It is necessary for it to promise the restructuring of the present international division of labor. Fourth, it is imperative that it not be viewed as compromising the nonaligned status of the ASEAN states or throwing them into a web of political entanglements. In this regard, and at this stage, it is essential that the concept is not anti-Soviet or even anti-Communist. A Western equivalent of the Russian concept of collective security is unacceptable. The apprehension in some quarters that the concept is a political/strategic arrangement in economic disguise has to be allayed. Finally, it is important that the ASEAN states do not feel they are being rushed into anything.

Given these factors, we must talk softly, tread warily, and walk slowly. For the near future the first five models above are out of the question. It is important to aim initially for a low level of integration. And it is essential to take the functionalist road, deepening the present cooperation and establishing an ever-growing number

of areas of common endeavor. The foundation for the Pacific community of tomorrow has to be built brick by brick, demonstrating with each new initiative the benefits to be derived. The Pacific Basin concept and the institutions to be set up under its rubric must be oriented exclusively to the economic, the social, the intellectual, and the psychological.

For the moment the inclusion of China would be unacceptable. If it is the intention eventually to move up to models (4) and (5)—as it should be—it is clear that the initial membership must be confined to the free-market economies that see eye to eye on a broad range of issues (including the political and military ones). It is quite clear that Japan, the United States, Canada, New Zealand, Singapore, the Republic of Korea, and Papua New Guinea ought to be the founding fathers. Assuredly, the day will never come when all the states of the Pacific will be members. At the same time, the concept has to leave the doors open to all nations that are affected by the Pacific pull and that are willing and able to contribute.

We can continue to say that the Pacific Basin concept is one for the twenty-first century, this is true. To rush headlong is to destroy; to be too ambitious is to fail. But we must act now with statesman-like vision and the greatest sensitivity to build the necessary foundations. The broad ideals and concepts set out in the Report on the Pacific Basin Concept by the Japanese Pacific Basin Cooperation Study Group, if sincere, demonstrate that admirable vision and indicate that all-important sensitivity.

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## THE EMERGING INTERNATIONAL SYSTEM IN EAST ASIA

**Toru Yano**

In the coming decade we can expect that U.S. interests in Asia will become more substantial than in the past five years and that its policies will pivot on the alliance with Japan and the propping-up of China. Those policies will be premised on the recognition that a flexible balance of power is fundamental to security in the area and that such a balance can best be achieved by maintaining its own powerful military presence in Asia as well as by preserving close relations with Japan, Australia, New Zealand, and Korea.

Asia in the 1980s will be polarized by Sino-Soviet confrontation, and strong tensions will continue. The tension will not be confined to only political or diplomatic issues but will also certainly spread to military matters. U.S. policy in Asia will be formulated on the assumption that "militarization" will be a feature of the Asian scene. Needless to say, the major factor underlying this "militarization" is the growth of Soviet military power in the region, in response to which there is a growing likelihood that cooperation in security will develop between the U.S. and China, and that some kind of "security alliance" between the U.S.,

Japan, Europe, and China will eventually take shape, supplying even further momentum for militarization.

It is not likely that the Soviet Union and China will reconcile their overall differences, but it is possible that a *modus vivendi* on parts of the national border may be reached and that positive steps will be made in economic, technical, and human exchange. Nevertheless, it is unlikely that their reconciliation will be so complete that the Soviet Union would transfer the major portion of its Far Eastern forces to Europe.

The major concern in Asia in the 1980s is unquestionably Chinese diplomacy as linked to internal political developments. Certain aspects of that policy will doubtless pose problems for American foreign policy, but China's international stance appears to be stabilizing in a pro-Western direction, as demonstrated by such diplomatic events as Chairman Hua Guofeng's visit to Western Europe, Prime Minister Masayoshi Ohira's visit to China last year, and the visit of U.S. Secretary of Defense Harold Brown to China in January, 1980. The "Four Modernizations" policy seems to be undergoing a delicate adjustment since March, 1979, but has since

shown steady development and will become established as a solid national policy in a few years.

On the other hand it is difficult to predict a stabilized internal political situation in China, since many economic and political contradictions are inherent in China's socialist system. In spite of the normalization talks going on between China and the Soviet Union, China is not apt to take the initiative in improving relations as long as it is disturbed by the various aspects of Soviet world strategy, including its involvement in Vietnam.

The Soviet expansion of its military forces in Asia is unmistakable.

- Backfire bombers and SS-20 mobile intermediate-range ballistic missiles have recently been installed in the Far East, creating a threat to all the countries from Japan to Indonesia.

- In addition to forty-five divisions deployed along the Sino-Soviet border, paratroopers and amphibious corps have been stationed in Littoral Province and on islands, giving the USSR the capacity to intervene not only in China but in Japan and Korea as well.

- The USSR is building up its capacity to assist nations friendly to itself as well as its capacity to attack the marine transport routes of other countries.

- It is planning to build a large naval base at Korsakov in Sakhalin and is exerting pressure on Vietnam to allow it the use of bases in Da Nang and Cam Ranh.

Judging from the geographical distribution of Soviet military deployment in the Far East, the Soviet Union seems to be preparing for potential offensive operations. Notwithstanding this growing Soviet threat in Asia, there will probably be no fundamental change during the first half of the 1980s in the basic U.S. "one-and-a-half war" strategy and the so-called swing strategy based upon it.

The "swing strategy" means that in case of a Soviet attack on Western Europe, U.S. aircraft carriers, army and marine divisions, and B-52 bombers will be transferred from the Asian and Pacific region to Europe. While the plan is politically advantageous to the European members of NATO because of its emphasis on the European front, it is possible that this policy may lead to continued erosion of the credibility of the U.S. security commitments to Asian countries. However, once the U.S. rectifies its practice of failing to notify allies of specific strategic moves on the grounds that this would cause a controversy in bilateral defense relations, consultation between the U.S. and Asian nations concerning the "swing strategy" is sure to become more substantive.

In countering the increased Soviet threat in the Far East, Japan will continue to be the pivotal nation in security affairs. The U.S. will strongly encourage the trend in Japan to expand defense cooperation with the U.S. and to improve the quality of the Self-Defense Forces by introducing F15 fighters and P3C subspotting planes.

However, the U.S. is likely to initiate new security measures beyond the established framework of mutual security arrangements in the '80s based on the premise that Soviet ambitions are global and that the international situation produced by Soviet military expansion is currently one of "quasi-war." The first of the new

measures is the effort to work out a joint defense program between Japan, the U.S., and Europe. The second measure to be undertaken in this decade will be the rapid strengthening of security-related ties with China. Although the U.S. will not sell weapons per se to China, it may begin to export such equipment as radar, which can be diverted to military use, and maintain its stance that a powerful, stable, and modernized China is an advantage to the U.S. Also, the U.S. is bound to increase efforts to encourage its friends and allies to form a line of defense from the Far East to Southeast Asia around closer Japan-China ties.

Of particular concern to the U.S. is the continuing instability in the Korean peninsula and Indochina. Although it has frozen its plan to withdraw U.S. ground forces from Korea, the U.S. will continue to seek military reinforcement through expanded military spending on the Korean side. The concern that Vietnamese aggression might spread from Cambodia to Thailand inspires an extraordinary concern on the part of the U.S. about the possibility of the Soviet access to Da Nang airforce base and Cam Ranh Bay. The U.S. will continue to support ASEAN, focusing mainly on Thailand, in the hope that it will be a powerful encircling force with which to contain Soviet and Vietnamese expansion.

Finally, the overall complexion of U.S. strategy in Asia for the 1980s will gradually change, for mounting Soviet pressure on South Asia since the invasion of Afghanistan has convinced the U.S. that it is essential to assist South Asian nations—India, Pakistan, Sri Lanka, Bangladesh, and Nepal—and to strengthen their defenses against the Soviet Union.

Within this framework, Washington's links with Tokyo merit comment. Japan has reached a turning point in its postwar foreign affairs and security policies. Quite aside from the growing concern for national defense among Japanese, one of the most important issues for the 1980s will be U.S.-Japan military cooperation in air and submarine strategies, as well as in securing oceanic transport routes within the framework of the U.S.-Japan security treaty.

A further task for U.S.-Japan relations in the 1980s is the resolution of economic friction, thereby avoiding political pressures that could weaken the U.S.-Japan alliance. And there is the problem of U.S. prestige and credibility. From Korea to the Middle East, the U.S. has failed to settle disputes in which it is involved. If this continues, Japan might well look for means of guaranteeing its security other than unilateral dependency on the United States.

Triggered by the Soviet invasion of Afghanistan, a significant change is presently occurring in the posture of the U.S. toward Japan that is creating signs of a clear transformation in bilateral relations. The U.S. will no longer permit Japan special treatment concerning security and foreign policies, but will expect it to play an appropriate role in political, economic, and defense issues on a par with the other major powers in the West. The pressure to fulfill such expectations will be of a new strength and candor, giving urgency to this issue for the first half of the 1980s.

During the 1970s the U.S. harbored the feeling that Japan, though counted among the major Western industrial powers, did not play a defense role befitting its stature. In addition, dissatisfaction gradually accumulated in the U.S. that Japan would not face up to the issue of defense as a basic national need. Until now the Western powers have given special consideration to Japan because of the tragedies it suffered in World War II. However, there are signs that this tolerance will fade in the 1980s. Such change in the U.S. attitude toward Japan will lead to concrete changes in U.S.-Japan security arrangements. For example, by placing Japan officially in the network of the Western defense system, U.S. military bases in Japan will be valued as naval relay and supply bases as part of U.S. world strategy.

During the 1950s the U.S.-Japan security treaty and the U.S. military bases in Japan were designed to deal with international communism, especially with the threat of North Korea and the expansionism of the People's Republic of China. However, they did not constitute Japan's response, but made up a system strictly

dependent on U.S. military strength. Under the revised security treaty signed in 1960, the bases in Misawa, Yokota, Kadena (Okinawa), and Yokosuka functioned as transit stations and supply bases for the Vietnam war and through the first half of the '70s. In the latter half of the last decade, with the end of the war and the normalization of U.S.-China diplomatic relations, the situation in the region changed; and as conditions in Taiwan and the Korean peninsula calmed, obstructions to peace in the Far East grew fewer in number. At the same time, Japan emerged as a major economic power and a decisive force in Asia, and an era began in which Japan would be charged with greater responsibility for the security of the region.

At present the U.S.-Japan security relationship has become significant for its basic role as part of U.S. world strategy, and expectations are rising that Japan play a greater role in world security affairs. The development of a new U.S.-Soviet confrontation prompted by the Afghanistan issue gives new meaning to the changing nature of U.S.-Japan security relations and provides an

## PACIFIC REGION STATISTICAL INDICATORS

	Afghanistan	Australia	Bangladesh	Burma	Canada	China People's Republic of	Taiwan	Hong Kong	India	Indonesia
<b>Area</b> (thousand square miles)	250	2,968	55	261	3,845	3,692	14	0.404	1,261	735
<b>Population</b> (millions 1979)	15	14	86	32	24	971	17	5	651	148
Per cent increase 1960-79	1.2	1.8	2.6	2.0	1.5	2.3	2.8	2.1	2.2	2.5
Per cent population under 15 years	45	27	46	41	26	33	33	30	42	41
Infant mortality (per 1,000)	226	14	140	100	14	20	25	14	134	126
Population per physician (1,000)	29	.8	11	5	.5	1	2	1	3	16
Per cent literate adults	12	100	22	67	98	95	82	90	36	62
<b>Production and prices</b>										
GNP in U.S. dollars (billions 1979)	2.9	119.6	9.5	4.3	229.2	245.7	26.9	11.8	132.7	34.9
Per capita income (U.S. dollars; 1979)	197	8,291	110	134	9,674	253	1,600	2,352	204	240
Percentage average GNP growth 1970-79	3.6	2.5	-1.4	-1.1	3.8	4.9	8.2	6.6	1.4	5.0
Agriculture as per cent of GNP	52	6	57	39	3	27	9	1	43	30
Industry as per cent of GNP	13	30	12	12	25	43	51	38	21	15
Gross capital formation as per cent of GNP	12.4	22	9.8	14	22	...	28	24	19	19
Capital-output ratio	0.9	1.8	1.8	1.3	1.8	...	1.7	1.7	2.5	1.01
Inflation (CPI) in 1979	8.2	9.1	12.7	5.6	9.2	5.8	9.7	9.0	6.3	24.4
(1980 estimates)	(...)	(10.5)	(16.8)	(2.3)	(9.4)	(...)	(17.4)	(18.3)	(12.1)	(22.5)
<b>Public expenditure (1974-79)</b>										
As per cent of GNP	12	29	15	13	22	40	11	14	12	20
Defense as per cent of GNP	3	3	2	4	2	9	8	--	3	3
Defense as per cent of public expenditure	15	9	7	21	9	15	26	9	21	21
Education as per cent of public expenditure	15	10	7	15	...	22	18	10	11	8
<b>Foreign trade</b>										
Total foreign trade as per cent of GNP	18	28	22	11	45	5	83	160	13	38
Percentage of energy consumption imported (net)	47	26	50	--	8	--	72	100	12	2
Percentage of food consumption imported (net)	...	4	10	...	6	5	11	85	5	10
Percentage of trade with Pacific region (except)										
U.S. and Japan)	45	16	22	38	4	4	18	35	17	17
Percentage of foreign trade with Japan	15	22	11	31	5	26	22	15	9	41
Percentage of foreign trade with the U.S.	11	17	11	4	67	10	31	19	12	18

opportunity for substantive change.

At the time of U.S. Defense Secretary Brown's visit to Japan early in 1980, the U.S. requested with unprecedented directness and specificity a large increase in Japan's defense budget, bringing the issue of defense costs between the two countries to the forefront. The U.S. authorities showed clear dissatisfaction with Japan's present official stand on its defense budget, that it must remain within 1 per cent of the GNP. However, even if Japan were to increase its defense budget sharply, the U.S. Government has no specific policy for determining how much it should allow Japan to expand its military. There remains too an undercurrent of feeling that a militarily powerful Japan would be more harmful than a Japan that enjoys the "free ride" it has for three decades, and this creates a troublesome dilemma for the U.S.

With the Soviet intervention in Afghanistan, U.S. expectations of military cooperation among its Western allies has increased; and with the shift in importance of U.S. forces in the Indian Ocean and the Persian Gulf,

requests to support the U.S. as part of its anti-Soviet strategy in the Far East will be urgent in the 1980s, especially for Japan. There is the clear belief that under these new conditions Japan cannot establish defense facilities within its "less than 1 per cent of the GNP" framework that would satisfy the U.S. The years ahead will bring explicit U.S. demands on this score.

Yet even among U.S. Government authorities there is debate about satisfactory limits for Japan's defense framework in the context of U.S.-Japan defense cooperation, and a unified policy will not be easy to formulate. When specific strategies for the joint U.S.-Japan defense plan presently under study are known, an appropriate level of Japan's defense capability, a reasonable amount for its defense spending, and other points will become clear. But U.S.-Japan relations in the 1980s encompass many unknown and unpredictable elements, and in this sense they promise to be basically quite unstable.

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Iran	Japan	North Korea	South Korea	Laos	Malaysia	Nepal	New Zealand	Pakistan	Philippines	Singapore	Sri Lanka	Thailand	Viet Nam	United States	U.S.S.R.
636	142	47	38	148	128	54	104	307	115	0.2	25	198	207	3,615	8,469
37	116	17	38	4	13	14	3	80	48	2	15	46	52	221	258
2.9	1.1	2.8	2.3	2.3	2.7	2.1	1.4	.1	2.9	2	2.1	3.0	2.6	1.1	1.1
46	24	41	37	45	43	42	29	47	46	31	38	45	44	24	25
155	9	20	37	130	32	152	16	90	65	12	47	68	62	15	25
3	.9	1	2	22	4	39	.7	4	3	1	6	8	5	.6	.3
50	99	95	91	28	60	19	99	21	87	75	78	82	87	99	99
81.5	1,053.3	6.5	61.5	0.3	20.2	1.6	18.4	19.7	29.5	8.3	3.4	27.6	3.1	2,343.5	537.9
2,202	9,100	380	1,636	85	1,523	116.8	5,938	247	618	4,150	232	599	60	10,624	2,085
13.7	3.1	5.4	11.3	1.2	5.9	0.3	2.5	5.3	3.0	6.5	7.0	4.7	-1.6	1.6	3.6
9	5	21	23	60	26	64	12	34	27	2	32	27	40	2	20
49	44	45	33	5	41	5	16	19	31	28	17	26	2	27	8
34	30	35	31.4	...	24.4	9.9	20.5	16.2	24	35	25.3	25.9	20	18	31
2.4	3.2	...	1.4	...	1.4	1.6	1.5	1.4	1.2	3.4	1.4	1.7	...	1.7	...
11.6	3.6	...	18.3	3	3.6	6	13.8	9.5	18.8	4.1	10.7	9.9	6	11.3	...
(14.0)	(7.5)	(...)	(25.9)	(70)	(6.4)	(16.8)	(18.4)	(10)	(24.9)	(9.2)	(22)	(19.7)	(30)	(14.2)	(...)
44	12	52	19	7	27	12	34	17	17	18	31	16	45	21	30
14	1	11	6	16	4	1	2	6	3	6	--	4	...	6	12
26	7	22	24	28	13	8	5	26	10	25	2	20	47	27	20
9	12	10	15	9	19	11	14	10	14	25	14	16	...	19	20
57	26	20	54	14	79	20	53	25	33	189	61	39	17	16	16
--	90	10	58	100	--	90	60	25	93	100	88	90	30	20	...
14	70	10	32	15	20	...	5	15	...	90	25	3	15	--	10
10	34	65	11	50	34	22	31	24	14	32	22	20	20	34	7
17	--	30	28	21	24	16	14	12	24	14	11	24	17	11	11
13	22	--	25	4	16	7	14	11	26	14	7.3	14	0.1	--	12