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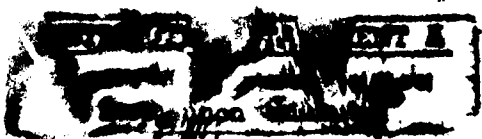
COOPERATIVE SECURITY IN THE PACIFIC BASIN

THE 1988 PACIFIC SYMPOSIUM

Edited by

DORA ALVES

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The 1988 Pacific Symposium

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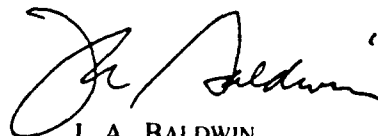
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FOREWORD

With the end of the Cold War, the far-reaching changes across Eastern Europe, the unification of the Germanies, and the Iraqi invasion of Kuwait all demanding the close attention of US policymakers, one might wonder whether US interest in the security of the Pacific Basin has diminished. As the essays in this volume confirm, American long-range interest remains as keen as ever.

These essays address Pacific security from three perspectives: the US role, the prospects for cooperative security, and particular problems of individual Pacific nations. Former National Security Advisor Walt W. Rostow and former Assistant Secretary of Defense Richard L. Armitage call for a continuing US involvement in Pacific regional security as necessary to support US interests. Admiral Ronald J. Hays, Dr. Robert A. Scalapino, Dr. Donald E. Weatherbee, Dr. Lawrence E. Grinter, Dr. Young W. Kihl, Mr. Peter G. F. Henderson, and Sir Peter Kenilorea address cooperative security issues area by area. Ten other regional experts look at future collective security as it affects Korea, Japan, the Philippines, Thailand, Indonesia, Australia, New Zealand, and the major South Pacific islands. First presented in 1988 and subsequently revised for this volume, these essays take a long-range perspective that makes them particularly valuable now and for the 1990s.

By publication of such volumes, the National Defense University hopes to increase understanding of the challenges and opportunities taking shape in the dynamic Pacific region.



J. A. BALDWIN
Vice Admiral, US Navy
President, National Defense
University

PREFACE

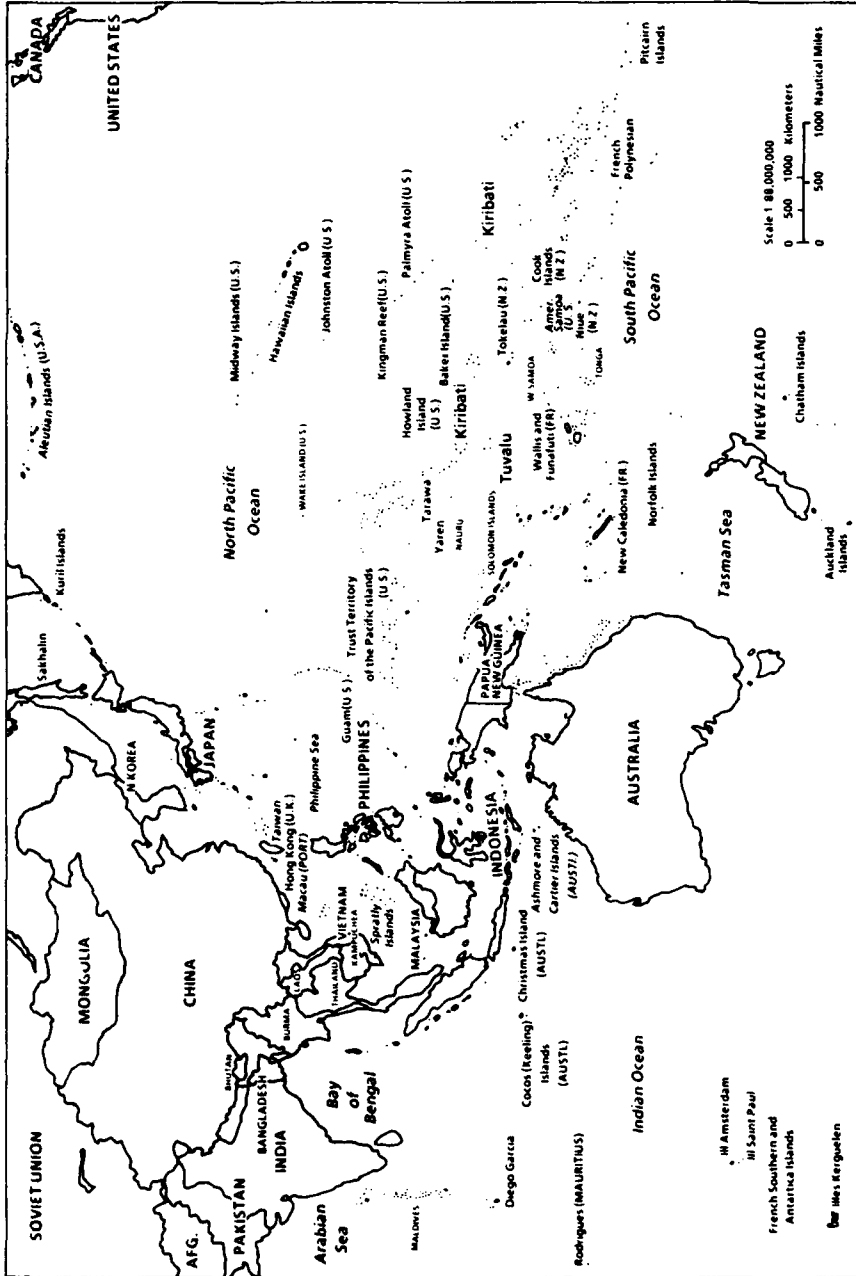
These selected, edited papers on the theme of "Patterns of Cooperation and Pacific Basin Security" include more general and fewer country-specific papers than collections of earlier years. This is perhaps a reflection of the increasing pace of change throughout the entire region.

At the time the conference was held, Paul Kennedy's book, *The Rise and Fall of the Great Powers*, was a major topic of discussion in Washington. Some of the authors comment on and rebut Kennedy's theses concerning the United States, particularly his suggestion that US underwriting of an outdated defense posture in East Asia accelerates the fall of the United States from preeminence and subsidizes the rise of other nations.

For the first time a South Pacific parliamentarian, Sir Peter Kenilorea of the Solomon Islands, was among our plenary speakers. Sir Peter, who was prime minister at his country's declaration of independence is, like many of his confreres, a church and political leader.

These papers contributed to US understanding of a wide range of Pacific issues and the National Defense University stands in debt to their authors.

THE EDITOR



Keynote Address:
**THE US SECURITY ROLE IN EAST ASIA
NOT A MILLSTONE, BUT CORNERSTONE**

The Honorable Richard L. Armitage



The Honorable Richard L. Armitage became Assistant Secretary of Defense for International Security Affairs on 9 June 1983. Mr. Armitage graduated from the US Naval Academy and was commissioned in the US Navy. Before leaving the navy in 1973 he completed 3 tours with the riverine forces in Vietnam, later becoming the naval and Marine Corps advisor in Saigon. He has worked as a Pentagon consultant, in private business, and for congress. He was a member of the Reagan National Security Transition Team and, before becoming Assistant Secretary for Defense, was Deputy Assistant Secretary for Defense, International Security Affairs for East Asia and Pacific Affairs.

Most of you will have heard of, or read, the new book by Yale historian Paul Kennedy entitled *The Rise and Fall of the Great Powers*, a survey of the past five hundred years. Professor Kennedy's lesson from history? For a great power to remain great, it must keep reinvesting in its manufacturing base, always looking ahead to the next generation of technology; and, at the same time, it should resist the temptation to spend scarce national funds to hang on to far-flung military roles and missions that may have outlived their economic utility in a changing world.

It is a provocative thesis. Professor Kennedy has covered an enormous span of history and drawn some intriguing patterns and parallels connecting the dominant powers. His emphasis on the economic dimension is important, and his analysis of history's major military conflicts is worthy of one who served as a research assistant to Sir Basil Liddell Hart. But Paul Kennedy has gone a step further in his book, beyond history and into the realm of political prescriptions, by applying his view of the past to the present and future. He sees the United States today clinging to a network of military alliances formed at the end of the Second World War, when American supremacy in the international economy was at its peak. He warns that other powers are catching up, growing faster by spending less on defense and more on technologies that may push them past the United States in the years ahead. For example, in East Asia, he sees the United States borrowing Japan's money to pay for an elaborate and obsolete defensive posture that allows Japan and its neighbors to get richer still by investing in advanced manufacturing techniques which, in turn, are driving American producers out of business. Kennedy suggests that America's continued underwriting of a decades-old defense posture, as in East Asia, is accelerating our fall from preeminence and subsidizing the rise of others, including Japan, China, and the newly industrialized countries such as Korea.

This is a frightening message to many Americans, one that, unfortunately, has caught the attention of influential people, in congress and elsewhere, who are eager to shrug off much of the security burden the United States has borne around the world for so many years. I think it's the wrong message to be sending to the American people, our allies, and our adversaries. Indeed, I question whether

Professor Kennedy's historical theory is relevant to the modern world. The era of imperial wars which he describes so well appears to have ended in 1945, when nuclear deterrence imposed a truce on the prospect of all-out conventional war between the strongest powers.

The United States which assumed such a leading international role after World War II was a powerful and great country—a superpower. We could have conquered Japan and West Germany, and shackled them politically and economically, as the Russian elite running the Soviet Union did with the areas they occupied. Instead, we helped put Japan and Germany on their feet, and left them to govern themselves—and yes, to prosper. Today, we worry about how best to compete with them economically; but who among us would trade these challenges for the ominous problems the Soviets now face with their unproductive and increasingly resentful satellites? There is an overstretched empire that may fit Professor Kennedy's model.

Why is the United States so different? There are many reasons. We are not English, or French, or German, or Russian: we are all these, and more. People around the world see a little of their own blood in the American lineage, and this is a great source of our strength and legitimacy. When the American people declared their independence from the British crown, we chose to govern no one but ourselves; and we have forsaken the role of hegemonic power when the chance arose. Just ask the people of Japan, the Philippines, the Pacific Trust Territories, and Grenada.

Moreover, our constitution prevents power from being concentrated in one place, limits the term of the president, and regularly subjects legislators to the electorate. This is the biggest difference of all. I doubt you will ever see the long-term grand strategy that Paul Kennedy says we need; nor will the bureaucratic infighting and political paralysis he laments ever subside in Washington. What you will see, however, is a country which can adapt to change and challenge better than any great power in history. This is why I reject the current wave of pessimism about America's future. And this is why I feel compelled to speak out as forcefully as I can before misguided ideas lead to destructive actions. Paul Kennedy is wrong about the United States, and so are the people who have seized upon his great power theory as a rallying cry to bash our allies and roll back our overseas defense posture in the mistaken belief that this will make America more competitive and increase America's wealth and influence.

The Pacific basin offers perhaps the best example of how the Kennedy thesis is contributing to a profound misreading of US interests abroad. Secretary Carlucci recently received a letter from a member of Congress which said:

A growing number of the American people feel abused by our allies. They feel that we spend a much greater portion of our wealth on the common defense; that we have too large a number of soldiers stationed on their territory; and that the allies use the money they save on defense to subsidize their trade, creating our enormous trade deficit.

The author is addressing the typical issue of burdensharing, and undoubtedly has Japan in mind, among others. I will address this criticism, defending our posture in Asia and the Pacific commitment-by-commitment, beginning with Japan, which is at the center of the firestorm.

The United States and Japan are two dynamic democracies with the two largest national economies in the history of the world. Cooperating together, the United States and Japan economically dwarf the communist world, and militarily give great pause to the Soviet Union. Given the dynamism and competitiveness of our economies, trade frictions between America and Japan are not surprising. What is not logical, and is increasingly worrisome, is criticism of the US-Japan defense relationship, which is more favorable to us than it has ever been before.

The critics talk about fairness when they raise the subject of burdensharing. Their simplistic arguments sound reasonable. It is well known that Japan spends only a fraction over one percent of its gross national product for defense, while the United States spends about six percent. Japan could obviously afford to spend more. Let's review the facts before drawing the wrong conclusions.

In 1980, the Carter administration strongly and publicly criticized Japan's defense spending. In January 1981, the Reagan administration stated emphatically that it would not criticize its allies in public, and would discuss defense frankly in private, basing discussion upon roles and missions rather than static indicators such as budgetary real growth or the ratio of defense spending to GNP. For its part, in 1981 the United States pledged that in the northwest Pacific it would provide a nuclear umbrella, offensive projection forces as necessary, and a continued presence in the Republic of Korea. In the southwest Pacific and Indian Oceans, the United States

said it would maintain the nuclear umbrella, projection forces as necessary, and sea-lane protection forces.

Within two months, the Japanese replied that they could, within the limits of their constitution, defend their own territory, air and sea-lanes to a distance of 1,000 miles. The administration and congress supported Japan's statement of its roles, and encouraged Japanese leaders to achieve the requisite level of capability within this decade. From 1983 to 1985, Prime Minister Nakasone obtained five percent annual real growth in defense spending while holding all other Japanese ministries to negative real growth. He fought for and won approval of a defense plan for 1986 to 1990 designed to achieve the defense goals established in 1981. Japan has continued to support annual defense spending increases of over five percent, breaking the psychologically sensitive barrier of one percent of GNP in 1987 for the first time in twenty years. Japan's 1988 defense budget, the first under Prime Minister Takeshita, is on the verge of surpassing the British, French, and German levels which will make it the world's third largest.

What is truly important, though, is capability. Japan lies immediately due east of the key Soviet naval port of Vladivostok, and sits astride naval and air approaches to Taiwan and the Korean Peninsula as well. Japan's self-defense missions, which are being fulfilled in the 1986 to 1990 Defense Program, deny Soviet ships and aircraft undetected access to the Pacific and even the Indian Ocean, when Soviet forces come from the Vladivostok area.

To deal with a formidable Soviet presence in the Far East, the Japanese have more than 50 destroyers in the maritime self-defense force—more than twice as many as we do in the Seventh Fleet, which covers all of the Western Pacific and Indian Oceans. By 1990, the Japanese total on hand or on order will increase to sixty destroyers, including two with the Aegis air defense system. In the case of anti-submarine aircraft, we have about twenty-three P-3Cs in the Seventh Fleet; the Japanese will deploy one hundred at their bases located in close proximity to Vladivostok. The Japanese air self-defense force has one hundred F-4 Phantoms, and will have approximately two hundred F-15 Eagles by 1990—three hundred is about the number of tactical aircraft we have defending the continental United States. In the 1990s, they will begin deploying over one hundred F-16s enhanced with advanced Japanese avionics and other improvements, the technology from which they will share with us if we so desire.

Thus, Japan will meet its basic defense goals by 1990, as promised. In its defense plan for 1991 to 1995, Japan will likely obtain a more comprehensive capability by acquiring an over-the-horizon radar system, long-range early-warning aircraft, and tanker aircraft. These systems will make undetected Soviet aircraft or shipping access to the Pacific or to Japanese territory across the Sea of Japan complicated, if not impossible. Japan's projected capability, complemented by US strategic and enhanced conventional weapons capability, presents a very favorable scenario for continued Pacific deterrence.

My question, then, is this: what more do the critics want Japan to do? Both the senate and the house voted overwhelmingly in 1987 that Japan should spend 3 percent of its GNP on defense, despite the fact that all of the capability I have just described can be had for less than 2 percent. What would the additional funds be used for? A nuclear capability? Offensive projection forces? Professor Kennedy speaks of Japanese carrier forces and long-range missiles—is that what congress wants? Will that enhance stability in East Asia? The critics are unclear, and at times, contradictory. While demanding that Japan buy advanced US defensive systems so that it can relieve us of military roles in the area, they warn that Japan will steal our technologies for other uses. Bashing a key friend and ally in this manner is, to say the least, not an edifying spectacle, viewed from either Washington or Tokyo.

Some of the new apostles of burdensharing say that if Japan won't take over roles and missions from US forces in East Asia, they should pay for the American presence. The fact is, they are carrying an impressive share of the burden. In fiscal year 1988, Japan will spend 2.5 billion dollars in support of the fifty-five thousand US military personnel stationed in Japan. That amounts to \$45,000 per person—the most generous host nation support the United States enjoys anywhere in the world.

Let me make it very clear that the administration believes Japan can and should do more in defense, in order to achieve its full capability to defend the 1,000-mile radius as soon as possible. But Japan knows this as well as the United States does, and is increasingly taking the initiative in these important efforts. The fact is that since 1981 a positive, well-reasoned, and supportive US approach to Japan on defense issues has produced excellent results. If the optimal defense posture for Japan amounts to a relatively small

drain on its wealth, then why not encourage Japan to increase its foreign economic assistance, as the administration and Senators Nunn and McCain have done? Greater untied and strategically targeted Japanese aid programs will have an immensely beneficial impact on regional and global stability without causing political friction between our two great countries. Rather than snatching defeat from the jaws of victory, let's encourage Japan to continue steady progress in its defense effort and to build upon its strategic economic aid effort. Let us appreciate the positive benefits of Japan's defense efforts, and stop the uninformed, illogical, and damaging criticism.

With all due respect for Mr. Kennedy, one thing should be clear from this discussion: The US-Japan defense relationship is not an outmoded vestige of the postwar era, but a dynamic, symbiotic, up-to-date effort that contributes greatly to the continued security of both countries. I emphasize this because the same can be said for the rest of our defense posture in the Pacific region. Let's turn to the second-most-misunderstood pillar of our security role in Asia: Korea.

US forces, along with other member states of the United Nations, rushed to the aid of South Korea in June of 1950, and have never left. Thirty-eight years later, the Republic of Korea has developed into a rising star in the international marketplace. It is running a trade surplus with the United States. That leads some Americans to conclude that it's time for the 40,000 American forces to come home from Korea. To those people, I say: open your eyes.

Today, the South Korean people are inaugurating Roh Tae Woo as their President—the first democratically-elected leader in seventeen years. Ask yourself whether this would be happening if a previous administration had carried through its intention to reduce America's deterrent on the Korean Peninsula. Instead of being intimidated and possibly attacked by North Korea—one of the most militarized, despotic, and terroristic regimes in the world today—the ROK is prospering as a free country. Korea's remarkable progress as a nation has earned it international prestige. This summer, the Olympic Games will take place in Seoul. Instead of destabilizing the region by pulling its forces out of Korea, the United States continues to make an important difference. This summer, the United States will do everything it can to assure a successful and peaceful Olympics, free of North Korean interference, in cooperation with our allies on the Peninsula.

That's the kind of role we are playing in Korea today—a role model, a friend, and a partner—and no one should doubt that it is a necessary role and a successful role. The ROK should take care that its host nation support represents a fair share of the burden; and we welcome progress in this area. But loose talk about abrogating our defense role in Korea is irresponsible and potentially harmful, and does not represent the view of the US government.

The logistic gateway supporting our defense posture in East Asia is, of course, the Philippines, where we have the use of Philippine air and naval bases. US access to facilities at Subic Bay and Clark Air Base provides a security umbrella for the western Pacific, and a necessary counter to the major Soviet presence across the South China Sea at Cam Ranh Bay. Furthermore, the American presence provides an external defense guarantee for the Philippines which enables the Philippine government to focus its energies and resources on internal development.

The United States has an important historic and cultural stake in the Philippines. Filipino Americans account for the largest group of Asian Americans in the United States. In the last two years, we have witnessed a Democratic transformation in the Philippines that has touched the hearts of all Americans. Since Corazon Aquino became President, the Filipino people have adopted a constitution, empowered a legislature, and elected local officials. By any measure, we should be impressed. All this has been achieved despite a major communist insurgency which preys upon social and economic problems that are the product of years of mismanagement and neglect under the previous regime. We strongly support the Philippine government's efforts to prevent the communists from undoing the great strides made so far.

In 1988, the Philippines and the United States will review the agreement that provides for our access to the facilities at Subic and Clark. Voices on both sides may say things which do not help the process. I hope that political figures in both countries will keep in mind the security interests of the Philippines and the entire Pacific Region when they talk about the American presence. They should ask themselves whether the recent dramatic turn to democracy, and the future economic growth necessary to sustain it, would be possible without the continued security cooperation between the United States and the Philippines. As with the other key elements of our defense posture in the Pacific region the status quo—whatever its problems

and shortcomings—looks a whole lot better than any alternative, to both the United States and the Philippines.

The same can be said for our alliance with Thailand, which has stood for thirty-four years. The 1954 Manila Pact and the 1962 Rusk-Thanat bilateral communiqué have been reaffirmed by every US President since John Kennedy. Our close and cooperative defense relations with Thailand continue to deter external aggression against Thailand—a country that has never been dominated by a neighboring people in over 600 years. With well over 100,000 Vietnamese troops occupying Cambodia and, from time to time, threatening Thailand's border with Cambodia, the US-Thailand alliance relationship is anything but obsolete. It remains a source of strength to a free people holding their own against a communist Indochina dominated by the militaristic and hegemonic government in Hanoi.

We have stood by our Thai friends in the face of the oppressive occupation of Cambodia by Vietnam and the threat this poses to Thailand. We were also the first to speak out in support of Thailand during the recent fighting on the border with Laos. No one should underestimate the benefit both countries derive from our continued alliance relationship. Our staying power as Thailand's ally offers the best hope that Vietnam will abide by its pledge to remove its forces from Cambodia in 1990, and that the political and economic miracle of ASEAN can begin to be shared by the war-ravaged and destitute peoples of Laos, Cambodia, and Vietnam.

The United States maintains important defense ties with the countries of Southeast Asia. This strengthens our overall relationship with countries that are exploring more democratic and open forms of government. It also enhances our security as the armed forces of Asia modernize with American equipment in ways which are compatible with our own forces. Through joint training and exercises, officer exchanges, military education programs, and arms transfers, we are participating in the development of professional armed forces, military establishments that share our respect for human rights and the people's will, and understand that security against external aggression is a key to internal development and prosperity.

The trilateral ANZUS treaty has, since the early 1950s, contributed greatly to regional security in the Pacific. The unfortunate implementation of New Zealand's anti-nuclear ship policy prevented normal alliance cooperation and left the United States with no acceptable alternative but to suspend our security obligation to New

Zealand under ANZUS. Nevertheless, the ANZUS treaty continues to provide the framework for bilateral security cooperation between the United States and Australia. Both countries have reaffirmed that their mutual rights and obligations under the treaty remain in place and will provide the basis for a resumption of trilateral security cooperation should that become feasible.

A key element in the overall US role in Asia, today and for years to come, is our evolving defense relationship with the People's Republic of China. At a steady pace, consistent with US and Chinese interests, which takes into consideration the sensitivities of others in the region, we are working with China to help modernize its armed forces. This is a significant facet of our overall relationship with the PRC. It reflects not only China's obvious historical importance to the region, which will only become greater in future decades, but also a recognition that China is coming out of a terribly destructive period in its history and is moving toward a much more constructive and beneficial role. I might also point out that China has paid for all the assistance and equipment we have provided to date.

Along with China and other friendly states in the area, the United States shares a strategic interest in deterring Soviet ambitions in Asia. The buildup of Soviet forces in Asia and the Pacific is universally looked upon with great caution. Now, however, there is a new look to Soviet foreign policy, a less menacing face, promoting *glasnost* and *perestroika* at home and pledging peace and cooperation abroad. The United States supports any genuine steps to increase stability, such as ending the occupations of Cambodia and Afghanistan, and recognizes that the Soviets are an Asian power with interests of their own to pursue.

This is no time to lower our guard, however. What is required on our part is sophistication and vigilance that goes beyond maintaining our military deterrent. Congress must learn that whenever it produces a piece of restrictive trade legislation that threatens to disrupt the smaller Asian economies, like clockwork, smooth-talking Soviet trade delegations swoop right into those countries with concessional trade terms and a host of enticing bilateral initiatives. The only "protectionism" we should be practicing is to protect our long-term relationships abroad.

It is no secret that Asia is the region to watch in the years ahead, as China becomes a modern power, Japan continues its remarkable economic progress, and others ascend the ladder of political and

economic development. India, the world's largest democracy, can play a role in fostering stability and progress in South Asia. How the Soviet Union chooses to read the lessons of recent history will be a major factor in this process. Indeed, the USSR is the one contemporary power that would be well-advised to take a hard look at Paul Kennedy's book.

The United States has a central role to play in Asia and the Pacific region, as a security partner and an economic partner, but also as a trusted friend and mediator between these many peoples and societies reaching for the brass ring of progress. Soviet military power casts a dark shadow over the Pacific, as do the repressive and backward regimes of North Korea and Vietnam, and the communist insurgencies in the Philippines. The United States needs a stable Pacific Region and we believe our Pacific partners need us. As the second millenium draws to a close and "the Pacific Century" dawns, America's defense role in the region will be not a millstone, but a cornerstone of our own future as an economic superpower.

And as we wrestle with budgetary and trade problems, let us remember one immutable fact: the outbreak of democratic governance and market economies around the world is a flourishing garden that we planted, and that we have nourished and guarded against the elements for many, many years. After all the challenges and setbacks we have braved in defense of freedom from totalitarian domination, success is coming to pass, at long last—particularly in Asia and the Pacific. The United States will not have a free ride into the next century, but when you recognize the consequences of not paying the price of deterrence, and recall the terrible cost to us when non-democratic forces have triumphed in Asia, these new challenges to America's greatness don't look so bad at all. We should be very relieved that our skills are being tested in the workplace and the marketplace, not on the battlefield, and that differences can be worked out peacefully and intelligently with our partners in Asia.

There is every reason for excitement in the United States as we look forward to the twenty-first century. For economic, political, social, and geographic reasons, the United States will play a major role in Asia and the Pacific. For strategic reasons, we *must* do just that. I predict that a generation or two from now, a future Paul Kennedy will look back on this period, and this region, and these relationships; and he will recognize that the United States tried something new that kept it at the forefront of influence and innovation among

nations: in place of the power of coercion, we used the power of persuasion; where others exploited and dominated less-developed societies, we helped them, encouraged them, protected them when necessary, and respected their decisions about their own destiny. He will remark that not only did the United States beat the odds stacked against the great powers: We changed the rules of the game.

Plenary Address:
**THE PACIFIC BASIN AND
NATIONAL SECURITY**

Dr. Walt W. Rostow



*Dr. Walt Whitman Rostow received his B.A. and Ph.D. degrees from Yale University. He was also a Rhodes Scholar at Balliol College, Oxford University. He taught at Columbia University before war service in the OSS. Dr. Rostow has been Pitt Professor of American history at Cambridge University and Professor of economic history at the Massachusetts Institute of Technology. He served President Kennedy as Deputy Special Assistant and President Johnson as Special Assistant for National Security Affairs. He has also been a Counselor of the Department of State and US Member of the Inter-American Committee on the Alliance for Progress. Since 1969 he has taught at the University of Texas at Austin. Dr. Rostow is the author of many books, among them **Eisenhower, Kennedy, and Foreign Aid** and **The United States and the Regional Organization of Asia and the Pacific: 1965-1985**.*

It is just about a century since Asia, affronted by the colonial and quasi-colonial intrusions of the West, began to bestir itself. The Japanese take-off began in the mid-1880s. A decade later it both humiliated China in war and demonstrated to young Nationalist Chinese that Asians could, indeed, acquire and use effectively the tricks of modern technology as the Emperor Meiji had proclaimed in the Charter Oath of 1868. Japan—and his time in Japan—left a profound impression on Sun Yat-sen, the founder of modern China, a fact acknowledged by both Nationalists and Communists. Meanwhile, in India the Congress Party emerged and the struggle for independence began in earnest. As the twentieth century lurches towards its close, the transformation of Asia and the Pacific basin is as dramatic as that of the Atlantic community in the nineteenth century. In terms of growth rates per capita the Pacific basin is, in fact, moving forward with much greater momentum than the Atlantic world a century earlier.

As a historian and a former public servant I am prepared to take fairly seriously John Maynard Keynes' dictum written as the probability theorist he was before he became an economist: "The inevitable never happens. It is the unexpected always." I would put it a bit differently: history is never linear—as Krushchev found out after he predicted in 1960 that the Soviet economy would soon overtake the American, or the big oil companies (and those who believed them) ruefully discovered when they predicted in the 1970s a 4 percent annual increase in the real price of oil down to the year 2000.

It is a pretty good bet that, by the middle of the next century, the bulk of the population of Asia and the Pacific will live in countries which will have acquired most of then existing technology; their living standards, if not yet up to levels of Japan and the Atlantic community, will be substantially elevated; their role in the world economy and polity greatly increased, as well as their military potential; and their importance to every dimension of American life will be much enhanced.

After all, we are talking about the accelerated transformation of the part of the world where, according to World Bank calculations, 51 percent of the world's population will live in the year 2050. The North American proportion, incidentally, is estimated to decline from

5.7 percent to 3.4 percent over this interval. The question before us is: What kind of national security policy should the United States pursue from now till then? The short answer is: We should continue to pursue a balance of power policy but try to move it increasingly into the framework of a regional organization for the affairs of the Pacific community.

I say continue to pursue a balance of power policy because if one plays over the story of US policy towards the Pacific and Asia, over the century since it began seriously to figure in global strategy, without a sound track—without distracting rhetoric or the inevitable twists and turns of unfolding history—that is precisely what we have done. The steady objective was to prevent any potentially hostile power from gaining control of the Pacific. That concern underlay anxiety in 1889 with the vigor of German dispositions in Samoa. It led to the annexation of Hawaii after much vacillation and to the establishment of a forward position in the Philippines in 1898. It contributed to the enunciation of the Open Door policy in 1900 and determined Theodore Roosevelt's resistance to the rising power of Japan at Portsmouth after the Russo-Japanese war. It was that frame of reference for policy in Asia which determined as well the constraints placed on Japanese naval power when the Washington naval treaties were negotiated.

It was precisely in that tradition that Franklin Roosevelt drew the line on Japan's expansion in 1941—with the cutting off of oil and scrap imports and the sequestering of Japanese assets in the United States—when Japan's forces moved from northern to southern Indo-China threatening freedom of transit in the critical South China Sea. And so into the more than forty years since the end of the Second World War: the defense of South Korea, the Japanese Security treaty, the defense for twenty critical years of South Vietnam, Laos, and Cambodia, and the reaffirmation of the Southeast Asia Treaty applied to Thailand by Presidents Carter and Reagan despite the tragic outcome of our engagement in Vietnam. There is great continuity in this story.

For reasons that will become apparent, I would underline the sharp difference between a balance of power policy and the pursuit of hegemony. Those who pursue hegemony end up with virtually no friends and many enemies. That is what General Helmuth Von Moltke, Chief of the German General Staff, had in mind—trapped as he was by the Schlieffen Plan—when he said in 1914: "Many dogs

are the hare's death"—a pronouncement which appalled his subordinates. So it has been with the succession of those who sought hegemony—that is, intimate, direct control—in their regions. A balance of power policy has, essentially, a negative objective: to deny hegemony to any other power. Avoidance of hegemony by an external power has turned out to be the desire of most governments and peoples of the world over many centuries. A major nation pursuing a balance of power policy can be content with the authentic independence of other nations; and it is likely to find friends and allies in the face of a thrust for hegemony by another major power. Thus, Britain's experience with respect to the European continent over a good many centuries, and our experience in this century in Europe and also in Asia where we have dealt with the successive thrusts for expanded regional power by Japan; by Mao's China (notably in 1964-1965, in association with Hanoi and Djakarta); and with the post-1975 activism in Asia of the Soviet Union.

The pursuit of a balance of power policy in Asia has not always been easy or cheap. In the face of Nationalist post-war weakness the US government had to decide either to move into China with great force or to accept the take-over of China by a Communist government. The much criticized White Paper of 1949 made the case for the latter course. We then contained the twenties' expansionist impulse; helped build an economically vital Asia of strong nationalist governments. As we had hoped forty years ago, a different China emerged out of its own dynamics, having freed itself from the inherently unnatural alliance with Russia. We took heavy casualties—as did others—in Korea and Southeast Asia, with success in one case and debacle in the other. The Soviet navy is now in Cam Ranh Bay, the Soviet Airforce in the Danang Air field complex opposite Subic Bay and Clark Field. What is remarkable, however, is that, despite the enflamed passions and rhetoric of the 1960s and 1970s over Vietnam, the balance of power policy is still alive in Southeast Asia, with widespread support in the region, including the support of China. Thailand—always the heart of the matter in Southeast Asia—is still independent and gathering strength. There is evidently reason to persist.

THE UNITED STATES AND THE ECONOMICS OF THE PACIFIC

So much has been written about the economics of the Pacific Basin that I will simply summarize the situation in four propositions.

- First, the deterioration of the US balance of payments, the most serious economic problem this country faces. It is primarily—not exclusively—a problem of the Pacific basin, and a failure to solve it in the next few years could corrupt the constructive possibilities latent in the dynamic forces at work in the Pacific basin.
- Second, we face a protracted test of our viability as a economy and a society in the economic competition we confront not merely from Japan, nor even from the four remarkable tigers, but before long from the ASEAN members as well as from China and India. Almost all the countries of Asia and the Pacific have undergone a continuing revolution in higher and secondary education which is radically transforming their technological absorptive capacity. They are in a stage I call “the drive to technological maturity” when, normally, growth rates are at a maximum as nations bring to bear the hitherto unapplied backlog of modern technologies. They simultaneously become both better customers of the advanced industrial countries and more challenging competitors.
- Third, this test comes at precisely the time when the world economy and its many societies are being transformed by the fourth great technological revolution of the past two centuries: micro-electronics, genetic engineering, lasers, and a batch of new industrial materials. They emerged as innovations in the mid-1970s. There is a rough tendency for the great innovations to come to clusters; and historically, at least, they have taken something like sixty years to be fully elaborated and diffused. As political leaders, Mr. Gorbachev among them, are increasingly aware the relative status and face of nations over the next century depends substantially on how rapidly and efficiently they apply these new technologies.
- The fourth proposition reflects a great international asset: there has developed in the Pacific Basin an authentic sense of community and communal destiny. In part, it is the product of an extraordinary network of economic interdependencies that has grown up in the past forty years: in trade, finance, and technology. We think instinctively of the new technologies in terms of international competition; but those technologies are each so diversified that different countries are achieving comparative advantage in their various branches. A close look at what is

going on will indicate that trade and joint international projects in the new technologies are at least as important as competition. There's more to this sense of community than economic interdependence.

Maintaining the balance of power in the region—avoiding the hegemony of any single power—has, on balance, tightened the ties within the Pacific community; for example, the ties with ASEAN. This process includes ties to the United States, despite the loss of confidence over our pull-out from Vietnam and the nuclear anxieties and lack of current threats reflected, for example, in New Zealand's present policy. There is yet another dimension: fragile, perhaps, but real. That is the human and cultural dimension. There are a number of converging elements: Asians who have studied in the United States; Americans who have taught in Asia; development economists and others who participated in the extraordinary post-war emergence of a modern Asia; the East-West Center in Hawaii and all the mixed racial society that state symbolizes. I am sure from personal experience as a teacher who sees many Asian students, that what is happening in our universities at the moment will cast a long and benign shadow over the life of the Pacific Basin.

The peoples of Asia and the Pacific are loyal to their old cultures, will remain so, and should remain so. Perhaps because of that strong sense of cultural identity, they appear comfortable—not threatened—while enriching their lives by knowledge of Western culture: classical music and literature, sports, and rock video cassettes. They are equally caught up in the excitement—the true adventure—of elaborating the revolutionary new technologies.

Coming to policy: what policy should we pursue? Are we capable of pursuing it? What should we make of Professor Kennedy's homily with its injunction to Americans to pull back from commitments in the Pacific as well as across the Atlantic?

A US POLICY FOR THE PACIFIC BASIN

We have recovered reasonably well from the tragic outcome in Vietnam, aided by others who oppose great power hegemony in the region, and we should stay on course. This is not a good time to supplant our network of essentially bilateral security ties with the Pacific Basin NATO: and, if we are lucky and successful that time may never come; for it should come only if a hegemonic threat emerges in

the region as a clear and present danger. Should we undertake substantial force revisions in the region, we should do so carefully after multilateral consultation, recalling President Carter's painful strategic lesson when he proposed pulling some US forces out of South Korea and perceived, in the end, how destabilizing that might be.

As in Europe, our nuclear role in the balance of power of Asia and the Pacific involves special responsibilities and costs. We are against further nuclear proliferation for good and sufficient reasons as are a great many other governments. For most countries an American nuclear guarantee, backed by a conventional force presence on the ground or in the neighborhood provides more security than a relatively small national nuclear capability. But, as the "Supreme National Interest" clause in the Non-Proliferation Treaty makes clear, the containment of proliferation is, in good part, a matter of US reliability as an explicit or implicit ally. Nevertheless, the fact is that the relative cost of the complex US balance of power role in the world has trended irregularly downward:

- The unilateral dismantling of our armed forces after the Second World War brought defense outlays down to less than 5 percent of GNP;
- They rose to over 13 percent in the Korean War;
- They declined irregularly to about 9 percent at the end of the Eisenhower administration;
- After a slight further decline in the Kennedy and early Johnson administrations they rose again to about 9 percent at the peak of conflict in southeast Asia;
- Another period of unilateral disarmament followed, bringing the figure down under 5 percent in 1980.
- In the fourth quarter of 1987 defense expenditures were 6.5 percent of GNP and about to decline again.

We clearly paid a high price for the politically motivated feast and famine with respect to military outlays: we certainly paid for the cuts of 1945-1950 and for those of the 1970s before Afghanistan. The sluggishness of military outlays in the late 1950s may also have been an invitation to trouble—not merely the reductions themselves also but the politics and rhetoric that accompanied them which no doubt encouraged our adversaries. Nevertheless, despite the increasing cost and complexity of weaponry the relative cost of maintaining a balance of power policy over these forty years has declined radically.

My first recommendation is, therefore, to seek bipartisan agreement on military budgets over, say, five-year periods subject, of course, to annual review and formal confirmation. The lack of sufficient bipartisanship has been costly to our national security policy in a number of critical directions but nowhere more than where the military budget was concerned.

There is a second and perhaps even more profound reason for bipartisanship in national security policy at this juncture. Rhetorically, at least, profound changes are underway in the Soviet Union, perhaps real changes. We simply don't know. We are in a transitional era—a possibly protracted era—where a mature balance between caution and agreement, strength and conciliation is required of us if our national security is to be wise and effective. The maintenance and adjustment of such a balance calls for as much bipartisan consensus as we can manage.

Third, in the spirit of community which should increasingly suffuse the Pacific Basin, we should systematically take stock with our allies and friends about the changing nature of the threats in the region—hopefully, the decline of threats. We should listen carefully to their assessments and perspectives and work towards as much concert as we can muster as this piece of transitional history unfolds. Nothing could do more to make it come out right than the revival of bipartisanship at home and the maintenance of reasonable concert across the Atlantic and Pacific.

A fourth element in strategic policy should consist in the gradual increase in the conventional force roles of our allies. A number of them are, quite naturally, experiencing higher growth rates than the United States as they absorb the backlog of technologies already applied here; and within the limits of the presently agreed strategic doctrine it is wholly appropriate that they should assume a somewhat higher proportion of the burden. This equitable shifting of burdens at the margin may be essential to the maintenance of popular and congressional support for the kind of security policy required to fulfill our common interests in the Pacific.

Institutionally, the time has long since passed when, working with others, we should have set up an economic organization for the Pacific basin. One problem was that it took some time to realize that the central challenge was to create an organization from which the less developed as well as most advanced countries of the Pacific basin would benefit. The present US administration has opposed such

an organization on the grounds that it might interfere with the rise of private enterprise in the region. Given the jobs that need doing and the momentum and good repute of private enterprise, this is a groundless fear. An agenda, organized around the technologies of the next century, would include:

- First, a landmark proposal of ASEAN made to the major Pacific basin nations in July 1984 and subsequently throttled by the United States and Japan—a proposal to expand human resource development in the region. This could have substantial mutual benefit if it helped prepare young men and women in the less developed countries of the region for the high-tech world that lies ahead.
- Second, the systematic exchange of information among experts which would permit those responsible in every country to know the directions in which R&D is moving and the kinds of innovations likely to be possible just over the horizon, say, 3-5 years hence.
- Third, the examination of future basic resource requirements and policies to fulfill them, including problems of environmental degradation, with special initial emphasis on reforestation.
- Fourth, problems of trade and payments. Essentially, we need new rules in the world economy governing chronic debtor and surplus countries to supplant the Bretton Woods arrangements destroyed in the early 1970s. It might well be a good idea to start in the Pacific. There is, of course, no multilateral substitute for the measures Japan and the United States must undertake in parallel and urgently to eliminate the present insupportable US deficit and Japanese surplus. Multilateral discussion and rule-making, however, have two virtues. They inevitably come to rest on basic objective principles rather than competitive bilateral bargaining. The latter is inevitably effected by elements of confrontation and mutual recrimination. Further, in multilateral setting, opportunities are likely to open up for the balancing of accounts by changes in trade and payments patterns involving third parties.

The changes required in Japan and the United States to bring order into the trade and payments system are held up not for technical reasons but by politics in both countries. I believe the political process could be moved forward in this highly political year if a Pacific

basin wise man's group could meet and have ready a new set of rules of the game for chronic surplus and debtor countries by mid-November 1988, to take a date at random. The Asian Development Bank might organize the exercise. In fact, that bank might well extend its functions to become the secretariat for a Pacific basin organization—on the sound principle that a new organization should not be created if an old one can be modified to do the job. Once reasonable order in trade and payment was reestablished in the Pacific basin, an organization of this kind would find many useful things to do beyond the suggested initial agenda by building on the realities of intense interdependence of an authentic sense of community, and strengthening those two realities.

CAN THE UNITED STATES PERFORM AS AN EFFECTIVE PACIFIC PARTNER?

The critical question is: Can American society as it is, and as it is evolving, play the role in the Pacific basin (and, indeed, elsewhere) that the policy outlined above requires? A pessimistic scenario for the US performance over the next generation could be based on the US inability thus far to come to grips with the federal budget deficit; the extraordinary piling up of external debt as we make, at best, slow progress with our grossly unbalanced foreign trade account; the stirring of old isolationist sentiments; and the uninspired quality of the political debate at the national level.

The fundamental fact is that none of the problems will yield unless we deal with them on a bipartisan basis, with all the major elements in the community working together in partnership. Without naiveté, I am a temperate optimist. I am an optimist because the politics of partnership can be observed alive and well at the state and local levels in this country. The dominant trend outside Washington is toward cooperation in an effort to solve problems that, it is widely appreciated, can be solved in no other way. This process can be observed in the emerging relations between business and labor as both face the reality of brutal international competition; in the remarkable reconstruction of the centers of many of our cities; in the partnerships between the universities and the private sector in generating and diffusing new technologies, in which state and local governments lend a hand. One of the most powerful forces in American society today is the intense competition among the cities and states to attract high-tech firms—a process which has led to the creation of

more than fifty high-tech highways. This competitive effort is having the positive effect of creating new coalitions in support of educational reform embracing high-tech business and the less advantaged groups in our society. As often in American history, developments in the states foreshadow the future shape of national politics. We may well see the politics of partnership and cooperation dominant at the national level by the year 2000—probably well before then.

As for business, while Mr. Gorbachev talks of *perestroika*, we are in the midst of one of the most remarkable decades in American economic history as Walter Kiechel III has pointed out:

Call the eighties the decade of restructure. Onto the scene rode the now familiar horsemen of the corporate apocalypse—global competition, deregulation, accelerating technological change, and the threat of takeover.

ARE WE AN EMPIRE ON THE SKIDS?

This brings me to Professor Kennedy's *The Rise and Fall of the Great Powers*. His much discussed view is that the United States cannot continue to carry the responsibilities it now bears and should quite sharply alter course. This is clearly not the occasion for full review of a book whose text runs to more than 550 pages. What concerns us on this occasion, however, is the image Professor Kennedy draws of the United States: its postwar policy and prospects. Professor Kennedy's theory is that, in essential symmetry, controlled by motives of ideology and power, the United States and the Soviet Union set out after the Second World War to control the world.

Henry Luce is taken as the authoritative spokesman for immediate American post-war "decision-makers"—not Harry Truman, George Marshall, or Dean Acheson. One would never know that the United States unilaterally dismantled its armed forces in 1945-1946, turned away from foreign affairs, and gave every evidence to friend and adversary of validating Roosevelt's opening statement at Yalta that the United States would not keep troops in Germany for more than two years. The Truman Doctrine and the Marshall Plan were set in motion only when the balance of power in the West was palpably endangered, as responsible Europeans as well as Americans perceived. Nor would one gather that American decision-makers explicitly debated the dilemma posed by the Marshall Plan: should we encourage a strong United Europe which would one day be a competitor or should we keep intimate control through bilateral

leverage? The United States government decided on the former course precisely because it knew American society would not sustain a hegemonic policy. We would have to build as strong a Europe as we could and hope for our future balance.

The United States confronts both short-run and long-run challenges which will test our viability as a society. The challenges cannot be met by switching a margin of resources from the military budget to the civilian economy. The challenges, in fact, go much deeper than Professor Kennedy perceives: to the quality of our educational system; the capacity of our entrepreneurs to innovate; the sense that there are essential tasks to be undertaken as a national community—like the remarkable bipartisan salvage of the social security system a few years back. If we meet these and other fundamental challenges, I am confident that we will find the resources to protect our interests in an increasingly multi-polar world. The threats may well diminish, especially if we remain strong and hold our alliances together; and those who share our interest in maintaining the balance of power may well grow stronger and carry more of the burden of advancing towards shared objectives.

The United States has made its way in the world for two dangerous centuries, starting with the balance of power alliance with France that secured our independence; and we can continue with confidence if we don't lose our nerve, if we hang together at home, and work closely with those who share our abiding interest in opposing those who might seek hegemony in their regions. In our time and region, this requires that we build, on the basis of the lively sense of community in the Pacific basin, new constructive institutions. So, I conclude my analysis with a warning: beware of historians bearing false analogies.

**ASIA-PACIFIC CHALLENGES
AND OPPORTUNITIES**

Dr. Guocang Huan



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Important and dramatic changes in the Asia-Pacific basin in the past decade have had and will continue to have a powerful effect on security and strategic affairs in the region, if not in the world at large. At present, the region faces five basic security issues: the ongoing regional arms race and potential nuclear proliferation; gradual changes in the regional balance of power; continued Soviet expansionism in the region; various sub-regional conflicts, notably in both Northeast and Southeast Asia; and political instability in a number of states caused by internal social and political transformations.¹

The INF (Intermediate Nuclear Forces) treaty signed by Washington and Moscow has certainly reduced the direct nuclear threat of the Soviet Union to the Far East. Despite this the nuclear arms race in the Asia-Pacific basin has continued. While Moscow has promised to withdraw its 200 SS-20 missiles from the Far East, both Beijing and Tokyo have demanded further cuts in the Soviet Union's long distance strategic missiles. Meanwhile, in both New Zealand and Australia, the local anti-nuclear movement has continued its efforts against the US nuclear presence in the region. A key danger is the potential for nuclear proliferation.

In the coming decade, the regional nuclear arms race and arms control efforts are likely to reach a new stage. Both superpowers largely because of the deep distrust existing between them, will maintain, if not increase, their nuclear attack forces, especially their ICBM systems, long distance bombers, and sea-based nuclear weapons. In addition, the development of technology and science will promote the nuclear arms race between the two superpowers. If Washington speeds up its program for the Strategic Defense Initiative, the nuclear arms race at both global and regional levels will likely be accelerated. Maintaining its nuclear attack forces to threaten the Asia-Pacific basin will serve Moscow's strategic goal of deterring the potential for US-China-Japanese security cooperation, a linkage which might fundamentally challenge the Soviet strategic position in the Far East. Furthermore, the deployment of strategic nuclear weapons targeting the Pacific basin will continue to strengthen

¹ Views expressed in this paper are the author's own, and not necessarily those of Deutsche Bank Capital Corporation or the Atlantic Council of the United States.

Moscow's capability of fighting a two-front war (in Europe and Asia). Such a deployment also serves the Soviet strategic goal of narrowing the gap in sea and air power between the United States and its allies and the USSR in the Asia-Pacific region.

The region's nuclear stability could also be undermined by the possibility that both Seoul and Taipei might develop the capability to manufacture bombs in the coming decade. If this occurred, it would change dramatically Beijing's and Moscow's nuclear strategy and create new nuclear tensions in the region and likely revive old conflicts over the Taiwan Strait and on the Korean Peninsula. Beijing has reiterated that if Taipei chooses to manufacture nuclear weapons it will have no choice but to launch a preemptive strike against Taipei. These considerations significantly affect Japanese public opinion regarding the nuclear issue. In the long run, it might fundamentally reshape Tokyo's security strategy and provide Japan with the incentive to develop its own nuclear weapons, thereby jeopardizing the existing balance of nuclear power in the region, if not the world at large.

During the past few years, within the Beijing-Washington-Moscow triangle, the Soviet-US competition in the Asia-Pacific region has remained tense. The Reagan-Gorbachev summit has not significantly affected this competition at the conventional level. The Soviet Union has not slowed down its military buildup, especially that of its air force and navy in the Far East, and shows no signs of doing so. The Soviet strategy of developing the capability of fighting a two-front war is also unlikely to change. While continuing to sell its proposal of "collective security" in the Asia-Pacific region and to drive wedges between the United States and Asian countries, Moscow has expanded its strategic cooperation with its allies and semi-allies and increased its military presence in the region.

For its part, Washington's top strategic priority is still to contain Soviet expansionism at both regional and global levels. To change the current unfavorable trend in the military balance between Moscow and its allies on the one hand and Washington and its allies on the other, the United States may decide to increase its own military presence in the region; continue to encourage its allies to strengthen their "self-defense" capability, and advance the existing security and political cooperation with its Asian allies and potential strategic partners. A stable political environment is essential to the security of the region. Washington has thus tried to balance its

political support for the democratization of the region with its security needs. Strategically, it is in Washington's best interest to maintain its military bases in the Pacific while countering the increased Soviet military presence.

On the other hand, the United States is unlikely to challenge China's national security, although the Taiwan issue has remained a major difficulty in the further development of Sino-US relations. While giving more emphasis to Japan's strategic importance to the region, Washington will continue to be aware of the political and security constraints to the Japanese rearmament. In Washington's strategic planning, China will continue to play an important role as a counterbalance to the Soviet military buildup, a potential strategic partner against Moscow's further expansion, and a "friendly country" to work with in dealing with sub-regional security issues in Asia. The United States will probably make further efforts to develop the Sino-US military exchange program and to advance political and strategic cooperation with China in the region.

During the past few years, Sino-Soviet relations have improved somewhat and political and military tensions between Beijing and Moscow have declined. Trade and cultural exchange programs have been rapidly expanded. In the spring of 1987, Moscow pulled back one division from Mongolia. Recently, Gorbachev proposed a summit with Beijing, but the Chinese coolly turned it down. In the foreseeable future, Beijing will continue to view Moscow as the primary threat to its national security. The Sino-Soviet military balance is unlikely to change and Moscow is unlikely to alter its strategy of encircling China. Moscow will continue to improve its economic, cultural, and even political ties with Beijing. It will not, however, make major concessions to meet Beijing's demands that it substantially reduce its armed forces along the Chinese border and cut off its support to the Vietnamese occupation of Kampuchea. Further, to pursue its global and regional expansionist ambitions, Moscow is likely to continue its efforts to destabilize China's periphery by increasing its military and economic aid to its allies and semi-allies as well as advancing its political and strategic cooperation with them.

With encouragement from Washington, Tokyo has speeded up its process of rearmament. The intensified Soviet-US competition, the unstable political and security environment in the Asia-Pacific region, and increased Japanese nationalism will further contribute to this process. Given Japan's economic power, this tendency might, in

turn, allow Japan to play a major role in the security affairs of East Asia. The key question here is whether this process will allow Japan to develop a strong and independent offensive capability that would threaten other Asian countries. The continued US-Japan security arrangement and the overlapping security interests shared by the United States, Japan, ASEAN, and China will constrain the possibility of Japan becoming an independent military power. Japan's domestic politics and the probable strong reaction from the Soviet Union and other Asian countries will also limit this process. In the long run, the process of Japanese rearmament will change the basic balance of power in the region and will significantly affect security concerns and strategic planning in China and other Asian nations.

Moscow has actively pursued expansionism in the region during the past ten years. It has doubled the size of its Pacific Fleet, now its largest. The Soviet strategic position in the Asia-Pacific basin has been improved by the military alliance with Hanoi. The USSR now has access to military bases in Cam Ranh and Da Nang. In addition, it has deployed long-distance bombers in Southeast Asia. Recently, Soviet warplanes have entered Japan's air space more frequently; and Soviet naval fleets have become more active in the Pacific. The Soviet Pacific Fleet has developed a strong blockading and landing capability, which can be used against the Japanese islands and the Chinese mainland. In short, Moscow has continued to present the principal threat to the security of China and Japan and will continue to do so in the years ahead.

On the Korean peninsula, Moscow has advanced its competition for influence in Pyongyang. It has increased its military and economic aid, providing sophisticated weapons such as MiG-25 and MiG-27 fighters to North Korea. Soviet fleets have more frequently visited North Korea's harbors; and Russian warplanes now have access to North Korean air space. If the ongoing US-South Korea-Japan security cooperation expands further, it is likely that Pyongyang will increasingly lean toward Moscow for political support and security guarantees. The deepened Soviet involvement in the peninsula's security affairs is likely to enhance tensions between the two Koreas, especially during the process of South Korea's transition to democracy and Pyongyang's impending succession.

In Southeast Asia, Moscow has continued its political support and military aid to Hanoi's occupation of Kampuchea and military threat to Thailand. While significantly increasing its military presence

in the region, Moscow has actively pursued its strategy of sowing discord between different ASEAN states and the United States. The Soviet build-up of military aid has continued to be the major factor that encourages Hanoi to challenge both Thailand and China. Moreover, Moscow's naval and air force activities in the South China Sea, compete with both the US Seventh Fleet and China's South Sea Fleet. The Soviet military presence has increased Moscow's strategic and political leverage in the region at a time when the United States has been facing the possibility of losing its bases in the Philippines.

The fourth basic security issue in the Asia-Pacific basin is the sub-regional conflicts. During the past few years, these conflicts have been largely controlled at the local level. Nevertheless, they do have the potential to destabilize the balance of power and the political structure of the whole region. On the Korean peninsula, tensions between the two Koreas are unlikely to decline. While the military balance between them may eventually favor South Korea, direct Soviet involvement in the security affairs of the peninsula will deepen. The succession to Kim Il Sung may destabilize North Korea's internal politics and shift its foreign policy and security strategy dramatically. Sino-Soviet competition could intensify during this process.

The uncertainties in North Korea may increase its confrontation with the South, while the recent election in Seoul may only temporarily moderate the sharp confrontation between the government and society. The government in Seoul is likely to face more serious challenges from the increasingly militant opposition and from broad social strategy throughout the country. Although Beijing, Washington, and Moscow will continue their commitments to the security and peace of the peninsula and will further encourage the two Koreas to develop a direct dialogue, uncertainties in both Pyongyang and Seoul in addition to Japan's involvement in the peninsula's security—were this to increase—might intensify the struggle between north and south.

In Southeast Asia, the Soviet Union will enhance its military presence and strengthen its strategic position by expanding its cooperation with Vietnam and seeking to destabilize the region's political structure. The USSR may also increase substantially its military aid and political support to Hanoi, thereby enlarging the military imbalance between Vietnam and ASEAN and increasing the potential threat to China's security. If Sino-Soviet relations continue to

improve. Moscow may discourage Hanoi from challenging the Chinese border. It may not, however, press the latter to withdraw from Kampuchea, as such efforts will undermine Soviet-Vietnamese security cooperation. More importantly, Hanoi, well aware of its strategic importance to Moscow, enjoys a certain freedom of action. Its more than four decades of war experience have already created a regime that supports a strong fighting capability aimed at the establishment of a "united Indochina" under its own dominance.

In the foreseeable future, the resistance movement in Kampuchea, notably the Communist faction (the strongest one among the three), will continue its fight against the Vietnamese occupation as long as the United States, China, and other countries are willing to provide them with military aid and political support. It is unlikely, however, that the rebels will be able to drive Vietnamese troops out. The three factions within the resistance movement are unlikely to become united. Furthermore, the sharply conflicting security interests of China, ASEAN, and Vietnam will continue to make it difficult to find a political solution to the Kampuchea issue acceptable to all parties involved. The war in Kampuchea is likely to be a long-term one.

While struggling to maintain their internal political stability and to solve economic difficulties, the ASEAN countries are not united on security issues. Thailand will surely secure support from both China and the United States against Hanoi's aggression. It will continue to support the rebels in Kampuchea. Indonesia, and Malaysia will take a less hard line toward Hanoi's position. Washington may make further efforts to improve its ties with Hanoi; it will not, however, expect Hanoi to reduce its dependence on Moscow. Hanoi's expansionism in the region is unlikely to abate.

Fifth, during the past few years, the Asia-Pacific region has enjoyed rapid economic growth. It has played an increasingly important role in the international market. Politically, however, the region has presented a more complicated picture, and will continue to do so in the years ahead. In many states of the region, fundamental social, economic, political, and cultural transformations have taken place. In the Philippines, South Korea, and Thailand, the rise of a middle class has increasingly challenged the local authoritarian regimes and demanded democratic political reforms. The ongoing rapid social and political transformation has already created political instability and increased tensions between various local interest groups. The key question is whether these societies can achieve inevitable social,

economic, and political progress smoothly without jeopardizing political stability. The answer to this question is largely determined by the degree to which various interest groups in these countries are able to compromise with one another.

In China, the ongoing economic and political reforms have dramatically changed the existing political and economic structures. For the first time since 1949, society has become increasingly independent of the state, although there are institutionalized channels through which society can directly express interests and demands and pressure policy-makers. While the market mechanism has been introduced into the Chinese economy, in both rural and urban areas millions of private entrepreneurs are now operating their own businesses. During the past decade, Beijing, under its "open door" policy, has rapidly expanded its economic, cultural, and political ties with OECD countries. As a result, the degree of interdependence and interactions between the Chinese economy and the international market has increased significantly. During the past few years, the Sino-US military cooperation has also expanded.

There, however, are serious problems and difficulties that the Chinese government has not been able to resolve fully: the forthcoming succession still remains uncertain; most reform policies have not been fully institutionalized. The economic reform program, especially in urban industrial areas, has faced many difficulties— inflation, low efficiency, bureaucratism, and corruption. Moreover, policy-makers have appeared to lack sufficient experience and understanding of how to implement reform. There is no effective mechanism to coordinate and balance reforms in various areas. Confronted by intensified international competition and protectionism, the existing institutional gap between the Chinese economy and market economies abroad has increasingly constrained China's ability to expand its exports. Meanwhile, the popular desire for a high living standard and a more democratic system has swelled. In the long run, if the government fails to maintain its reform program, tensions will rise again between state and society.

Taiwan's internal politics and its relations with the Chinese mainland are likely to undergo important changes. Taipei's succession process is not over yet; the train of events may cause short-term political instability and tensions between the regime and the opposition may increase. Lacking a strong man, the nationalist government

will face increasingly powerful political challenges from the opposition, including the Taiwan Independent Movement. If the government and the opposition fail to compromise, the country's political stability will be jeopardized.

Taipei has recently decided to expand its ties with the Chinese mainland. Direct trade is now sanctioned and people can now visit relatives on the mainland. While the military tensions over the Taiwan Strait have declined significantly, Taipei has also become increasingly flexible in the international community. Under the name of "China-Taipei" or "China-Taiwan", it has returned to more than five hundred non-governmental international organizations. Providing Beijing continues its reforms and the "open door" policy, and providing Sino-US ties remain manageable and Beijing proves capable of dealing with Hong Kong effectively up to and after 1997, the new leadership in Taipei will likely be willing to expand informal or even formal contacts with Beijing. Such contacts may not immediately lead to the reunification of the two Chinas across the Taiwan Strait. They will, however, further improve the mutual understanding between Taipei and Beijing and reduce significantly the possibility of Taiwan's move to independence.

All these developments and trends have had and will continue to have strong implications for the security of the region. In the Philippines, if the present government fails to achieve political stability and to pursue effective land reforms, the ongoing political struggle between the government and the opposition, including the Communist Party, may endanger military bases in the country. If the United States does leave the bases this will fundamentally change the region's strategic map and provide Moscow with great leverage for furthering its expansionist plans in the region. Similarly, if the Thai government does not maintain political stability, Hanoi will certainly not hesitate to pursue its regional expansionist policies. Finally, the political stability of both the Chinese mainland and Taiwan is the key to the stability of the Taiwan Strait. Beijing will not tolerate an independent Taiwan: a potential new civil war could fundamentally change the balance of power of the region.

To deal with all these security issues effectively, it is necessary for countries which share certain basic common security interests in the region to gradually develop a cooperative mechanism. In the coming decade this mechanism could have the following strategic goals:

1. *To maintain the regional nuclear balance; reduce the deployment of nuclear weapons in the region; eliminate nuclear competition; and prevent the regional nuclear proliferation.*

The INF treaty, in which Moscow promised to withdraw all of its SS-20 missiles from the Far East, should be fully implemented. In addition, Tokyo, Beijing, and other countries in the region should encourage both Moscow and Washington to continue their negotiations on the reduction of other strategic nuclear weapons, including air- and seabased nuclear attack forces. There will be no peace without a satisfactory balance, therefore further reductions of nuclear weapons should be undertaken on an equal basis. During the past ten years, Moscow has rapidly increased its nuclear weapons deployed in or targeting the region. Therefore, it is in the interests of the region to put more political pressure on Moscow to slow down the nuclear arms race.

Any nuclear proliferation will dramatically increase political and military tensions in the region. It will also undermine the current regional, if not the world balance of power. There is no arms control regime in the region. Nevertheless, Washington, Tokyo, and Beijing have the political leverage to convince other players in the region not to manufacture nuclear weapons.

2. *To prevent any dramatic shifts of the regional balance of power, maintain the stability of the Washington-Beijing-Moscow triangle, and carefully coordinate efforts to counter the Soviet military buildup in the region.*

The stability of the Washington-Beijing-Moscow triangle is a key factor to the region's security and peace. Although China is not a global power but a regional power, it will continue to play a key role in both superpowers' global strategic planning as well as in the security affairs of the region. Both Washington and Beijing have a degree of leverage in dealing with the Soviet Union. Moscow, in turn, has been busy, approaching Washington and Beijing separately. Any significant move on the part of Beijing, either toward Moscow or away from Washington, will not only allow Moscow to remove a substantial part of its military forces from the China front, releasing them to concentrate on the United States and its Atlantic and Pacific allies, but will also have a strong political and psychological impact on the strategic planning of the United States and its allies, especially Japan and West Germany. Such a change would also increase the conflict between Beijing and Washington outside the Asia-Pacific

region. It is important, therefore, for Washington and Beijing to consult and coordinate their policies toward Moscow. Moreover, the two countries should separate their differences from their common security concerns in the region.

Tokyo's rearmament program has played a role in countering the increased Soviet military presence in Northeast Asia. Nevertheless, there are certain constraints to this development. At present, Japan does not have major warships and long distance bombers. Nor does it have nuclear weapons. Without dramatic changes in its security environment it will be difficult for Japan to become a great military power in the near term. The Japanese government will continue to face strong criticism from both the Japanese public and other Asian nations. Both China and the Soviet Union will respond firmly to a rapid process of Japanese rearmament, especially if it moves in the direction of transforming Japan into an independent military power with a strong offensive capability. Without a clearly defined and effective guideline to Tokyo's rearmament, it will be difficult for Washington to convince other Asian nations to accept Japan as a military power. In the long run, a rearmed Japan could even challenge Washington's own security interests since, at the least, the balance of power and stability of the Asia-Pacific region would be challenged.

The increased Japanese involvement in the Korean peninsula will be counter-productive. It will not reduce tensions between the two Koreas, but rather provoke Pyongyang's militancy and push it close to Moscow. Moreover, it will destabilize the present political structure of Northeast Asia, as China would be forced to respond to this development by providing more support to Pyongyang and distancing itself from Washington, Tokyo, and Seoul. In short, the Japanese rearmament will have to be guided by the US-Japanese security arrangement. Countries in the region should also put pressure on Tokyo not to become an independent military power with offensive capability.

3. To contain Soviet expansionism and prevent the further strengthening of Moscow's strategic position in the region.

In the foreseeable future, it is unlikely that the United States will substantially increase its military forces in the region. Rather, its strategic leverage is likely to be challenged by the ongoing political difficulties in the Philippines and South Korea. None of the US allies in the region will likely have sufficient military strength to protect themselves but will continue to depend heavily on the US security

umbrella. Moscow and its allies and semi-allies, on the other hand, will likely invest greater resources in the region, thereby further undermining the current military balance. An enhanced Soviet military presence, especially the air force and navy, and increased strategic cooperation with allies and semi-allies, will tend to strengthen the Soviet strategic position.

Cooperative efforts to contain the Soviets should be based upon frequent high-level consultation and joint research programs on the regional security issues. In addition, the United States and its allies in the region should help those countries which are facing serious domestic difficulties to stabilize their internal politics and preserve peace and democracy. Moreover, Washington should continue its security cooperation with Beijing, as the latter has played and will continue to play a very important role in the region whereas US political influence and military presence have declined relatively and will probably continue to do so. By encouraging its allies in the region to improve their political ties with Beijing, Washington can counter Moscow's proposal of "Asian Collective Security." Over time, these efforts should gradually build a mechanism to block Moscow's expansion in the region.

4. To cooperate on sub-regional security issues and reduce conflicts and tensions.

On the Korean peninsula, the key issue is to maintain current stability, reduce tensions, and prevent possible Soviet dominance of North Korea. While maintaining its military presence as a deterrent to Pyongyang's possible aggression, Washington, together with Seoul, should increase efforts to encourage the expanded contacts between the two Koreas. Together with other nations such as China, Japan, and the West European countries, the United States should make further efforts to invite Pyongyang to increase participation in the international community. Such a participation would reduce Pyongyang's feelings of insecurity and isolation and might change its extreme political characteristics. It would also provide more the rational among the leaders in Pyongyang with alternatives during or after the forthcoming succession process.

To reach and maintain the military balance between the two Koreas, Washington may continue to transfer weapons and defense technology to Seoul. It should not, however, encourage South Korea to try to gain the upper hand over North Korea. Moreover, Washington should not encourage Tokyo to deepen its involvement in

security affairs on the Korean peninsula. For their part, Seoul and Beijing should continue to develop their economic and cultural relations and look for new channels to expand their political ties. Washington, Tokyo, and Beijing should not be afraid to invite Moscow to participate in dealing with Pyongyang, thereby reducing the latter's leverage.

In Southeast Asia, the key issue is to counter Moscow's rapidly increased military activities. These activities, supported by the well-armed and-trained Vietnamese troops, will be able to challenge the strategic position of the US Seventh Fleet, threaten Japan's supply line, destabilize the political structure of the region, and endanger China's security. It is also in the interest of the region to prevent a "United Indochina" under Hanoi's dominance backed by Moscow's military power. Vietnamese troops must completely withdraw from Kampuchea. Washington should continue its commitment to the security of the ASEAN states, especially Thailand and the Philippines. Yet it is unlikely in the near future that it will be able to send its troops to defend Thailand.

In the years ahead, the United States should increase its military aid to the ASEAN nations. While committing itself to the security of Thailand, Washington might try to push Hanoi away from Moscow by reopening ties with Hanoi and offering it economic aid. Nevertheless, no economic aid should be given to Hanoi as long as it continues its military occupation of Kampuchea, threatens the security of Thailand, and allows Moscow to use its military bases. Washington should be prepared to back Thailand and other nations in pressing Hanoi to pull its troops out of Kampuchea. In the international community, the United States should continue, together with ASEAN and China, its political efforts to support Kampuchean resistance forces' struggle for independence. Moreover, Washington should encourage ASEAN to cooperate with China and coordinate its support of the Kampuchean rebels with Beijing. The latter will surely maintain strong political and military pressure on Hanoi. Washington might work together with Beijing, which has political influence and potential in the Philippines, to diminish Soviet influence in the country.

5. To balance the process of political development and regional security.

Without political stability, there will be neither democracy nor peace. In the coming decade, most countries in the region will continue to face serious domestic political challenges. The popular

demand for democracy and freedom will increase. Local opposition forces will compete with their governments for power. In addition, given the increased role that the international media and political forces play, the process of political development in these countries is likely to be influenced by external forces. Nevertheless, by and large, there has been no effective and institutionalized mechanism in these countries to encourage the state and society to make compromises with one another. Political struggle often directly leads to a process of radicalizing public life, which would jeopardize the existing political stability and the country's position in the international system. It may also destabilize the regional balance of power.

In the coming decade, it seems important for the region to limit the involvement of external political interest groups in its internal political development. If it is to proceed smoothly, the process of democratization must be carefully balanced by the region's security concerns. Democracy can only develop naturally and internally; it cannot be exported from one society to another. External interference can radicalize local politics, and eventually undermine existing relations between the region and other parts of the world. Opposition forces in East Asia should not be encouraged to obtain power by non-constitutional means nor should they be allowed to become dependent upon the support of external political forces. Rather, they should be encouraged to reach their goals by putting pressure on and making compromises with the governments in power.

Finally, any increase of tensions or the revival of military confrontation between Beijing and Taipei must be prevented. The current process of increasing communication between the two sides of the Taiwan Strait should be further encouraged and gradually institutionalized. Improved relations between Beijing and Taipei will inevitably contribute to regional peace, security, and prosperity.

**SECURITY COOPERATION IN NORTHEAST
ASIA: PATTERNS AND PROSPECTS**

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Northeast Asia continues to be the strategic vortex of the Pacific basin region, where the interests of the four major powers, the United States, the Soviet Union, China, and Japan converge. The military capabilities of these powers and those of the two Koreas also interact on a daily basis. Northeast Asia's security patterns, however, reflect a variety of contradictory, even paradoxical, trends—continuing force acquisitions are offset, to some extent, by discussions on force withdrawals and tension reduction.

POLITICAL-MILITARY INTERACTION PATTERNS

MOSCOW AND PYONGYANG

Since Mikhail Gorbachev's rise to power in the Soviet Union, a more sophisticated pattern of Soviet force and diplomacy has been evident in East Asia and the Pacific. Beginning in early 1986 and continuing throughout the next two years, Moscow and, to a lesser extent, Pyongyang, as its principal Northeast Asian client, have been conducting "dual track" politico-military strategies in Northeast Asia. The major track for both countries continues, of course, to be force deployment and modernization. After a twenty-year military build-up that commenced in 1965 the Soviet Union has encircled China with enhanced military power along the Sino-Soviet border, in the Sea of Japan, at Cam Ranh Bay, and in Afghanistan. With the quantitative force deployment accomplished, modernization of Soviet forces has been a more recent priority. Pyongyang's massive forces positioned opposite South Korea, in turn, increase in lethality, survivability, and readiness. The other "track" in the two communist allies' strategies is diplomatic. With Gorbachev's Vladivostok speech as the centerpiece of the strategic move, Moscow is appealing to a variety of Asian countries, many of which have been skeptical about Soviet intentions and new initiatives. Pyongyang, in turn, provided Red Cross relief goods to Seoul in 1986 and, in 1987, announced that it would also cut its armed force by 100,000 men.

The evolving content of Moscow's turn to the East has been built on a variety of diplomatic and domestic policy initiatives: Foreign Minister Shevardnadze's visit to Tokyo in January 1986; General Secretary Gorbachev's report to the 27th CPSU Congress in February 1986; the April 1986 Statement to the Soviet Government

on the Asia-Pacific region; and, of course, Gorbachev's 28 July 1986 Vladivostok speech.¹ These actions and pronouncements launched the dual track. They also revealed essential elements of Moscow's strategic objectives in Northeast Asia: making the USSR a full-fledged Asia-Pacific power player, detaching Japan from the United States (particularly on SDI research); and also accelerating Moscow's normalization with Beijing. However, Moscow simultaneously has also been tightening its military relationship with North Korea (and with Vietnam as well).² Pyongyang continues to pursue its traditional second track—as the terrorist action against the South Korean airliner in November 1987 that killed 115 people indicated.³

Speculation on Soviet motives covers a wide range of analysis. Are they acting from strength or weakness? Are the Soviets demonstrating opportunism or strategic vision? Are they simply working for a bilateral relationship or seeking to orchestrate a broader "Eurasian" strategy? George Petrovich, writing in *The Atlantic* states:

Even though two-thirds of the USSR lives in Asia, the Soviets have never enjoyed significant influence there. Through neglect, economic isolationism, and political brutishness, Russian leaders have alienated most Asian capitals. Now, in a historic turnabout, Mikhail Gorbachev has discovered the importance of Asia; his decision to eliminate all medium- and short-range missiles from Soviet Asia was only the latest in a series of eastward steps designed to bring the Soviet Union closer to the flourishing economies of the Far East.⁴

Soviet spokesmen have put Moscow's turn to the East in global ideological terms. Thus, not only will it further complicate already divisive American security relations in East Asia and the Pacific, it will also give Moscow new avenues for earning hard currency. As Soviet politburo member Alexander Yakovlev summarized the rationale:

it is time for a new economic management between the socialist world and the capitalist states; United States economic relations with its capitalist allies are becoming increasingly conflictual as the United States loses its competitive edge; and the USSR, through *glasnost* and *perestroika*, can pick up the pieces and still do business with the rest of the capitalist world.⁵

Thus, what Gorbachev may have had in mind in his Vladivostok "new approaches" rhetoric was to promote joint ventures in which

foreign investors could own up to 49 percent of the equity. Foreign management, as well as capital and technology, would thereby revitalize the stagnant Soviet economy. So far, foreign industrialists have not rushed to the Soviet Union to participate in proposed joint ventures.

Finally, there are those that see the new Soviet policy as simply a more sophisticated packaging of the traditional Russian/Soviet drive for Eurasian dominance. As Dong Baian and Lu Wenrong of the Shanghai Institute of Strategic Studies write:

Soviet strategic schemes (seek) to halt US military deployment in the Asian-Pacific region, halt military cooperation among the United States, Japan, and South Korea . . . to contain China . . . (and), with Vietnam as a stronghold, and by exploiting the divergence among ASEAN countries, to extend its own influence in Southeast Asia in pursuit of a stronger strategic position in his region; (furthermore) to establish a controlled area from Okhotsk through the Sea of Japan to the China Sea in the South, and to press westward to the Indian Ocean so that, if necessary, it could control or cut off the Strait of Malacca and get into the Indian Ocean and the Middle East, thus to encircle Europe from the flank.⁶

The conservatives have a point. The Soviets think in strategic terms. Russian/Soviet policies toward Asia have always been geopolitical in content. And Gorbachev's dual track policy remains lopsided: region-wide conciliatory gestures and force withdrawal proposal have only two and one-half years on the books as compared to the Brezhnev-Gromyko-Gorshkov military build up and the diplomatic hardline of the preceding two decades. Thus, the basics of Soviet strategy should be kept in mind as diplomats begin to test the sincerity of Gorbachev's eastern policies. The Chinese, for example, note the years of Soviet military buildup on their northern border. The Russians provided North Vietnam with a military "blank check" during the second Indochina War, including the most sophisticated air defense network outside the Soviet territory. The quid pro quo: a 25-year treaty anchoring Soviet naval and air power at Cam Ranh Bay and DaNang.

Looking east, China sees the largest Soviet fleet headquartered at Vladivostok, just moments by jet from Chinese territory. In December 1979, the Soviets completed their military encirclement of China by invading Afghanistan. Looking south and west across the Indian Ocean oil lifeline from the Middle East and Africa, Moscow

has sought to link up a variety of critical states with treaty arrangements: Egypt (1970), India (1971), Iraq (1972), Somalia (1976), Angola (1976), Mozambique (1977), Vietnam, Afghanistan, and Ethiopia (1978), South Yemen (1979), Syria (1981), and North Yemen (1984). The emerging basis of a Soviet Eurasian strategy is there.

North Korea, of course, has limited capacity and flexibility in its foreign policies: its strategy cannot go beyond its immediate Northeast Asian environs. As Moscow's chief military client in Northeast Asia, geographically hemmed in by China and the Soviet Union to the north and the Republic of Korea to the south, the DPRK has little geopolitical room for maneuver. Compelled to maintain two navies, each having to deal with a different strategic milieu, and given its leaders (with a still paranoid view of Seoul) North Korea spends over 20 percent of its GNP on defense, robbing each generation of a stake in the Asia-Pacific era.⁷ Swinging her foreign policy pendulum back and forth between Moscow and Beijing, North Korea has acceded to a developing military arrangement with Moscow since 1984. This includes new Russian access to North Korean airfields and ports on both the Sea of Japan and the Yellow Sea.

Toward South Korea, Pyongyang continues its multifaceted strategy aimed at gaining leverage on South Korea, a South Korea of such increasing international stature as to undoubtedly cause severe misgivings among Pyongyang's more rational leaders. In spite of North Korea's efforts to exploit the turmoil associated with South Korea's recent political miracle of liberalization and Pyongyang's efforts to stop South Korea's hosting the Olympic Games, they have failed. Roh Tae Woo received a plurality of South Korean votes on 16 December 1987, and took office on 25 February 1988. The preparation for the Seoul Olympic games is also on schedule, with the Russians and the Chinese announcing that they are coming, and South Korea gearing up to what may well be the most extraordinary demonstration of national pride in Korea's recent history.⁸

Economically, South Korea is pulling farther away from North Korea—the 1986 GNP of \$100 billion and the export-led development strategy are in stunning contrast to North Korea's meager \$30 billion GNP, poor export performance, failure to repay foreign debts, and general inability to engage in the Asia-Pacific trade system. It is only in the military realm that Pyongyang is able to perpetuate its fundamental challenge to Seoul. Along with renewed terrorist

actions, the hardliners in Pyongyang put pressure on Seoul. Seoul is only 31 miles from the DMZ, compared to Pyongyang which is 90 miles to the north. Nearly 20 percent of South Korea's population is concentrated in the Seoul area. The DPRK has also positioned about 300,000 first-line forces close to the DMZ, as it continues to tunnel near and under the DMZ; it relies on the largest and best-trained special commando forces in the world. North Korean military strategy relies on a combined doctrine of both "regular and irregular wars," and a strategy of "preemptive massive surprise attacks," planning for a "quick war and quick decision."⁹

The patterns of political-military interaction in Northeast Asia by the Soviet Union and North Korea, while multifaceted, show considerable elements of contradiction and paradox. It is as though each country's policies were caught up between hawks and doves, hardliners hedging their bets and men with fresher ideas seeking to overcome decades of failed policies.

WASHINGTON, BEIJING, TOKYO, AND SEOUL

Compared to the new look in Moscow's eastern policies, the United States and its friends in Northeast Asia do not have a "grand strategy." Relations among these democratic and noncommunist allies and US friends are almost entirely bilateral in focus and seldom extend further than a time frame of several months. There is government resistance to moving past strictly bilateral relations in Northeast Asia. A variety of concerns punctuate US security relations with Tokyo, Seoul, and Beijing. There is, for example, the US Defense Department's traditional concern about Japan's minimalist reactions to Soviet military activities in and around the Sea of Japan. Given South Korea's inevitable maturing and gradual breaking away from subordination to the United States; and China's dogmatic insistence on an "independent" foreign policy, one sees why the United States and its friends in Northeast Asia have no long-range strategy. Nevertheless, nation-states understand their long-term interests, regardless of who is in charge and who may lead them and, given the stunning political, economic, and technical changes that are influencing Northeast Asian security relations, a more cohesive allied strategy may perhaps emerge. It is long overdue.

Within the context of the new Soviet policy toward East Asia, the economic vitality of the region, led by the capitalist countries, and the various security policies in Northeast Asia, the responses of the United States, Japan, China, and South Korea are interesting and

promising. The interactions among these four nations are conditioned by mutually compatible (if increasingly competitive) market economic systems and by shared concerns regarding the Soviet and North Korean threats.

THE UNITED STATES

During its two terms in office, the Reagan administration refocused United States Asia-Pacific priorities, creating five central policy pillars:

- The continuing critical importance of US-Japanese relations in spite of what now appears to be an irreconcilable trade imbalance.
- The building of an enduring relationship with Chinese pragmatists.
- The maintenance of stability on the Korean Peninsula as both Koreas undergo significant internal changes.
- The support of ASEAN diplomatically and economically.
- The maintenance of the ANZUS alliance with Australia.¹⁰

These five relationships became the foundations of the Reagan administration policy in East Asia. With less armed forces in East Asia and the Western Pacific than the other major powers, and 20 naval steaming days from the US West Coast to the region, the United States found itself increasingly dependent on regional countries to help counter the Soviets and their clients.¹¹ All of these security assumptions, however, are being strongly impacted by the effects of Northeast Asia's growing independence from US dominance. Were it not for China's large ground forces, and China's territorial bulge into the USSR's eastern holdings, the United States would have real difficulty deterring Soviet military outreach. Imagine how the Northeast Asian security landscape would change if Soviet troops were stationed in China as they are in Mongolia, or if the Soviet Navy visited Chinese ports as they do North Korea's. It is not surprising, then, that in spite of the contradictions it creates with Taiwan, the United States is selling military equipment to the People's Republic of China.

CHINA

The Chinese go to considerable lengths to deny—for political reasons—a strategic partnership between themselves and the United States.¹² Indeed, well into the Reagan administration's first term, the

White House was uncomfortable with the idea.¹³ American scholars use geometric analogies to describe Chinese policy; "tilted nonalignment" being a current label.¹⁴ Nevertheless, it is obvious from the perspective of their shared common security interests and their growing economic and technical/military engagement¹⁵ that the United States and the People's Republic of China are de facto security allies with a common objective of restraining the Soviet Union and complicating its outreach.¹⁶ Mao Zedong is reputed to have stated: "What is détente? I am détente. Without me Russian divisions would have overrun Western Europe long ago." There is certainly truth in the view that China, by its massive bulk, ground forces, and racial-ideological-territorial opposition to the Soviets, acts as a deterrent to a Soviet-dominated East Asia and the Pacific. Should the Soviets and the Chinese ever resume their alliance, and Soviet military power be deployed out of Chinese territory, the geopolitical stakes in East Asia would turn upside down.

JAPAN

As the United States' principal military ally in East Asia, and cornerstone of our Northeast Asian security policies, Japan, despite its low defense expenditures (considered as a percentage of the gross national product, GNP) remains the keystone. Ideally located for augmenting a military response to Soviet or North Korean moves in Northeast Asia, Japan, in the words of former Prime Minister Nakasone, was something of an "unsinkable aircraft carrier." The problems in the US-Japanese security relationship, however, are real, and they reflect broader adjustments in the Tokyo-Washington alliance. Japan, as the premier producer country in East Asia, is simply, with its drive for global preeminence now obvious, no longer politely fitting into US security plans.¹⁷ Indeed it may be making its own plans. Noting Nakasone's breeching of the 1 percent of the GNP defense ceiling; the continuing refinement and better coordination of JSDF capabilities; declining Japanese anti-nuclear sentiment; the rise of dual-use high technology, and the acquisition of over 200 F-15s and 100 P-3s, Ronald Morse writes:

Neither Soviet threats nor American pressure have been decisive factors in Japan's gradual build-up of its defense capabilities. Japan's own unease that it cannot rely on the United States as before has driven Tokyo in that direction.¹⁸

The Pentagon, of course, sees the problem more ambivalently: Tokyo's continuing low percentage level of defense spending

nevertheless now adds up to US \$30 billion per year (more than North Korea's GNP). While it is true that without forces Japan alone would not be a match for the Soviets, the steady growth in the JSDF is causing considerable comment in Asia.¹⁹ But the Japanese—who have fought the Russians three times in this century—do not care to threaten with military power. Moreover, Tokyo undoubtedly now sees Gorbachev's new policies as giving the Japanese leverage; they like being courted. And more to the point, what would be the effect in Northeast Asia if there were a modest increase in Japanese defense spending to, say, 3 percent of GNP? At the currently projected Japanese GNP levels, 3 percent of the GNP defense spending for the next 5 years would equate to \$450 billion. Thus, some other kind of reoriented Japanese defense mission in Northeast Asia might seem prudent, to say the least.

SOUTH KOREA

Well armed and competently led, South Korea's armed forces are protecting a country whose capital is just 3 minutes air time from North Korea's advanced Soviet jet aircraft. Facing North Korea's 784,000-strong regular armed forces and 100,000 commandos, South Korea finds itself threatened also by 3,400 tanks and 4,600 to 5,000 artillery guns and howitzers (almost three-fourths as many as the US Army has world-wide).²⁰ Soviet-made Frog 5 and Frog 7 missiles close to the DMZ could hit Seoul in a matter of seconds. Judging from the October 1983 Rangoon bombing, the November 1987 airliner destruction, and continued tunnel digging and infiltration attempts, DPRK hostility to the ROK continues.

Against this continuing background of threat, the Seoul government is now led by the first popularly elected president in 18 years. The Roh Tae Woo administration, however, inherits the familiar security problem: how to maintain a sufficient deterrent capability—psychological and military—while also incorporating the demands of the rising middle class and the articulate political opposition. South Korea's international image has certainly benefitted from her successful political transition and from the recent athletic-diplomatic events—the 1986 Asian Games and the 1988 Seoul Summer Olympics. The country is now evidencing an extraordinary national pride. South Korean security authorities, however, can never be sure how Pyongyang might attempt to complicate the ROK's future.

TOWARD DEESCALATION IN NORTHEAST ASIA

Of recent interest are a variety of diplomatic activities and strategic moves which bolster the impression of greater conciliatory trends

in Northeast Asia. However, the momentum in 1988 lies more with Gorbachev than with the United States which is preoccupied with presidential election politics. Indeed, it is remarkable how little interest Gorbachev's Vladivostok initiatives seemed to spark initially in the US foreign policy and national security establishment compared to, for example, the Chinese concentration on the Soviet proposals.²¹

Reducing conflicts in Northeast Asia, with the explicit purpose of moving this strategic area's security patterns to those which reward force reductions and arms control initiatives, will not be easy. However, given Gorbachev's momentum, the prospects for tension reduction may have improved. The challenge now is for the United States and its friends to retake the initiative so that the Soviets will not be allowed to exacerbate seeming contradictions among the US allies. The future risks of allowing our Northeast Asian security system to drift away, unless compensatory measures are taken, are clear.

- Without serious force deescalation agreements, new arms races are likely.
- The United States and the USSR could be drawn into local or regional disputes against their own best interests—for example, the continuing Korean Peninsula arms race is a danger to all.
- US-USSR tensions might escalate into regional confrontations (hence the need for arms control regimes in the Sea of Japan and on the Korean Peninsula).
- Continuing military tensions undermine economic dynamism and trade opportunities (for example, the cost to both Koreas of the arms race).

If the United States and its Northeast Asian partners are to implement a strategy of conflict reduction in the area, revitalized mechanisms and procedures for dispute settlement and conflict resolution are necessary. The feasibility of enhanced collective security measures and techniques ought also to be explored. The following dispute settlement formula should be considered for such purposes:

- Deescalating latent conflicts through tension-reduction measures such as increased communication and mutual exchanges of cultural, economic, and political representatives (for example, in the confidence building measures between North and South Korea and Soviet-Japanese talks about the southern Kurile Islands).

- Encapsulating manifest conflicts through direct hot-line communications and jointly arranged diplomatic teams. (In this regard the two Koreas have much of the necessary communications and negotiating machinery in place, but stronger US and Soviet encouragement is wanting.)
- Seeking to settle conflicts through bilateral face-to-face negotiations and bargaining, (the Sino-Soviet discussions are a useful model).

Techniques and formulas are, of course, only instruments in the hands of skillful negotiators. More critical are the substantive deescalation proposals put forward at the bargaining table. At the broadest level, future diplomatic initiatives in Northeast Asia which the United States and its friends might consider sponsoring include:²²

Category A. Confidence Building Measures (CBM). All parties should initiate a series of CBMs similar to those agreed upon by 35 countries at the Helsinki Conference in 1975: Prior notification of military exercises, the sending of observer teams of neutral or opposed personnel, and so on.

Category B. Mutual force reductions by the major powers in the region—the United States, the USSR, and China—involving ground, naval, and air forces. Relevant tension zones include the Sea of Japan area and the Korean peninsula. China's proposed reduction of her armed forces by one million men falls in this category. The United States and the USSR ought to discuss reciprocal force reductions in the area.

Category C. Mutual arms control and disarmament measures entailing freezing, then reducing deployments of weapon systems. Clearly, the Korean peninsula and the Sino-Soviet border regions would be candidates here. The United States and the USSR ought to initiate serious negotiations on major reductions of strategic arsenals in Asia.

Category D. A prohibition on transnational terrorism, whether state directed, sponsored, or encouraged.

Category E. A Northeast Asian regional security conference. The objectives would be agreement on a substantial demilitarization of the region. The agenda should also cover Categories A and D above.

CRITICAL GEOGRAPHIC ZONES: DEESCALATION MEASURES

KOREA

The need to reduce tensions on the Korean peninsula, the most lethally armed and dangerous conflict zone in Northeast Asia is obvious. Both North Korea and South Korea are garrison states, the recipients of some of the most deadly and expensive weapons in the world. Perpetual military preparations distort both countries' priorities. The challenging question is: How can the Korean situation be guided toward less tension and more stability? Given the peninsula's penetration by numerous external factors, each category of general diplomatic proposals presented above has relevance to Korea. After the 1988 Seoul Olympics are completed and a new US administration is elected, the following policy initiative may be contemplated:

- a. Discussions by Washington and Moscow designed to restrain and then halt further deliveries of advanced fighter aircraft and missiles to their two respective Korean clients.
- b. Reduction of the frequency of US-ROK joint military exercises called Team Spirit and the promotion of USSR-ROK cross contacts activities.
- c. Conventional mutual arms reduction talks by the two Koreas. Military expenditures by both countries need to be reduced. Given Pyongyang's forward advantage of having combat troops only 31 miles away from Seoul, however, North Korea should be encouraged to offer a unilateral force pullback in return for an appropriate response by South Korea, perhaps a thinning out of ROK forces north of Seoul.
- d. Acceleration of inter-Korean negotiations with the objective of gaining a nonaggression pact or peace treaty. The DMZ should be made a peace zone, with the Joint Security Area in Panmunjom demilitarized as a first step.

THE SEA OF JAPAN

The Sea of Japan, a dangerously armed body of water in Northeast Asia, washes the home port of the Soviet Pacific Fleet, and is a flashpoint for superpower confrontation. Negotiating an arms control regime in the region has, therefore, a high priority. Can the Soviets be induced to demonstrate less threatening behavior in the area? That should be a primary objective of US allied policy.

Leverage and incentives exist: driven by the USSR's dismal economic performance, Secretary General Gorbachev has made obvious his desire for better relations with Japan. As Professor Edward Oslen has written:

Japan's potential to seriously rearm and either devise a unilateral strategic posture or become a truly active partner of the United States are tremendous. Moreover, those potentials are clearly recognized by the USSR. . .²³

A range of interesting policy incentives and proposals can be developed. Basically, they come down to this: The Soviets could be offered a new economic and political deal in Northeast Asia—principally expanded trade with Japan, the initiation of formal trade with South Korea, and accelerated negotiations involving the Sea of Japan and the northern territories (the later question probably being split off for separate discussion). With Japan, South Korea, and the United States having a common negotiating position, the three allies could propose to the Soviet Union an agenda of discussions on security and economic matters bearing on the Sea of Japan and the southern Kurile Islands. Points to be discussed in such meetings would include:

Soviet Actions

An end to Soviet military harassment of Japanese (and South Korean) sea and air space.

A return to Japan, as a first step, of one half of the southern Kurile Islands—Shikotan and the Habomais chain.

Allied Actions

Renewed Japanese-Soviet economic talks, the objective being Soviet acquisition of Japanese non-military technology through joint ventures, in return for export to Japan of Soviet oil and gas.

Accelerated negotiation on a Japanese-Soviet peace treaty, with a pledge by Tokyo not to remilitarize returned territories attached as protocol to the treaty.

Combined Soviet and Allied Actions

Discussions on draw downs of Soviet and US naval tonnage in the Sea of Japan.

Gradually increasing facilitation of Japanese-Soviet commercial, cultural, and diplomatic contacts.

Should the Soviets balk, the Japanese could be encouraged to speed up those military modernization and acquisition efforts devoted toward closing off the three Sea of Japan chokepoints in time of war. Again citing Edward Olsen's views:

The emerging U.S.-Japan relationship (or, even more destabilizing, the potentials for a Gaullist Japan to go it alone) should provide sample incentives for the Soviet Union to negotiate an arms control region and environs.²⁴

Finally, an emerging informal trilateral security cooperation pattern between the United States, Japan, and South Korea—something particularly troublesome to Moscow—could be impressed upon the Soviets as an incentive for their participation in the negotiation talks.

THE SINO-SOVIET CONFLICT

The conflict of the largest territorial scope and potentially most dangerous fall-out in Northeast Asia is the Sino-Soviet conflict. With roots going back for centuries and manifesting racial, territorial, ideological, and leadership personality characteristics, the Chinese and the Russians have had relations for over 400 years. The dangerous period in the late 1960s and early 1970s, when Soviet and Chinese troops exchanged fire on the Ussuri River border, was followed ten years later by the start of regular consultations between the two powers. Ten rounds of discussions at the vice-ministerial level were held in the years prior to 1987. Spurred by Brezhnev's initiatives, they have produced a restoration of economic, trade, tourist, and cultural links, many of them dormant for 20 years. Sino-Soviet trade may reach \$14 billion during the five years between 1986 and 1990 as the Soviets seek to appeal to China's trading instincts.²⁵

Progress on resolving political and military questions has been slower. The huge Soviet military build-up encircling China resulted in vastly superior Soviet forces on the Chinese border including thousands of Soviet tanks, IRBM and MRBM forces, and a huge array of tactical aircraft. In response, the Chinese presented their "Three Obstacles", preconditions for improvement in Sino-Soviet relations. Seeking to accelerate the earlier pace of Sino-Soviet reconciliation, Secretary General Gorbachev's July 1986 Vladivostok speech evidently broke the logjam. Separate talks on the border problem began in February 1987; in September, the two countries started their eleventh round of broad-gauged, formal talks; and the Soviets have removed about 11,000 troops from Mongolia (of the 65,000 estimated to be in the country.)²⁶

Finally, in December 1987, the Soviets signed the INF reduction treaty with the United States which will also eliminate all Soviet intermediate nuclear missiles from Asia. The Soviets also took 6 regiments out of Afghanistan in 1987 without reducing their overall combat power in the country.²⁷ In January 1988 the Soviet announced a timetable for troop withdrawal from Afghanistan to begin in May, provided that an agreement is reached on time between Pakistan and the Afghan government regarding the composition of the future government. A variety of other items also occupy the Sino-Soviet agenda, including factory, trade, barter, and mutual investment agreements.²⁸ By the spring of 1988 a real Soviet pull-out from Afghanistan was in the offing.

Not surprisingly, Chinese leader Deng Xiaoping has reacted positively to the tone of Gorbachev's proposals sensing an opportunity to loosen Moscow's grip on China's peripheries while also improving the overall relationship. Both countries need a reprieve from escalated tension and military overspending. Gorbachev's most recent proposal for a Sino-Soviet summit, made on 11 January 1988, was again politely rejected by the Chinese leader Zhao Ziyang. The Chinese indicated again that only one of the three obstacles still remained to be removed: continued Vietnamese occupation of Kampuchea.²⁹

The United States and its allies and friends in Northeast Asia have no cause for concern about the kind of Sino-Soviet détente that has occurred to date. It has been gradual and deliberate. To the extent the United State, in particular, has any influence on tension reduction between Moscow and Beijing, its influence is best exercised through careful politico-military negotiations with each of the two parties. Further, US arms sales to China must emphasize the stockpile of weapons and equipment which do not unnecessarily provoke the Soviets. As for negotiating mechanisms, the Chinese and the Soviets established those in 1982, and no suggestions from other parties are needed. In short, by early 1988, the deescalation of the Sino-Soviet conflict had been in train for almost eight years, and it augers well for the prospect of Northeast Asia's future peace and stability.

EXTRAORDINARY OPPORTUNITIES

Conflicts and tensions in Northeast Asia obviously constitute fertile fields for creative politico-military initiatives designed to deescalate and stabilize the region. The success of these proposals is, of course, dependent upon the ability of the United States and its

partners to blend their converging interests, to think in multilateral terms, to create common negotiating strategies, and to convince the Soviets and their clients that they would benefit from entering into these constructive discussions.

This essay has suggested that extraordinary opportunities are open for new and creative thinking on the possible restructuring of Northeast Asia's future security patterns toward greater conflict reduction. The larger challenge for the United States and its associates is to steer and coordinate the twin processes of dynamic economic growth and greater tension reduction so that a broadening of peace and prosperity can be shared by all the Asia-Pacific countries and peoples. Rome was not built in a day, and new and less conflictual patterns of peace and security in Northeast Asia will require many years of difficult, painstaking effort.

NOTES

1. See, for example, Hiroshi Kimura, "Soviet Focus on the Pacific," *Problems of Communism*, May-June 1987, p. 1; Robert A. Manning, "Moscow's Pacific Future: Gorbachev Rediscovered Asia," *World Policy Journal*, Winter 1987-88, pp. 55-59.

2. The 1984 North Korean-Soviet border treaty, Najin port improvement, and initial Soviet overflights all preceded Gorbachev's coming to office and evidently stemmed from Kim Il Sung's 1984 Moscow visit. Soviet military access to North Korea deepened shortly after Gorbachev's July 1986 Vladivostok speech: Kim Il Sung travelled in October to Moscow and by November Soviet military utilization of DPRK airfield and ports had increased.

Also, see: Young Whan Kihl, "The Two Koreas: Security, Diplomacy and Peace," in Young Whan Kihl and Lawrence E. Grinter, eds., *Asian-Pacific Security: Emerging Challenges and Responses* (Boulder, CO: Lynne Rienner Publishers, 1986), pp. 152-253; and Lawrence E. Grinter and Young Whan Kihl, eds., *East Asian Conflict Zones: Prospects for Regional Stability and Deescalation* (New York: St. Martin's Press, 1987), pp. 101, 111, 120.

3. Kim Hyon Hui, alias Mayumi Hachiya, was one of two North Korean agents who planted the explosive which destroyed the KAL passenger jet over the Burmese coast on 29 November 1987, killing all 115 people

aboard. A summary of her testimony is in *Far Eastern Economic Review*, 28 January 1988, pp. 14-16. Also see *Christian Science Monitor*, 19 February 1988, p. 10.

4. George Perkovich, "Moscow Turns East," *The Atlantic Monthly*, December 1987, p. 30.

5. Yakovlev is cited in Perkovich, p. 32.

6. Dong Bainan and Lu Wenrong, "Soviet Strategy and Prospects in Asia and the Pacific," in Robert A. Scalapino and Chen Qimao, eds., *Pacific Asian Issues: American and Chinese Views* (Berkeley, CA: University of California Institute of East Asian Studies, 1986), p. 86.

7. Edward A. Olsen, "Stability and Instability in the Sea of Japan," in Grinter and Kihl, *East Asian Conflict Zones*, p. 85.

8. Both the Soviets and China announced that they would send a full national team to Seoul, while Pyongyang continued to insist upon the right to "cohost" the Olympics as the prior condition for its participation.

9. Young Whan Kihl, "The Korean Peninsula Conflict: Equilibrium or Deescalation?" in Grinter and Kihl, *East Asian Conflict Zones*, p. 109.

10. This material draws on Lawrence E. Grinter, "The United States in East Asia: Coping with the Soviet Buildup and Alliance Dilemmas," in Kihl and Grinter, *Asian-Pacific Security*, pp. 19-22. See also, Secretary of Defense Caspar W. Weinberger, "The Five Pillars of Our Defense Policy in East Asia and the Pacific," *Asia-Pacific Defense Forum*, Winter 1984-85, pp. 2-8.

11. With about 160,000 US forces on shore and afloat in the region, only Brunei, Singapore, Laos, Kampuchea, Malaysia, New Zealand, and Australia have fewer forces in East Asia. See "The Military Balance 1984-85," as reprinted in *Pacific Defense Reporter*, 1985 Annual Reference Edition, December 1984-January 1985, pp. 137-147. The 160,000 US combat or combat support troops in the Asia-Pacific area are composed mainly of Army divisions in Korea and Hawaii, a Marine division and brigade in Okinawa and Hawaii, 7th Fleet assets, and US Air Force strategic and tactical fighter squadrons. See Caspar W. Weinberger, *Annual Report to the Congress, Fiscal Year 1986*, Washington, DC: Government Printing Office, 4 February 1985, pp. 237-240.

12. See, for example: Zhang Jia-Lin, "The New Romanticism in the Reagan Administration's Asian Policy: Illusion and Reality," *Asian Survey*, vol. 24, no. 10 October 1984, pp. 1008-1009.

13. In particular, see Alexander M. Haig, Jr., *Caveat: Realism, Reagan, and Foreign Policy* (New York: MacMillan, 1984), pp. 194-217.

14. PRC Minister Zhang Zai put it this way at the National Defense University, Washington, DC: "Our policy is . . . never to attach or foster strategic

relations . . . with any big power or bloc of powers." See *Economics and Pacific Security: The 1986 Pacific Symposium* (Washington, DC: National Defense University Press, 1987), p. 4.

15. Sino-US trade is now over \$8 billion with the United States absorbing over 10 percent of China's exports. US military sales to the Chinese involve a variety of technologies. See Gaston J. Sigur, Jr., "US Policy Priorities for Relations With China," US Department of State, *Current Policy*, no. 948, 22 April 1987.

16. It is also obvious, however, that neither side will be taken for granted as, for example, the thorny issues of US ship visits, Taiwan, and US criticism of abortion policy indicate. See Richard Baum, "China in 1985: The Greening of the Revolution," *Asian Survey* vol. 26, no. 1, January 1986, pp. 48-51; and Alan Romberg, "New Stirrings in Asia," *Foreign Policy*, Special issue 515-38, pp. 526-528.

17. See James Fallows, "Japan: Playing by Different Rules," *The Atlantic Monthly*, September 1987, pp. 22, 24, 26, 28-29, 30.

18. Ronald A. Morse, "Japan's Drive to Preeminence," *Foreign Policy*, Winter 1987-88, p. 18.

19. In November 1982, Admiral Robert Long, the US Commander in Chief Pacific, stated: "The Japanese are individually well-trained, well-disciplined and technically very competent. The problem is that they lack adequate supplies of fuel, ammunition and missiles. In my judgment, they lack the ability to handle even a minor contingency." Long was interviewed by Neil Ulman and Urban C. Lahrer in "Tokyo's Buildup," *Wall Street Journal*, 22 November 1982, p. 1.

20. Rai Sung An, *North Korea in Transition: From Dictatorship to Dynasty* (London: Greenwood, 1983), p. 81; and C.I. Eugene Kim, "Civil-Military Relations in the Two Koreas," *Armed Forces and Society*, Fall 1984, p. 12. Also, see *The Military Balance, 1985-1986* (London: International Institute for Strategic Studies, August 1985), pp. 126-127.

21. Exceptions being Richard Armitage's speech at the National Defense University Pacific Symposium in February 1987, Honolulu, and Secretary Weinberger's speech in Anchorage, Alaska, in September 1986.

22. These ideas draw on Grinter and Kihl, *East Asian Conflict Zones*, pp. 208-14.

23. Olsen, "Stability and Instability in the Sea of Japan." (See Note 7) p. 92.

24. Olsen, p. 92.

25. See Steven I. Levine, "Sino-Soviet Relations in the Late 1980s: An End to Estrangement?" in Grinter and Kihl, *East Asian Conflict Zones*, pp. 29-46.

26. Kimura, "Soviet Focus on the Pacific," *Problems of Communism*, p. 5; and *The Economist*, 26 December 1987, p. 36.
27. "With this as evidence of Soviet intentions, skepticism is the only prudent reaction to Mr. Gorbachev's words," stated Richard L. Armitage, Assistant Secretary of Defense for International Security Affairs, Honolulu, Hawaii, 27 February 1987.
28. See Manning, "Moscow's Pacific Future," p. 63.
29. *The Christian Science Monitor*, 13 January 1988, p. 9.

**PROSPECTS FOR JAPAN-REPUBLIC OF
KOREA SECURITY COOPERATION**

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The prospects for enhanced Japan-Republic of Korea (ROK) security cooperation are today widely considered unrealistic, but there is some potential which should be considered. Because of the United States' crucial role in the contemporary security of both Japan and South Korea, it is necessary to evaluate the chances for Japan-ROK security cooperation in the context of US strategy. Those prospects are influenced by three alternative scenarios involving the United States: the United States may retain approximately the same level of commitment to its two Northeast Asian allies; Washington may restructure US commitments in accord with the growing capabilities of Tokyo and Seoul; or, the United States may sever its commitments in the area, leaving Japan and the ROK to cope with the Soviet Union, China, North Korea, and each other.

Despite American frustration and the complaints of some Americans about the unfairness of existing economic and security relations, the United States might not make basic changes in its Northeast Asian security relationships. Maintaining the status quo may or may not benefit the United States. However, it certainly would benefit Japan and South Korea, which would not need to adjust their policies. Under this scenario, there is virtually no chance that Japan and the ROK would try to improve their security cooperation. They now have almost no incentive to do so, and perpetuating the US commitment to their security would not provide any new incentives. As long as the United States is willing to remain supportive of each, and a buffer between them, Japan and the ROK will never find reasons to cooperate with each other. That prognosis is not true of the other two scenarios. Furthermore, strains in US alliances, stemming from changes in the partners' potentials for cooperation, are so likely to exacerbate domestic pressures for alternative US economic and security priorities that it will prove difficult to perpetuate existing relationships without significant reforms. Hence, perpetuation of the status quo is not considered a viable option in this analysis.¹

RESTRUCTURING US FORCES IN NORTHEAST ASIA

If the United States rearranges its Northeast Asian commitments, it is unlikely to undertake any major restructuring of its forces in Japan in order to give them a more distinctly regional identity. The US posture in Japan has had a de facto regional rationale since the

postwar occupation ended. The nature of the potential aggressor—the Soviet Union—makes US-Japan cooperation in Japan's defense a significant factor in the global balance. Hence, the local defense of Japan already has profound regional and global implications. Despite Tokyo's reluctance to admit any participation in collective security, Japan plays a valued role in constraining Soviet mobility. Japan's location, the functions of US forces in Japan, and the tasks assigned to the Self-Defense Forces combine in this. This is not to suggest that the force balance within the US-Japan alliance will remain unchanged.

American pressures on Japan to undertake a larger share of its defense are not new. Though the progress made during the Reagan-Nakasone year deflected some of those pressures, much remains to be done. Japan's heightened economic stature, juxtaposed to US economic problems, promises to accelerate those American pressures in coming years. These pressures are likely to be exacerbated by the escalating costs of maintaining US forces in Japan. Despite Japan's major contributions for the maintenance of US forces in Japan, the costs to the United States may mount to an unacceptable level. The time may come when the United States can literally no longer afford the levels of force deployments in Japan to which we have become accustomed. If Japan responds positively, within ten years there may well be a relatively diminished US role in the alliance and a compensating increase in the Japanese role. Some of the tasks now performed by Americans probably will be assumed by Japan's Self-Defense Forces. The US-Japan strategic partnership may never attain the level of interaction and equality I advocated in *US-Japan Strategic Reciprocity*, but defense burdens almost certainly will be shared more equitably than they now are.

The strategic picture in South Korea is very different. US forces in South Korea are ostensibly deployed solely in the defense of the ROK against potential aggression by North Korea. Few visualize South Korea being attacked directly by the Soviet Union or US forces in South Korea being prepared to cope with such an attack. I have suggested elsewhere the desirability of reconfiguring US forces in Korea now under the Combined Forces Command, putting the immediate defense of South Korea under a Korean command and keeping US forces—redeployed within Korea for regional defenses—under a US command.² In these circumstances, certain US logistic and intelligence units would cooperate routinely with the Korean command. Similarly, certain ROK units would cooperate with the US command

in regional defenses that would incorporate Korean security when necessary. However, those ROK forces also would be available for non-Korean contingencies. The burgeoning Soviet presence in the Pacific, US concerns about improving regional collective security, and—especially—US pressures on Japan to pick up larger defense burdens, render such a shift toward US strategic roles from bases in Korea entirely compatible with larger priorities.

As the post-Reykjavik and post-INF Treaty fears of Western Europeans about new dangers of conventionally armed weaknesses, and US strategic “decoupling,” spread to Asia, the United States will have added incentives to reinforce its commitment to regional security versus the Soviet Union. Then a shift in US roles in Korea would mesh nicely with the global objectives of the United States and its Asian allies. Such roles cannot be assumed as speedily as ROK replacement of current US ground force deployments could be effected. There should be more extensive planning of the complicated implementation in any US restructuring of its forces in Korea. However, this should not cause problems in overall US-ROK security relations or delay substituting ROK ground forces for US forces.

If and when the United States commits itself to restructuring its forces in Korea for a dual role, Seoul must have confidence that the United States is planning to stay in Korea and protect it, the site of important US bases. Though the timetable for this restructuring might be considerably longer than a probable one or two year agenda for ROK-US ground force substitution, this ought not to cause Seoul concern. Once Washington commits itself to a substantial programmatic shift of this sort, changes in US administrations, the Congress, or the bureaucracy cannot easily bring about an altered course. Politically, however, Seoul might have problems explaining an expanded US role to the South Korean people, and certainly could expect to receive added criticism from North Korea. Such problems ought to be more than compensated for by the greater assurances of a durable US commitment.

REGIONALISM AND STRATEGIC CONTROVERSY

Raising this alternative view of Korea's importance to US security, and proposing the shifts recommended above, clearly is controversial. One need only recall the uproar in Seoul in 1983 caused by United Press International's leak of a classified US Defense Department contingency plan that discussed the possibility

of the US attacking North Korea or Northeast Asian Soviet facilities in reaction to hostilities in the Middle East. South Koreans have been agitated by similar scenarios scheduled under the rubric of "horizontal escalation" and in the take-the-battle-to-the-enemy precepts of former US Navy Secretary Lehman's "Maritime Strategy."

South Koreans, leaders and the general public, would prefer to see the United States stay in Korea, performing pretty much the same roles it has played there for nearly forty years. South Korea can fulfill many of its own self-defense tasks now; if pushed, it could assume nearly all of them very quickly. If the United States pulled out, the ROK could rapidly sustain its own self-defense. However, that is not desirable from either the vantage point of US national interests in regional security nor of ROK national security interests. Seoul should not be afraid of the United States postulating regionally or globally important interests that would make US bases in Korea crucial. Instead, it should welcome that shift and do everything in its power to cooperate with its US ally to preserve regional peace and security.

The ROK has stressed, almost exclusively, its need for more US help to strengthen ROK forces. That emphasis is understandable because Seoul would like help from the United States while political and strategic conditions are propitious. To use a colloquialism, Seoul's policy is to "get while the gettin's good." It is, in effect, seeking cooperation from the Reagan administration to hedge against the day when a less well disposed administration is ensconced in the White House.

Admittedly, South Korea has benefited from this prudent approach. However, it could benefit much more if it acted more confidently in matters concerning its own defenses, encouraged the United States to play a leading regional security role that would simultaneously serve US and ROK interests, and did all it could to assist the United States and its other Asian allies in preserving regional security. President Chun Doo-hwan almost accepted that concept when, in April 1987, he urged the United States to help the ROK bolster its defenses so that South Korea could then help the United States by sharing regional security responsibilities. This is a very positive attitude, but Seoul must recognize that the ROK's economic successes make it capable of greater self-reliance in defense preparedness. If South Korea is to receive further help in upgrading its forces, some of that help ought to come from the United States' other Northeast Asian ally—Japan.

KOREAN SECURITY: THE JAPAN FACTOR

Japan's proper role in Korean security is an exceptionally emotional issue. Despite improvements in Japan-ROK relations since President Chun and Prime Minister Nakasone exchanged visits in the early 1980s, bilateral ties remain strained by the bitter historical legacy they share. In other publications I have expressed sharp criticism of US-Japan security relations, and their impact on US-ROK security. Space does not permit a thorough analysis of the impact on US-ROK security of US-Japan security relations, though I shall address the major issues and make some recommendations. However, I want to emphasize that this aspect of regional cooperation—while crucial for larger US security interests in Northeast Asia—is not, and should not be interpreted as a precondition for the proposed shift in US strategic roles within Korea toward regionalism. Ideally, these issues can be linked because the United States has similar reasons for pursuing burdensharing and powersharing with each Northeast Asian ally. However, explicit linkage is not necessary for the United States to proceed with a regional focus in its security policy toward Korea.

The United States has encountered many problems in its security relations with Japan that bear directly on regional defenses important to South Korea. Assured US access to its bases in Japan for use, in case of another Korean War, remains a delicate issue, only tenuously resolved. The Japanese government seems steadfast in its support of US-ROK security interest, but the Japanese public's understanding of—and support for—the role of the bases is very tenuous. It could easily be shaken by a new war in Korea that endangers Japan. This underlines the differing threat perception environments of each ally. Potential Japanese cooperation with the United State against the USSR, if Japanese territory remains inviolate during a US-USSR conflict, is utterly unresolved, with Washington and Tokyo talking past each other. Perhaps most important now, US pressures on Japan to upgrade its defenses and to uphold a narrowly defined offshore defense zone—the 1,000 mile SLOC issue—have not been as heavy as many US critics of Japan's sluggish security policies would like. Perhaps most important over the longer run, US-Japan economic frictions—with their major spillover implications for US-ROK economic tensions—may well have a negative impact on US-Japan security relations. Cumulatively, these US-Japan problems carry tremendous implications for regional security focusing on Korea.

Though it always has been unpopular with ROK officials to point this out, the importance of US-Japan relations long has dwarfed the importance of US-ROK relations. Nascent US-PRC security ties also overshadow US-ROK relations. Seoul's protests about the growing importance of bilateral US-ROK ties notwithstanding, US-Japan ties still tower over them. Seoul's ambiguity about US-PRC ties also looms on the horizon. The US-Japan connection is, as Ambassador Mansfield frequently reminds us, the single most important US external relationship today. It, in turn, is the context in which US interests in Northeast Asia have become vital.

South Koreans may prefer to think that US-ROK relations would be much easier if Japan were not a major power. Nothing could be further from the truth, because if Korea has not been in Japan's front-yard the United States would probably not have assigned Korea the importance it has. Admitting this does not denigrate South Korea. Strong US-Japan relations do not displace strong US-ROK relations for they are complementary. However, Japan is almost certain to remain the first priority for the United States. Both Americans and South Koreans should be more candid about this and build stronger trilateral ties with Japan. In the future, comparable ties with China may also be feasible. These tasks may not be easy for either the United States or the ROK but they are necessary. To encourage such cooperation, the United States should reconsider the wisdom of some of its policies.

INDUCING NORTHEAST ASIAN TRILATERALISM

The United States has been very cautious in dealing with its two Northeast Asian allies. Washington is content with the informal parallel security developments in each alliance that tacitly link them. Occasional parallel exercises, linked by a US nexus, appears to satisfy US officials. They did not push for more cooperation. I would not recommend that the United States stop being careful and rush headlong into a reckless policy of trying to force Japan and South Korea into instant cooperation. Washington has studiously avoided advocating a regional security role for Japan that might put it at odds with its neighbors, particularly a role that might be construed as making Japan a surrogate for the United States. The reasons are obvious. Many Asians do not relish seeing Japan play a larger role in the region. Similarly, many Americans are strongly opposed to this possibility; other Americans are ambiguous. Former Secretary of State Kissinger's publicly stated concerns about Japan's rearmament have

reverberated throughout Japan. The United States is sending mixed signals to Japan. It is difficult for the Japanese to know exactly what Americans really want from Japan. This is unfortunate. Americans should adopt a more positive and affirmative appreciation for Japan's contribution to Asian security and its potential to do far more.

Policy changes in this complicated area will not come easily, but I aver they should be pursued. How long should the United States continue to provide Japan's territorial security backstop, its regional security, and its sea lane security in a global context? Americans have every right to complain about Japanese strategic parsimony and self-centeredness. They have every right to examine the linkages between Japan's so-called "free rider" syndrome (actually a gross overstatement, but Japan is a "cheap rider"), and the economic advantages a US defense subsidy provides for Japan to compete with the United States.³ It is time the United States advocated larger Japanese regional economic, political, and military roles, and urged Japanese cooperation with the United States in helping other Asian states (including South Korea) to contribute to regional security. Americans need not, and should not, apologize to Korea or any other nation for urging such a Japanese role—which is emphatically not that of a surrogate for the United States.

Most pointedly, the United States should not act as a buffer between Japan and South Korea in strategic affairs. A military alliance may never materialize, though a strong case can be made for one, but there is ample reason for the United States to press Japan and South Korea to be more cooperative in an open alignment. The United States should not be coercive. Instead, the United States, together with Japan and the ROK, should create a "wise men's" group, tasked with exploring the ways in which trilateral security cooperation might be facilitated. The most promising basis for security cooperation might be adoption by the United States and the ROK of Japan's broad-based doctrine of comprehensive security which meshes economic, political, and military stability. This low-key, inoffensive, and pragmatic approach to security should be—if it is treated equitably—a viable context for trilateral cooperation, persuasive to all three nations. South Korea's national interests are increasingly compatible with those Japanese national interests which produced the comprehensive security doctrine.

As a buffer, the United States now lessens the incentives for its two allies to cooperate with each other. So, instead of being anxious

to help the ROK or Japan when either seeks US defense assistance, Washington ought first to ask whether the assistance sought can be provided by one of the two US allies to the other. Clearly, Japan has the capabilities and could offer South Korea financial, technological, intelligence, planning, operational exercises, and offshore air and naval assistance. All of these are relatively invisible to the public. Only ground force assistance would seem to be off-limits, because of the symbolism of Japanese troops on Korean soil, but South Korea is not likely to need that help because it has ample ground forces. Such cooperation should not be visualized as a one-way street, for there are many things ROK forces might do to help Japan. If ROK ground forces could be dispatched to Vietnam to help the United States aid an ally, why can't some of these forces be sent to Japan if they could be spared from South Korea's defense and were needed to defend against a Soviet threat? If there were simultaneous dangers to South Korea, obviously their primary duty would remain national defense.

More likely, ROK naval assistance in SLOC defenses would benefit Japan as much as the United States. The ROK's naval role now is negligible. However, this can, and should, change. Because of the ROK's de facto insular location—there is water on three sides and no access on the fourth—South Korea is functionally an island in geopolitical and economic terms. It is highly dependent on the sea for its trade and strategic support. Consequently, South Korea has as much need to be involved in offshore air and SLOC defense in the region as the United States and Japan. Moreover, it increasingly possesses the financial and shipbuilding wherewithal to become a viable partner in those missions. Still more likely, and central to the whole notion of regional security, is the prospect of both the ROK and Japan helping the United States cope with the Soviet Union. If Japan, cognizant of China's loose alignment with the United States, can engage in security talks with the PRC, as it has since 1984, why should not something comparable occur between Japan and the ROK? Clearly, it should, and Washington ought to advocate discrete improvements in Japan-ROK-US security ties. Japanese and South Korean defense experts have exchanged visits to consult with each other, but not on the level of Japan-PRC exchanges.

The United States, without undermining the confidence of either Tokyo or Seoul in the US commitments to them, can nonetheless make clear to both that—while the United States' stake in Northeast Asia is a crucial one—it can never compare with their stakes in the security of their shared region. They are of the region, not distant

friends as is the United States. Should US interests in the region be disrupted (for any reason), causing Americans to write it off, Tokyo and Seoul would have to stand together in the face of an external threat or risk falling separately. In this sense, Melvyn Krause (a Hoover Senior Fellow), was dead wrong in his prognostication of the results of allowing South Korean militarism to flourish.⁴ Massive Japanese rearmament might have been precipitated, as he suggested, but in a way that would leave our two allies as budding adversaries—a situation that would do nothing to enhance regional stability or US interest in that stability. How much better if the United States could signal a desire to do slightly less for each ally, providing them incentives to do slightly more for themselves and each other. As each ally assumed more self-defense burdens, the United States could turn its attention to defending security concerns that all three allies share, to some extent, but which only the United States as a superpower has the means to address. This includes nuclear strategy and far-flung conventional defenses, such as in the Middle East.

Instead of permitting frictions with the United States, or with each other, to cloud their future, it would be more prudent for Tokyo and Seoul to preempt such possibilities by cooperating with each other militarily under US auspices on an incremental basis. Instead of aggravating tensions, and threatening to undermine US support for its Northeast Asian commitments, Tokyo and Seoul must begin to view such cooperation as an insurance policy to assure regional peace and stability. Furthermore, it may open the way to a significantly larger Japanese and South Korean role in support of the US worldwide strategic commitments. That would serve Japanese and South Korean strategic interests and ingratiate each of them in Washington's eyes, thereby helping to mellow the US trade frictions with each ally.

To date, there has been more enthusiasm for this prospect—albeit highly guarded—in South Korea than in Japan. Some South Korean scholars have speculated on the desirability of Japan-ROK cooperation.⁵ Politically, the ROK government under Presidents Park and Chun has been pointedly unenthusiastic. There are many on-the-record examples of South Korean negativism about Japan-ROK security cooperation.

Seoul officials have been, and are, more enthusiastic about receiving Japanese economic assistance in lieu of security assistance. Such attitudes and priorities are good politics in South Korea where suspicion of Japan, and opposition to improved ties, usually pay off

in terms of domestic support. Tokyo has provided economic help, but draws a clear distinction between this and any semblance of security assistance. While this sort of cooperation also is important and is compatible with Japan's comprehensive security notions, it is not the type of security cooperation being addressed here. Despite Seoul's official disclaimers and posturing, there is evidence that South Korea at the highest levels has—since the late 1970s—considered military cooperation with Japan.⁶ As noted, the Japanese have shown even less ardor from conservative scholars and ex-defense officials.⁷ Despite North Korean denunciations of a burgeoning Japan-ROK-US strategic conspiracy, no one should be misled into considering these opinions to be a trend.⁸ However, they are a small beginning upon which trilateral cooperation may be built. This is the basis for the proposed consultations among a wise men's group.

With a cautious but more purposeful policy, an appreciation of common threat perceptions, a willingness to cooperate with each other in trilateral fashion, and enhanced mutual respect for the others' interests and desires to participate in decisionmaking, the United States might create an atmosphere conducive to regional security consciousness. Though South Korea and Japan, in conjunction with the United States, can cooperate more in military-related security matters, we must also note the great potential of these two allies to work harmoniously in tension-reduction initiatives.

South Koreans and Japanese are capable of great contributions to economic and political measures that could reduce tensions with the Soviet Union, North Korea, Vietnam, and other, non-Asian security concerns. Both can also make major contributions to enhancing stability in the region, and elsewhere, through economic development assistance. For example, each has incentives for exerting moderating influences in Southeast and South Asia, the Middle East, Latin America, and Africa which would make it easier for the United States to preserve peace and stability in those other regions. Japan's potential for economic contributions to peacemaking is, for obvious reasons, far larger than South Korea's.⁹ However, Seoul also has growing potential to help economically. While these capabilities should be welcomed by the United States, perhaps as part of trilateral comprehensive security, they should not become a substitute for what both allies can contribute militarily. This is especially true of Japan, most likely to try such a substitution under the guise of its Comprehensive Security Doctrine. It is not fair for the Japanese to arrogate to themselves the easiest, least dangerous, and most profitable

economic roles in regional and global security while the United States and the ROK undertake the more arduous tasks. The United States, ROK, and Japan face shared dangers and should more fairly share the responsibility for them.

RUPTURED ALLIANCES IN NORTHEAST ASIA

If the US-Japan, US-ROK, and Japan-ROK branches of the Northeast Asian strategic alignment, and their economic underpinnings, are not substantially improved in the 1990s, the impact on all three could be adverse. Severe frictions in any of the bilateral ties could readily prove disruptive. Those frictions most likely would derive from either Japanese or South Korean rejection of US pressures for fairer trade and defense relations, and a consequent US counter-reaction. If US pressures are seen in Japan and South Korea as excessive, or allied responses are viewed in the United States as inadequate, the result would be the same: a rupture of the relationship.

Frustrations are building on all sides and the potential for rupture is real. However, as an American, I sense the levels of frustration are higher in the United States than in South Korea or Japan. Americans are experiencing what Koreans call *han*, a festering anger that slowly but steadily intensifies until it blows up. This *han* exists primarily at the elite levels of US society, but an economic downturn could rapidly expand its influence to the masses. American frustrations are not well appreciated in either Japan or South Korea. They stem from economic, political, and security differences with allies. They are made more intense by domestic problems.

The US political agenda for the 1990s probably will be reshaped by the November 1988 elections. Regardless of who wins, US domestic and foreign priorities will be subjected to a review. That process could produce reassessments of the wisdom of current commitments. Japan and South Korea are vulnerable should such rethinking occur. If reappraisals produce a new and more equitable balance of resources and responsibilities within the alliances, they should produce beneficial results. However, if US frustration leads to efforts to reduce or eliminate the US commitments in Northeast Asia, the strategic balance in the area would be directly influenced. To date, Korea has been the primary focus of American efforts to reduce/eliminate the US commitment. President Nixon's withdrawal of the Seventh Infantry Division, President Carter's aborted effort to cut ground force levels in Korea, and various private proposals to pull US forces out, demonstrated this focus.

South Korea's authoritarianism long has egged on liberal US critics of US policy who want the United States to stop supporting ROK militarism by cutting its forces in South Korea. More recently, US conservatives have joined that chorus. Two important studies by the CATO Institute advocate varying degrees of cuts in the US commitment to South Korea.¹⁰ The US commitment to Japan, though strained, has not generated serious calls for severing the US commitment to Japan.¹¹

Should US commitments to one or both of its Northeast Asian allies be jeopardized by calls within the United States for jettisoning commitments, shedding burdens, and saving money and resources, how might Japan and the ROK cope in the absence of the United States? Essentially, each ally would have four options. It could pursue an autonomous defense. "Gaullism" long has been bandied about in Japan, but with little enthusiasm because of its inherent costs and risks. Japan has become more realistic about such speculation. South Korean nationalists also speculate along those lines, but are equally inhibited by the costs and risks. The risks are made even more palpable for South Koreans by the proximity of the unambiguous North Korean threat. However, without an alliance with the United States, expensive and dangerous autonomous defense would be a viable option.

Another option could be a new superpower ally: the Soviet Union or China. Neither has much appeal because of inherent negative attributes attached to those powers. The United States may be a difficult ally for Tokyo and Seoul, but not as difficult as the USSR or PRC would be. Furthermore, joining the Soviet Union would require Tokyo and/or Seoul to make a 180 degree reversal in threat perceptions, making the United States the focus. This would be almost impossible politically and economically. China as a new ally might be feasible, but such a relationship would be suggestive of global divisions that could be very destabilizing. Furthermore, China's Middle Kingdom complex would be more difficult for Japan or Korea to tolerate than US superpower hubris.

Thirdly, the US Northeast Asian allies might contemplate neutrality. This option was more popular in the past in Japan than it is today. It is seen as increasingly unrealistic in light of the Soviet Union's arms build-up in recent years. Furthermore, as Japan reached economic superpower status, the notion of it declaring neutrality has become less credible. Some South Koreans yearn for a neutralized

form of peaceful unification. However, for most South Koreans, the North Korean threat makes neutrality utterly utopian.

If those three options have major drawbacks, Japan and South Korea, without the United States, might have to face the reality of relying on each other. This fourth option would not be easy in such hypothetical circumstances, but it might be necessary. In a hostile world, these neighbors might be compelled to recognize their similar security interests regarding the USSR, the United States, China, Southeast Asia, the sea lanes, and preservation of trade links. Despite their well known mutual enmity, Japan and South Korea might be forced to cooperate strategically by a greater danger sufficient to compel them to overcome their differences.

Clearly, these bleak scenarios of Northeast Asian ruptures are not likely now. However, they are not impossible. This is the reality which should motivate all three partners to overcome the apprehension of those who consider any discussion of this sensitive issue to be dangerous. Actually, it is more dangerous to avoid addressing improved trilateral security cooperation. Is it not much better to recognize the shared security interests all three allies possess? Based on such recognition, it should be possible for the United States, Japan, and South Korea to devise ways in which each can cooperate more effectively with the others militarily and in broader aspects of regional security.

Instead of allowing differences to be magnified, commonalities should be stressed. To keep the United States committed and enthusiastic about its relationship with its Northeast Asian allies, it is in those allies' interests to strengthen their strategic cooperation as quickly as possible. Such cooperation need not conflict with broader efforts to reduce tensions with adversaries—the Soviet Union and North Korea. Confidence building measures are crucial to minimize the danger of war. However, the hoary maxim about the "best way to prevent war is to prepare for it" remains valid. As tensions are reduced, so too can preparations be scaled back. For the foreseeable future, however, cooperation in preparation will remain important for the United States, Japan, and South Korea. The third leg of the triangle needs urgent attention to strengthen the whole.

As if the considerable problems associated with crafting an improved strategic relationship trilaterally between the United States and its two Northeast Asian allies, and bilaterally between them,

were not enough, the entire relationship is buffeted by rising economic frictions. US-Japan economic tensions are well-known. The world's two largest economies were wedded, but suffer frequent spats. Those arguments threaten to damage the broader bilateral ties. Though much less known, US-ROK economic ties have grown rapidly, making South Korea the seventh ranking trade partner of the United States. In keeping with its "new Japan" imagery, the US-ROK economic relationship is marred by frictions comparable to those disrupting US-Japan ties. This pair of competitors is part of a serious economic challenge to the United States that Washington is compelled to address. It remains uncertain what the United States will do to cope with the global economic challenge that is reshaping the environment of the United States as a superpower, but it is certain that something must be done.

How the United States reacts, and how Tokyo and Seoul respond to US moves, will determine the nature of our future relationship. As US, Japanese, and South Korean policymakers consider their options, they should never forget the extent to which the US and Japanese economies are now wedded. Since the MAD (Mutual Assured Destruction) concept is becoming passé in superpower affairs, the notion might usefully be applied to the US-Japan economic bond. Neither can afford to jeopardize that vital relationship. Its destruction will assuredly have mutually damaging repercussions. South Korea's place in that network is not central, but it is clearly as important corollary to it. Actually, disruption of the US-Japan relationship is even more life threatening to South Korea because its dependency on each nation makes it doubly vulnerable. Though not ultimately as catastrophic as nuclear MAD, a US-Japan economic MAD may be more serious because potential disruptions are all too easy to foresee.

Tokyo and Washington have tried to wish away the potential for economic trouble spilling over into security affairs by keeping the two as discrete as possible. However, this seems futile because they are inseparably linked. Instead of fearing their linkage, the United States and Japan (and South Korea) should stress the positive aspects of the linkage as a way to create a community of shared interests that will enable all three to work together harmoniously in trade and defense. If such attention is paid to the causes of economic friction, there is every reason to hope that broader strategic cooperation also will be enhanced.

NOTES

1. *U.S.-Japan Strategic Reciprocity* (Stanford, CA: Hoover Institution Press, 1985). This will be published in Japanese in 1988 by Jichosha publishers.
2. See the author's "Korean Politics and U.S. Policy: Higher Pressures and Lower Profile," *Asian Survey*, August 1987, pp. 839-861; Pat Morgan and Suh Dae-sook, eds., "The Implications for U.S.-ROK-Japan Security of Changing Economic Relations: The Case for a New Security Scheme in Northeast Asia," *U.S.-Korean Security* Bloomington: Indiana University Press, 1988; and *U.S. Policy and the Two Koreas*, San Francisco: Northern California World Affairs Council, 1988 (Distributed by Westview Press). Portions of the following analysis of restructuring are drawn from the latter study which was funded by a grant from the John D. and Catherine T. MacArthur Foundation during 1987.
3. The author contributed that neologism in "'Chiipu raidaa' e no fuman" [Complaints about a "cheap rider"] *Chuo Koron*, December 1985.
4. Melvyn Krause, "It's Time for U.S. Troops to Leave Korea," *The Christian Science Monitor*, 24 August 1987, p. 13.
5. See, for an excellent example, Cha Young-Koo (of the Korean Institute for Defense Analysis), *Northeast Asian Security: A Korean Perspective* (Washington, DC: The Center for Strategic and International Studies, 1988). See also, Choi Young (of the ROK Foreign Ministry's Institute of Foreign Affairs and National Security), "Examining the Validity of Tripartite Security Cooperation Among the US, Japan, and South Korea," presented at The Aspen Institute's Seminar on "Korea: Past, Present and Future," Aspen, Colorado, 29 June-5 July 1986.
6. For insights into this evolution, see the declassified ROK Institute for Foreign Affairs and National Security Document No. 78-09 (September 1978), *Han-il hyubreog cheje-ui mosaek* [An exploration of ROK/Japan Cooperative Structure], cited in forthcoming Ph.D. dissertation by K.S. Lho, Oxford University.
7. See, for example, Takesada Hideshi (of Japan's National Institute of Defense Studies), "Japanese Perspectives on Korean Security and Arms Control," presented at The Korean Association of International Relations, Seoul, 27-29 August 1986; General Namatame Osamu (A.S.D.F., Ret.), "What Does the Soviet Union's Policy of Continued Military Buildup in Northeast Asia Mean?" presented at The International Security Council Conference on the Soviet-North Korean Alliance, Seoul, 18-20 January 1987; and Lt. Col. (G.S.D.F.) Nakamura Yoshihisa (of Japan's National

Defense Academy), "New Perspectives on Japanese Security Policy: Its Implication for South Korea," presented at The Council on US-Korean Security Studies, Third Annual Meeting, Seoul, 29 November-2 December 1987.

8. Examples of North Korea's responses are numerous; see Foreign Broadcast Information Service (FBIS-EAS-87-211), 2 November 1987, p. 11.

9. For representative analyses of Japan's role in comprehensive security, see the papers presented at the 1-2 February 1988 East-West Center, Resource System Institute Workshop on Comprehensive Security and Japan-U.S. Relations, especially those by Professors Tsuchiyama Jitsuo, Sakanaka Tomohisa, and Hasegawa Tsuyoshi.

10. Doug Bandow, "Korea: The Case for Disengagement" in *The CATO Institute Policy Analysis*, No. 96, 8 December 1987; and Stephen D. Goose, "U.S. Forces in Korea: Assessing a Withdrawal," presented at The CATO Institute's Conference on "Collective Security or Strategic Independence? Alternative Strategies for the Future," Washington, DC, 2 December 1987.

11. I raised that option in *U.S.-Japan Strategic Reciprocity*, but only as a bargaining lever.

**ECONOMIC ASPECTS OF
US AND JAPANESE POLICIES IN EAST ASIA:
A KOREAN VIEW**

Dr. Oh Kwan-Chi



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Japan was the first to exhibit a trade surplus with the United States in 1965. Then, Taiwan achieved a surplus in 1968 followed by Korea in 1982. Unlike Japan, Taiwan and Korea have more than one dimension to their trading activities—they have had a trade deficit with Japan, their other major trading partner, for several decades. In both countries the size of the trade surplus with the United States has been rapidly increasing, and so has the trade deficit with Japan. The same trade pattern prevails in two other Asian newly industrializing countries (NICs), Hong Kong and Singapore. Furthermore, the second echelon of Asian NICs are already in line to join the first group. (See Table 1.)

Taiwan's trade surplus with the United States has been maintained since 1968 and Taiwan has not been able to narrow down the deficit with Japan; her trade deficit with Japan has been growing with the size of the surplus with the United States and the volume of exports to that country. After 14 years Korea has started to show the same pattern which Taiwan established and Singapore is following closely. Among the four Asian NICs Hong Kong led the pattern early, followed later, if not exactly in the same way, by the other three.

Thailand, which used to be considered a model country among East Asian countries, appears to be following suit. After having a chronic trade deficit with the United States, Thailand came out with a surplus in 1985 and has been able to maintain it since. The trade deficit figures with Japan appear to narrow after reaching a peak in 1983. It is too early to come to the conclusion that Thailand could somehow avoid the established pattern of trade balance in the process of industrialization. As her industrialization gains in speed, she might experience a rather long period with an ever-enlarging trade deficit with Japan.

Thanks to a rich endowment of natural resources, Malaysia appears to be succeeding in keeping its trade balance with Japan in the black for a while. If, however, Malaysia embarks on ambitious industrialization projects as envisioned in the industrial master plan, and if oil prices are kept low, Malaysia's precarious trade surplus with Japan may, in fact, go into the red. It is also uncertain whether

Table 1. Asian NICs' Trade Balance with US and Japan
(Mil. US dollars)

| | Korea | | Taiwan | | Hong Kong | | Singapore | | Thailand | | Malaysia | |
|------|-------|--------|--------|--------|-----------|--------|-----------|--------|----------|--------|----------|-------|
| | US | Japan | US | Japan | US | Japan | US | Japan | US | Japan | US | Japan |
| 1965 | — | — | -81 | -84 | 142 | -203 | — | — | -75 | -131 | — | — |
| 1970 | -190 | -575 | 200 | -437 | 515 | -513 | -94 | -358 | -97 | -305 | 99 | 64 |
| 1975 | -345 | -1,141 | 170 | -1,118 | 788 | -1,024 | -533 | -908 | -228 | -426 | 235 | -161 |
| 1980 | -284 | -2,819 | 2,087 | -3,180 | 2,504 | -4,233 | -965 | -2,751 | -509 | -970 | 487 | 487 |
| 1981 | -389 | -2,870 | 3,392 | -3,474 | 3,467 | -4,734 | -714 | -3,064 | -391 | -1,418 | -150 | -340 |
| 1982 | 287 | -1,917 | 4,195 | -2,411 | 3,502 | -4,235 | -1,020 | -2,782 | -263 | -1,053 | -782 | -652 |
| 1983 | 1,971 | -2,835 | 6,637 | -3,110 | 4,431 | -4,560 | -307 | -3,067 | -346 | -1,856 | -263 | -580 |
| 1984 | 3,603 | -2,273 | 9,826 | -3,255 | 6,284 | -5,479 | 644 | -3,006 | -139 | -1,838 | -64 | 78 |
| 1985 | 4,265 | -3,017 | 10,027 | -2,088 | 6,486 | -5,569 | 842 | -2,338 | 349 | -1,499 | 89 | 951 |
| 1986 | 7,335 | -5,444 | 13,579 | -3,709 | 8,128 | -5,577 | 1,435 | -3,147 | 297 | -1,206 | 263 | 892 |

Source: IMF, *Direction of Trade Statistics Yearbook*

Malaysia will be able to maintain a trade surplus with the United States in this case. Under similar circumstances, Indonesia has succeeded in sustaining trade surpluses with the United States and Japan since the early 1960s. The Philippines, on the other hand, followed the typical pattern of NIC balances until the beginning of the 1980s. Since then, the Philippines has contrived a trade policy that produces surpluses to lessen the burden of external debt payment but only at the expense of economic growth.

It can be argued that the East Asian countries, led by Taiwan and Hong Kong, typically have expanding trade surpluses with the United States and ever enlarging deficits with Japan in varying degrees. This trade pattern is expected to prevail in the coming decade. What fundamental factors cause this kind of a triangular trade pattern? How will it affect the United States and East Asian strategic and economic interests in the future?

DIVISION OF ROLES BETWEEN THE UNITED STATES AND JAPAN IN EAST ASIA

There are a number of facts commonly used to explain the trade surpluses the East Asian NICs have with the United States. These are the restricted access to East Asian markets for US products; omnipresent industrial targeting in the region; unfair trade practices, such as violation of intellectual property rights; the exporting of counterfeits and forgeries; and the administratively managed exchanged rate scheme. Important as these factors are they are not the fundamental ones. The true culprit is the ill-advised division of roles between the United States and Japan in East Asia. The United States provided the security umbrella for the region, while Japan, a firmly established economic power, took responsibility for economic cooperation with the region.¹ This division between the two countries may have appeared a rational choice in the early 1970s, when the United States began to realize that it couldn't provide both a security guarantee and economic assistance for the region. It was not, however, a wise choice.

Japan joined the Development Assistance Committee of the OECD in 1961 and has been increasing her ODA since then. In 1961 Japan provided \$107 million dollars and this increased to \$4,040 million dollars in 1987. Furthermore, thanks to a net increase of 4.9 percent over the previous year and the appreciation of the yen 5,110 million dollars are budgeted for this year.

Table 2. Net ODA from Major OECD Countries to Developing Countries and Multilateral Agencies
\$mil. (percent of GNP)

| | 1974-76 average | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 |
|------------|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| US | 4,065 (0.26) | 7,138 (0.27) | 5,782 (0.19) | 8,202 (0.27) | 8,081 (0.24) | 8,711 (0.24) | 9,403 (0.24) |
| Japan | 1,126 (0.22) | 3,355 (0.32) | 3,171 (0.28) | 3,023 (0.28) | 3,761 (0.32) | 4,319 (0.34) | 3,797 (0.29) |
| France | 1,951 (0.61) | 4,162 (0.63) | 4,177 (0.73) | 4,034 (0.74) | 3,815 (0.74) | 3,788 (0.77) | 3,995 (0.78) |
| W. Germany | 1,572 (0.38) | 3,567 (0.44) | 3,181 (0.47) | 3,152 (0.48) | 3,176 (0.48) | 2,782 (0.45) | 2,942 (0.47) |

Source: *OECD, Development Co-operation*, Paris, 1987.

As shown in Table 2, the volume of Japan's ODA was only one-fourth that of the US contribution in the period 1974-76, but expanded to about one-half by 1985. It is, however, the pattern of geographical concentration of Japan's ODA, which has a direct bearing upon our hypothesis. The lion's share of the US ODA, 27.1 percent of the total during the period 1983-84, was channelled into Egypt and Israel, while the seven East Asian countries received only 2.9 percent—\$260 million dollars out of \$8,971 million dollars, as shown in Table 3.

Table 3. East Asian Recipients of US and Japan's ODA
\$ mil.

| | 1970-71 | | 1980-81 | | 1983-84 | |
|----------------|---------|-------|---------|-------|---------|-------|
| | US | Japan | US | Japan | US | Japan |
| Korea | 150 | 110 | 42 | 251 | — | 77 |
| Taiwan | — | 14 | — | — | — | — |
| Singapore | — | 6 | — | — | — | — |
| Thailand | 33 | 16 | — | 212 | — | 267 |
| Malaysia | — | 7 | — | 83 | — | 190 |
| Indonesia | 259 | 127 | 146 | 402 | 117 | 321 |
| Philippines | 33 | 24 | 56 | 169 | 143 | 181 |
| Regional total | 475 | 304 | 244 | 1,117 | 260 | 1,036 |
| Total | 3,328 | 555 | 6,974 | 3,592 | 8,971 | 4,526 |

Source: *OECD, Development Co-operation*, Paris, 1987.

This presents a striking contrast to Japan's figures: Japan allocated 54.9 percent of her total ODA in 1970-71, 31.1 percent in 1980-81, and 22.9 percent in 1983-84 to the seven East Asian countries. Consequently, the volume of Japan's ODA to the region more than tripled from \$304 million dollars in 1970-71 to \$1,036 million dollars in 1983-84, while that of the United States dwindled from \$475 million dollars down to \$260 million dollars during the same period.

Of particular interest is that Japan has been actively providing technical assistance to the region in the form of on-the-job training and education in both Japan and the host countries. At the end of 1985, the total number of trainees in various fields of industry from the seven countries amounted to 50,999. On the other hand, the number of technical experts sent to the region reached 27,351 by the end of 1985. (Table 4 shows this technical assistance by recipient country.)

The picture, however, is totally different when it comes to security assistance. From 1950 to 1986 the United States extended FMS loans of 15 billion dollars to the seven East Asian countries. In addition to these loans, the United States also provided 10 billion dollars through the Military Assistance Program for the same period. It goes without saying that these loans and aids have helped the region cope with ongoing conflicts or threats, and thereby contributed directly to US defense. It should be duly recognized that US support to Korea under the Mutual Defense Treaty of 1954 and, in particular, the presence of US air and ground forces in Korea, have played a key role in deterring possible North Korean aggression.

Deficits with Japan will undoubtedly ruin the political and economic order of the United States and the region unless resolute measures are taken by all parties concerned. Some suggested measures follow:

- Japan should expand its resources for Official Development Assistance for East Asia to be commensurate with the US security commitment to the region.
- Both US and Japanese funds for ODA for the region should be pooled and used to support US firms wishing to extend their businesses to East Asia or to form consortia with Japanese firms for business in the region.
- The United States and East Asian NICs with trade surpluses should contribute to a fund for the promotion of technology transfer from US firms to partners of the region.

Table 4. Japan's Technical Assistance to East Asia
(number of personnel)

| | 1983 | 1984 | 1985 | Accumulated number as of the end of 1985 |
|--------------------|------|-------|------|--|
| Korea | | | | |
| Trainee | 305 | 305 | 510 | 7,590 |
| Expert | 77 | 126 | 74 | 1,524 |
| Taiwan | | | | |
| Trainee | 72 | 83 | 92 | 4,399 |
| Expert | 34 | 18 | 13 | 573 |
| Thailand | | | | |
| Trainee | 693 | 795 | 884 | 9,878 |
| Expert | 809 | 755 | 670 | 7,175 |
| Malaysia | | | | |
| Trainee | 858 | 1,047 | 858 | 7,029 |
| Expert | 272 | 363 | 248 | 2,675 |
| Indonesia | | | | |
| Trainee | 733 | 995 | 960 | 11,226 |
| Expert | 815 | 1,050 | 944 | 8,954 |
| Philippines | | | | |
| Trainee | 438 | 560 | 573 | 6,450 |
| Expert | 636 | 547 | 507 | 5,557 |
| Singapore | | | | |
| Trainee | 363 | 439 | 359 | 4,427 |
| Expert | 145 | 136 | 125 | 893 |

Source: Ministry of Trade and Industry, *Current Status and Issues of Economic Cooperation, 1986*, Japan.

- East Asian NICs with trade surpluses with the United States should render subsidies to local firms to promote imports of US technologies and accompanying equipment, semimanufactured goods, and technical services.
- A wise men's commission should be set up, representing all the countries concerned, to make recommendations to government concerning economic and security arrangements in East Asia.

In the same way, US support to Thailand and other Southeast Asian countries has helped them to improve their social and economic conditions and to modernize their armed forces to cope

with threats from the regional military power, Vietnam. US security support and the presence of US combat forces under CINCPAC, together with the Mutual Defense Treaties between the United States and individual countries of the region, constitute the cornerstone of East Asian security.

Needless to say, Japan can furnish the whys and wherefores it does not do its fair share to defend East Asia, despite massive economic strength.² Among these are the well-known Article IX of the Constitution, the self-imposed rule of not exceeding 1 percent of the GNP, Southeast Asian countries' fear of renewed militarism, and the complications of domestic politics. Japan places excessive confidence in diplomacy as a way to resolve international tensions.

The general public and political leaders of Japan are reluctant to accept the Soviet threat as it is. The so-called neutralists have been known to emphasize Soviet economic problems and the inability of the USSR to translate military power effectively into diplomatic and economic power in the region. As a result, the Japanese people do not believe that there is a growing threat to Japan from the increased Soviet military build-up. These low threat perceptions in public and political opinions underlie Japan's defense policy, that is "exclusively self-defense" oriented, as succinctly stated in the 1986 White Paper on national defense. Japan will possess a self-defense capability which should be the minimum necessary for self-defense. Furthermore, Japan's armed forces are prevented from being deployed to foreign land, sea, or airspace. The so-called "Basic Policy for National Defense" premises US-Japan security arrangements to cope with external aggression.

The Japanese Official Development Assistance (ODA) consists of cash loans and grants, but a large part of this is devoted to financing development projects and technical assistance through Japanese private firms. Thus, Japanese private firms have built power plants, communication networks, paper mills, bridges, roads, harbors, chemical fertilizer plants, and airports. Japan has also provided research laboratory equipment and other teaching materials. Technical assistance has been in the form of training technicians at Japanese universities, research facilities, private firms, and government agencies as well as the dispatching of technical experts to recipient countries to teach, demonstrate, and advise on modern technologies and skills.

These ODA programs have had far-reaching effects in on-going Japanese business activities in recipient countries. Improved infrastructure and the development of key industries created a congenial condition for private investment, which was not missed by Japanese firms. Local technicians, trained to operate and maintain

Japanese-built plants, became familiar with Japanese machinery of various kinds. Local businessmen, students, and technicians, trained at Japanese firms, universities, and government agencies developed a preference for Japanese management practices, equipment and facilities, industrial standards, and sources of information. They might conceivably overcome the cultural shock and become proficient in Japanese. The Japanese technical and management experts dispatched overseas have undoubtedly established friendships with local businessmen and technical people. The ODA programs provided important opportunities for participating Japanese private firms to investigate conditions overseas, at no cost to their parent firms. In this way, ODA programs paved the way for the subsequent extension of Japanese firms in the region.

In the wake of ODA, Japanese firms started to lend their manufacturing technology and to invest through joint ventures with local partners. Hong Kong and Taiwan led the region in cooperating with Japan. They started to vigorously import Japanese technologies and to pursue joint ventures with Japanese firms in the early 1960s. Korea followed in the mid-1960s and other countries in the latter half of 1960s. Thus, Japanese firms' aggressive overseas investment and well-contrived transfer of technologies, coupled with the Japanese government's comprehensive Development Assistance Programs, have laid firm foundations for future economic cooperation between Japan and East Asian countries. The Japanese technologies transferred to and direct investment in the region, actively promoted by the Japanese government, have become a driving force for the triangular trade pattern among the United States, Japan, and the East Asian countries.

JAPANESE DIRECT INVESTMENT AND TECHNOLOGY TRANSFER: ITS IMPACT ON FUTURE US ECONOMIC INTERESTS

The United States and Japan have been two major sources of technologies and direct investment for East Asian countries. Japan, however, has been dominant and is expected to be so in the future, particularly in Korea and Taiwan. Taiwan first imported foreign—Japanese—technology in 1952 and US technology followed two years later. Taiwan's import of foreign technologies began to accelerate in the year 1965 when the number of technologies imported almost doubled the total of the previous year. In that year, Japanese firms supplied 23 industrial technologies to Taiwan, while US firms transferred a meager 5. The US share has slightly improved, but still remains at the level of one-third of the Japanese total—533 US against 1,548 Japanese at the end of the 1986.

Korea started to import foreign technologies from 1962 when the Foreign Capital Inducement Law was passed. In contrast to the case of Taiwan, US firms first began to provide industrial technologies in 1962 when Japanese firms were held back by the absence of diplomatic relations between Korea and Japan. As soon as diplomatic relations were normalized in 1966, Japanese firms started to export their technologies to Korea and quickly surpassed the US total. Thus, at the end of July 1987, the total number of US technologies transferred was 1,065 against Japan's 2,382.

US firms have been rather active in direct investment in Taiwan. From 1952 to 1986 they undertook 561 cases of direct investment with a total of \$1.855 million. During the same period, Japanese firms invested \$1,384 million in 988 undertakings. US firms are still ahead of Japanese firms in the volume of invested capital, but recent trends indicate that this position is likely to be reversed in the near future.

In Korea Japanese firms have dominated in the field of direct investment since the early 1970s, as in the case of technology transfers. US firms were preeminent until the end of the 1960s, but Japanese firms caught up and began to surpass US investments the early 1970s. Consequently, Japanese firms' investments totaled \$2,118 million in 1,515 undertakings against US firms' \$1,183 million in 467 projects.

Foreign direct investment does not necessarily involve transferring technologies from foreign firms to the joint venture. In almost all cases, however, it has been observed that joint ventures introduce foreign technologies from the very beginning of the undertakings. In Korea, Taiwan, and most, if not all, of those other East Asian countries pursuing export-led development strategies, foreigners' direct investments have been carefully courted by export industries. Even those joint ventures undertaken initially for local markets have been forced to look for foreign markets simply to survive after the saturation of the local demands. Thus, foreign direct investments appear to have contributed to expanding exports.

Many Japan-Korea joint ventures are known to have exported their products to foreign markets, including the United States. According to one study, 56 percent of the Korea-Japan joint ventures surveyed were exporting their products to foreign markets and less than one third were aiming at the local market alone.³ Furthermore, 57 percent of joint ventures exporting their products were selling their

products in foreign markets other than Japan. In many cases, Japan-Korea joint ventures were held back from exporting their projects to the Japanese market by the restrictive clause in the contract terms of technology import, mainly from the Japanese parent firm. While these joint ventures are not allowed to export to Japan, they generate imports from Japan. In the above-cited study it was found that 57 percent of all Korea-Japan joint ventures surveyed imported machinery and tools, 45 percent raw materials and semiprocessed goods, and 29 percent technical services from Japan. Hence, direct investments by Japanese firms clearly contribute to the Korean trade deficit with Japan and to the trade surplus with the United States and other countries.

East Asian countries' heavy dependence upon imported Japanese industrial technology, therefore, is the fundamental force which has driven the economy of the region into its unbalanced triangular trade patterns. It is generally accepted that technology import contracts with Japanese firms carry rather restrictive clauses such as:

- Restrictions on export: markets, volume, price, etc.
- Limitation of output level, selling price, and other conditions of sale.

Table 5. Foreign Investment and Technology Transfers

| | Korea | | | | Taiwan | | | |
|---------|--------------|-------|-------------------------|--------|--------------|-------|-------------------------|-------|
| | Technology | | Investment | | Technology | | Investment | |
| | US (case) | JAP | US (million dollars) | JAP | US (case) | JAP | US (million dollars) | JAP |
| 1952-61 | — | — | — | — | 17 | 50 | 28 | 19 |
| 1962-71 | 74 | 214 | 120 | 98 | 75 | 448 | 258 | 98 |
| 1972-76 | 91 | 280 | 135 | 627 | 91 | 216 | 206 | 145 |
| 1977-81 | 302 | 631 | 236 | 301 | 150 | 351 | 488 | 276 |
| 1982 | 68 | 164 | 101 | 40 | 39 | 78 | 80 | 152 |
| 1983 | 77 | 201 | 54 | 168 | 29 | 83 | 93 | 197 |
| 1984 | 99 | 217 | 193 | 165 | 42 | 99 | 231 | 114 |
| 1985 | 114 | 228 | 108 | 364 | 49 | 118 | 333 | 145 |
| 1986 | 157 | 264 | 125 | 138 | 41 | 105 | 138 | 254 |
| Total | 981 | 2,199 | 1,184* | 2,118* | 533 | 1,548 | 1,855 | 1,384 |

*1962-July 1987

Sources: Ministry of Finance, Republic of Korea; Council for Economic Planning and Development, Republic of China.

- Mandatory purchase of machinery, parts, and raw materials from the supplier of technology.
- Prohibition of employment of competitive technologies and dealing with competitive products.
- Restrictions on improvement of the technology imported.
- Grant-back.

Of the firms which have imported Japanese technologies, 40 percent pointed out the restriction of export as the most damaging clause. In almost all cases, Korean firms are forced to make a concession to Japanese firms in cases where the Japanese firm is already marketing the product. They have to agree not to export the products manufactured by imported technology to Japan (and overseas markets to a lesser extent), for a specified period, or without the consent of the technology suppliers. This restriction on exports has brought about a slanted export pattern toward the US market. Of the Korean firms importing Japanese technologies, 46 percent are exporting their products mainly to the United States, while only 14 percent sell their products to Japanese markets.

On the other hand, imports of Japanese technologies have resulted in large demands for imports from Japan. Of the firms importing Japanese technologies 33 percent imported Japanese machinery at the suppliers' suggestion, and 75 percent are importing raw materials, parts, and semimanufactured goods from Japan. Technical services necessarily accompany the imports of machinery and, thus, 24 percent of the Korean firms are still relying on Japanese firms for technical services.

In this way Korea, as the dependency on Japanese technologies for economic development for the last two decades has deepened, developed its peculiar triangular trade pattern, having a trade deficit with Japan and a surplus with the United States. This, of course, holds true for Taiwan and other East Asian countries. To test this hypothesis some statistical analyses were conducted. These are some of the major findings:

- Korean firms' imports of Japanese technologies, worth \$1 million of royalties a year, generate US imports worth \$47 million from Korea.
- Japanese firms' direct investment of an additional \$1 million in Korea induces US imports of \$6 million from Korea.

- Neither Japanese direct investment nor technology transfer to Korean firms affects Japan's imports from Korea.
- Exports of Japanese technologies, worth an additional \$1 million in royalties a year, increase Japan's exports to Korea by \$43 million, while decreasing US exports to Korea by \$17 million.
- US direct investments in Korea affect neither US exports to Korea nor US imports from Korea, while transfer of US technologies worth an additional \$1 million in royalties a year induces US imports of \$49 million from Korea and reduces US exports to Korea by \$17 million a year.
- Taiwanese firms' import of one additional Japanese technology induces US imports of \$14 million a year from Taiwan.
- Every additional \$1 million Japanese firms invest in Taiwan results in US imports of \$9 million a year from Taiwan.
- US firms' transfer of one additional technology generates both US exports to Taiwan worth \$15 million and US imports from Taiwan worth \$26 million a year. The transfer of US technology to Taiwan, however, reduces Japan's exports to Taiwan by \$23 million a year.
- US direct investment of an additional \$1 million increases US imports from Taiwan by \$8 million while it does not have any discernable effect on US exports to Taiwan.⁴

The above findings clearly support the hypothesis that the economies of Korea and Taiwan have been structured to a triangular trade pattern—a trade surplus with the United States and a trade deficit with Japan—affected by the increasing dependency on imports of Japanese technologies and capital. No doubt the same pattern will be copied by other East Asian countries. If this continues the United States will be piling up boundless external debts due to the ever-growing trade deficits. This will either trigger a trade war or lead to extreme protectionism which will doubtless damage the economic order of the rim of Pacific Basin. Under these circumstances, the East Asian NICs will stop developing. They will, at the same time, pile up external debts in the process of industrial modernization, since there will be no markets available to absorb the vast volume of output from their export industries that could match the US market. US export industries will also suffer from shrunken overseas markets. Furthermore, the economy will certainly be confronted by a severe recession

caused by both rising interest rates and slackened demands. Japan will not benefit from the situation either; her export industries will suffer from the closure of US markets and the shrunken demands of the East Asian NICs for overseas products.

A matter of grave concern, however, will be the security of the region. Faced with a deep depression and a heavy burden of external debts, the United States will no doubt steadily reduce her security commitment to the region. The only candidate for the US position, Japan, will be entangled in domestic politics. Thus, political stability and regional security, the necessary underpinnings of continued economic progress of the region, will be at stake.

Division of roles between the United States and Japan in East Asia has unintentionally effected a triangular trade pattern among the United States, Japan, and the East Asian NICs. The resulting trade surpluses of the NICs with the United States and Japan will undoubtedly ruin the political and economic order of the United States and the region unless resolute measures are taken by all parties concerned. I would suggest:

Japan should expand resources for Official Development Assistance for East Asia commensurate with US security commitment to the region.

Both US and Japanese funds for ODA for the region should be pooled and used to support US firms to extend their businesses to East Asia or to form consortia with Japanese firms for business in the region.

US and East Asian NICs with trade surpluses should contribute to a fund for promotion of technology transfer from US firms to partners of the region.

East Asian NICs with trade surpluses with the United States should render subsidies to local firms to promote imports of US technologies and accompanying equipment, semimanufactured goods, and technical services.

A wisemen's commission with representatives from all countries concerned should be set up to make recommendations to the governments concerning economic and security arrangements in East Asia.

NOTES

1. See George R. Packard, "The Coming U.S.-Japan Crisis," *Foreign Affairs*, Winter 1987/88, pp. 348-67.
2. Among others see, for example, Keiichi Ito, "Japan's Defense Policy," *Asia Pacific Community*, no. 10, Fall 1980, pp. 1-23, "Japan's Defense Policy and Limited Budget," in *Asia Pacific Community*, no. 29, Summer 1985, pp. 13-34.
3. Oh Kwan-Chi, *A Study on Future Korea-Japan Industrial Cooperation*, (Seoul: 1987.) Korea-Japan Economic Association.

Plenary Address:
REGIONAL SECURITY TRENDS

Admiral Ronald J. Hays



Admiral Ronald J. Hays, Commander-in-Chief, US Pacific Command, is a native of Louisiana and a graduate of the US Naval Academy. Admiral Hays has been a naval test pilot and served in various command and staff positions before achieving flag rank. He has been Director, General Planning and Programming Division, Office of the Chief of Naval Operations, Commander, Carrier Group Four, Deputy Chief of Staff CINCLANT/CINCLANTFLT, and Commander-in-Chief US Naval Forces Europe.

Today the Pacific boasts the world's fastest growing economies; US trade patterns are shifting from Europe to the Pacific, dynamic political developments are taking place: democracy is prospering, and new nations are coming on line; two-thirds of the world's population is in the Pacific region. The Pacific has more than its fair share of tension and wars—matters that could involve the United States; of the world's 10 largest armed forces 7 are in the Pacific; there are vast contrasts in cultures, religions, life styles, and standards of living; the USSR intends to become a Pacific power—at our expense. Our vital interests in the Pacific region are growing, and the Pacific is an exciting and challenging place in which to live and work.

As regards security relationships, the Pacific is not NATO, nor will it ever be, nor is it necessary that it be. That's not to say that we don't have good cooperation among nations and alliances important to the US security posture—we do. In many ways, our life in the Pacific is much simpler than in NATO because we don't have large military committees, international staffs, cumbersome coordinating bodies, or any one of 16 member countries that can say no to any proposal. It's a bilateral world in the Pacific and, if coalition warfare is necessary, USCINCPAC will be the common denominator. Of course, there are advantages in standardization and interoperability in a NATO-like structure, but since it's not in the offing, we concentrate on "one on one" activity.

Our efforts have been successful. Last year we conducted 87 separate training events and exercises with our friends and allies in the Pacific. For the most part, they were bilateral exercises that ranged from platoon size training evolutions to over 200,000 troops participating in field maneuvers. To respond specifically to the theme of this symposium, there are indeed patterns of cooperation and the results are Pacific basin security. Our security mission in the Pacific is to deter war, and to be prepared to fight and win if we fail to prevent war. This we are prepared to do today, and I won't detract from that profound statement by adding qualifications. There are two reasons I can make the statement today. First, is the quality of US forces. We have superb weapons systems that are reliable and maintainable, and we have smart, well trained, and motivated people.

What of the future with its budget retrenchments? obviously, we are faced with a challenge. Periods of retrenchment and the accompanying rhetoric often cause adversaries to become adventuresome. I worry about the loss of three fighter wings, 16 frigates, two brigades of infantry, and the slowed pace of modernization; but not nearly so much as I worry about the loss of quality people. In times like these, with wide publicity to defense cuts, including pay and allowances, a perception can develop that the American people no longer appreciate their military men and women. If that happens, in the voluntary force which we have, the quality that sustains my optimism will dissipate fast. Our foremost challenge is, therefore, to manage the reductions to prevent that from happening.

The second reason I can claim military adequacy in the Pacific is the network of alliances and friendships we have in the Pacific. The network is extensive and its health is as good as it has ever been. I have great satisfaction and a lot of pride in the quality of the military-to-military relationships between the United States and our friends in the Pacific. Last month I flew to Hokkaido, to observe a command post exercise oriented to the defense of the Japanese home islands. Participants included elements of the Japanese self-defense force, the US Army of Japan, and the Third Marine Amphibious Force. The level of cooperation was heartening, but not at all uncommon.

Japan has become a key to our security posture in the northwest Pacific. While the Japanese defense budgets may have been limited to one percent of GNP over the years, the reality is that the expanding economy has provided for a first-rate self-defense force, equipped with modern hardware and a professional military. People who complain about Japan's lack of investment in its own defense seem to be taken aback when I point out that Japan now has the world's third largest defense budget, and that Japan has more tactical aircraft in its inventory than does the US Air Force throughout the Pacific—and that the Japanese maritime self-defense force has twice as many destroyers as does the US Seventh Fleet.

Japan, some years ago, developed its mid-term defense plan and it is faithfully executing that plan—they've just fully funded the third year of the plan. They are now in the process of developing their next five-year plan and there is every reason to believe that the new plan will continue progress toward a self-defense capability and a capacity to fulfill the commitment for the defense of sea lines out to 1,000 miles. In these hard times for the US military, an important part of

the Japanese defense budget is burden sharing, and they have come through impressively. Their budget their year includes over \$2.5 billion for support of US forces stationed in Japan. That amount equals about \$45,000 in support for each US serviceman or woman stationed in Japan.

That said, Japan can and should do more. We continue to encourage Japan to improve force sustainability, to provide more economic assistance to developing countries, and to assume more of the burden of US force presence in Japan. The security concern that motivates Japan to improve capabilities is provided by the Soviet threat. Directly across the sea of Japan—in Tokyo's own backyard—is a massive Soviet military force.

The northwest Pacific is unique because it's a region where the vital interests of five powers converge—the United States, Japan, the Republic of Korea, China, and the Soviet Union. We are formally allied with two of the five, Japan and the Republic of Korea, and we have a developing relationship with a third, China. As to the fourth, the Soviet Union, that nation appears as the long-term adversary to the others.

In northeast Asia the stakes are highest on the Korean Peninsula. The volatility and bellicose nature of the regime in North Korea make it so. Fortunately for our mutual defense alliance with South Korea, one sees the finest, most integrated and interoperable force in existence today in the combined forces command. This command is made up of 600,000 Korean and 40,000 American troops commanded by an American 4-star general. The forces train together, use the same equipment, and the same procedures. Frequent exercises demonstrate that they are ready to fight, and to fight well. The North Koreans are aware of this excellent fighting posture, they cannot match it, and, if we were dealing with a more understandable leadership, one could conclude that our impressive deterrent posture on the peninsula would guarantee peace. Unfortunately, the record shows it is an assumption we cannot make.

There is another disquieting aspect in the equation—the worrisome relationship between North Korea and the Soviet Union that continues to produce first line military hardware for the Koreans. The most recent development is the delivery to the North Korean inventory of the SU-25 "Frogfoot," an offensive, long-range, modern, air-to-ground attack aircraft.

In the face of this continuing flow of Soviet military support to the North, the South Koreans are acquiring a better appreciation for regional security matters—a rather dramatic development after more than 30 years of focusing on the peninsula. The shift is in our mutual best interest. There has been a strong US military presence on the peninsula since the early 1950s. That presence remains an indispensable element of the peace-keeping force, but there is no reason to conclude that the structure will remain unchanged. The Republic of Korea is a prosperous nation with a rapidly expanding economy and an increasingly capable military. Their capacity to assume more of the burden of the US commitment and capability to maintain the peace of the peninsula will steadily improve.

A discussion of patterns of regional security cooperation in northeast Asia must recognize the tremendous role of China. Its developing potential is enormous. Modernization and security are Beijing's dominant concerns, and both drive China to closer relations with the United States and to a lowering of tensions with the Soviets. Our fundamental goals of stability, prosperity, and security coincide with China's. At the same time, we recognize that within that broad context there are bound to be differences in outlook—and those differences will be a problem. Today, for example, we have some differences on issues. These matters must be worked out with candor and sensitivity on both sides with a focus on important shared interests. When the process first began, President Nixon and Dr. Kissinger deemed it to be in our strategic interest: it remains so today.

Considering the South Pacific, I will concede only a partial setback with the ANZUS treaty. The anti-nuclear sentiments in the region are surprisingly intense, and pervasive. They reflect an understandable fear of the nature of nuclear war—but they ignore the necessity of nuclear deterrence. The abdication by New Zealand of its responsibilities as a treaty partner because of anti-nuclear views, is a tragic thing to happen between old friends. The greatest blow is to the New Zealand military, which has been cut off from its traditional source of military support, faces an inadequate defense budget, and perceives, quite correctly, I suspect, an attitude of non-support and indifference in the government and the general public about security affairs. But, the die is cast, and the results are a diminished security posture in the South Pacific—no one wins except the Soviets. Compensation has come from the third partner in ANZUS—Australia, which has picked up the tempo with New Zealand. More military

exercises are to be conducted as a partial substitute for exercises cancelled by the United States, and military hardware sales by Australia are in the offing.

Security cooperation between the United States and Australia has never been better. It is heartening to see the extent of mutual benefits that accrue from the alliance relationship—from the joint facilities, to bilateral exercises, to exchange programs, to the hospitality extended to our sailors of the Seventh Fleet during occasional port visits. The arrangement serves our security interest in the South Pacific very well, and I believe Australia, for its part, would endorse that conclusions.

All seven of the mutual defense treaties we have in the Pacific are bilateral and each is unique. All are triggered by an external threat. In addition to the treaties with Japan, Korea, and Australia, two of the remaining seven are less than a year old and are embodied in the Compact of Free Association with the former Micronesian territories—the Republic of the Marshall Islands and the Federated States of Micronesia.

The remaining two treaties are with Thailand and the Republic of the Philippines. Thailand is a long-standing, staunch ally subject to repeated Vietnamese military incursions from occupied Cambodia. Within the past month, Thailand has also been engaged in a nasty conflict along the Laotian border. While a cease-fire has been negotiated, the skirmish has seen intense artillery duels, two Thai aircraft shot down, and over 700 casualties. Thailand is a good friend and a front line state that has borne the brunt of Vietnamese adventurism, the Indochina refugee exodus, and the drug wars. Our military-to-military ties are strong, but the Thais are increasingly looking to other sources for military aid—because the price is right.

The seventh treaty is with the Republic of the Philippines, an old and trusted Pacific ally. There can be no question that the facilities at Clark Air Base and Subic Bay are keys to the external defense of the Philippines and to our strategic posture in the Western Pacific. But our interests in the Philippines encompass far more than the security and convenience provided by the bases. Our overriding interest in the Philippines is the survival of democracy in the face of a growing communist insurgency.

The new Philippine Defense Secretary, Fidel Ramos, was correct in saying in his recent congressional testimony, that the insurgency was an "underground factory" which would churn out an

endless stream of rebels if the government failed to provide the Filipinos a better life. If you reflect on the last two years, remarkable progress has been made:

- A new constitution has been drawn up and ratified.
- Presidential, legislative, and local elections have been completed.
- The bicameral legislature is meeting and acting.
- The government has thwarted five coup attempts.
- Economic decline has been reversed.
- The armed forces of the Philippines, with US military aid, have increased their capabilities.
- AFP unity has improved with the capture of Colonel Honasan and many of his followers and the adoption of some military reforms.

The force, popularity, and inspired leadership of President Aquino have been the central factors. She has withstood the challenges of left and right and maintained the course toward Philippine democracy. Despite the serious challenges, I am optimistic for the future. The institutions needed to address the problems are now in place, and with her continued firm leadership, I believe they can be made to work.

We will soon begin the process of renegotiating the basing agreement for Clark and Subic. There is much debate in the Philippines about whose interests the bases serve—Philippines, ASEAN, or US? The answer is clear: the bases serve the interests of all three. They promote regional security by maintaining a US presence; they help the United States in meeting global security interests in the Indian Ocean and elsewhere; the bases also provide significant economic benefits to the Philippines, and they employ 68,000 Filipino workers; they account for 2.5 percent of the Philippine Gross National Product. Finally, by providing for Philippines external defense, they save the Filipinos an estimated 2.1 percent of the GNP which can be spent for internal development. Obviously, we believe there is great mutual benefit to the present basing agreement and I hope it will be renewed. If there is no agreement, the bases are not irreplaceable. We can operate and maintain our forces from other installations if need be. We simply will not keep our forces on foreign soil where they are not wanted.

The political trends, the increasingly capable military forces of nations aligned with the United States, and the growing economic strength of the Pacific have not been lost on the Soviet Union. General Secretary Gorbachev signaled Moscow's intention to become a major player in the Pacific. His Vladivostok speech provided the roadmap. The "pot was sweetened" by promises of a partial withdrawal from Afghanistan, increased Sino-Soviet space cooperation, force reductions along the Sino-Soviet border, and nuclear free zones for the asking. The rhetoric of Vladivostok and its follow-on is not unlike that heard in the early 1970s, when détente was the watchword. What is different in the Pacific is the effectiveness of the public relations campaign supporting the well-publicized Gorbachev initiatives. While the Vladivostok speech was the opening shot, there have been numerous follow-on volleys. Just after that speech, Deputy Foreign Minister Kapitsa made a grand tour through the Pacific, followed a few months later, in March of 1987, by Foreign Minister Shevardnadze.

Serious discussions with the Chinese got underway and appear to have produced some movement toward resolution of long-standing problems. A Soviet infantry division was withdrawn from the Mongolian border as promised. The Soviet Army sent congratulations to the Chinese Peoples' Liberation Army on its 60th anniversary, the first such gesture to occur in 20 years. On the diplomatic front, Soviet ambassadors began appearing in places where they had never been before, often carrying offers of aid and trade. Formal diplomatic relations were opened with three South Pacific island nations, and the quality of ambassadors was upgraded. The new Ambassador to the Philippines is an accomplished, career diplomat, with many years of experience in the United States.

On the home front, Moscow entertained a number of diplomatic visitors of note in 1987 that included the Prime Ministers of Malaysia and Australia, and the Supreme Commander of the Royal Thai Armed Forces. (The United States is, of course, formally allied with Thailand.) Earlier this month, Foreign Minister Mochtar of Indonesia visited Moscow.

Economic relationships are the toughest part of the problem for the Soviets because they are not competitive and have little to offer Pacific nations other than arms and raw materials. Last month there was a Soviet trade mission to Japan to discuss the development of Siberia. The Soviets have made limited economic inroads in the

South Pacific by way of negotiated fishing agreements. The well-publicized, one-year accords with Vanuatu and Kiribati were consummated with more than fish in mind.

Opposing the "good guy" image the Soviets are striving for in the Pacific are several factors that cause grave concern, particularly in northeast Asia. The continuing unexplained build-up in military force structure, the widening flow of arms into North Korea, and the expanding Soviet installations in Vietnam, give no comfort to Asian nations. All these activities can only mean increased competition between the Soviet Union and the United States. The challenge is apparent, and failure to meet it would have grave implications for our vital interests in the Pacific.

For over forty years American military forces in the Pacific have provided a security umbrella for our friends and allies in the region. The relative freedom from heavy defense burdens and from fear of external domination have allowed the Pacific nations to focus inward on economic and political development. Many have succeeded far beyond expectation. America's policy, from the security perspective, has been a success. We are entering a period of adjustment—adjustment in economic relationships and defense relationships as well as adjustments toward greater sharing of both responsibility and burdens. If this period of transition is managed wisely, what will emerge is a Pacific of even greater prosperity and stability.

**SOVIET ATTITUDES TOWARD
THE ASIA-PACIFIC COMMUNITY**

Dr. Parris H. Chang



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Since Mikhail Gorbachev took over the Soviet leadership in 1985, he has fashioned a new Asia-Pacific strategy. In a major policy speech, delivered at Vladivostok on 28 July 1986, Gorbachev signified Moscow's renewed interest in the Asia-Pacific region and summed up the major elements of the new strategy.¹

First, he emphasized that the USSR was "an Asian and Pacific country" with important interests in the region that demanded recognition. Gorbachev's proposal for a Pacific conference, patterned after the Helsinki conference on security and cooperation in Europe, to be attended by "all the countries gravitating toward the ocean," can be taken as an assertion of the centrality of Moscow's role in the resolution of Asia's regional conflicts. When Gorbachev stated that "The U.S. is a great Pacific power . . . without its participation, it is impossible to resolve the problem of security and cooperation in the Pacific Ocean," he was also claiming the USSR's special status in the region and its parity as a superpower.

Second, Gorbachev displayed new flexibility and dynamism in fresh initiatives to improve bilateral relations with a number of key players in the region, above all the People's Republic of China (PRC). Unlike his predecessors, Gorbachev seems willing to take the first step to break the deadlock. Probably even more significant, over the long run, is Gorbachev's emphasis on economic diplomacy, a bold attempt at an "open door" in Far Eastern Siberia, and expansion of economic interactions with the countries in the Asia-Pacific region. Indicative of Moscow's "new look" is an international trade fair held at the end of May 1987 at Vladivostok, a naval base which was formerly closed to foreigners. More than 100 representatives from Japanese trading firms and government agencies were there.² There have been internal discussions in the Soviet leadership and academic circles on making the Primorsky district in and around the strategic port city a free economic zone and opening it for investment by, and trade with, Japan and other Asian-Pacific states. Apparently, the Soviets want to step up economic ties with the Asia-Pacific region and, in so doing, they hope to attract huge amounts of foreign capital and high technology to modernize the entire Far Eastern Siberia.

The Soviets are trying a different tack in Asia for good economic and politico-strategic reasons. Eastern Siberia has been

stagnating economically and badly needs a transfusion of capital and high technology. The development of Eastern Siberia has become a top Soviet government priority because the Kremlin is feeling the pressure from the younger generation and the relatively affluent and well-educated strata to raise living standards and improve the quality of life. The viability of Gorbachev's leadership may hinge on whether he will be able to deliver more goods and services to the Soviet people.

Moscow does not want to be left out of the prosperity reanimating the Pacific region. Cognizant of the enormous economic and technological strengths of Japan and the Asian NICs (Korea, Taiwan, Singapore, and Hong Kong), the Soviets hope to expand economic ties with these countries and draw on their resources. Gorbachev spoke positively of the idea of "Pacific economic cooperation" at Vladivostok.³ Subsequently, Moscow also showed interest in joining the Pacific Economic Cooperation Council (PECC) and the Asian Development Bank, two major Asia-Pacific economic cooperation and financial institutions which the Soviets use to denounce as the "tools of US imperialism."⁴

In spite of the fact that the USSR possesses colossal military capabilities in the Asia-Pacific and naval bases in Indochina, its impact on Asia's major economic and political decisions has been rather limited. This is partly because the USSR is estranged from all the major states of East Asia, and partly because of Moscow's inability, so far, to translate Soviet military might into political influence.⁵ Gorbachev seems keenly aware of this predicament and has opted for a new approach to improve the Soviet position.

In order to implement the new strategy better, Gorbachev has made corresponding personnel and organizational changes. At the top, Andrei Gromyko, who was Foreign Minister for almost three decades and noted for his hardline rigidity, was replaced by Eduard Shevardnadze, a Gorbachev ally. Likewise, Boris Ponomarev, head of the International Department of the Communist Party or Soviet Union (CPSU) and an ideologue, stepped down in favor of an astute diplomat, Anatoly Dobrynin, who had served for a long time as Soviet ambassador to the United States.

Younger and probably more pragmatic officials replaced two ranking Soviet experts, Mikhail Kapitsa, Vice Foreign Minister, and O. Rakhamin, Deputy Director of CPSU International Department, who were well known for their militancy and their conservative

stance. Changes of leadership have also taken place in key foreign policy research organizations, including the highly influential Institute of the Far East of the USSR Academy of Science, which has been headed since 1985 by M.L. Titorenko, a highly knowledgeable China expert. After 1986 new ambassadors were sent to China and Japan. In addition, the Soviets have made organizational changes. They established Soviet Committees for Asia and Pacific Economic Cooperation to take charge of economic interactions with the Asian states. Within the foreign ministry, several new departments were created to meet new foreign policy needs.

IMPROVING RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA

Gorbachev's Vladivostok speech contained unprecedented conciliatory gestures toward Peking's security concerns. The most significant overture was the pledge to withdraw some Soviet troops from Mongolia and Afghanistan. Gorbachev also proposed to discuss with the PRC "concrete steps aimed at proportionate lowering" of land force levels, and he offered three areas of economic cooperation: a joint Amur River project, a Xinjiang-Uygur railway project, and an invitation to participate in the Soviet space programs.⁶ To ease tensions and improve relations between the USSR and the PRC, Gorbachev also called for a Soviet-China summit. Unlike his predecessors, who repeatedly claimed that they were ready for reconciliation but blamed the Chinese for prolonging the conflict, Gorbachev appears to be highly flexible and he has taken bold initiatives.

The Chinese leadership was obviously pleased. In conversations with foreign visitors in August and September 1986 Deng Xiaoping praised Gorbachev's overture but expressed reservations that Gorbachev's proposal failed to address China's primary concern, namely Soviet support of Vietnam's occupation of Cambodia. As if to return the ball to the Soviet court, Deng declared that "if the Soviet Union can contribute to the withdrawal of Vietnamese troops from Cambodia," he would be ready "to break the rule and go to any place in the Soviet Union to meet Gorbachev."⁷

Deng's disclaimer notwithstanding, Gorbachev has continued his "peace offensive." Thus, in their tenth round of consultations since 1983 to "normalize" the Sino-Soviet relations, held in March 1987 in Moscow, the Soviet officials agreed, for the first time, to discuss with their Chinese counterparts Peking's complaint against Vietnam's

occupation of Cambodia. Apparently with Moscow's approval, ranking Soviet-bloc leaders, including Erich Honecker of East Germany, Poland's General Wojciech Jaruzelski, and Bulgaria's Todor Zhivkov, flocked to Peking in 1987. Similarly, in June 1987, Chinese Premier Zhao Ziyang toured East Germany, Poland, and Bulgaria. This was the first time since the breaking of the Sino-Soviet alliance in the 1960s that China's top official was permitted to visit the Soviet Union's backyard. Sino-Soviet economic relations have, in addition, expanded considerably in recent years. Two-way trade grew from less than \$300 million in 1982 to \$2.1 billion in 1986 and, in 1985, both sides signed a 5-year (1986-90) \$12 billion trade agreement, and set up a joint commission, headed by a Chinese and a Soviet vice premier, to coordinate economic and technological cooperation.

What is Gorbachev seeking to gain? Has he succeeded? What are the implications for other nations in Asia? It is useful to briefly review Soviet-Chinese relations before answering these questions. In the 1970s Soviet leaders watched the development of Sino-US rapprochement with apprehension and alarm. On several occasions, Soviet officials, including President Leonid Brezhnev, explicitly warned the United States against playing the "China card" at the expense of the USSR.

President Carter's National Security Adviser, Dr. Zbigniew Brzezinski, was a strong advocate of a tough policy against Moscow and saw China as a potential ally in a global anti-Soviet united front. He went to China in May 1978 to assure the Chinese about US defense policies vis-à-vis the USSR. Among other objectives, Brzezinski wanted to keep the USSR "off balance" about possible Sino-US cooperation; to reassure the Chinese about US concern for their security vis-à-vis the Soviets; and to reaffirm US interests in normalizing relations with China.⁸ He greatly delighted the Chinese by a light-hearted joke he made to his Chinese hosts as they climbed the Great Wall together—"Last one to the top fights the Russians in Ethiopia." In return, the Chinese commended Brzezinski for being a "polar bear tamer."

The strong reaction of Moscow to all this was quite evident. On 25 June President Leonid Brezhnev warned of a possible return to a "lukewarm war" if not a cold war, and charged that "recently attempts have been made in the US at a high level, and in quite cynical form, to play the China card against the USSR." Meanwhile,

Moscow conducted trials of the dissidents Anatoly Shcharansky and Alexander Ginsberg and sentenced them to severe jail terms in open defiance of the US human rights policy. The Carter administration responded by canceling a computer sale to the Soviet Tass agency and tightening up on transfers of technology to the USSR. Moreover, the United States also encouraged the Japanese government to go ahead and conclude the Japan-China Peace Treaty, thus supporting China's global anti-Soviet united front strategy. As one State Department official said in a speech on 16 June 1978, the United States, Japan, and China had a common interest in maintaining the existing balance of power in northeast Asia to contain the USSR.

Moscow perceived in these moves Washington's encouragement of Chinese encirclement of the USSR and Japan's participation in the anti-Soviet strategy of the United States and China.⁹ Particularly disturbing to the Soviets was the growing Sino-US military cooperation in the wake of the Soviet invasion of Afghanistan in December 1979 and US Defense Secretary Harold Brown's trip to China soon afterward. Moscow's apprehensions subsequently were heightened as Sino-US security cooperation, including Chinese access to US dual technology, Sino-US "parallel actions" in regional conflicts and intelligence sharing appeared to be stepped up under the Reagan administration. Indeed, when Secretary of State Haig visited Peking in June 1981, he offered to forge a "strategic partnership".

Thus, according to an article in *Far Eastern Affairs*, the official organ of the Institute of the Far East of the USSR Academy of Science:

During the past two years Sino-American rapprochement entered a new stage marked by the vigorous development of their military-political ties with the objective of intensifying their struggle against the Soviet Union manifested in their moving toward parallel and joint actions on the international scene, in Asia above all, in their developing various forms of military cooperation—from information exchanges and mutual familiarization with "defense planning" to the elaboration of plans to render military aid to China.

Washington intends to have China throw its weight behind US efforts to pressurize the USSR, its allies, and developing countries, and to force West European countries and Japan to discard détente. It regards the development of military-political cooperation with China as another means of drawing it into the capitalist orbit.

Back in the 1970s, the Peking leaders used the pretext of a "threat from the North" as a prod to egg the United States, West European countries, and Japan on toward developing military ties with China in order to organize joint "counteraction" to the USSR. Peking views a new stage of rapprochement with US imperialism as an opportunity to exacerbate the confrontation between the United States and the USSR up to provoking a military conflict, to step up its expansion in Southeast Asia, and to use the economic potential of the West for the modernization of the PRC's military-industrial base.¹⁰ Lomykin also asserts that the Sino-US rapprochement on "an anti-socialist and anti-Soviet basis" and their military-political alliance "have destabilized the situation in the region" and will give rise to "new, even more complicated international problems."¹¹ To the Western advocates of arming China, the article issues the following stern warning of dangerous consequences:

First, the growth of China's military potential is prompting Japan to rearm and "go nuclear"; Second, developing China's military-industrial potential will create problems for the United States itself, because Washington cannot control Chinese policy; Third, the implementation of the "strategy of making China stronger" is causing great concern in China's neighboring states which, "cannot remain indifferent to such dangerous maneuvering by U.S. imperialism and Chinese Hegemonism."¹²

"A partnership between imperialism and Peking Hegemonism," which a veteran Soviet expert on Asia, O.B. Rakhmanin, characterized as a dangerous new phenomenon in world politics, has failed to materialize as predicted.¹³ Instead, China has, since 1981-82, pursued a so-called independent foreign policy and strongly reasserts its solidarity with the Third World. Under the new policy, Peking has deemphasized its strategy of cooperation with Washington and shifted drastically from its previous anti-Soviet united front with the West.

The Kremlin saw China's split with the United States over Taiwan and other issues as an opening ripe for exploitation and made gestures of friendships toward Peking. Speaking on Soviet Asia policy in Tashkent in March 1982, Brezhnev was quite conciliatory and called for an improvement of relations with the Chinese. Although the realists in the Soviet leadership see little chance that the Sino-US frictions will push Peking back into Moscow's camp, they believe, nevertheless, that a "non-aligned" China, equidistant from both Washington and Moscow is possible, and even likely—and that

would be sufficient to avert the much feared encirclement by a hostile China-Japan-NATO alliance.

Toward that end, the realists are encouraging the continuation of current Soviet "olive branch" policies toward China, typified by Gorbachev's approach of "positive engagements" since 1985. With patience, they hope that progress on economic, scientific, and cultural fronts will lead to a gradual warming in overall relations.¹⁴ Although the recent withdrawals of a fraction of Soviet troops from Afghanistan and Mongolia were largely symbolic, the Soviets may, nonetheless, use these cosmetic changes as useful confidence-building measures that signal Moscow's good faith.

In spite of the remarkable improvement in Sino-Soviet relations since 1982, important differences remain between the two communist giants. It is extremely doubtful that the Soviets would be able to persuade or force Hanoi to pull out the 140,000 Vietnamese occupation troops from Cambodia—the main sticking point in the Sino-Soviet conflict. Moscow has promised Peking to "encourage" Hanoi to withdraw from Cambodia, but such a "concession" does not mean much, and the leaders in Peking certainly realize that.

The Chinese also know very well where their larger interests lie and they don't want to damage their valuable ties with the United States and Japan or to jeopardize possible economic assistance from these countries for China's modernization programs by cozying up to the Soviets. Most Chinese leaders count on the United States and Japan to help train a new generation of Chinese scientists and engineers, and look for capital, technology, and equipment from the West that Moscow and its allies could not possibly supply. It is no accident that there are 20,000 Chinese students and researchers studying in the United States, and 4,000 more in Japan, but only 200 in the Soviet Union.

Moreover, Peking isn't oblivious to the deployment of massive Soviet conventional and nuclear forces on the Sino-Soviet border, the increasing activities in the Pacific of the evergrowing Soviet Fleet, and the presence of Soviet bases in DaNang and Can Ranh Bay in Vietnam. Over the long run, Moscow's quest to become a Pacific power dictates a policy of continuous expansion, and that will result inevitably in prolonging the Sino-Soviet conflict, one that involves clashes between their vital national and geostrategic interests. To sum up: the likely pattern of future Sino-Soviet relations will be one of controlled conflict and limited accommodations.

NEW INITIATIVES TOWARD JAPAN

The Gorbachev regime has directed new diplomatic initiatives toward Japan in the past several years, as well as toward the PRC. In January 1986, for example, Shevardnadze, who had replaced Andrei Gromyko as Foreign Minister in July 1985, visited Japan—the first visit by a Soviet foreign minister in nearly ten years—to repair Soviet-Japanese relations. Explaining the visit, Vice Foreign Minister Kaptiza reportedly said, “Our relations have been in the refrigerator; we are taking them out”.¹⁵ In May 1986, Japan’s Foreign Minister Shintaro Abe visited Moscow, thus affirming the reestablishment of the regular bilateral foreign ministers’ meeting.

In his Vladivostok speech, Gorbachev sought to rekindle Japanese interest in the economic development of the Soviet Far East by proposing joint enterprises in the region, cooperation in research on the ocean’s resources, and programs for the peaceful study and use of space. It is also evident that the Soviet leader was appealing to the Japanese anti-nuclear sentiment when he made the following remarks:

Japan has turned into a power of front-rank importance. The country which became the first victim of American nuclear weapons covered a great distance within a brief period, demonstrated striking accomplishments in industry, trade, education, science and technology. These successes are due not only to the self-control, discipline and energy of the Japanese people, but also due to three nonnuclear principles’ which officially underlie its international policy, although lately—and this must be emphasized—they, as well as the peaceful provisions of Japan’s Constitution, are being circumvented more openly.¹⁶

Seeking to weaken the US-Japan alliance, Gorbachev criticized the United States for pressuring Japan into the “militarized triangle of Washington, Tokyo, and Seoul.”

Gorbachev’s efforts to project a new image of flexibility are apparent in his approach toward Japan, but does the change of style have substance? Is Gorbachev willing and able to make concessions on the issue of the Northern Territories? The Soviets seized these Japanese islands at the end of the Second World War, and the Japanese have regarded the Soviet occupation of the Japanese territory as the primary obstacle to better Japanese-Soviet relations.

Soviet rigidity toward the territorial issue under Gorbachev’s predecessors is well known. In addition to rejecting Japan’s repeated

requests to settle the longstanding dispute over the four islands off Hokkaido, Moscow added insult to injury by heavily fortifying them. For this and a host of other reasons there has been a strong anti-Soviet sentiment in Japan—the USSR has for a long time enjoyed the dubious honor of being the most detested nation in Japanese public opinion polls. Moreover, the Soviet military buildup in these islands and around Japan in the past decade has heightened a sense of Soviet threat among Japanese of diverse political perspectives. That, in turn, has bolstered the case of the advocates of stronger Japanese defense and closer Japan-US defense cooperation.

The fact that Gorbachev chose not to address the issue of the Northern Territories in his Vladivostok speech and that his widely expected visit to Japan, which was scheduled for January 1987, did not materialize should caution against undue and premature optimism concerning a breakthrough in the Japanese-Soviet relations. Most analysts agree that, in addition to trading with Japan and securing Japanese capital and technology for the development in Siberia, Moscow has also attempted to loosen Japanese ties with the United States and China, to forestall Japan's militarization, and contain Japan's irredentism.¹⁷ However, the Soviets have failed to accomplish these major policy objectives, largely owing to their rigidity on the territorial issue.

True, Gorbachev, unlike his predecessors, seems to understand the necessity of change in both internal and external affairs, and thus has instituted reforms at home and introduced innovations in foreign policy. On the other hand, it is impossible to tell as yet whether or not Gorbachev truly appreciates the Japanese perception of the primary importance of the territorial issue and, even if he does, whether or not he wants or can satisfy Japanese irredentist demands. It would seem that however much the Soviets desire to expand trade with Japan and secure Japan's participation in the economic development of Siberia, these economic considerations are still secondary to military and political calculations in the making of Soviet policy toward Japan.

If Gorbachev is able and willing to change the equation—something that remains to be seen—then he will have more room to maneuver. To quote a Japanese expert:

Japan's chief condition for good relations—the return of the Northern Territories—is more difficult for the Soviet Union to meet than are China's three conditions. Moreover,

in bilateral relations the correlation of forces between the two states matters more than the appearance of toughness. It is my judgment that the Soviet Union needs Japan technologically, economically, and hence diplomatically, but that Japan can get along without the Soviet Union as long as its security is assured. Simply put, Japan does not need the U.S.S.R. as much as China does.¹⁸

THE USSR AND KOREA

Soviet relations with Pyongyang have improved enormously in the past three years. The dramatic rapprochement between the USSR and the Democratic People's Republic of Korea (DPRK) began in May 1984 when President Kim Il Sung returned to Moscow for a state visit after a hiatus of 23 years. In October 1986, Kim returned to Moscow for a meeting with Gorbachev. In the past three years military and economic cooperation between the two countries has been stepped up. In the military sphere, the USSR is reported to have delivered to the DPRK by the mid-1986 36 MiG-23 fighters, 30 SAM-3 missiles, and 47 M-2 helicopter gunships. In 1985 and 1986, both countries held joint military exercises in the Sea of Japan, based on the Treaty of Material Aid and Friendly Cooperation.

Likewise, the DPRK has strengthened economic ties with the Soviets. In accordance with their five-year (1986-1990) agreement for trade and economic cooperation, Moscow has provided additional economic assistance and pledged to help the DPRK modernize its production technology. Soviet aid programs include a nuclear power plant that will produce 1.76 million kilowatts, modernization of Kimchaek ironwork complex to double its present production capacity, and the construction of 19 more major industrial plants.

If a Radio Moscow broadcast in October 1986 was correct, over 60 of North Korea's major industrial plants have been reconstructed or newly built through the Soviet aid. Currently, Soviet-DPRK trade constitutes approximately 40 percent of North Korea's total foreign trade. Moreover, more than 3,000 Soviet advisers and technicians work in the DPRK. Pyongyang's emphasis on the idea of *Chuche* (self-reliance) notwithstanding, North Korea is increasingly dependent on Soviet largess.

However, Moscow's assistance have never been cost-free. Since 1985, Soviet military planes have acquired the right to fly over North Korean airspace in their missions to and from Vietnam, thus changing their previous air route over the Sea of Japan. Soviet warships of

the Pacific Fleet have called at Wonsan and conducted joint exercises with North Korean naval forces. There are also unconfirmed reports that Moscow is seeking to establish naval bases inside the DPRK.

On the other hand, officials in Pyongyang have categorically denied the accuracy of such reports. One of them told the author flatly, during a trip to the DPRK in August 1987, that "The DPRK is not a satellite of the Soviet Union or China; we value highly our independence and sovereignty, and would never permit any foreign base in our soil." Nonetheless, Soviet advances in Pyongyang are highly discernible, threatening to change Pyongyang's equidistance between Moscow and Peking which Kim Il Sung has so skillfully maintained over the years.

In this context, President Kim's trip to China in May 1987 is highly significant. It was one of his clever balancing acts, designed to reassert the independence of the DPRK, reassure Chinese leaders of Pyongyang's everlasting friendship, and restore a delicate equilibrium. Kim knows only too well that the DPRK needs both China and the Soviet Union to underwrite its security, to furnish economic and military aid, and support the unification of Korea; that it cannot afford to cozy up to Moscow at Peking's expense; and that he has to maneuver adroitly between them and play one off against the other to maximize their support and assistance.¹⁹

For many reasons, both the Soviets and the Chinese leadership are very ambivalent toward Pyongyang, to say the least. First, Kim's decision to pass on the DPRK leadership to his son Kim Jongil and thus to establish a communist hereditary dynasty has not been greeted with any enthusiasm in Moscow or Peking—as a matter of fact, the Soviets and Chinese are quite embarrassed by the feudalistic behavior of their Korean ally. Second, the DPRK represents an added burden to the USSR and the PRC—for years Pyongyang has pressed the two "big brothers" to render military and economic assistance. Third, the DPRK has proven to be a tough client—despite receiving aid, Pyongyang remains quite arrogant and its stress on *Chuche* (independence and self-reliance) is irritating to the Chinese and the Soviets. Fourth, Kim Il Sung enjoys virtually a veto power over the settlement of the Korean issue and sets limits on the Chinese and Soviet policy toward the Korean peninsula. Finally, both Peking and Moscow are very much displeased and even alarmed by Pyongyang's recalcitrance and unpredictable behavior; in private conversations, Chinese and Soviet officials have implicitly rebuked Pyongyang for

it's role in the Rangoon bombing in 1983 and the recent Korean Air-line incident.

Until now, the Korean peninsula has been low in Moscow's foreign policy priorities. Although Shevardnadze's visit to Pyongyang in January 1986 was the first by a Soviet Foreign Minister, no top Soviet leader has ever come to North Korea (in contrast, North Korean and Chinese leaders have regularly exchanged visits). Soviet policy toward the Korean peninsula appears to be subsidiary to its policies toward the United States and (to a lesser extent) the PRC—that is to say, Moscow's relations with Korea are subordinate to its relations with larger powers.

Although in his speech Gorbachev called for Korean unification and supported the "serious dialogue" proposed by the DPRK, his endorsement of Korean unification appears to be quite perfunctory. Gorbachev showed greater interest in Pyongyang's proposal for creating "a nuclear-free zone" in the Korean peninsula—this has been part of Moscow's overall peace movement that seeks to make the South Pacific, South Asia, and Southeast Asia nuclear-free zones. Notwithstanding, Moscow's increased military assistance to the DPRK in recent years, the Soviets still seek to reduce tensions in the peninsula and to avoid provoking an armed confrontation with the United States. Moscow's decision to take part in the Seoul Olympic Games this September stems from this policy. In light of Moscow's growing interest in expanding trade with the Asian NICs and attracting foreign capital and technology for the development of Siberia, the Soviets may have an added incentive to develop trade and economic relations with the Republic of Korea, regardless of Pyongyang's feelings.

One should hasten to point out that the Soviets are seriously concerned with the emergence of an anti-Soviet Washington, Tokyo, and Seoul triangle as is evident in Gorbachev's speech and the writings of Soviet analysts.²⁰ If Moscow's nightmare should become reality, the Soviets could try to cope with it by arming and "unleashing" the North Koreans. Like Peking, Moscow has so far exercised a moderating influence on the DPRK. To provide massive military and economic aid and egg on Pyongyang to adopt a militant posture on Korea's unification is a possible option for the Soviets if they judge the "correlation of forces" to have shifted decisively against the USSR.

PROBLEMS AND OPPORTUNITIES

Since the mid-1970s, the Soviets have greatly expanded their military presence in the Asia-Pacific region. There are now 57 Soviet divisions in the Soviet Far Eastern military region, backed by 207 55–20 intermediate-range missiles capable of reaching most military targets in East Asia. (Under the INF agreement with the United States the 55–20s are to be removed.) The immense Soviet naval capabilities in the Asia-Pacific region and their bases in Indochina have also enhanced Moscow's global outreach and enabled the Soviet forces to rival those of the United States. Expansion of influence, whether through competition with the United States or through cooperation with other actors in the region will remain a major Soviet policy goal.

From the perspective of the late 1980s, Moscow faces several difficult tasks. As Scalapino points out, the Asian nationalist revolutions have been completed, thus there are no more liberation movements to support. Throughout Asia, power is largely in the hands of second or third generation figures, who are generally pragmatic and intent upon economic modernization. These leaders do not see the Soviet model of development as providing a path to the future.²¹ In fact, Soviet-style communism is widely seen as a failure—not only by the Chinese communists who spent years seeking to adapt it to their society, but even by Gorbachev and other Soviet leaders who are now tinkering with it and trying to make it work. It will be quite a challenge to Moscow to find the means to enhance its political influence in Asia.

In the military-strategic realm, Moscow perceives dangers of new US expansionism in the Asia-Pacific region. According to a top Soviet expert on Asia, the United States has been improving the first-strike capability aimed at targets deep into Siberia through the medium-range delivery systems deployed in US bases in Japan and Korea.²² Moreover, the same expert who also sees a destabilizing trend in the US-inspired militarization of Japan and South Korea and in US efforts to force an anti-Soviet military coalition of Asia states:

Japan had been joining the military maneuvers conducted by the United States, Australia, and New Zealand in the framework of ANZUS. Pressure is applied on the ASEAN member countries to make it a military-type organization. In the long perspective, it is planned to create a "Pacific Community" comprised of the United States, Canada, Japan, Australia,

New Zealand, the ASEAN member states, and other Pacific states.²³

Aside from American academics and individual congressmen and senators, no ranking US figure has shown much enthusiasm for a "Pacific Community." Nonetheless, the prospective "Pacific Community" has been seen in Moscow not only as an economic but also as a military-political alliance directed against the USSR. Instead, Gorbachev has endorsed the idea of "Pacific economic cooperation" on the condition that it is not to be bloc oriented and anti-socialist.²⁴ Like Brezhnev before him, Gorbachev continues to espouse an Asia collective security system without securing a positive Asian response.

On the other hand, Moscow has seized every opportunity to expand Soviet influence in the region. The USSR has increased economic ties with the ASEAN states and improved relations with them by stressing issues of local concern. Due to continued Soviet support to Vietnam's occupation of Cambodia, however, Soviet efforts to improve relations with ASEAN have not been too successful. Moscow has tried to persuade Hanoi to pull its troops out of Cambodia, but without much success as yet.

Likewise, the Soviets have used commercial and scientific programs, and have capitalized on anti-nuclear sentiments to establish as well as expand their presence in the South Pacific. Following the fishing agreement with Kiribati in 1985, Moscow has negotiated with other Pacific island states, seeking to gain influence and access in the area. In early 1987, Vanuatu agreed to permit Soviet access to its ports and airfields. Moscow also supports the South Pacific Nuclear-Free Zone Treaty in an effort to make a diplomatic gain and undercut the US position in a region which has hitherto been dominated by the United States.

NOTES

1. "Mikhail Gorbachev Talks about International Affairs in Vladivostok," TASS, 28 July 1986.
2. *Asahi Evening News* (Tokyo), 29 May 1987.
3. TASS, 28 July 1986.

4. When the PECC and ADB met in Vancouver and Osaka, respectively, in November 1986 and April 1987, the Soviets attended both meetings in the capacity of observers. Moscow has since expressed a desire to join both organizations.
5. This point has been made repeatedly by experts on Asian affairs; see, for examples, Robert Scalapino, "The Political Influence of the U.S.S.R. in Asia," in Donald S. Zagoria (ed.), *Soviet Policy in East Asia* (New Haven: Yale University Press, 1982), p. 80, and Hiroshi Kimura, "Soviet Policy Toward Japan," in Dan Caldwell (ed.), *Soviet International Behavior and U.S. Policy Options* (Lexington, MA: S.C. Heath and Co., 1985), pp. 120-123.
6. TASS, 28 July 1986.
7. "Deng on Sino-Soviet and Sino-U.S. Relations," *Beijing Review* vol. 29, no. 37 (15 September 1986), p. 5.
8. *New York Times*, 27 April and 8 May 1978.
9. "Peace in Asia is a Common Concern of the Continent" *Far Eastern Affairs* (Moscow: Institute of The Far East), no. 1, 1982, p. 7.
10. V. Lomykin, "PRC-USA: Some Results and Problems of Rapprochement," p. 28.
11. Lomykin, p. 36.
12. Lomykin, pp. 34-35.
13. O. Borisov, "The Situation in the PRC and Some of the Tasks of Soviet Sinology," *Far Eastern Affairs*, no. 3, 1982, p. 11; O. Borisov is the Pen Name of O.B. Rahkinanin.
14. These are based on the authors's interviews with Soviet officials and experts on Asia during his visits to Moscow in 1982 and 1985.
15. Gary Thatcher, "Soviets Court Favor With Key Asia Neighbors" *Christian Science Monitor*, 13 January 1986, p. 1.
16. TASS, 28 July 1986.
17. See Note 5 above.
18. Hiroshi Kimura, "Soviet Focus of The Pacific", *Problems of Communism*, vol. 36, no. 3, May-June 1987, p. 10.
19. Parris H. Chang, "North Korea's Balancing Act Between Moscow and Peking," *Far Eastern Economic Review*, 5 November 1984, pp. 24-25.
20. See Yevgeny M. Primakov (Director of Institute of World Economy and International Relations, USSR Academy of Science), "Problems of Peace and Security in Asia" and Vladimir I. Ivanov, "The Pacific Economic Community: Unsettled Problems," in Roy Kim and Hilary Conroy (eds.) *New Tides in the Pacific* (New York: Greenwood Press, 1987), pp. 35-48 and 69-81.

21. Robert Scalapino, "The Political Influence of the U.S.S.R. in East Asia," pp. 86-87.
22. Yevgeny Primakov, pp. 40-41.
23. Primakov, p. 41.
24. TASS, 28 July 1986.

**ASEAN SECURITY PROSPECTS:
TOWARD THE 1990s**

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The concept of Southeast Asia as an identifiable and separate world region came into common parlance only with World War II. The fact that the first effective Southeast Asian regional organization would be formed some 22 years after the end of that war underscored the inchoate character of the region's politics. As a result of long colonial histories with four metropolises (Great Britain, France, the Netherlands, and the United States), economic and political links and traditions for ASEAN's future members and Indochina were forged with Europeans and Americans rather than with geographical and ethnic neighbors. Mutual distrust derived from colonial conflicts led more often to hostility than amity, particularly with respect to the belief that neighboring states supported minority ethnic insurgents on each other's territory.*

This inauspicious setting precipitated two abortive efforts at regional organization in the late 1950s and early 1960s—the Association of Southeast Asia and Maphilindo—before the Association of Southeast Asian Nations (ASEAN) was formed in 1967.¹ Eringing Malaysia, Indonesia, Singapore, Thailand, and the Philippines together successfully for the first time was no small feat and may still be considered ASEAN's greatest achievement. (Brunei joined the Association upon receiving its independence in 1984.) Because relations in the 1960s had witnessed such conflicts as Indonesia's confrontation with Malaysia; the Philippines with Malaysia over Sabah; Thai-Malaysian border tensions; and suspicion of Singapore's ethnic Chinese majority by Indonesia and Malaysia, it should be no surprise that ASEAN's early years were characterized by considerable political caution.

The association's initial document, the 1967 ASEAN Declaration, did not explicitly mention political cooperation, although its reference to ensuring regional security from external interference implied political concerns. Indeed, the unsettled international environment of the late 1960s led to ASEAN's formation. Great Britain had withdrawn from east of Suez and North Vietnam appeared bent on unifying Indochina with Chinese and Soviet aid. By the

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beginning of the 1970s, the Americans had presaged a reduction in their military profile with the Guam Doctrine and had begun the process of normalizing relations with China. Rapid changes in Asia's political environment created the necessary conditions for political cooperation—ASEAN—based on the hope that somehow external powers would respect the region's integrity. The other security problem arose from a regional state (Vietnam) which was outside the association and flaunted its rules. The link between local states (Vietnam, Laos, and Cambodia) and an external mentor (the USSR) became ASEAN's primary security challenge.

ASEAN's view of a preferred regional security future was formalized as early as 1971 in the Kuala Lumpur Declaration which posited the creation of a Zone of Peace, Freedom, and Neutrality (ZOPFAN) for Southeast Asia. Although accepted with varying degrees of enthusiasm by ASEAN members, all agreed that the association should remain nonaligned in great power disputes. This position has remained ASEAN's declaratory policy ever since. Declaratory policy and the exigencies resulting from Vietnam's 1975 victory in Indochina came into conflict, however. Reconciling ASEAN's nonaligned policy with the maintenance of an American regional military presence became a major diplomatic task.

ZOPFAN AND ASEAN SECURITY NEEDS

ASEAN's 1971 endorsement of Malaysia's Zone of Peace, Freedom, and Neutrality (ZOPFAN) proposal has been an effective diplomatic device to project a regional image of neutrality while maintaining the guarantees of friendly external powers. The Zone concept acknowledges the existence of alliance arrangements and base rights but refers to them as "temporary." As a carrot to the *Indochinese states*, ASEAN preferred the possibility of regional nonaggression pacts through the 1976 Treaty of Amity and Cooperation which came out of the Bali Summit Conference of that year. The institutional mechanism put in place to resolve intra-ASEAN disputes by the treaty is a high point for Southeast Asian regional collective security insofar as that term refers to peaceful settlement procedures.² Nevertheless, the Indonesian-Malaysian view of ZOPFAN has not been effective in curbing the military buildup of either the Americans or Soviets in Southeast Asian waters as each seeks to protect its sealanes from the other's predatory intentions.³ Nor has ZOPFAN in its most recent manifestations—a call for a nuclear weapons-free zone—elicited any guarantees from the United States and the USSR

that their forces in the region would not be equipped with nuclear arms.

The idea of an exclusionary ZOPFAN has been accepted by neither Thailand nor Singapore. Both view the maintenance of an American presence as essential for regional security. Moreover, an exclusionary zone would increase Indonesia's relative position in ASEAN. Given Jakarta's interest in effecting a rapprochement with Vietnam, some ASEAN leaders believe that an exclusionary ZOPFAN could become an instrument for an Indonesia-Vietnam condominium.

Pending the admittedly long-term realization of ZOPFAN, the ASEAN states must decide separately and collectively how to deal with the interests and activities of the major powers. The United States is, of course, either a formal (with Thailand and the Philippines) or informal ally (with Malaysia and Singapore) with four of ASEAN's six members and is viewed by the other two (Indonesia and Brunei) as a friendly state whose economic and military presence in the region remains essential for the association's autonomy. Nevertheless, the United States is seen as an inconstant friend, one whose foreign policy has changed mercurially from deep military involvement during the Second Indochina War (1965-1975) to general indifference in the war's aftermath (1975-1980) and, more recently, to a renewed security concern with Southeast Asia derived from its geostrategic location (from 1980 to the present). While the buildup of American air and naval power in East Asia is welcomed, Washington's political will is still suspect, particularly to the extent that ASEAN leaders perceive that the United States must rely on China to deal more effectively with the USSR. Southeast Asians are not enamored of US support for the Chinese position in the Cambodian conflict. They believe this stiffens Beijing in its campaign to bleed Vietnam, solidifies China's intrusion into Southeast Asian security affairs, and further justifies the continuation of the Soviet-Vietnam alliance.⁴ In sum, US political reticence translates into opportunities for other, less benign external actors to involve themselves in regional affairs.

This fear applies also to US interest in a regional role for Japan. Rather than augmenting US capabilities, a Japanese military presence in Southeast Asian waters is seen by Indonesia as an excuse for the United States to do less and still worse, and as an additional provocation to the USSR.⁵ ASEAN states differ on a future Japanese role.

Singapore's Prime Minister Lee has openly advocated multinational naval task forces for the region incorporating US, Japanese, Australian, and New Zealand ships.⁶ In effect, this arrangement could be interpreted as one way of guaranteeing ASEAN autonomy through the protection of friendly forces, though it would not provide the balanced external guarantees envisioned in the Malaysian view of ZOPFAN.

Every ASEAN state is concerned about the long-term intentions of the USSR. All are convinced that the Soviets intend to increase their military presence in Southeast Asia through their use of Vietnamese bases. While ASEAN military men see the Soviet naval buildup as a security threat, the Indonesia and Malaysian foreign ministries seem less convinced, according to Robert Tilman's interviews. The Indonesians and Malaysians believe that, with time, Vietnam will loosen its ties to the USSR since the current close relationship is out of character for an independent-minded Vietnam. The Thais, however, are not persuaded by this argument. They see Indonesia, for example, as far removed from the Cambodian conflict and desirous of casting Vietnam in the role of the long-term buffer against China. The Thais further point out that Malaysia is gradually changing its orientation away from the most optimistic view of Vietnam's intentions articulated in the 1980 joint Indonesian-Malaysian declaration at Kuantan and toward a view closer to Thailand's. Furthermore, in their view, the Soviet-Vietnam alliance is permanent and bodes ill for any practical plan to convince either the Soviets or Vietnamese to alter their security orientation. Mutual benefits are simply too great.⁷

It is important to understand that although the ASEAN states are concerned about a growing Soviet military presence in Southeast Asia, for the most part they do not see that situation as their responsibility. Rather, the Soviet buildup is seen as part of the Soviet-US global superpower game in which the Soviets are attempting to place their military assets in every region in which there is a US presence. As two prominent Indonesian analysts put it:

Soviet capabilities in Southeast Asia have ... been intended primarily to collect intelligence data, to develop a capability to project power in the region and into the Indian Ocean in time of crisis, to balance the US Seventh Fleet at Subic and Clark Field, and to balance the PRC along its southern borders. Thus, an increase of US Seventh Fleet presence in the Asian-Pacific region is needed as a counterbalance.⁸

Although Indonesia would prefer that neither superpower deploy near its waters, if the Soviets are there, the Americans must be provided facilities to offset them.

An acceptance of the US military presence, however, should not be equated with an endorsement of the Reagan administration's efforts to enlist the ASEAN states in an anti-Soviet crusade. ASEAN's comparatively relaxed view of the USSR is based on the belief that there are virtually no vulnerable political targets for subversion in Southeast Asia (though a deteriorating Philippine polity with a growing communist insurgency could tempt the Soviets to become more active in those islands). ASEAN leaders find it virtually impossible to conceive of scenarios in which the Soviets would use military power against the six. Rather, Soviet forces are seen as facing China and the United States as well as Japan.

From the standpoint of ASEAN nonalignment, one of the most disturbing features of the Soviet-Vietnam alliance has been the necessity for the association to move toward the United States and China, thus sacrificing its preferred equidistant posture. Moreover, because Indonesia and Malaysia hoped that a Soviet presence could be manipulated by ASEAN to balance China's military growth over the next decade or two, ASEAN's current adversarial role is doubly uncomfortable. If US military aid helps China to develop a force projection capability, the ASEAN states hope to retain some kind of future Soviet option. Rather than providing China with the most modern weapons for use against the Soviets, ASEAN fears Washington will sell systems which help to build the PRC's conventional strength, particularly in transportation and communications. It is just such conventional equipment in China's hands that the smaller Asian states fear most. For Indonesia, there is the additional concern that a militarily powerful and economically modernizing China will ultimately challenge Jakarta for leadership in Southeast Asia.

The primary disjunction in ASEAN security views lies between Thailand and Indonesia with Singapore aligning more with Bangkok, Malaysia leaning toward Indonesia, and the Philippines and Brunei located more or less in the middle. Historically, Thailand has been concerned with land-based threats from the west (Burma) and the east (Indochina). Since World War II, the latter has been the only significant source of threat to Thailand's territorial integrity, initially through large numbers of Vietnamese and Laotian refugees from the First Indochina War (1948-1954), followed by Vietnamese and

Laotian assistance to the Thai communist insurgents in the 1960s and early 1970s, and finally through the most disturbing prospect of all—the presence of 160,000 regular Vietnamese forces in neighboring Cambodia and an additional 40,000-50,000 in Laos. China has become an important security guarantor against Vietnam by demonstrating its willingness to put pressure on Hanoi's northern border whenever the VPA attacks the Cambodian resistance on the Thai frontier.

Indonesia, as an island country, faces no direct security threat and hence prefers a foreign policy based on regional neutralization (ZOPFAN) rather than reliance on external mentors. Recalling their own anticolonial struggle against the Dutch, Jakarta's leaders believe they understand Vietnam better than any other ASEAN member. Vietnam is not seen as a hostile state in the long run—unlike China—but rather one whose security concerns can be met through accommodation with ASEAN as reflected in the Kuantan principles enunciated by Malaysia and Indonesia in March 1980. In the Indonesian view, a Vietnam independent of the Soviet Union, even if hegemonic over Laos and Cambodia, could play an important part in containing China and in the realization of ZOPFAN. To its credit, Jakarta has subordinated its own security preferences to Bangkok's for the larger goal of ASEAN solidarity and to honor the frontline state principle. Other members of ASEAN have designated Indonesia as the association's interlocuter with Hanoi.

Thus, from late 1983, Indonesia has pursued a kind of "two track" diplomacy toward Vietnam. The Foreign Ministry sustains a united front behind Thailand, while a prominent politico-military leader, General Benny Murdani, in a personal capacity, meets Vietnamese officials and reassures them that Indonesia understands Hanoi's security needs. While Indonesia opposes Vietnam's reliance on the Soviet Union, it understands Hanoi's reasons. By relying on Moscow, Hanoi strengthens its primacy in Indochina and its autonomy from the PRC. Both of these objectives are more important to Vietnam than either a more pristine version of nonalignment or even the acquisition of Western credits for economic growth. Jakarta accepts the utility of a strong Vietnam arraigned against China's PLA whose future plans may turn to the south. If Indonesia can convince Vietnam that Hanoi's interests are compatible with ASEAN's ZOPFAN aspirations, the possibility of a regional order evolving from the joint actions of the two major blocs within Southeast Asia will become possible for the first time.⁹

Malaysia, too, prefers an equidistance strategy toward external powers as the only sure way to protect Southeast Asian integrity. Deputy Prime Minister Datuk Musa Hitam stated the long-term ZOPFAN goal in a dinner address in March 1984;

Malaysia believes that we must seek to ensure against the rise of two power blocs in Southeast Asia. There must be accommodation of each other's legitimate interests. There should be an independent Vietnam and the reduction of Soviet influence in Indochina and an independent and non-threatening Indochina. All the countries of the region should adopt policies of friendship to all and a reasonable equidistance from all the external big powers, whose legitimate interests must be accommodated. The countries of Southeast Asia must not only seek noninvolvement in the Sino-Soviet and US-Soviet conflict, but also act to prevent hegemonism whether it be Soviet or Chinese or American.¹⁰

Statements such as Musa Hitam's are rhetorical devices which can be used to justify the presence of US bases and Australian forces within the ASEAN region as "temporary in nature," while emphasizing that their presence "does not in any way affect the sovereign capability of a host country to exercise her full freedom to formulate and execute policy of her choice."¹¹ In effect, the rhetoric of nonalignment facilitates the political acceptability of external guarantors because these are said to be in the region at the sufferance of its members.

The December 1987 ASEAN Summit in Manila provided an opportunity for Indonesia to demonstrate a leadership role. Reintroducing its 1984 proposal for a Southeast Asian NWFZ, Jakarta revived the importance of ZOPFAN as declaratory policy and urged that members ban the storage of weapons. At the same time, however, Jakarta's proposal would permit port calls by nuclear-armed ships. The later provision was designed to allow for the retention of US air and naval forces in the Philippines.

Indonesia had objected to efforts, prior to the Summit, by Philippines Foreign Secretary Raul Manglapus to obtain an ASEAN endorsement for the renewal of the US military presence in the Philippines. While agreeing that the bases' future is a bilateral issue between the Philippines and the United States, any official ASEAN endorsement of their retention would contradict the association's nonaligned posture and its long-term hopes to exclude great power

military rivalries from Southeast Asia. Although informal acceptance of a continuing US-Philippine security relationship is quite probable for the ASEAN states, formal endorsement will not occur. Nevertheless, as long as the Soviets deploy from Vietnamese bases, there will be no significant ASEAN pressure for the creation of a nuclear-free zone.

Of interest in 1987 have been parallel, though independent, efforts by the United States and China to strengthen Thailand's military capabilities as the frontline state bordering Cambodia. Bangkok and Washington signed an agreement in January to set up a war reserve stockpile in Thailand of up to \$50 million annually for five years beginning in 1988. Thailand could draw upon the stockpile "in case of a nation-threatening contingency."¹² The stockpile will upgrade Thai logistics and permit the Thai military to plug into the American supply system more rapidly. It will consist largely of munitions rather than delivery systems and will include artillery shells, mortars, anti-tank missiles, and tank ammunition.¹³ While the Thai media have generally greeted the stockpile announcement favorably, as a sign of a long-term US security commitment against Vietnam, some Thai commentators have reservations. One well known analyst, M.R. Sukhum Boriphat, has noted that a Vietnamese invasion of Thailand is most unlikely and that Thailand could find itself involved in US military ventures if Washington used the stockpile in conflicts with other countries.¹⁴

Just as the US stockpile decision was announced, a more surprising new military relationship was proclaimed. Thailand would obtain 130mm artillery at "friendship" prices from China for deployment along the Thai-Cambodian border. These weapons have a 30km longer range than the US-supplied 105mm and 155mm guns currently in place. This initial purchase was soon followed by a report that China would also provide 50 to 60 T69 medium tanks at a token price of ten percent of market value.¹⁵ Finally, China has offered additional armored personnel carriers and older version T59 tanks gratis to assist the Thai army is developing light mobile divisions, permitting it to deploy more rapidly to trouble spots along the Cambodian and Lao borders. Repayment terms for the package are at least 20 years.¹⁶

The Chinese purchases are a significant step in diversifying supply sources for the Thai armed forces although reliance upon Washington for more sophisticated systems will undoubtedly continue. Faced with frozen defense budgets, however, the Thai military finds

the PRC offer irresistible since it contributes to Thailand's defense effort at a much lower cost. Indonesia and Malaysia, however, are unlikely to welcome these developments, seeing them as a further extension of Chinese influence in ASEAN.

RECENT SOVIET ACTIVITIES IN THE ASEAN AREA

Ever since General Secretary Gorbachev's July 1986 paean to Pacific cooperation, Soviet diplomats in the ASEAN states have stressed the advantages of increased trade and even joint ventures, particularly in the Philippines, Thailand, and Malaysia. As prospects for US protectionism increase against Asian textiles, the USSR has also offered alternative markets. These prospects are less attractive, however, when it is realized that Soviet trade is really a type of barter for Russian goods, whose quality is notoriously uneven. Indeed, most ASEAN states run large surpluses in their relatively modest trade with the USSR, finding little to buy from Moscow.

To enhance its economic appeal, the Soviet Union has proposed docking and repair for its merchant ships in Philippine shipyards which are currently operating at only a small proportion of their capacity. The Soviets have also proposed joint venture coal-fired power plants in Luzon and the possibility of accepting Filipino workers in Siberia.¹⁷ The Aquino government had not responded to these overtures. The Soviets have also proposed some military sales to an ASEAN state. In 1986, Malaysia deliberated the possibility of purchasing Soviet helicopters, reportedly at a price significantly lower than Western counterparts, but ultimately decided against the transaction.

On the down side of the Soviet-ASEAN relationship have been unconfirmed reports that the KGB is involved in aiding the Philippine Communist Party-dominated National Democratic Front. CPP Cadre have allegedly been provided with Soviet financial assistance and trained at Cam Ranh Bay in Vietnam. The Soviets, Vietnamese, and CPP have all denied these allegations, and the Philippine Defense Minister Rafael Ileto has acknowledged that there is no hard evidence of a link between the USSR and the CPP guerrillas.¹⁸ Indeed, were such a link established, much of the NDF's nationalist appeal would be attenuated.¹⁹

ASEAN AND VIETNAM

While space limitations preclude an extensive analysis of the protracted diplomacy of the Cambodian conflict between ASEAN and

Vietnam, a brief assessment of that conflict's impact on ASEAN security is warranted.²⁰ ASEAN's tenacity over the almost decade-long Cambodian intervention is based on two principles. First, the violation of ZOPFAN by the introduction of Soviet forces into the region at Cam Ranh Bay and the material support of Vietnam's forces for the maintenance of its empire; second, the violation of the territorial integrity principle—more powerful states should not physically intervene to control the less powerful, regardless of provocation. ASEAN opposes the introduction of a Sino-Soviet dimension into Southeast Asian politics.

In the wake of communist victories in Indochina in 1975, ASEAN affirmed its desire for friendly relations with its Indochinese neighbors. Vietnamese bellicosity and the US withdrawal from mainland Southeast Asia led to ASEAN's single most important move toward a self-help political community in the 1976 Bali summit meeting which issued the ASEAN Declaration of Concord and Treaty of Amity and Cooperation. The latter provided for ASEAN political and legal conflict resolution, leaving open the possibility for adherence by other Southeast Asian states.

Not only did Vietnam ignore the prospect of an institutionalized relationship with ASEAN, but it also invaded Cambodia virtually on the heels of promising nonintervention in the affairs of its neighbors. For ASEAN, Cambodia was the "first domino," and Thailand became the "frontline state." If Vietnam used force to settle its disputes, what did this imply for the simmering bilateral conflict over Sabah or border tensions between Malaysia and Thailand as well as jurisdictional conflicts in the South China Sea? The ASEAN states increased their joint military exercises and expanded their military budgets in response to the new regional security situation. They also stepped up joint military exercises with the United States and Commonwealth countries.

ASEAN's preferred resolution to the Cambodia imbroglio would decouple Vietnam from the Soviet Union militarily and also put a brake on growing Chinese influence in Thailand. The Khmer Rouge would be eliminated as a component in a new Cambodian government of reconciliation; and improved prospects for cooperation between ASEAN and Indochina would occur. By 1987, however, there was little indication that either Vietnam or the Soviet Union was prepared to accept ASEAN's vision of the region's future. While Soviet diplomats were willing to discuss Cambodia with their

ASEAN and PRC counterparts, reports of these encounters showed no deviation from Hanoi's line. Hanoi called for an international conference, which would include the three Indochina states, China, and ASEAN, to ratify the status quo in Cambodia. ASEAN, by contrast, insisted that a negotiated settlement could only be reached when the tripartite Cambodia coalition government-in-exile (CGDK) met with Vietnam. ASEAN maintained that it is not a direct party to the conflict, and, therefore, should not be a party in negotiating the settlement.²¹

The diplomatic logjam moved slightly in early December 1987 when Prince Sihanouk and Hun Sen, the head of the PRK, met near Paris. Hun Sen affirmed a willingness to negotiate with all three CGDK factions as long as the Khmer Rouge removed Pol Pot and Ieng Sary. No commitment was made about the withdrawal of Vietnamese forces, however.²² Neither the KPNLF, led by Son Sann, nor the Khmer Rouge faction have agreed to attend the talks. The KPNLF insists that Vietnam must first promise a genuine troop withdrawal as negotiations get underway.²³

Vietnamese military pressure on Thailand increased in 1987 as PAVN units occupied hilltop positions along the Thai, Laos, Cambodian frontier far from Thai bases and supply lines. Elements of seven PAVN divisions are deployed along the Thai-Cambodian border. Bangkok cannot afford to match them in numbers of firepower, given Thai budgetary constraints. As a Thai army source averred, "with Soviet military aid, the Vietnamese hardware and ammunition are virtually free of charge. Ours have to come from the government budget."²⁴

CONFLICT ZONES IN THE SOUTH CHINA SEA

In addition to the Cambodian diplomatic/military stalemate, other conflicts in the region are found in adjacent waters and island groups. The South China Sea is rife with conflicting jurisdictional claims growing out of overlapping 200-mile Exclusive Economic Zones (EEZs), the potential involvement of external powers as backers of one or another disputant, and the reported existence of vast quantities of undersea mineral and energy resources. This heady mixture is fermented through the growing maritime capabilities of the littorals, the Soviet Pacific Fleet, the US Seventh Fleet, and most recently, the early stages of a PRC blue water navy.

The Sino-Vietnam bilateral dispute was extended out to the South China Sea toward the end of the Second Indochina War. Vietnam's claim in early 1974 that two-thirds of the Tonkin Gulf were territorial waters in part precipitated Beijing's occupation of the Parcel Islands later that year. Conflicting claims were exacerbated when Hanoi seized six Spratly Islands in 1975, in violation of what the PRC declared had been Vietnam's earlier recognition of Chinese sovereignty there. Interestingly, China hinted in 1979 that it might be willing to make concessions on its land boundary dispute with Vietnam if the latter would be "reasonable" on the South China Sea issues.²⁵

When China began oil exploration in the Gulf of Tonkin in late 1979, it stayed away from the disputed areas by confining its activities to an area east of the 108 degrees East line claimed by Vietnam as its sea boundary. Vietnam, too, has proposed the principle of "equal and mutual benefit" as a basis for the division of the South China Sea, suggesting that Hanoi might be prepared to divide the Gulf of Tonkin if China agreed to recognize Vietnamese sovereignty over the Spratlys. China's reticence in taking up this offer is at least partly attributable to several ASEAN states' claims to part of Spratlys. That is, a Sino-Vietnam condominium in the South China Sea could undermine the PRC's united front with ASEAN against the USSR/SRV encirclement.

The South China Sea dispute with Hanoi is portrayed as another component of Hanoi's hegemonistic designs and has become inextricably intertwined with the continuing war in Kampuchea. An ironic footnote to this assessment is China's tacit acceptance of the KMT's occupation of the largest Spratly island, Itu Aba, since 1946, for it gives China a stronger claim to the Spratlys than Vietnam.²⁶ In late May 1984, the Sixth National Peoples' Congress of the PRC discussed incorporating the Spratlys into the Hainan Island administrative region. Possible military action by the PRC and Vietnam around the islands have discouraged oil exploration in the vicinity. China's intransigence contributes to the perception among some ASEAN states that the PRC constitutes a future threat to regional stability.²⁷

To dramatize its claims to the South China Sea littoral, China sent elements of its fledgling blue water Southern Fleet to circumnavigate the region in May 1983. The ships sailed to the southern-most point claimed by China—James Shoal, only about 21 nautical miles north of Sarawak. China's warships were recently equipped with

East Asia Naval Order-Of-Battle Summary

| Category | USSR Pacific Fleet | US Pacific Fleet | PRC | Brunel | DPRK | Indo. | Japan | Malay. | Phil. | ROC | ROK | Sing. | SRV | Thai. |
|------------------|--------------------|------------------|------|--------|------|-------|-------|--------|-------|-----|-----|-------|------|-------|
| Carrier | 2 | 6 | - | - | - | - | - | - | - | - | - | - | - | - |
| Battleship | - | 1 | - | - | - | - | - | - | - | - | - | - | - | - |
| Cruiser | 15 | 17 | - | - | - | - | - | - | - | - | - | - | - | - |
| Destroyer | 23 | 28 | 21 | - | - | - | 33 | - | - | 26 | 11 | - | - | - |
| Submarine | 126 | 44 | 114 | - | 16 | 3 | 15 | - | - | 2 | - | - | 1-2 | - |
| Frigate | 61 | 46 | 25 | - | 4 | 10 | 18 | 2 | 7 | 10 | 8 | - | 8 | 5 |
| Major Combatants | 227 | 142 | 160 | - | 20 | 13 | 66 | 2 | 7 | 38 | 19 | - | 9-10 | 5 |
| Patrol/FAC | 231 | - | 962 | 12 | 338 | 16 | 5 | 91 | 90 | 39 | 83 | 30 | 200 | 110 |
| Minerfare | 71 | - | 145 | - | - | 2 | 43 | 4 | - | 13 | 11 | 2 | 30 | 10 |
| Amphibious | 74 | 33 | 363 | 5 | 79 | 19 | 8 | 21 | 114 | 49 | 27 | 12 | 37 | 45 |
| Auxiliary | 207 | 58 | 380 | 1 | ? | 25 | 41 | 24 | 30 | 18 | 11 | - | 14 | 10 |
| Total | 810 | 233* | 2170 | 18 | 437+ | 75 | 163 | 142 | 241 | 187 | 141 | 44 | 289 | 180 |
| Naval Aircraft | @440 | @600 | @800 | - | ? | 42 | 211 | - | 23 | 27 | 33 | - | 13 | 75 |

*U.S. Seventh Fleet afloat consists of about 60 ships and 240 aircraft

Source: Pacific Defence Reporter, May 1985, Pg. 13

lines for the transfer of supplies at sea; and the Southern Fleet also added an oiler and submarine support ship.²⁸ Nevertheless, China's ability to project force on a sustained basis as far south as the Spratlys is severely limited. The area is outside the range of its landbased naval air, while the islands are within range of Vietnam's air force and, of course, Soviet Badger aircraft operating from Cam Ranh Bay.

As a prelude to its force build-up in the South China Sea, China has been developing the Paracels as a new naval base. Eleven harbors have been constructed on various atolls. In particular, the facilities on Woody Islands could be used as a staging point for a future campaign to capture the Spratlys. It contains facilities to service the major warships of the Southern Fleet, projected to become the country's largest.²⁹ If, however, Vietnam continues to be the beneficiary of Soviet arms transfers including *Petya*-class frigates, Su-17 fighter-bombers, *Koni*-class frigates, and *Foxtrot* submarines, it is extremely unlikely that the PRC will be in a position to enforce its claims.

The conflict in the South China Sea anchors on the Spratly archipelago of about 100 islands, reefs, and shoals spread over an area of 7,000 square miles. The major concentration, the Central Spratlys, lie about 150 miles west of the Philippines' Palawan province. Oil geologists believe that the waters surrounding the islands that sit astride strategic maritime routes may contain significant petroleum deposits. In addition to Vietnamese, PPC, and Taiwanese claims to the total archipelago, the Philippines and Malaysia claim those portions which overlap their EEZs.

Philippine claims date back to the mid-1950s, when a private Philippine expedition occupied several islands. Philippine troops first occupied five of the islands in 1968. Eight were controlled and administered through Palawan province by the mid-1980s. In 1976, oil was found in the Reed Bank, northwest of the Central Spratly Group. Over protests from Hanoi and Beijing, the oil has been developed by Manila. Hanoi occupies seven other islands southwest of the Central Group, including Spratly Island. Some of these Vietnamese islands are close to those occupied by the Philippines, Taiwan, and Malaysia. Hanoi has fortified its islands heavily. The most recent claimant to the Spratly stakes is Malaysia. In August 1983 it sent a small group of commandos to the island of Terubma Layong Layong. Malaysia also claims the Vietnamese-held island of Amboy Cay only 40 miles away. The islands would form a natural protective barrier for Malaysian oil and gas fields as part of its EEZ.³⁰

The Philippines has approximately 1,000 marines on a half dozen islands, Vietnam about 350. Thailand and Malaysia agreed in 1983 to engage in joint offshore oil exploration in their Gulf of Thailand overlapping EEZs; but there is no indication that Vietnam, the Philippines, and Malaysia are prepared to consider a comparable arrangement for the Spratlys.³¹

Although each claimant has some soldiers on the island(s) it holds, the key capability for any direct confrontation would be naval and air power. Taiwan and the PRC have the best equipped amphibious forces; but they both lack the aircraft necessary to support long-range operations. The Malaysian, Vietnamese, and Philippine navies are still essentially coastal defense units. Fighter aircraft from Malaysia (US A-4 Skyhawks), Vietnam (Soviet Su-17s), and the Philippines (US F-8 Crusaders) have sufficient range to reach the Spratlies but could not loiter very long for combat. Thus, no single claimant has the ability to enforce its total claim against the others.

Indonesia occupies the Natuna Islands between West and East Malaysia, though the EEZs of Vietnam, Malaysia, and the PRC all intersect with Jakarta's. Surrounding the Natunas is thought to be one of the largest undersea gas deposits in the world. Indonesia has built an airstrip on Natuna Island and plans to develop gas processing facilities there.³² Vietnam, in 1981, protested Indonesia's 1979 announcement of bids for oil exploration around the Natunas, warning foreign corporations that they could be in trouble if they began petroleum surveys. Despite the warning, US companies are exploring the hydrocarbons on behalf of Indonesia's state oil company, Pertamina. Vietnam's oil exploration is being conducted from rigs supplied by the USSR. In effect, Soviet and US petroleum searches go on in adjacent ocean blocs. If Vietnam or the Philippines should engage in hostilities, for example, in the area of their adjacent Spratly island claims, each could presumably invoke the assistance of a super-power mentor. Similarly, in the Gulf of Tonkin it appears that China had US military backing in mind when it let contracts to US oil companies for exploration in zones bordering areas disputed with Vietnam.³³

Stability in the South China Sea depends on a military stalemate if the claimants cannot negotiate a resolution of their differences. Currently, the PRC is deterred from action in the Spratlys by both the Soviet and US Fleets. Vietnam is deterred from action against Indonesia, Malaysia, and the Philippines by the US Seventh Fleet;

and the Philippines is deterred by uncertainty over whether the United States would come to its aid. Noteworthy, however, is the US guarantee to Marcos in an exchange of notes in 1979, that strengthened the US-Philippine Mutual Security Agreements, Article 5. The notes specified that the Philippines could invoke the agreement both as a result of an attack on the home islands, attacks on Pacific islands under Manila's jurisdiction, and on Philippine armed forces operating in the Pacific outside of the Philippines. Not only do these "clarifications" have implications for US military assistance to Manila in the event of hostilities in the Spratlys, but US support presumably could also be invoked if the Philippines decided to attack bases in Sabah that Manila believed were supporting Muslim rebels in Mindanao.³⁴

The South China Sea will remain a region of contention into the 1990s. It is unlikely, however, that the disputes discussed above by themselves would precipitate hostilities among the disputants. Rather, if military force is used, it will result from more basic conflicts among the adversaries. Thus, Sino-Vietnamese hostilities in the Spratlys might well occur through a horizontal escalation of fighting along the Sino-Vietnam and/or Cambodian-Thai borders. Hostilities in the South China Sea would raise the costs and risks to both Hanoi and Beijing and could be a type of military pressure by either to force its opponent to settle the conflict on more favorable terms. The rapidity with which China is building a blue water navy lends credence to this possibility. It also puts considerable pressure on the Soviets to deter such action by China in the event of renewed Sino-Vietnam hostilities on the Southeast Asian mainland. While competitive naval and air accretions throughout the region may invoke caution and hence support stability, the presence of so many competitive forces and overlapping unresolved disputes over maritime jurisdictions insure that if hostilities do occur, they would be costly and could spread.

ASEAN AND THE UNITED STATES

Although ASEAN is not allied to the United States, as noted above, two of its members (Thailand and the Philippines) have security treaties with the United States and three others (Malaysia, Singapore, and Brunei) are linked to other US allies (Britain and Australia). ASEAN defense activities could contribute to the maintenance of SLOC freedom in Southeast Asia and the eastern Indian Ocean.

In general, the US naval and air presence in Southeast Asia is welcomed by ASEAN. Not only does it counter the Soviet build-up in Vietnam but it also insures that Japanese rearmament will proceed slowly and in conjunction with US plans. A US presence could also insure against any future Chinese designs for the region. If Japan were to add its ships to those of the Seventh Fleet in Southeast Asia, however, some ASEAN officials fear the exacerbation of a Soviet-Western naval arms race in its vicinity.³⁵

In fact, most ASEAN armed services currently engage in various kinds of cooperation with their US counterparts.³⁶ Singapore and Thailand provide access for US ships and planes to ports and airbases in their countries. The Seventh Fleet conducts passing exercises with ASEAN states' ships. Officers from ASEAN states comprise 16 percent of all foreign military students at US service colleges, and USPACOM organizes annual maritime and logistics conferences attended by defense officials from ASEAN. Combined naval amphibious and air exercises between individual ASEAN states and the Seventh Fleet were initiated in the early 1980s. Only Indonesia and Brunei have not participated. US Navy P3 Orions regularly stop at U Tapao and Don Muong airports in Thailand on their way from the Philippines to Diego Garcia.

The ASEAN states are less concerned, however, about the Soviet presence in Southeast Asia than the Americans. They foresee no direct threat to themselves from the USSR. Rather, the Soviet presence is seen as part of the global superpower confrontation; the demonstration of the Soviet role as an Asian power; and as necessary both to support and exert leverage on Vietnam. Soviet forces are seen as carrying out the strategy to surround China and to deploy sufficient capability to protect Soviet SLOCs to Vladivostok.

The United States should encourage the ASEAN states to develop greater security cooperation, particularly the ability to monitor and control their coastal seas. Some ASEAN military analysts have suggested a division of labor emphasizing each member's strengths. Thus, Singapore could stress air surveillance, the Malaysian navy could concentrate on mine countermeasures to keep the Strait of Malacca open, and Thailand could build up its armor and ground forces along the Indochina border. While such a degree of specialization may seem cost-effective, it is politically unacceptable. No ASEAN state is yet prepared to rely on its neighbors for important components of its own defense. Moreover, an ASEAN formal military pact would violate the association's hope that Southeast

Asia will not be divided into two hostile blocs (ASEAN versus Indochina). An ASEAN military pact, they fear, would only encourage closer ties between Vietnam and the USSR.³⁷

ASEAN could take a number of steps toward defense cooperation without entering a formal pact, however. Presently, all the states (except for the Philippines and Malaysia because of the Sabah dispute) are willing to exercise with each other. These exercises could work toward the creation of standard C3 procedures. Singapore's purchase of E-2C AEW aircraft could be tied into ground radar systems in Malaysia, Thailand, and Indonesia, thus providing each nation with a significant regional surveillance capability.

The ASEAN states are not responsible for their respective 200-mile EEZs. Joint patrol of these zones could be highly cost-effective, especially considering their overlapping jurisdictions, the presence of hundreds of offshore drilling sites, and the fact that the ASEAN maritime region encompasses some of the most vital SLOCs in the world. The Thai naval air wing, for example, because of Vietnam's occupation of Cambodia, is currently conducting intensive surveillance for PAVN naval craft along the Thai-Cambodian coast and into the Gulf of Thailand.³⁸

While, for the most part, ASEAN naval and air capabilities may be seen as complementary to the US goal of maintaining freedom of the seas and monitoring the coastal actions of those who may threaten it, one recent development has caused some concern in Washington. Indonesia's desire to demonstrate its regional leadership, especially in light of Thailand's long-term prominence as the "frontline state" in the Cambodian conflict, has led to Jakarta's revival of the proposed Southeast Asian nuclear weapons free zone.³⁹ The Indonesians insist that the zone would cover Soviet activities in Cam Ranh Bay as well as US forces in the Philippines.⁴⁰ Indonesia sees the NWFZ as a means of reinforcing its archipelagic principle by limiting the kinds of weapons the Soviet and US navies carry throughout the region.⁴¹

Only Malaysia has so far shown any enthusiasm for the concept within ASEAN. Its realization would require acquiescence from both the United States and the Soviet Union. Washington has openly rejected the idea, while Moscow has supported it. The Soviet Fleet relies less on dual capable weaponry in its current state of development than does the United States. The zone concept which is probably a non-starter, is best interpreted as a manifestation of Indonesia's impatience over its limited role within ASEAN and its desire to break out on to a wider regional political stage.

CLOUDS ON THE ASEAN-US HORIZON

While ASEAN-US relations have been close and cordial throughout the association's history, the global recession and America's burgeoning balance of payments deficit have led to friction with ASEAN. The United States and Japan are the association's most important trade and investment partners. ASEAN'S economic success depends heavily on access to these two markets. Protectionist sentiment in congress, however, has created great concern in Thailand, Malaysia and, to a smaller extent, Indonesia. Textiles, which account for 24 percent of total Thai exports for example, would be devastated by prospective US protectionist legislation.⁴² US rice subsidies also cost Thailand \$123 million in export income in 1986.⁴³

The sharp decline in commodity prices over the past several years and the petroleum glut have hit ASEAN exports particularly hard. Indonesia saw its petroleum export revenue fall 18 percent in 1985; Malaysia witnessed a 22 percent drop in rubber revenue; and the Philippines, a 46 percent slump in sugar sales.⁴⁴ Although US protectionist legislation is targeted primarily at Japan, the ROK, and Taiwan, ASEAN would also be caught in the net. For example, ASEAN textiles and footwear exports would be sharply curtailed by proposed restrictive legislation even though these exports account for only a small part of the American market. Twenty percent of the Thai labor force works in the textile industry.⁴⁵

ASEAN states believe further that they are receiving unjust treatment from the United States because their \$7 billion surplus does not take into account arms purchases from the United States or the more than half billion dollars annually spent by the 50,000 ASEAN students in the United States.⁴⁶ In sum, the ASEAN states urge Washington to separate them from the rest of East Asia on trade issues so that Southeast Asia can be shielded from the sharp protectionist sentiment directed primarily at Japan.

THE OUTLOOK

In its 20 years, ASEAN has demonstrated remarkable staying power. Its members have compatible politicoeconomic systems—essentially a liberal-authoritarian mix with a strong emphasis on expert-led growth and integration into the world capitalist order. All encourage foreign investment and are committed to upgrading their economic infrastructures and technological capabilities. Each ASEAN state leans toward the West in its defense arrangements,

ASEAN MARITIME AIRCRAFT INVENTORY

| Type Country | Boeing-737 | C-130H/MP | F-27M | F-27M-2 | Nomad |
|--|------------|-----------|-------|---------|-------------------|
| INDONESIA* 3 | 1 | - | - | - | 17 (11 B: 6 L) |
| MALAYSIA - | 1** | - | - | - | - |
| THAILAND - | - | 3 | 3 | 1 (+2) | 8 |
| PHILIPPINES - | - | - | 3 | - | - |
| SINGAPORE (non-dedicated types. incl. 2 E-2C and C-103B/H) | - | - | - | - | - |
| BRUNEI (non-dedicated types. incl. Bell 206/212 helos) | - | - | - | - | - |

* Indonesia ordered six IPTN CN-235 MPAs in mid-1986.

** Some sources indicate three (IISS) however, two are thought to be C-130H transport versions and not specialized C-130H/MP modified aircraft.

Source: Pacific Defense Reporter, May 1985, p. 13.

either directly through treaties or indirectly through military purchases and training programs, as in the case of Indonesia. Most important of all, its members find ASEAN a device for multiplying their ability to deal with outsiders in annual economic negotiations and in the political/security realm over the future of Cambodia. The six Southeast Asian states have been able to achieve more by negotiating as a group than they could have done as individual states.

ASEAN has created a minimal security community insofar as no member state would contemplate warring with its associates. Compared to pre-1967 regional internecine battles and suspicions, this is a great achievement. Another sign of ASEAN as a security community is the willingness of the Association to line up behind its most threatened member regardless of national preferences. Finally, and perhaps most important of all for ASEAN's future, has been ASEAN's utility in integrating Indonesia into regional politics. ASEAN has both the size and the prestige necessary for Jakarta to exercise what Indonesians believe to be their rightful leadership role in Southeast Asia. As ASEAN's putative spokesman and interlocuter with Vietnam over the Cambodian issue, Indonesia's ambitions are channeled in a constructive direction. Moreover, Indonesia's prominence in ASEAN provides legitimacy for the association among the nonaligned, while the Western security connections of other members offer a military umbrella for the group as a whole. These dual arrangements have proved a fortunate combination in ASEAN's first two decades though the extent of future compatibility remains to be seen.

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**LOOKING THROUGH THE ASEAN END
OF THE TELESCOPE**

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On 8 August 1987 the six nations that compose the membership of the Association of Southeast Asian Nations (ASEAN)—Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand—celebrated the twentieth anniversary of the signing of the Bangkok Declaration that brought ASEAN into existence. Four months later, in December 1987, the Heads of Government of the ASEAN states met together in Manila for ASEAN's third summit conference. For many observers, the fact that ASEAN had survived for twenty years and that the Manila Summit in fact took place is proof that ASEAN has met its greatest test, that of maintaining internal cohesion and solidarity.

ASEAN'S PEACE REGIME

Certainly the political history of relations among the member states before ASEAN's founding in 1967 and the persistence of interstate tensions among the ASEAN six did not bode well for its future. Nevertheless, for twenty years, on a sustained basis, the political elites of ASEAN have consciously sought to find cooperative structures giving substantive effect to the general aims of regionalism, as articulated in the Bangkok Declaration, while still confirming the legitimate national self-interests of six sovereign state actors. To date, however, efforts to reconcile the competitive claims of self-interest and regional cooperation in the economic, social, technical and other functional areas of ASEAN cooperation proclaimed in the Bangkok Declaration have been disappointing and concrete achievements elusive. In fact, the most progress in cooperative regional behavior can be found on issues of politics and security; functional areas consciously eschewed in ASEAN's founding document.

It is a mistake to attribute ASEAN's collective concerns about regional security simply to the December 1978 Vietnamese invasion and occupation of Kampuchea. This did galvanize the group into action as a highly effective international political caucus, but an underlying commonality of security interests had been part of ASEAN's original political cement. ASEAN was born in the aftermath of Indonesia's "confrontation" with Malaysia and came into existence in a Southeast Asian regional environment dominated by the second Indo-China War. The original five member states—Brunei became a member of ASEAN in 1984—had all experienced internal

communist-inspired political violence. At the most general level of analysis, there was the shared perception among them that the national social, economic, and political development necessary for internal security (national resilience) required a regional political and security order in which the regional balance of power was non-threatening and alterations in the status quo would be accomplished peacefully (regional resilience).

Although it may be premature to claim that in their own relations the ASEAN states have perfected a full "security community" in the Karl Deutsch sense of expectations about war-like behavior by members of the community toward each other having been virtually eliminated, ASEAN has provided both incentives and mechanisms to contain intra-ASEAN disputes.¹ This aspect of ASEAN has been described elsewhere as a conflict avoidance system in which a variety of structures and mechanisms, both formal and informal, have given emphasis to an overriding regional interest in international harmony as opposed to bilateral confrontation.² We have seen this system work in territorial disputes, for example, the Sabah question; cross-border problems of insurgency, for example, Pattani United Liberation Organization (PULO) and the Communist Party of Malaya (CPM) between Malaysia and Thailand; and most recently, in the ethnic dimensions of ASEAN relationships, for example, the storm over Israeli President Chaim Herzog's official visit to Singapore in November 1986. The impact of the Herzog crisis serves to remind us of the fragility of ASEAN "cultural" unity. Although the ASEAN experience over the past two decades demonstrates that the diversities of the new nationalisms can be subordinated to the broader regional concerns, nevertheless, primordial identities are still potent motivators of state behavior.

There is abundant evidence to support the proposition that the ASEAN countries have embedded their inter-regional political transactions in a system-wide set of "rules of the peace game." These "rules" are both explicitly stated, as in the 1976 Southeast Asian Treaty of Amity and Cooperation, and implicitly acknowledged. Noordin Sopiee, Director of Malaysia's Institute of Strategic and International Studies, has described ASEAN as a "concert of powers" that has developed multiple methods to build a sense of a political community.³ He lists the extensive employment of loosely-structured, non-problem solving ministerial summits. The summitry has been paralleled by countless bilateral and multilateral exchanges at lower levels. There has developed a pattern of intra-ASEAN

diplomatic consultation and information on initiatives and responses to extra-ASEAN events. Finally, there has been joint political-diplomatic action in pursuit of goals that are of real significance to only one or two members.

We could add to Noordin's identification of the rules of the peace game. ASEAN states have defended the interests of other-ASEAN states in non-ASEAN multilateral forums; for example, Indonesian and Malaysian voices of moderation of the Organization of the Islamic Conference (OIC) deliberations about the Moro insurgency in the Philippines or ASEAN's rallying to the defense of Indonesia's actions in Timor. It is fair to conclude that ASEAN's "rules of the peace game" are defined well enough to justify our calling ASEAN a "peace regime," in the sense of "implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations."⁴

Unfortunately for ASEAN's security interests, its "peace regime" is not co-extensive with the Southeast Asian region nor does it embrace all of the actors in the region. The policy question is how to apply the "rules of the peace game" to the non-ASEAN actors in the regional system. The problem can be identified at two levels. First, there are the great powers that are, in a sense, above the rules. Then, there are the regional states that would flaunt the rules. The greatest challenge comes when the two levels are linked through great power support of a regional rule breaker. This, of course, is what ASEAN has seen in Soviet support for the Vietnamese invasion and occupation of Kampuchea.

THE KAMPUCHEAN CRISIS AND THE REGIONAL ROLE OF VIETNAM

Since December 1978, the ASEAN agenda has been dominated by the Kampuchean issue. While it may be inaccurate to characterize ASEAN as a single-issue grouping, nevertheless the politics, diplomacy, and military strategy of resistance to the Vietnamese fait accompli and assistance to the Khmer Resistance under the tattered umbrella of the Coalition Government of Democratic Kampuchea (CGDK) has certainly preoccupied ASEAN's political elites and has been a central concern in ASEAN's international dialogues. It can be argued that it has been the collective ASEAN response to Vietnam's perceived challenge to regional peace and stability in Kampuchea that has sustained cooperative momentum in all dimensions of ASEAN's

interactions. Some observers, in fact, would argue that the Kampuchean crisis may have been the necessary political goad to keep ASEAN from collapsing in desuetude.

Thai Foreign Minister Siddhi Savetsila has signalled the centrality of the Kampuchean crisis to the wider issues of regional security. It is the "vortex," in his words, of the power competition in Southeast Asia; the "crucible" from which a new configuration of power will emerge.⁵ Ranged on the one side, seeking to expand influence and project power, is Vietnam backed by the Soviet Union. On the other side, there is ASEAN with its great power backers: the United States seeking to maintain the balance of power and the People's Republic of China defending its southern flank. "How the Kampuchean question is settled," according to Siddhi, "will consequently determine the distribution of power in Southeast Asia for years to come."⁶

The joint ASEAN rhetorical definition of the Kampuchean issue has remained fairly consistent over the nine years since ASEAN first became officially cognizant of the problem in January 1979: the withdrawal of foreign forces from Kampuchea and self-determination for the Khmer people in an independent and neutral Kampuchea.⁷ The December 1987 Summit's Manila Declaration promised that:

ASEAN shall continue and intensify its efforts in finding a durable comprehensive political solution to the Kampuchean problem in the interest of achieving peace and stability not only in Kampuchea but also for the region as a whole.⁸

In the intervening years, however, the threat perceptions of the ASEAN states have changed, the terms of reference for political settlement have changed, and the great power links to both ASEAN and Vietnam have been modified.

The dynamics of the first years of the Kampuchean crisis were to be found in the worst case threat perceptions of the ASEAN states. The hopes for peaceful co-existence with Vietnam engendered in the diplomatic exchanges between Hanoi and the ASEAN capitals had been dashed by the shock of the Vietnamese invasion of Kampuchea and the rush of the battle-hardened People's Army of Vietnam, the largest in the region, westwards towards the Thai-Kampuchean border. Was Kampuchea to be only the first domino to fall to aggressive Vietnamese expansionism? The imminent threat of regional conventional war presented by Vietnam led to an unparalleled flurry of ASEAN militarization as the states sought to enhance their deterrent

capabilities.⁹ This only abated as the global recession forced budget cutbacks in Southeast Asia. Thailand, in particular, became the ASEAN "front-line state" as its eastern border regions became the sanctuary for the Khmer resistance. The escalatory potential of the war in Kampuchea was to be found not only on the Thai border, but also in regional great power behavior as shown by the February 1979 Chinese punitive strike at Vietnam.

The fear of Vietnam's military might unleashed in support of unlimited Vietnamese political ambition has receded over the years. For one thing, even the hardest of the hard-line ASEAN hawks on Vietnam accept that, given the history and international connections of the Khmer Rouge (the Pol Potists), now the military back-bone of the CGDK, the Vietnamese have legitimate security interests in Kampuchea, just as Thailand does. Even front-line Thailand no longer sees any immediate threat of Vietnamese invasion. Thai Army Commander-in-Chief General Chavalit Youngchaiyudh, in explaining the rationale for the trimming down and upgrading of the Royal Thai Army stated publicly, "In view of the external threat, when considering capabilities against intention, there is no danger of a full scale aggression against Thailand at least within the next five years."¹⁰ General Chavalit's Indonesian military counterpart went much farther two years earlier when he said, in Hanoi, "Some countries say that Vietnam is a threat to Southeast Asia but the Indonesian Army and people do not believe it."¹¹

There are a number of reasons for the more sanguine outlook on Vietnamese capabilities. Not the least is the confidence inspired in ASEAN by the dreary record of the domestic failure of the Vietnamese economic model which, in the words of an ASEAN diplomat, has led to "the slow process of social and political deterioration in Vietnam."¹² Secondly, Vietnam's vaunted military invincibility, an undeserved legacy of the US "defeat," has proved a myth. Like the Soviets in Afghanistan, the Vietnamese have not been able to eliminate a cross-border, foreign supplied, numerically inferior resistance.

The combination of these two factors, economic failure at home and inability to "win" security on the battlefield, has led one school of analysts to prefer what might be called the "bleed Vietnam" policy in which stalemate is a desired outcome since the burden of stalemate is greater for Vietnam (and the Khmer people) than it is for ASEAN and its friends.¹³ For the Thais, "accepting a solution to the

Kampuchean problem on Vietnam's terms will not only deny the region a guarantee of security, but also accelerate the threat from Vietnam."¹⁴ We might note, however, the greater flexibility in Thai policy may have been presaged in General Chavalit's interview on 4 November 1987 when he described the Kampuchean problem as a civil war between the Khmer Rouge and the Heng Samrin regime in which both sides had the right to seek outside support.¹⁵ This analysis stands in sharp contrast to the usual Thai and ASEAN position that the cause of the conflict is a Vietnamese invasion of Kampuchea.

Not all ASEAN capitals share the view that stalemate is preferable to concessions to Vietnam in search of a political settlement. Since 1983, Indonesia has pursued what has come to be called a "dual track" diplomacy towards the issue, formally associated with the ASEAN position but in a bilateral dialogue with Hanoi seeking to identify a *modus vivendi* leading to a political way out for ASEAN.¹⁶ Jakarta is uncomfortable with the notion of a frustrated Vietnam as a permanent security threat in Southeast Asia. In its own revolutionary nationalism Indonesia feels affinities with Vietnam not fully shared by other ASEAN states. In the aftermath of its own experience with the East Timor affair, Jakarta has greater sympathy for the problem that Kampuchea poses for Hanoi than it might otherwise have had. Finally, Jakarta and Vietnam share concerns about China's future ambitions in Southeast Asia. Jakarta would rather have Vietnam as a northern bulwark against putative PRC expansionism than as the pretext for Chinese penetration of ASEAN in defense against Vietnam.

In terms of the longer run regional security interests, Indonesia sees the prolongation of the conflict in Kampuchea as having the result of opening strategic windows into Southeast Asia for external powers. Jakarta is not nearly as concerned about the USSR's entrenchment at Cam Ranh Bay and Danang as it is with the *de facto* Sino-Thai alliance. Each step that brings China and Thailand into closer political and military contact, such as the 1987 arms deal or the crown prince's highly touted official visit to China, strains Indonesia's solidarity with a front-line policy that, from Jakarta's point of view, is characterized by Chinese-inspired Thai inflexibility.

The latest example of this alleged "inflexibility," is Bangkok's scuttling of Foreign Minister Mochtar's "cocktail party" initiative in which, in a joint communiqué in July 1987, Mochtar and Nguyen Co Thach, his Vietnamese counterpart, agreed that the four contending Khmer groups (the three elements of the CGDK and the PRK, the

People's Republic of Kampuchea) would meet on the basis of equality, without political labels, and without preconditions. Vietnam would join the "cocktail party" at a later stage. By the time this agreement had been massaged by a special ASEAN Foreign Minister's meeting in Bangkok, so many conditions were added that the substance of the agreement was lost, and Hanoi rejected the modifications. Thus was lost what the Vietnamese regarded, "as the most important breakthrough in the past eight years."¹⁷

The *Jakarta Post*, which often reflects senior foreign ministry views thundered:

It is high time to spell out clearly to our ASEAN partners, as the largest archipelagic state in Southeast Asia with a growing national interest to protect, that we simply cannot afford the endless prolonging of the Kampuchean conflict.¹⁸

The actual Indonesian response to ASEAN's reluctance to ASEANize the Indonesian Vietnam initiative has been to accelerate and make more intensive its bilateral connection with Vietnam. The Indonesian-Vietnamese "Working Group" on Kampuchea continued to work on the "cocktail party" agenda. Indonesian sources indicated that future agreements would be presented to ASEAN, but they could only be bilateral.¹⁹ Thus, what seems to be the divisive possibility of a "separate peace" was openly mooted for the first time.

In the past six months, Jakarta has hosted a Vietnamese cultural delegation and a Vietnamese trade delegation led by Deputy Prime Minister Vo Van Kiet. During the Vo Van Kiet meetings, Indonesian banks and the Indonesian national petroleum company expressed interest in operating in Vietnam. Already in August 1987, a government-sanctioned team of Indonesian businessmen had visited Hanoi where they did about \$20 million in prospective business, including the sale of 10,000-15,000 tons of fertilizer from the Sumatra plant, ironically one of the ASEAN Industrial Projects. After Vo Van Kiet's visit in November, a team from Bulog, the Indonesian State Food Agency, went to Vietnam to consult on food distribution and storage. It agreed to "lend" Vietnam 20,000 tons of rice. One possible impact of the stepped up Indonesian-Vietnamese economic ties is to undercut, with Japan and the EEC, the ASEAN strategy of economic pressure on Vietnam. It can be expected that more and firmer ties between Indonesia and Vietnam will be forged in the future as Hanoi, under the leadership of Nguyen Van Linh, turns to alternative economic and administrative structures in the "reformist"

struggle to turn the downward development spiral around. Perhaps Jakarta can persuade Vietnam to enter the "peace game" and play by its rules through ASEAN's back door. There remains, however, the question of the great power links, those actors who, because of policy goals and capabilities, are above the rules.

GREAT POWER RELATIONS: THE AMBIGUITIES OF AMBIVALENCE

One of the results of the Third Indochina War has been to contingently force on the regional protagonists greater dependent security links to extra-regional great powers. From the great power vantage point, looking through the big or global end of the telescope, it might seem that the regional contest is a "natural" reflection or manifestation of the great power contests—Sino-Soviet and US-Soviet—in which a constellation of friends and allies are in a surrogate struggle, which, as it goes on, will have strategic impact on great power relations. This is not necessarily the view looking through the Southeast Asian end of the telescope, which, at least as far as ASEAN is concerned, has had as a long-range vision the insulation of the region from great power strategic penetration and conflict. This is codified in the 1971 Kuala Lumpur Declaration on the establishment of a zone of Peace, Freedom, and Neutrality (ZOPFAN).

The implementation of a ZOPFAN has proved problematical given the requirement of Southeast Asian inclusiveness. It would only be with Vietnamese participation, playing by the "rules of the peace game" in Southeast Asia, that intra-regional conflict could be mediated and extra-regional great power ties attenuated. As long as ASEAN states see a requirement to balance a Soviet security alliance with Vietnam with their own ties to the United States and China, a ZOPFAN is out of the question. It should be emphasized, however, that the ASEAN view of the requirement for a US security presence in the region is situationally defined by the Kampuchean problem and Soviet support for Vietnam. It is not because ASEAN accepts US threat perceptions about the USSR that ZOPFAN continues to have declaratory importance as an ASEAN denial of a permanent strategic division in Southeast Asia.

Renewed effort to find a resolution for the diplomatic/political stalemate over Kampuchea corresponds to a period of reevaluation in ASEAN of appropriate great power roles in Southeast Asia. The INF treaty and the continuing strategic arms negotiations in Geneva give evidence that the superpowers can decouple regional concerns from

their principle agendas. There is evidence from Southeast Asia to suggest that the regional powers would like to decouple their peace agenda from superpower concerns, as new ambiguities creep into their already ambivalent perceptions of the United States and USSR.

With respect to the PRC, a consistently persistent suspicion of its ultimate goals in the region serves as a passive link between ASEAN and Vietnam, which Indonesia hopes to activate. While pragmatically still a necessary ally in support of the CGDK, China is ultimately perceived as ASEAN's eventual strategic threat. We can not do better than to cite approvingly Tilman's conclusion that, "Political leaders throughout ASEAN, with varying degrees of emotion and conviction, fear China . . . It is not a question of 'if' it will happen; rather it is a question of 'when.'"²⁰ Even the Thais, despite the tactical alliance that so worries Indonesia, are wary about a future Chinese threat. This has been recently spelled out by a senior Thai general:

Thailand will always be threatened whether it is China on the one hand able to enhance its power posture in the region through a victory in Kampuchea by the Khmer resistance forces or by the Soviet Union and Vietnam on the other through their consolidation of power in Kampuchea . . . China considers Asia a sphere of its influence and the promoting of communism a duty. China considers Vietnam an enemy because of its alliance with the Soviet Union. In the future when China and Vietnam are no longer adversaries, the Chinese-Thai relations may become meaningless in the eyes of Peking. And Thailand under communism may be something more desirable for China.²¹

This vision of China is not dissimilar from one that seems to inform the Indonesian security elite that still refuses to normalize relations with the PRC, now suspended for more than two decades.

If the Thais are ambiguously ambivalent about their ally China, what about their Vietnamese "enemy's" friend, the Soviet Union? The same Thai general writes, "Thailand should recognize the Soviet Union as a superpower with a role as important as that of the United States, China and Japan towards freedom and peace in Southeast Asia."²² That the Soviets wants to be considered as important is implicit in the Gorbachev post-Vladivostok diplomatic and economic offensive in the ASEAN region. Historically, the Soviet Union has been viewed one dimensionally in terms of a threatening military presence. The new kinds of political and economic functional

engagements it is making within ASEAN become integrating factors in legitimizing an image of a non-threatening Soviet regional actor pursuing multiple interests as befits the entitlements of great power.²³ It has been the intractability of the Kampuchean problem that has proved the most difficult political obstacle for the USSR in its campaign to win political acceptance in ASEAN. Its efforts are not wasted, however. The Soviet Union under Gorbachev has laid the groundwork for a position of political and economic access to non-communist Southeast Asia after a Kampuchean settlement not enjoyed before by any Soviet regime.

The question of how long the USSR must wait before it can begin to enjoy the fruits of whatever successes it has had in wooing ASEAN can probably be answered by "sooner, rather than later." The USSR's peace offensive towards ASEAN coincided in 1987 with a more forthcoming Soviet policy with respect to playing a "constructive" role in moving the Indochina side towards a political settlement.²⁴ For both the Soviet Union and Vietnam, the dynamics of domestic structural reforms may have led to new kinds of complementarities in their policies towards ASEAN. The Sihanouk-Hun Sen meetings may be the first, halting steps in a new negotiating process in which the USSR is both a behind-the-scenes actor and a potential guarantor. For an ASEAN that has always made the conceptual link between the USSR in Afghanistan and Vietnam in Kampuchea, the dramatic alterations of Soviet policy in Afghanistan cannot go unremarked. One result of a "normalization" of ASEAN-USSR relations will be to reinforce existing tendencies operating to distance ASEAN from the US global security posture, making it possible to exploit latent and manifest feelings about superpower equivalency with respect to the region's long-term security requirements. This is, of course, most obvious in the questions that now surround the future of the US bases in the Philippines and the impact on the distribution of power in Southeast Asia.

Despite their adherence to the ZOPFAN goal, the ASEAN states have, in the face of a Soviet-augmented Vietnamese threat, continued to maintain strong security links with Western partners. In particular the US base facilities in the Philippines have been seen as a necessary component of the regional balance-of-power. While explicitly rejecting the structural forms of collective defense in the sense of military alliance as the organizing security principle for the region, ASEAN has implicitly accepted that the US presence in the Philippines was

for the collective security good of the region. Now, in the context of deteriorating internal security in a Philippines with "soft" central authority, already difficult bilateral issues over the terms of a new Military Bases Agreement (MBA) have forced the other ASEAN states to confront the possibility that there might be a forced "redeployment" of the US from the Philippines.

The US has made the potential consequences of redeployment from the Philippines crystal clear. In a major address in Singapore in November 1987, US Ambassador to Indonesia Paul Wolfowitz called ASEAN leaders attention to "two realities" about the American "deterrent" presence in Southeast Asia that they need to recognize, one physical and the other political.²⁵ The physical reality is the great oceanic distance between the United States and its neighbors on the Western side of the Pacific: "To have the presence needed the US needs access to facilities of its allies and friends in this part of the world." The political reality is the tendency of the United States to isolate itself from events in distant regions. In the absence of a "steady course" in the region, "American involvement should not be taken for granted as something that will simply be forced on unwilling partners."

The ASEAN leaders are fully aware of the implications of a forced US withdrawal. No responsible ASEAN leader wants to see what they euphemistically term a "defense imbalance" develop in the region because of a unilateral US withdrawal. Such an imbalance has three components: the Soviet presence in Vietnam, Chinese ambition, and a Japan with no other alternative in the absence of the United States but to bolster its own presence in the region. US Under-Secretary of State Michael Armacost, traveling in the ASEAN region in November 1987, indicated that the "ASEAN countries must decide for themselves whether the US bases in the Philippines contribute to their security and whether and how to communicate that to the Philippine government."²⁶ However, unlike its posture on Kampuchea, ASEAN appears to be politically incapable of developing a consensual position in support of the US bases in the Philippines. Using muddled logic, ASEAN (or at least key member states) to put it bluntly wants to have it both ways. While it is understood that the US presence contributes to regional stability and while the strategic implications of US withdrawal are a matter for regional concern, nevertheless, ASEAN insists that the MBA is a bilateral defense issue between the Philippines and the United States.

ASEAN insistence on the bilateral qualities of what is in fact a US regional security umbrella is not based on the principle of non-interference in the domestic affairs of a fellow ASEAN state. It has, to the contrary, been invited to do so by the Philippines Foreign Minister. It is perhaps not just coincidental that Wolfowitz's cautionary words to ASEAN were timed to support an initiative by Foreign Minister Raul Manglapus to garner support for what was described by the Malaysian Foreign Ministry as an "ASEAN consensus statement" approving the continuation of US military bases in the Philippines.²⁷ This was in a whirl of Filipino diplomatic activity in the run-up to the Manila Summit.

Manglapus has long held the position that ASEAN should assume joint political responsibility for the continuation of the US base presence; not leave the Philippines isolated with a superpower presence in a regional organization committee to a ZOPFAN:

If ASEAN decides that the strategy of ultimate neutrality is not served by the bases, that their presence is not required for regional security, then the rest of ASEAN should join the Philippines in asking the US to withdraw to its Pacific islands position.²⁸

"As of now," Manglapus is quoted as saying, "I do not see it possible that the [Philippine] Senate will ratify a renewal of the treaty [MBA] with the US"²⁹

This is not to say that ASEAN is monolithic with respect to the orientations of the member states to regional security matters. The Thais, perhaps because they are the "front-line" state, have been much more willing to consider collective ASEAN security arrangements. Thai Army Commander-in-Chief Gen. Chavalit, referring approvingly to NATO as an excellent example of cooperative spirit among nations, has argued: "Nations of the Free World must unite and use their political economic and military efforts to resist our common enemy."³⁰ He goes on to say that ASEAN is another example of such cooperation which, "although ASEAN has been organized without any aim at military cooperation, the association provides effective deterrence against any act of aggression." Gen. Chavalit then identifies the United States as ASEAN's most important "ally" in cooperation for deterrence.

Since ASEAN works on the basis of consensus, the unwillingness of all members to underwrite a political commitment to the Philippines meant that no commitment was given, thus leaving Manila

politically isolated with the United States. Indonesia, in particular, has been a leading opponent of any specification or explication of an ASEAN-US security tie through the bases. Jakarta was reportedly "incensed" about what it saw as US behind the scenes maneuvering in the diplomacy preceding the Manila Summit to obtain a Joint ASEAN statement of support for the bases. The kinds of statements made by Wolfowitz and Armacost are perceived as Washington trying to drive a wedge between Indonesia and its ASEAN partners on the prospect of moving expeditiously for the implementation of a ZOPFAN with the first step being the declaration of a Southeast Asian Nuclear Weapons Free Zone (SEANWFZ).

SOUTHEAST ASIAN NUCLEAR WEAPONS FREE ZONE (SEANWFZ)

Although the ASEAN conferees at the Manila Summit failed to address the issue of the US bases,³¹ they did reassert their goal of an early realization of a ZOPFAN and agreed:

ASEAN shall intensify its efforts towards the early establishment of a Southeast Asia Nuclear Weapon Free Zone (SEANWFZ), including the continuation of the consideration of all aspects relating to the establishment of the Zone and of an appropriate instrument to establish the Zone.³²

Indonesia had initially hoped that the appropriate instrument, a draft treaty, would be ready for signature at the Manila Summit, but in the ASEAN fashion of progress at the pace of the slowest member, had to satisfy itself with this statement. Nevertheless, in the three years from the 17th ASEAN Ministerial Meeting to the planning for the ASEAN summit, Indonesia, with the assistance of Malaysia, has been able to place a proposed SEANWFZ, as the first implementable step for a ZOPFAN, near the top of ASEAN's political agenda, only in second place to a settlement of the Kampuchean dispute.

The idea of a SEANWFZ is not a new one. Already in the 1971 Kuala Lumpur ZOPAN Declaration ASEAN took cognizance "of the significant trend towards establishing nuclear free zones." The reference points then were the Treaty of Tlatelolco and the Lusaka Declaration. According to then Malaysian Foreign Minister Tengku Rithauddeen, "The concept of a nuclear-weapons-free zone, of course, is inherent in the ZOPFAN concept and would constitute one of the attributes or prerequisites of a Zone of Peace, Freedom, and Neutrality in Southeast Asia."³³ The reference point now is the Treaty of Rarotonga establishing a South Pacific Nuclear Weapons Free Zone.

Indonesia's enthusiasm for a declaratory SEANWFZ is not shared equally by all of its ASEAN partners, although all have accepted it as a desirable goal. Thailand and Singapore in particular are wary about the impracticality of making such a zone operational in the contemporary Southeast Asian international order. Resistance within ASEAN to rapid declaration of such a zone is buttressed by open US diplomatic lobbying against such a zone, most recently during Assistant Secretary of State Gaston Sigur's January 1988 ASEAN tour.³⁴ Nevertheless, Indonesian Foreign Minister Mochtar is correct in his assertion that, "It [SEANWFZ] is not only Indonesian, it is an ASEAN thing now."³⁵ This is reluctantly accepted elsewhere in ASEAN. As a Bangkok editorialist put it: "The fact that an ASEAN country is actively pushing for it indicates that a beachhead has already been established."³⁶ A new "beachhead" is the non-nuclear provisions of the Philippines Constitution and the anti-nuclear majority in the Philippine Senate.

It is not just any ASEAN country that is pushing the SEANWFZ. It is Indonesia which increasingly gives the lead to and sets the limits for collective ASEAN behavior. One of Indonesia's policy goals is to reduce regional dependence on external military power. On this, as on other key ASEAN issues such as Kampuchea, as one Jakarta analyst puts it: "If Indonesians begin to feel that the country is following a course which it probably would not pursue if it were not committed to ASEAN, pressure might be put on ASEAN solidarity."³⁷ This is a more delicate way of putting it than a *Far Eastern Economic Review* headline writer for Michael Leiffer: "Indonesia in ASEAN—fed up being led by the nose."³⁸

ZOPFAN, INDONESIA, AND VIETNAM

It is possible, in conclusion, to suggest a number of motives involved in Indonesia's pursuit of a declaratory SEANWFZ as the first step in implementing a ZOPFAN. This fits with its burning desire to be the leader of the nonaligned movement. It ASEANizes, in a sense, its own national security concerns in its extensive archipelago maritime zones. It is responsive to residual xenophobia elements in its nationalism. It enhances Indonesia's profile as not only an ASEAN or Southeast Asian actor, but as a middle-power with international aspirations. As a consequence of a SEANWFZ in a ZOPFAN, Indonesia's relative power would be increased.

We should not overlook, however, Indonesia's policy goal of engaging Vietnam in a Southeast Asian "peace regime." The time

may seem propitious to Jakarta. At the global level substantive arms control gains in the INF treaty and the strategic arms talks are moving forward. Gorbachev seems determined to disengage the USSR from asset-wasting regional confrontations—in Afghanistan, in Nicaragua, and from Jakarta's view, hopefully from Southeast Asia. The security threat embodied in Soviet support of Vietnamese aggression that served to define the security situation that—looking through the ASEAN end of the telescope—made the US presence necessary has abated, if not disappeared. This is coincident with the problem of the future of the US Philippines' bases. In other words, what from Washington may seem to be a challenge to US policy, to Jakarta may be an opportunity for its regional policy—to extend the "rules of the peace game" to Indochina in a ZOPFAN.

Hanoi welcomed the "constructive character" of the Manila Summit Declaration. President Suharto in his address at the summit suggested an altered time frame for the ZOPFAN and SEANWFZ. Previous discussions of the ZOPFAN had been couched in a vague, post-Kampuchea settlement indefiniteness. The Indonesian leader, who is unassumingly assuming the mantle of ASEAN senior statesman, speeded up the timetable. "ASEAN's efforts to create this [NWF] zone, which will make important contributions to peace and security in our region," he told his fellow leaders, "should be continued and intensified *even though the Cambodian issue has not yet been settled.*" [italics added]³⁹

A SEANWFZ is not self-implementing, and President Suharto qualified his efforts to press forward with the statement "ASEAN will certainly continue to take into account the interests of other countries concerned." The issue, of course, is how to deal with US and Soviet basing in Southeast Asia and superpower requirements for strategic mobility. It is to be expected that the language of the draft treaty will, like the Treaty of Rarotonga, be extremely loose and non-restrictive with respect to transit. The basing issue is different. While grandfathering is an option, the future of the US bases in the Philippines is not really a question of peace zones but of Philippine politics and American negotiating stances on such issues as "rent" and compensation. But what about the USSR and its Vietnamese basing?

Soviet utterances have been favorable towards a ZOPFAN and SEANWFZ. They have not yet, however, indicated that they are prepared to give up the strategic position they have won in Vietnam.

However, in parallel with a US redeployment from the Philippines, it is possible that they would be willing to do so in order to promote a wider set of policy objectives in the region. It is recognized, however, that the strategic impact on the Soviet Union for redeployment from Vietnam would be much less disadvantageous than a US redeployment from the Philippines. That, again, is looking through the global end of the telescope.

It is possible to speculate on the regional impact of a possibly evolving future Indonesian-Vietnamese duumvirate in Southeast Asia. This would be a regional power relationship structured around two core strategic areas, one continental, the other maritime. A decade ago analyses could focus on the conflict of interest between the two core states, perhaps a competition for a hegemonial role in Southeast Asia.⁴⁰ However, priorities of interest and conditions have changed. The ideological gulf seems to have been bridged. As we move to the end of the century cooperation may replace conflict.

As Guy Pauker once suggested, looking to the decade of the eighties, it is, perhaps, only in this kind of Indonesian-Vietnamese power relationship, with each core state seeking to secure the region from the unwanted interference from extra-regional continental and maritime powers, that "the hope of the smaller countries of Southeast Asia for a zone of peace, freedom and neutrality would be fulfilled."⁴¹ Today, looking to the decade of the nineties, perhaps Indonesia is seeking to fashion that kind of power relationship with Vietnam—made palatable to ASEAN in a ZOPFAN.

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**THE FUTURE OF DEMOCRACY AND
STABILITY IN THE PHILIPPINES**

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The future of democracy and stability—values which are presumably desired by Filipinos—is one of the most pressing questions facing the Philippines today. The resolution of this question could mean the difference between achieving the aspirations expressed in February 1986 in their opposition to the dictatorship, and a return to dictatorial rule of one form or another; the difference between living in a condition that would allow for the resolution of age-old socioeconomic problems afflicting more than 60 percent of their countrymen, or the perpetuation of these problems.

For others, the question is pressing, largely because developments in the Philippines are bound to affect the future of strategic military bases which will remain accessible to the United States until 1991 in accordance with the provisions of the Military Bases Agreement (MBA) between the two countries. This agreement was forged at the time of the restoration of Philippine independence after World War II.

The democracy referred to in this paper goes beyond the formal institutions of a democratic political order with competitive elections, guarantees of basic civil and political rights, limited tenure for political incumbents, separation of powers, and checks and balances. Meaningful democracy cannot be achieved while great disparities between rich and poor exist, while opportunities are limited to those at the top of the socioeconomic ladder, and while power and influence, rather than individual capabilities, are used as criteria for social participation. The first meaningful step toward meaningful democracy would be a fundamental socioeconomic restructuring effected through such measures as agrarian reform, industrial profit-sharing, and a more equitable educational system.

On the other hand, stability goes beyond the recreation of political order through an efficiently enforced system. It includes the amelioration and solution of the root causes of social turmoil. This presupposes a socioeconomic order which assures a decent life for the majority, if not all of the population. Meaningful stability can only be achieved if people voluntarily support the system, and they will do so only if it is a reasonably just and equitable one.

I. THE PRESENT STATE OF DEMOCRACY INSTITUTION-BUILDING

The present government in the Philippines takes pride in claiming as one of the achievements of the past two years the rebuilding of democratic political structures destroyed during the dictatorship. This pride may be well-placed inasmuch as the first step towards democratization is precisely the building of democratic institutions. Doing so was not an easy task in a society that remained polarized and where some groups continued to challenge the government through illegal and violent means. There would be cause for alarm, however, if and when the political leadership becomes lulled into thinking that the task of democratization ends as soon as these formal structures have been set up.

In 23 months, the new government was able to have a new constitution drafted and overwhelmingly ratified and a new legislature elected.¹ Previously appointed local executives at the city, municipal, and provincial levels were replaced by popularly-elected ones. The issue of President Corazon C. Aquino's "lack of legitimacy," raised by her opponents drawn largely from the ranks of Marcos supporters and disgruntled politicians who did not get the positions they sought after February 1986, was put to rest by the ratification of the 1986 Constitution which provided for a term of office until 1992 for the incumbent President and Vice President.

At another level, liberalization of the media was immediately implemented after February 1986 with the result that over 25 Metro Manila dailies sprouted to compete for the readership of 5 million Filipino newspaper readers throughout the country. The restoration of press freedom made the Philippine media once more the most free and perhaps licentious in all of Southeast Asia.

Political prisoners were released over the initial objection of the defense and military establishment. Repressive decrees impinging on basic civil and political rights, such as the much-dreaded Preventive Detention Action (PDA) were repealed.² This implied a diminution of the role of the military which used to carry out actions against suspected criminals or rebels.³

SOME TRENDS

1. The Return of Traditional Politics and Politicians

On the basis of the results of the legislative elections in May 1987 and the local elections in January 1988, it can be said that the

restoration of democracy also restored traditional politics and returned the old powerful and influential families to the center stage of the political play. One needs only to look at the roster of both the Senate and the House of Representatives to note that the Aquinos, Laurels, Cojuangcos, Sumulong, Osmeñas, to name the most obvious among them, are back in the political game.

This was precisely the fear expressed by many Filipinos, in and out of the deliberations of the Constitutional Commission, on the issue of preventing political dynasties from re-emerging or being created under the new constitutional order. Regrettably, this fear was well-founded, given the nature of the dictatorial era of fourteen years which effectively prevented the recruitment of new political elites and actors into the political system. It is as though time were frozen during these years and things flowed into their old mold after February 1986.

Another related development is the apparent cooptation of close Marcos associates into the parties forming the government coalition. One of the criticisms raised against President Aquino's younger brother, Jose Cojuangco, and her brother-in-law, Paul Aquino, concerned the support they extended to some *Ilocano* candidates for the local elections who were known to be close associates of the deposed dictator. This is an indication that the type of politics, defined by traditional politicians as "the art of addition and subtraction," is once again an operational rule in the political game.⁴

2. *Opening up of the Political System to New Entrants*

That does not tell the entire story, however, because while it is true that traditional elites are back, it is also true that the system has opened itself up to new entrants. The phenomenon of media personalities' successful pursuit of elective positions is a new development. The most notable example is the overwhelming majority obtained by the Vice Mayor-elect of Quezon City over his opponents. He was a well-known movie and television personality with a daily and a few weekly television shows. The fact that there were no outstanding opponents undoubtedly helped, but much of his success can be attributed to his exposure through the tube. In a number of instances, political neophytes were successful in areas where political dynasties used to dominate in the past. The upset in the provinces of Batangas, Batanes, Bukidnon, and Rizal which saw the defeat of the Laurels, Abads, Fortiches, and Sumulong by relatively new actors is noteworthy in this regard.⁵

Another development along this line is the election of left-oriented or left-supported candidates at the local level. An extraordinarily unusual case was the election of the candidate for Vice-Mayor in Olongapo City, site of the American Naval Facility at the Philippine Subic Naval Base, who was allegedly supported by the left. A pro-base candidate who was a member of Marcos' old party won as Mayor of this city. The former's election is noteworthy, particularly after the rout of the Alliance for New Politics (ANP), a recently organized left-oriented party, during the 1987 legislative elections. This suggests that while nationally contested positions may still not be successfully contested by the above-ground left, the case of local positions may be a different matter altogether.

3. Persistence of the Legal Left in the Pursuit of Parliamentary Seats

In spite of their rout in the 1987 elections, as noted above, the ANP continued to pursue the peaceful parliamentary route to political power by fielding candidates in select areas where they felt they had local support. But, in contrast to the 1987 elections, they did not use the party banner and instead made their candidates run as Independents, partly in order to protect them from harassment, intimidation, and/or violence from rightist groups, and partly in order to obtain the support of voters who may have had qualms about electing left-supported candidates.

The persistence is also noteworthy in the face of the murders of persons closely associated with the above-ground left, such as labor leader Rolando Olalia in November 1986, student and youth leader Lean Alegandro in September 1987, and the ambush of President Nemesio Prudente of the Polytechnic University of the Philippines in late 1987. Instead of abandoning the parliamentary struggle altogether, some groups within the left have, in fact, continued to follow this path and to maximize the opportunities offered by whatever democratic space exists. This could be an indication of the reported intense debate and division within the broad left movement where the hardliners seemed to be winning in the underground consisting of the National Democratic Front (NDF), the Communist Party of the Philippines (CPP), and the New People's Army (NPA).

4. Persistence of Pressure Politics

Concerned about the ability and willingness of the present leadership to build genuine popular democracy in the country, many cause-oriented groups have opted to continue pressure politics. Rallies, marches, and demonstrations by these groups continue to be

held for various causes and objectives. This seems a healthy sign if popular democracy is to have a chance because it enables the people to remain involved in the political process in other ways than the formal structures of elections. It keeps them relatively organized for other exigencies which would require a show of popular support, such as defending the gains of democratic institution-building.

This is closely related to the issue of "people power" and the notion that it can show itself only once in a very long time. According to this theory, since it had appeared in February 1986, it is not likely to surface again in the immediate future. That some are of the opinion that it indeed can surface once again is indicated by the large turnout of people in Camp Aguinaldo and on TV Channel 4 on 28 August 1987, during the latest coup attempt against the government led by Lt. Col. Gregorio Honasan, one of the "heroes" of February 1986.⁶

In March 1987, a national survey conducted by a private polling organization indicated that 74 percent of Filipinos were prepared to show people power again if it were necessary to save the Aquino government from danger. In Metro Manila, 82 percent said that they would do so. This could be the reason for the large crowds at the places attacked by Honasan's group in August 1987.⁷

II. THE PRESENT STATE OF STABILITY

There is a general judgment that the Philippines continues to be politically unstable. Five coup attempts—the last one in August 1987 being the most serious—are cited as evidence of instability. Other indicators are the persistence of the communist insurgency, Moro secessionism, and the uncertainty of economic recovery, to name only the most oft-cited among them. While it is true that the country has remained unstable after two years of the new government, there are certain developments which need to be taken into account in any analysis of the future of stability in the Philippines.

RESPONDING TO LEGITIMATE CONCERNS OF THE MILITARY

As a consequence of the 28 August coup attempt, a new line was drawn within the military: those who supported the Constitution and those who were prepared to breach it through military intervention in politics. The coup attempt breached the military norm that brother does not fight against brother in response to a higher duty to defend the Constitution.⁸ While this must have been a traumatic

experience for the military, perhaps it was also a necessary one if only to dispel prevailing suspicions and distrust regarding its loyalty and commitment to the new constitutional order.

After a long, agonizing wait the majority of the soldiers placed their support behind the Constitution and the government. Public reaction to the coup attempt demonstrated the people's unwillingness to condone a coup d'état whose purported objectives they could not altogether endorse, and/or which challenges a popularly supported government. This reaction must have sobered the fence sitters in the military and won the day for those genuinely committed to constitutional rule.

The success of the military in putting down the coup has contributed immensely to the enhancement of the prestige and image of its erstwhile Chief of Staff, now Defense Secretary Fidel V. Ramos. The large civilian casualty list resulting from the coup attempt earned its leaders a good deal of public disaffection. Even those who could identify with the grievances and demands articulated by the coup leaders deplored the means they took to have these recognized and positively responded to. Honasan's popularity sank to an all-time low; a good deal of public relations effort would be needed to restore it to its pre-coup level. It is even likely that he and his group will become marginalized as the Marcos loyalists within the military have become marginalized.

The sources of legitimate military grievances are being addressed in earnest. It did not take long for the government to unclog the promotion ladder by retiring superannuated members of the officer corps, thus clearing the way for the colonels to earn at least their first star before compulsory retirement. Within the first year of the Aquino government, the superannuated officers were retired with the sole exception of the Chief of Staff who, under the new Constitution, had a three-year term of office. Even he retired upon his appointment as Defense Secretary in January 1988.

Military salaries have been upgraded, and the defense budget increased so that in 1988 this item was second only to education in total government outlays. The merit system in promotions has been restored, leading to an improvement in morale among the soldiers.⁹ The only possible flaw in this process could be an excessive exercise of the review and consent authority of the legislature's Commission on Appointments. Before 1972, this was the officer's anathema

because of its tendency to exploit the Commission's power, breaching the military's sphere of professional autonomy in the area of promotions.

Cabinet Coherence

The reorganization process in the Cabinet has resulted in a more coherent working group, one which would not be overly preoccupied with grandstanding as the first Cabinet tended to do. The appointment of competent managers in the Office of the President itself is an improvement over the earlier group, if only because of their ability to move the workload much more efficiently than before, thus improving the efficiency of the executive office. Since the Cabinet is no longer dominated by politicians, there is a better chance that responsibilities will be discharged now. Before, time was devoted to the consolidation of political power, building individual public images or, worse, conspiring to shorten the constitutional term of office of the incumbent President through unconstitutional means.

Turning the Economy Around

In the last two years of the Aquino government, the economy's downward slide has been arrested. In 1986 the economy grew by 1.5 percent and by 5.05 percent in 1987. There are those who would minimize this record and say that poverty has not yet been reduced, unemployment and underemployment continue, inflation remains a problem, and so on. While it is true that the positive economic trends posted in the last two years are by no means assurances of future positive trends, such an economic performance is still remarkable. Trends have been upward despite the destabilizing impact of five coups; the continuing bearishness of traditional investments; the highly critical behavior and attitude of the international media and some key officials belonging to the Philippine's closest friends abroad; worldwide recession and protectionism; and natural catastrophes such as droughts and typhoons. The question which should be raised concerns the ability of the economy to continue to grow, to succeed in the recovery efforts and to sustain growth and recovery into the medium-and long-terms. The country seems to have a better prospect in 1988 than in 1985, if only because it is starting from the black rather than trying to get out of the red.

The economic record of the new government has helped to reduce instability. It is significant in this regard that Filipino self-perception of poverty has been reduced. Only 43 percent of Filipinos perceive themselves as poor in March 1987 compared to 74 percent

in May 1986. There were more families buying major appliances in March 1987 (13 percent) than in October 1986 (5 percent), more families repairing or remodeling their homes in March 1987 (22 percent) than on the previous date (12 percent), and many more making livelihood-related investments in March (24 percent) than in October (14 percent).¹⁰

Perceptions about the quality of life have, on the whole, been improving since 1986. In April 1984, 12 percent of Filipinos polled thought they were better off than a year before; in July 1985 only 9 percent thought they were. In May 1986, however, this number rose to 27 percent, declining somewhat in October 1986, and then rising once again to 37 percent in March 1987.¹¹ In terms of their expected improved quality of life a year from the time of the surveys, since April 1984 their numbers have been increasing, from 26 percent to 36 percent in July 1985, the 40 percent in May 1986, slightly down to 39 percent in October 1986 and up again to 47 percent in March 1987.¹²

Whether these perceptions square with reality or not is of little consequence in terms of how people relate to government. The fact that people feel better off and are hopeful about their future could result in supportive feelings for government. No wonder satisfaction with President Aquino's performance was very high for 1986 and 1987: 60 percent in May 1986, 78 percent in October 1986, and 76 percent in March 1987.¹³ Over-all government performance on key issues was also highly rated with scores varying from 63 percent for land reform to 78 percent for bringing about a more peaceful society.¹⁴

Popular Perceptions on the Insurgency

The communist insurgency is generally considered to be the most serious threat to political stability. Judgments on its scale vary, depending on which group is making the assessment. There are no readily acceptable measures of its scale and, in many cases, the judgment is based on bias, gut feeling, or indirect evidence. Of the latter, several instances might be offered at this point. There seems to be a clear trend of popular support for the insurgency being eroded.¹⁵ The presence of the NPA in the provinces is popularly perceived to be declining from July 1985 to March 1987. Only 26 percent of Filipinos polled disagreed in July 1985 that the NPA was widespread in their province, as against 31 percent in May 1986 and 42 percent in March 1987. Agreement on the proposition that most of the people in

their province or city did not sympathize with the NPA increased from 28 percent in July 1985 to 36 percent in May 1986, and 47 percent in March 1987.

An increasing number believed that most NPA activities were not justifiable: 20 percent in July 1985, 31 percent in May 1986, and 47 percent in March 1987. More and more people did not wish to have the CPP legalized: 44 percent in July 1985, 54 percent in May 1986, and 71 percent in March 1987. At this time, an overwhelming majority believed that government should be careful and not too trusting in reconciling with the communist rebels (75 percent), that the NPA had no right to collect taxes (74 percent), and that the NPA/NDF should not be allowed to endorse their candidates in the elections (63 percent). Only 17 percent agreed that the popular support for the rebels was increasing and 19 percent believed that the present administration was dominated or too much influenced by communists or radicals.

The rise of civilian volunteers, locally known as vigilantes, during the past year and a half affords further indirect evidence. Without arguing on the wisdom of their use in the counterinsurgency effort, it might be said that their phenomenal rise throughout the country, although allegedly initiated and encouraged by the military and upon foreign covert advice, could be partly explained by the apparent change in popular attitudes and sympathies towards the NPA. It is just possible that people were turned off by the boycott position taken by the NDF during the snap presidential elections in 1986; the campaign for a "no" vote to the draft constitution; and the hard-line approach the NPA has taken—including the compulsory collection of revolutionary taxes, the blowing up of bridges and other public facilities. These initiatives are seen by many as contradictions of the NDF's avowed commitment to popular welfare. The election of a renegade colonel of the Armed Forces of the Philippines (AFP) as Governor of Cagayan Province where there is a high NPA presence could be a further indication of the erosion of popular support for the NPA. This colonel has been engaged in a one-man fight against the NPA in this province since his implication in the August 28 coup attempt against the government.

The adoption of a hard line approach by the NDF could be an indication of its own awareness of loss of popular support. In Malaysia, the communist movement turned to this approach in the declining stage of its opposition to the government. What is particularly

remarkable is the consistently reasoned approach of the NDF to the struggle in the past, an approach which does not seem to be evident lately. The reported intense debate within the NDF on the strategy and tactics to be used in the struggle could be dissipating much revolutionary energy, to the detriment of the movement itself.¹⁶

Whether this apparent trend continues will depend, in large measure, on the ability of newly elected local executives to make the presence of government felt and on the delivery of services at the local level. For years, the only visible instrument of government in the countryside had been the military. The deterioration of discipline and professionalism among the soldiers did not help to build a positive and sympathetic image for government during the dictatorship.

The Rebel Returnee Program

As part of the AFP's total approach to insurgency, the National Reconciliation and Development Program (NRDP) was initiated. The program was made the responsibility of a council headed by the National Economic Development Authority (NEDA), the government's economic planning office. The Council includes the Departments of Social Services and Development and Local Government, among others. The program seeks to encourage the surrender of rebels by providing them with an opportunity to make a living in the lowlands. A 9 thousand peso loan is made available to them with their M16 rifle as collateral. The loan is 50 percent of the cost of the rifle. In addition, the program offers training and assistance in agriculture and the raising of farm animals, besides providing seedlings and other farm inputs. Whenever feasible, a piece of land is also made available. The program's target is for 5,000 rebels to return to the fold of the law annually.¹⁷ Since its institution in 1986, some 8,000 rebels have benefitted from the program, according to the government.

III. CONTINUING CHALLENGES TO DEMOCRACY AND STABILITY

RE-INSTITUTIONALIZATION OF TRADITIONAL POLITICS

When the popular uprising in February 1986 accomplished the ouster of Marcos, hopes were high that a new opportunity to build meaningful democracy had at long last come. Outside the traditional elites, who were displaced in 1972 upon the declaration of martial law, many thoughtful Filipinos hoped that traditional politics would not be resurrected. Cory Aquino, the candidate, was not herself cast

in the traditional mold. She was like a breath of fresh air after a long, dark, suffocating spell.

Perhaps it was too much to expect that traditional politics would not be revived, given the nature of the political and economic forces that came together to support and make Cory Aquino's rise to power possible. It was too much to expect, given the fact that no genuine political elite had been recruited during the fourteen years of dictatorship. When legislative and local elections were held under the new Constitution, one dominant trend was the return of the traditional political clans to power. Given the upper class composition of the legislature it was naturally easier for it to opt for a socioeconomic status quo than a posture that entailed greater social equity. Unfortunately, the latter is a precondition for a genuine, viable, and stable democracy. On the other hand, one cannot fail to acknowledge both the entry of new faces into politics, including some supported by the legal left, and the defeat of several clans which dominated local politics for years. If this persists into the succeeding elections it will augur well for the future of democracy and stability in the country.

FAILURE OF GOVERNMENT TO INSTITUTE MEANINGFUL REFORMS

It is imperative for government to institute genuine and meaningful socioeconomic reforms in order to erode the sources of popular sympathy and support for the insurgency; indeed, to address the very causes of the insurgency itself. The survival of both democracy and stability depend on this taking place. For this reason, the adoption and implementation of a credible agrarian reform program should be high on the policy agenda of the present government. Having lost the opportunity to take this initiative before the adoption of the present Constitution, President Aquino must now wield effective political leadership in order to get such a program through a basically conservative congress. It is incumbent on her majorities in the two houses of congress to get this program adopted as soon as possible. The legislative leadership of the Senate President and the Speaker of the House (both of whom were the President's candidates) is extremely crucial in this effort.

It is noteworthy that President Aquino has lately declared that her family's estate, the Hacienda Luisita, will be placed under agrarian reform. By so doing, she has moved further than her earlier position of simply complying with the law which Congress would enact. Mrs. Aquino should initiate agrarian reform in Hacienda Luisita,

perhaps even in advance of congressional legislation, as a measure of her commitment to this ideal, and in order to preempt landowner opposition which is certain to block agrarian reform efforts.

FAILURE OF ECONOMIC RECOVERY TO CONTINUE

In this writer's view, many of the problems which threaten democracy and stability are rooted in economic want and poverty. These problems can only be meaningfully addressed with the achievement of economic recovery. NEDA's Medium Term Development Plan for 1987-1992 is basically a sound one targeting the poor and the unemployed as the beneficiaries of economic growth.

The great imperative is the need to sustain growth. As already noted, the government was able to reverse negative economic trends posted during the last years of the dictatorship despite the instability noted above. Worldwide recession and protectionism, a severe drought, devastating typhoons, and the onerous burden of servicing a \$29 billion foreign debt were additional problems. In 1988, the government expects to devote over 35 percent of total government expenditures to service existing debts. This means that over a third of total outlays will not get plowed back into the economy to create productive employment for Filipinos.

Hence, the appeal for more relevant investments in small and medium-scale industries; a drastic rearrangement of the structure of official development assistance (DDA); and less protectionism in the American and Japanese markets for Philippine products. Relief from the Heavy debt burden needs to be seriously considered by the country's allies and friends. The centrality of economic recovery to the survival of both democracy and stability cannot be overemphasized.

FAILURE TO EXTEND CREDIBLE REGIONAL AUTONOMY TO CULTURAL COMMUNITIES

In the new Constitution it is anticipated that two sets of cultural communities will achieve regional autonomy: the Cordillera peoples and the Moros in Muslim Mindanao. Both groups deserve such autonomy because time and history have demonstrated their uniqueness and survivability as distinct cultural entities. They are part of the collective history and community of the seven thousand islands constituting the Philippines. Any effort to establish regional autonomy in these areas must be based on a genuine commitment to the autonomous development of these communities. The autonomy itself must be substantive and not merely token as it was under former

governments. In this effort, the sincerity and cooperation of both government and people must be genuine. Otherwise whatever agreement is forged will be tenuous at best.

While regional autonomy must be established the integrity of the national territory must be preserved at the same time. Hence, the autonomy contemplated in the new Constitution stresses the national framework within which such autonomy is to be established. Present disagreements on the nature and details of the administrative structure for the two autonomous regions must be threshed out in the true spirit of community members trying to find the most reasonable solutions to problems, rather than as adversaries from two opposing camps. This is a genuine challenge to the statesmanship of President Aquino and the various leaders of the Cordillera peoples and of the Moros in the Southern Philippines.

INABILITY OF THE PEOPLE TO SUSTAIN SUPPORT FOR POPULAR DEMOCRACY

Regardless of what government may be able to accomplish in the direction of enhancing the prospects of democracy and stability, in the final analysis it is really the support of the people which counts. In 1972, popular apathy and indifference enabled martial law to prosper and dictatorship to flourish until its downfall in February 1986 when popular sentiment turned against the prevailing order. Popular opposition to the continuation of Marcos in power delivered the massive votes for Cory Aquino. The use of large-scale and obvious fraud fanned the flames of opposition even further. Popular will made possible the support for the military mutiny which eventually led to the ushering in of the transition from dictatorship to democracy. The seemingly impossible task of removing a determined dictator from power was accomplished because the people made it happen.

The future of democracy and stability will depend, in part, on how effectively the government will be able to respond to the challenges which continue to test the limits both of the democratic trends created by the popular uprising of February 1986 and of a stable political order. At the same time, it will depend largely on popular support for and commitment to democracy and stability among a majority of Filipinos.

One major problem lies in the seeming tension between democracy and stability as some people view it. Stability might require the

limiting of the democratic government according to this view. It can be argued, however, that this need not be so, if the lasting foundations of democracy, which lie in a more just and equitable social and political order, are laid out. People are bound to support such an order and, when they do, lasting stability can finally be achieved.

NOTES

1. The ratification of the 1986 Constitution and the legislative elections were landmarks in Philippine electoral history: over 80 percent of the electorate participated in the vote.
2. The Preventive Detention Action empowered the President to order the arrest and detention of persons whenever, in his judgment, it is required by public safety or as a means to repel or quell rebellion.
3. For a list of the decrees repealed during the first year of the new government, see Presidential Committee on Human Rights, *Annual Report for 1986*, Pasig, Metro Manila, pp. 26-27.
4. This definition of politics was made by the grand old man of the Nacionalista Party, the late Eulogio "Amang" Rodriguez, Sr.
5. From election returns reported in various newspapers. See for example, *The Filipino Express*, 1-7 February 1988, pp. 1, 2, and 4.
6. Mahar Mangahas, "The Social Weather: Most Unfavorable for a Coup," Social Weather Stations, Inc., August 1987, for an analysis of the failure of the coup and the prospects of "people power."
7. Mangahas, p. 3.
8. "Civilian-Military Relations in the Philippines," *Kasarinlan, A Third World Studies Quarterly*, 4th Quarter 1987, for an explanation of military coups in the Philippines.
9. From the author's recent conversation with a civilian official from the National Defense College of the Philippines.
10. Social Weather Stations, Inc., *Public Opinion Reports: 1986-1987*, Economic Indicators Table 8. Poverty Incidence Rates, p. 10.
11. *Ibid.*, Economic Indicators Table 7. "Changes in the Quality of Life in the Past Year and over the Next Year," p. 7.
12. *Ibid.*, p. 8.
13. *Ibid.*, Political Indicators Table. Rating of President Aquino, p. 1.

14. *Ibid.*, Political Indicators Table 6. Present Performance of the Aquino Administration, pp. 7-8.
15. The statistical data on the insurgency are from Political Indicators, Table 14, *The NPA/NDF*, pp. 21-24.
16. Alexander R. Magno, "The Filipino Left at the Crossroads: Current Debates on Strategy and Revolution," a paper presented at the lecture series on Marxism in the Philippines, Third World Studies Center, University of the Philippines, Diliman, Quezon City, January 1988.
17. Fidal V. Ramos, Lecture presented at "Academe Meets Government," University of the Philippines, Diliman, Quezon City, 17 November 1987.

**PACIFIC SECURITY AND COOPERATION:
A THAI VIEW**

Dr. Sarasin Viraphol



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According to the Oriental zodiac, the year 1988 falls on the sign of the Dragon. The Dragon symbolizes vitality, force, and change. The Year of the Dragon brings forth expectations of change or movement which, depending on varying circumstance, can be real or illusory, auspicious, or portentous.

REGIONAL TRANSFORMATION

Set against this astrological symbolism, the current security landscape of East Asia seems to be undergoing a metamorphosis from the patterns of the immediately preceding decade that has witnessed several significant developments. The great strides in China's physical transformation under the direction of elderly statesman and strongman Deng Xiaoping; the Vietnamese occupation of, and the continued struggle for Kampuchea; the steady Soviet military buildup in the region; the phenomenal economic growth of the countries of the western Pacific rim which presents both challenges and opportunities—these are the highlights.

While prospects for settling existing conflicts seem more promising, possibilities for new differences are also present. In the face of increased interactions among the major powers, the growing assertiveness of the regional states is also evident, and this assertiveness invariably adds to the complexity of the regional security configuration. Some states are belatedly becoming aware that military strength by itself is not the sole determinant of security, especially when the long-neglected requirements of development are now openly admitted as a chief cause of insecurity.

The consequent adjustments of tactics and strategies by certain states have resulted in a changed regional climate. In the 1980s, economic issues have gained considerable prominence in interstate relations within the East Asian region. Friends and allies clash increasingly over economic problems caused primarily by huge trade distortions. How fundamentally such issues will affect traditionally close ties is an important security concern for the countries involved.

THE ACTORS

CHINA

Changes that have taken place under Deng Xiaoping, especially during the past eight years, may be said to constitute the most

revolutionary development affecting regional security. The priority accorded to economic restructuring has launched China into the mainstream of international economic activities, especially in trade and investment. Enough liberal capitalist-oriented measures have been introduced into the country to have made inroads into its erstwhile Stalinist centrally planned structure. The change has been most evident in the agricultural sector (which is China's socio-economic mainstay) and the changed aspect of the Chinese countryside. Innovative ideas derived from the capitalist model have also resulted in improved productivity in China's industrial sector and this, in turn, has transformed the urban landscape.

The economic imperative has also created a considerable impact on China's political orientation. The cleavage between Beijing and Moscow, while less accentuated, has perhaps been made more permanent. In the meantime, the fledgling relations with the West, now the main source of trade, investment, and technology, have become more secure. Beijing has employed a policy of balancing between Moscow and Washington, and of keeping its relations with the developing countries on a broad basis, as a matter of principle as well as strategy.

In the region, Beijing accords importance to ties with Japan principally for the sake of trade and investment, but also out of political and geostrategic considerations. Under Deng, China's role in Southeast Asia has become a factor to be reckoned with. With its termination of active support to various local outlawed communist insurgency movements, China's respectability has risen, further aided by China's conscious efforts to pursue economic intercourse with the non-communist states. Beijing's continued opposition to the Vietnamese occupation of Kampuchea, while viewed with apprehension by some as Chinese interference in Southeast Asia, nevertheless positions the PRC as the major counterweight to an "expansionist" Hanoi scheming to create a de facto "Indochina Federation" comprising Vietnam, Laos, and Kampuchea. This plan is seen as part of the threat to China's southern flank, made possible with the assistance of rival Moscow. Although the non-communist countries of Southeast Asia seek to minimize external power rivalry, many are compelled to acknowledge the Chinese role at least as inevitable, pending a successful settlement of the fundamental question of Kampuchea. Meanwhile, Beijing continues to consolidate its presence in Southeast Asia through increasing economic ties with Singapore,

Thailand, and even an apprehensive Indonesia, which is compelled by economic imperatives to deal with China.

The Sino-Vietnamese antagonism remains deep despite the continuation of diplomatic ties. Vietnamese leaders have been disseminating reports that Hanoi and Beijing are engaged in a process of rapprochement which the Chinese side has strongly denied. It has also rejected Hanoi's latest proposal for restoring limited cross-border activities. There is little evidence that Beijing will relax its pressure on Hanoi as long as the latter still refuses a satisfactory arrangement over Kampuchea. It remains expedient and even advantageous for China to continue to play the "Kampuchean card" with Vietnam and the Soviet Union.

THE SOVIET UNION

Soviet influence in the region has traditionally been projected militarily, through build-ups, both on land and at sea, and through massive armed support provided to Vietnam. The prime targets have been the United States and China. Moscow's diplomatic and political influence never made much headway, perhaps as a result of the lopsided military emphasis in the Soviet strategy.

Since General Secretary Mikhail Gorbachev advanced his *glasnost* and *perestroika* concepts, however, the regional states have been compelled to adapt their outlook in relation to the Soviet move; they have found themselves having to deal with what appears to be a Soviet diplomatic offensive. Gorbachev first unveiled his strategy towards Asia in an address on the occasion of Indian Prime Minister Indira Gandhi's visit to the Soviet Union on 21 May 1985. His new approach received further mention in his speech at the CPSU Congress on 25 February 1986, and the Soviet government's statement on Asia and the Pacific on 23 April 1986. Gorbachev's comprehensive policy discourse on Asia on 28 July 1986 at Vladivostok affirmed that, in tandem with its continued military build-up in East Asia, Moscow would initiate a coordinated effort to actively pursue its political objectives in the region.

Gorbachev's immediate concerns are to whittle down US predominance in the region, neutralize Chinese antagonism towards the Soviet Union, and seek rapprochement with Beijing. For the entire region, Gorbachev's drawing card is the rehash of the basic ideas contained in former General Secretary Leonid Brezhnev's Asian Collective Security proposal advanced in 1971.

Employing essentially public relations techniques, Gorbachev has explained the need and timeliness for lowered tensions, dialogue, and even cooperation, proposing rather concrete steps for reaching his goal. In acknowledging the US role in the region, Gorbachev has also called for the reshaping of this role in the name of peace. In his Vladivostok speech, he spoke of an implicit "trade-off" of the US withdrawal from Clark and Subic with an unspecified Soviet "response" over Cam Ranh Bay. Furthermore, in December 1987 Gorbachev and President Ronald Reagan concluded the Intermediate-range Nuclear Forces (INF) Treaty which stipulates the elimination of all land-based medium-range nuclear missiles. This agreement, which affects the deployment of Soviet SS-20 missiles directed at East Asia, clearly has ameliorated regional concern of such a Soviet threat. Gorbachev has also suggested concrete steps aimed at reducing tensions with China. In his Vladivostok statement, he made offers for removing a small number of troops from Mongolia as well as Afghanistan in apparent response to Beijing's assertion of the "three obstacles" to Sino-Soviet relations.

Gorbachev's "soft" strategy vis-à-vis Southeast Asia has been purposely more vague and he has refused to address the Kampuchean problem squarely. The Soviet involvement in the problem has been cited by Beijing as constituting the "main" obstacle in the normalization of Sino-Soviet relations. Other regional states, such as Thailand, have used it as a "test case" of Moscow's earnestness in seeking better ties with the region. Nevertheless, the Soviet position has appeared more amenable of late, perhaps in response to the consistent prodding of China, the United States, and members of the Association of Southeast Asian Nations (ASEAN). Moscow now acknowledges the desirability of seeking an expeditious settlement, and pledges Soviet efforts in this regard, though insisting that it cannot dictate to Vietnam in this matter.

Gorbachev's diplomatic offensive in the region during recent months has elicited varying reactions, ranging from apprehension to expectation and, no doubt, an increased acceptance of the Soviet "factor." Although there is consensus on the theory that, like his Chinese counterpart Deng, Gorbachev is compelled to change his foreign policy approaches owing to pressing needs to address serious domestic issues, nagging concerns remain about Moscow's true objectives. The Soviet military build-up in the region which continues unabated, Moscow's support of Vietnam's Kampuchean occupation, as well as its alleged complicity in local communist

subversion and insurgency activities, are the main reasons. Without clearly addressing such questions, Gorbachev remains ambiguous about the true objective of the new Soviet political offensive in Southeast Asia.

THE UNITED STATES

Since the introduction of the "Nixon Doctrine" in 1969, Washington's predominance in East Asia has experienced a gradual diminution. Notwithstanding initial efforts by the Reagan administration in the early 1980s to reexert its preponderant military posture, it seems that, due to a host of factors, Washington's security priorities (though not its interests) have basically shifted away from the region. The Vietnam syndrome, though no longer so pronounced, remains an important psychological factor. Secondly, in spite of the Kampuchean and the Korean peninsula problems, the region is seen as unlikely to experience any large-scale armed confrontation involving the superpowers. In this connection, the process of détente between Moscow and Washington is also an insurance of sorts. (The rapid Soviet military build-up in the region in recent years has led to an urgent US response, but such build-ups by both sides are considered by Washington and Moscow as part of their global strategies and interests.)

The rapprochement with Beijing has meant the removal of an immediate security concern requiring US counterbalance. The strategy to make regional allies—particularly Japan—share a greater defense burden, is consistent with the Nixon Doctrine. Economic realities also contribute another relevant factor. The Gramm-Rudman-Hollings balanced budget scheme to hold down government spending has meant a drastic cutback on personnel and project involvement which directly affects the US presence. Washington's capabilities towards the region have further been affected as a result of the increasing trade friction with all of the region's export-oriented economies, from Japan to Indonesia.

While opposed to protectionist measures instituted by Congress, the Reagan administration has taken a tough stand on what it considers "unfair" trade practices, ranging from government subsidies and infringement of intellectual property rights. Secretary of State George Shultz has declared that the export-oriented countries in East Asia should no longer look to the US market for their growth performance, as the United States must undertake measures to shore up its own economy. The economic confrontation has inevitably affected

the traditionally strong ties between both sides of the Pacific, and has led to what appears as an incoherent or inconsistent US policy towards the East Asian region.

JAPAN

The phenomenal success of Japan's export performance has transformed Japan into the world's foremost creditor nation. With its persistently huge trade surplus, Japan has been under tremendous pressure to assume a more assertive role commensurate with its economic status. Besides, the mounting trade problems with Washington have compelled Tokyo to revamp its strategy by becoming more "internationalist" in outlook, paying particular attention to its neighbors. The need to adapt to such change is a major challenge for Japan, and carries implications for all other regional countries.

Japan is underwriting a large part of US debts, as well as being responsible for much of the latter's trade deficit. Consequently, Japan is being told to curtail its mercantilist practices, open up the Japanese market, and stimulate domestic demand. Japanese defense capabilities are also to be upgraded, as Washington expects increased purchases of US-made military hardware to make up for some of the trade imbalance, along with an augmented Japanese role in defense (through an expansion of the defense parameter) to lighten Washington's own burden. Increasingly, Japan is also being asked to assume greater responsibilities for the East Asian region by supporting like-minded allies and friends. As the region's main engine of growth, Japan is expected to provide greater benefits in trade investment, transfer of technology, and the development of human resources.

Former Prime Minister Yasuhiro Nakasone was a rather flamboyant advocate of Japan's internationalist obligations. He consistently argued for a greater integration of Japanese society into the mainstream of the Asia-Pacific region. Prime Minister Noboru Takeshita, somewhat less colorful, is a more typical Japanese politician. The challenge for Japan's political leaders is to discharge the new internationalist duty which comes with Japan's newly-acquired status.

THE "FOUR TIGERS"

Along with Japan, South Korea, Taiwan, Hong Kong, and Singapore—known euphemistically as the "Four Tigers," or alternatively, as the NIC's (newly-industrializing countries)—contribute to the economic dynamism of the region. Their influence, particularly

their exports to the United States, is highlighted by Washington's recent efforts to restrain their trade offensives—through demands on currency reevaluation, voluntary export curbs, and withdrawal of trade preferences, the GSP (generalized system of preferences). In the past years, the "Four Tigers" have set the pace of regional growth, in Japan's footsteps. They have come to symbolize the success of the market-oriented economy.

Ironically, their phenomenal economic achievements have not assured the security and political concerns they face, though no doubt economic advancement has enabled them to construct modern societies where the citizenry's economic needs are adequately met. South Korea faces the prolonged communist threat from the North, while Taiwan lives in the shadow of Beijing's take-over. In nine years, Hong Kong will have reverted to back to China, a prospect which will no doubt cause greater anxiety as the date nears. Singapore has the least to worry about as far as immediate external security threats are concerned, but is perennially concerned about the fragility of a city-state dependent on extraneous factors for its prosperity and survival.

As a group, the "Four Tigers" face constant problems of readjustment and change to maintain themselves in the mainstream of international economic development, a source of strength as well as vulnerability. They have set an example, which other developing nations in the region are likely to follow. Nevertheless, Thailand is already confidently predicting that it will become a NIC by the 1990s.

VIETNAM AND INDOCHINA

The communist victory over Indochina in 1975 has brought little or no economic betterment to the peoples of Vietnam, Kampuchea, and Laos. Instead, the authorities of the three so-called Indochinese countries have been beset with security problems and preoccupied with war. Hanoi's invasion and occupation of Kampuchea has made Vietnam an international pariah since 1979, deprived of much-needed external support, depleted by the drain of national assets channeled into the fighting to control Kampuchea, and facing a demoralized and exhausted populace which sees its lot steadily worsening. In neighboring Kampuchea and Laos, conditions are hardly better, with the Phnom Penh regime having to depend on 140,000 Vietnamese troops to manage the struggle against tenacious Kampuchean resistance. Laos, land-locked though potentially rich in mineral resources, can

hardly feed its 3.5 million population, and there is no development to speak of in that country. Vietnam has declared it will strive to integrate the economies of the three countries into one integral unit.

In such a situation, the three Indochinese countries have embraced Gorbachev's *glasnost* call of heralding a new era of dialogue on interstate relations. Vietnamese leaders speak out on the need for rapprochement and the invitation for closer economic interaction with foreign countries, while the Vietnam-controlled Phnom Penh regime advertises its call for a "Kampuchean national reconciliation" to end the 9-year-old Kampuchean conflict.

Nevertheless, in spite of the attempt to create a new image, Laos, whose leaders are probably confused about the "soft" approach, is having difficulty figuring out the obvious contradiction between the commitment to the new strategy and the ferocious campaign it is waging in a dispute with Thailand involving a small parcel of territory on the Thai-Lao border, where Vientiane itself realizes supporting evidence points to Thai ownership. There is proof that Hanoi, though not the instigator in the incident, is fully backing the current Laotian military effort. On another front, Hanoi has turned a blind eye to the recent dramatic increases of Vietnamese refugees fleeing to neighboring countries, particularly Thailand, to which thousands have fled since 1987. Such unwelcome asylum-seekers, who are classified as "economic refugees," pose a potential security risk as well as a major humanitarian burden for Thailand. The Vietnamese authorities continue to display indifference towards the plight of their own people, apparently seeing it as a convenient solution to their own failures at home.

ASEAN

The six-member organization of the Association of Southeast Asian Nations (ASEAN) celebrated its twentieth anniversary in 1987. To mark this milestone, ASEAN held its third meeting of the heads of government (the Third ASEAN Summit) in Manila on 12-14 December 1987. In keeping with ASEAN's aim of containing external interference and intra-regional strife which have affected regional peace, stability, and development, ASEAN has reaffirmed its determination to further develop the national resilience of its members and promote regional resilience. As a political caucus, ASEAN has succeeded in minimizing intra-ASEAN disputes, the latest example being the decision by the Philippine government on the eve of the Third ASEAN Summit to move unilaterally to settle the dispute with Malaysia over the disputed status of Sabah.

In the meantime, regular meetings and consultations among ASEAN leaders and officials have promoted a sense of comradeship and solidarity. Dealing with external threats, ASEAN's record on Kampuchea speaks for its utility, which has helped promote its image as a moderating force in the international arena and a force to be reckoned with the Third World. At the Third ASEAN Summit, ASEAN reaffirmed its determination to seek an amicable political settlement to the Kampuchean problem, as well as its commitment to work for the eventual realization of a ZOPFAN (zone of peace, freedom, and neutrality) for Southeast Asia, with the establishment of a Southeast Asia nuclear weapons-free zone (SEANWFZ) as a component. This goal underlines ASEAN's commitment to making Southeast Asia conducive to constructive cooperation among all the states within and outside the association.

Economic cooperation was prominently featured at the Third ASEAN Summit. In charting ASEAN's future course, the leaders concluded that the organization must be considerably strengthened as an economic entity in the face of the emerging challenges and opportunities. The economies of the six ASEAN member countries have relied on the export of primary products. Apart from the general trend of the steady decline of commodity prices ASEAN has also been confronted by growing distortions in the international market-place, which include protectionism, unfair price competition, undercutting and dumping, and other forms of restriction.

In their effort to trade efficiently and to modernize, the ASEAN countries have increasingly turned to the processing of manufactured goods, availing themselves of the existence of abundant labor and other resources, and importing capital and technology from developed countries. ASEAN's successful export drives of manufactured goods to the United States and other industrial countries have also been greeted with increasingly restrictive measures.

In such circumstances, the Third ASEAN Summit had to tackle the long-deferred question of intra-ASEAN economic cooperation as a countermeasure. As a beginning, it adopted a comprehensive set of measures aimed at facilitating the flow of goods and services among the member countries through the improvement of the existing preferential trading arrangement (PTA) and the market opening preference (MOP). It was also decided that the ASEAN countries would apply the principles of "standstill" and "roll-back" to existing tariff and non-tariff barriers. To strengthen industrial development cooperation,

it was decided that certain improvements in the rules pertaining to the ASEAN industrial joint ventures (AIJV) would be made to facilitate their implementation.

At the Summit, ASEAN received a major boost to their economic cooperation plan with Japan's pledge to earmark at least two billion dollars within the next three years to help private sector initiated cooperation projects with ASEAN. The proposed ASEAN-Japan Development Fund (AJDF) carried special concessionary terms aimed at boosting ASEAN's efforts in exporting manufactured goods. Such a scheme would inject much needed capital into the ASEAN countries and aid the cause of enhanced ASEAN economic cooperation. As well as fulfilling Japan's obligation and commitment to ASEAN, close ties will be preserved.

The ASEAN leaders figured that enhanced economic cooperation would help bring the six disparate ASEAN markets closer together while avoiding the consideration of an integrated ASEAN market. The arrangement would boost trade and attract foreign investment, thus enabling ASEAN to deal more adequately with the prevailing difficult international economic situation.

ASEAN is inspired by the impressive growth performance of the "Four Tigers." It is more aware than ever before that sustained economic progress is a necessary underpinning of security and political stability for each of its members and that, in the present situation, efforts towards creating favorable economic conditions must be redoubled so as not to miss valuable opportunities presented by the current challenge.

THE CURRENT SITUATION

THE MAJOR POWERS' RAPPROCHEMENT

The most notable change concerning the East Asian region in recent months probably has been the surface trend toward rapprochement between the United States and the Soviet Union, and that between the United States, the Soviet Union, and China. Increasing budgetary constraints and other economic and domestic imperatives have brought Gorbachev and Reagan together to conclude the INF treaty which calls for the elimination of an entire class of land-based nuclear missiles. The two leaders have further pledged to work on additional reductions of long-range and other strategic nuclear weapons in the ongoing strategic arms reduction talks (START), with their next summit scheduled for May-June 1988 in Moscow.

The INF treaty has served Gorbachev's Asian strategy, and future agreements with the United States on further reductions of nuclear weapons would bolster the Soviet image of promoting peace in the region through removal of the nuclear threat. This Soviet strategy plays on the region's current mood that is against nuclear weapons' deployment, notably in the wake of the declaration of a South Pacific Nuclear Weapons-free Zone (1985) and the interest expressed by ASEAN to declare a similar zone for Southeast Asia. Moscow, joined in the chorus by Hanoi, has been exploiting this mood by throwing in broad proposals for general nuclear disarmament measures with Washington which would drastically curtail the US strategic forces' deployment on land and at sea from Japan to the Philippines. While costing Moscow very little in the actual terms, such proposals, particularly when they are suspected of being more in the nature of propaganda than serious, realistic offers, clearly put the United States on the defensive. Washington inevitably finds itself arguing against an issue which carries potential popular appeal.

Notwithstanding Gorbachev's call for the reduction of tensions through disarmament, Moscow has continued to strengthen its conventional military forces in the region. The rapid build-up of the Soviet Pacific Fleet since the late 1970s has made it the largest of the Soviet fleets. The acquisition of Cam Ranh Bay has extended the fleet's capabilities considerably. The Soviet Pacific Fleet now comprises more than 130 submarines, 850 warships (including two new aircraft carriers, nuclear guided-missile cruisers, and destroyers), some 2,400 aircraft (including advanced Backfire bombers and MiGs-27 and -31). Hence, from the Sino-Soviet border to the South China Sea, the increasing Soviet conventional power outdistances any Soviet nuclear capability in the region.

The Soviet military influence spreads out across Southeast Asia through Moscow's close association with Hanoi, Vientiane (Laos), and Vietnamese-controlled Phnom Penh. These Indochinese regimes have become dependent on Soviet military assistance. Soviet military installations and activities, implemented ostensibly on behalf of these regimes, are in fact manifestations of Soviet military influence.

The Soviet military presence clearly poses a challenge to the traditional US military preponderance in the region. The Reagan administration has arrested the decline of the Seventh Fleet's strength and has actually boosted its capabilities so that the Seventh Fleet still maintains an edge in terms of numbers of aircraft carriers,

carrier-based fighters, and facilities in Japan, Okinawa, South Korea, and the Philippines. Nevertheless, this strength is spread rather thin as the Seventh Fleet's jurisdiction extends to the Persian Gulf. In addition, the United States faces a future problem in the uncertainty over the future of its Philippine bases.

While many may feel relieved by the two superpowers' apparent mood of détente over negotiated nuclear arms reduction, the arms rivalry between Moscow and Washington continues seemingly unabated, and constitutes a very real regional concern. The ongoing triangular arrangement between Moscow, Washington, and Beijing is another major determinant of the regional security landscape. The strategic "tilt" Beijing made towards Washington, particularly in the late 1970s and early 1980s has been readjusted, as the Chinese leadership has found a triangular agreement involving the exploitation of Beijing's relations with Moscow and Washington more suited to Chinese strategic interests and requirements. Deng Xiaoping has consequently declared that China does not intend to form any "strategic alliance" with one superpower against the other.

Through the professed quest for modernization, Beijing has benefitted immeasurably from a close relationship with Washington, particularly its access to a vast US market for its manufactures, and a store of financial and technological resources necessary for China's economic development and military modernization.

Concurrently, under the rationalization of modernization, Beijing has resumed economic contact with Moscow. Two-way trade has quadrupled in a few years, and Moscow has been re-equipping scores of Chinese factories previously built by Soviet engineers. Regular political dialogues have resumed, albeit at only the mid-level. The semi-annual meetings between both countries' vice-ministers for foreign affairs have gone on for twelve rounds, while both sides have also started to discuss their common border disputes at the committee level. In an attempt to meet the Chinese demand for the removal of the "three obstacles" that Beijing has asserted stand in the way of full normalization of bilateral relations, Gorbachev promised (in his Vladivostok speech) to make "token" withdrawals of Soviet troops assigned to Mongolia and Afghanistan. Beijing, however, has insisted that it is most concerned about Soviet action over the Kampuchean problem, which the Chinese now say is the most serious of the three obstacles. Apparently, as part of the political offensive, Deng Xiaoping has pledged his readiness to visit the Soviet Union,

which would mean dramatically upgrading the bilateral political relationship.

After the prolonged Soviet refusal to discuss the Kampuchean problem, on the ground that it should be discussed with the Vietnamese instead, Moscow has lately agreed to discuss it with Beijing, though with the qualification that it has little or no power to dictate to Hanoi. Besides declaring Moscow's readiness to help realize an amicable political settlement, Gorbachev has, on three occasions recently, extended invitations for Deng Xiaoping to visit the Soviet Union. Thus far, all the invitations have been turned down by Beijing with the familiar reiteration of the Chinese stand. Sino-Soviet rapprochement proceeds slowly; however, it is obvious that Beijing intends to capitalize on the Soviet desire for full normalization of Sino-Soviet relations by insisting on Moscow's action on Kampuchea. Beijing also uses the triangular relationship to put pressure on Washington, by appearing to move closer to Moscow. In all, Beijing's strategy of balancing the two superpowers has a profound bearing upon the power configuration in the region.

THE KAMPUCHEAN PROBLEM

Until recently, the Kampuchean problem seemed to be stalemated. On the ground, neither the Hanoi-created Phnom Penh regime, with full Vietnamese military backing, nor the opposing CGDK (Coalition Government of Democratic Kampuchea) has been able to bring about any drastic change.

Nevertheless, there has been mounting concern on the Vietnamese side, triggered by the worsening economic situation in Vietnam, and the Phnom Penh regime's growing apprehension of the Khmer Rouge influence in the Kampuchean countryside. The CGDK has continued to be wracked by fractious tendencies, fueled by lingering suspicion of the Khmer Rouge which is the strongest partner in the coalition. Until recently, the prospect of a political breakthrough was also dimming, with various political initiatives aborted before they even got off the ground.

Thus, great expectation has been generated in recent months since Prince Narodom Sihanouk, President of CGDK, first announced his temporary leave and then his resignation from the CGDK in order to pursue a dialogue with Premier Hun Sen of the Phnom Penh regime. From the start, Sihanouk made plain the reason behind his move: to free himself to be able to talk to Hanoi—initially through the Vietnamese-installed Phnom Penh regime. He has also

expressed his impatience with the CGDK strategy for dealing with Hanoi as embodied in its Eight-Point Proposal. Sihanouk's own attempt to achieve a breakthrough with Vietnam has brought hope for a resolution of the Kampuchean problem. The Prince's action has been enthusiastically embraced by Hanoi which sees it as a God-sent opportunity to split, weaken, and finally destroy the CGDK by manipulating the "Sihanouk factor," a maneuver that would eventually lead to the undermining of the most effective armed resistance in Kampuchea put up by the Khmer Rouge.

The Vietnamese decided by mid-1986 to have its Phnom Penh client launch a political offensive under the label of "national reconciliation," which stipulated that the first step leading to the withdrawal of Vietnamese troops from Kampuchea—the condition agreed to by all the antagonists—would be for the various Kampuchean factions to come together and work out a political arrangement—albeit under Phnom Penh's auspices. Subsequent developments have shown that such a strategy may be working. Prince Sihanouk has held two rounds of talks in France with Hun Sen in December 1987 and January 1988. There is no doubt the Vietnamese hand has been considerably strengthened as a result.

Subject to worsening economic strains, and probably at the Soviet urging to launch a fresh political offensive, Hanoi's leaders have adopted a new strategy of openly showing their desire for a speedy settlement of the Kampuchean problem. In addition to reiterating their readiness to withdraw all Vietnamese troops from Kampuchea by 1990 (and they have claimed that partial withdrawals, which many have described as nothing more than annual troop rotation have, in fact, been conducted on four previous occasions). Hanoi admitted the difficulties caused Vietnam by the protracted Kampuchean problem. Vietnamese Party chief Nguyen Van Linh has spoken of the many Vietnamese soldiers killed and how more than 40 percent of the national budget must be channeled for the war efforts in Kampuchea. Nguyen Xuan Oanh, Director of Vietnam's Bureau of Economic Research, has spoken of the severe disruptions to national development which has compelled Vietnam to expeditiously resolve the Kampuchean problem. There is still another group of Vietnamese leaders, among them Foreign Minister Nguyen Co Thach, who speak of looking "beyond" Kampuchea, expressing confidence that the problem would be politically resolved in due course.

The mixture of "realistic" and "upbeat" observations by the Vietnamese leaders forms the backdrop of the Sihanouk-Hun Sen talks, which received Hanoi's official blessing when former Vietnamese Premier Pham Van Dong recently wrote to congratulate Sihanouk on the ongoing dialogue. The talks have revealed how much and how far Hanoi is prepared to "yield" to achieve a settlement, and this may be an indication of what kind of a settlement Hanoi envisages.

In the first place, Phnom Penh agreed to the establishment of a quadripartite provisional government with the following conditions: the elimination of the Khmer Rouge military force, and the handling of preparations for a national election by Phnom Penh. Secondly, the withdrawal of Vietnamese troops, to be carried out in stages over 24 months, would be accompanied by the destruction of the Khmer Rouge armed resistance. Hun Sen had not accepted Sihanouk's suggestions for an international peace-keeping force and a mechanism for international supervision of elections. It would seem that the two rounds of dialogue have yielded hardly enough to really vindicate Vietnam's protestation that it is working for a speedy settlement. After all, Hanoi itself has pledged repeatedly to withdraw militarily from Kampuchea by 1990, regardless of whether a political settlement had been achieved.

Probably frustrated with the slow progress of the talks with Hun Sen which seem to have served Hanoi's purpose of prolonging the dialogue to win for Hun Sen international recognition, and to further split the CGDK and its rank-and-file supporters, Sihanouk on 30 January 1988 announced his resignation from the CGDK presidency and his decision to terminate the scheduled talks with Hun Sen in Pyongyang in April. The Prince, nevertheless, declared his readiness to talk directly to Vietnam. For its part, Hanoi reacted favorably to Sihanouk's announced resignation, saying it proved Hanoi's contention all along that the CGDK had been cobbled together under duress. Hanoi repeated its wish to see the Sihanouk-Hun Sen talks continue. Hanoi has reiterated its long-standing position of not negotiating directly with Sihanouk on the Kampuchean problem, as it is an "internal" issue to be settled among the Kampucheans. Hence, after the latest flurry of diplomatic activities, the prospect of a negotiated settlement still seems uncertain. Hanoi is once again trying to achieve at the negotiating table what it has failed to achieve on the battlefield, without acquiescing to any serious *quid pro quo*.

The movement over the Kampuchean question, however, was hardly terminated with Sihanouk's decision to go off on his own in search of a breakthrough. Sihanouk has demonstrated his rights as a Kampuchean patriot and his negotiating skills in the undertaking, but he faces formidable opponents. His tactical maneuvers notwithstanding, Sihanouk has not yielded on basic principles, particularly his insistence that the Vietnamese troops must leave his homeland, and the so-called Peoples's Republic of Kampuchea (PRK) regime in Phnom Penh be dismantled, if he were to return to Kampuchea. Sihanouk's stand has the continued support of China and ASEAN.

Moscow has yet to play a truly active part in this political exercise. Not only does it continue to disclaim the ability to persuade Hanoi, Moscow also expresses views identical to Hanoi's on the Kampuchean problem. It speaks of the need to lower tensions arising from the situation around, and not in, Kampuchea.

The recent fast pace of change has forced rethinking. To conclude, however, that a settlement is now within sight may be premature. It may be argued that the consequences of the recent turn of events may further complicate the search for a durable solution as envisaged by ASEAN. (ASEAN has long advocated that a durable solution to the Kampuchean problem must comprise three elements: withdrawal of the Vietnamese troops from Kampuchea; self-determination by the Kampuchean people; and a neutral and non-aligned Kampuchea that poses no threats to its neighbors.) Success in splitting the CGDK and its supporters could toughen the Vietnamese position on the requirement for a compromise solution through genuine political negotiations. This, paradoxically, could also accentuate the armed struggle championed by the Khmer Rouge, thus dimming the prospect of Vietnam's promised military withdrawal from Kampuchea by 1990.

Whether or not the current stirrings could lead to a substantive change depends a great deal on Hanoi's real intentions. ASEAN and those looking for an effective way to remove this major obstacle to regional security will no doubt be more perplexed by the current stage of affairs, marked by contradictory manifestations of growing reconciliation and deepening antagonism. In the midst of this, Prince Sihanouk continues to play a pivotal role; his recently announced resignation only means he is more determined than ever to put his personal assets to maximum use.

MILITARIZATION

Militarization has remained focal in the region's strategic outlook despite the apparent trend toward heightened dialogue. Within Southeast Asia, the Kampuchean problem and Vietnam's determination to consolidate its hold over neighboring Laos and Kampuchea in some kind of an "Indochina federation" are direct causes of this. The 140,000 Vietnamese troops in Kampuchea, and 50,000 more in Laos, have resulted in China's maintaining a strong military pressure along the Sino-Vietnamese border. As a result, Hanoi has stationed some 600,000 more troops in northern Vietnam to face the Chinese threat, and Thailand has deployed sizeable armed forces on its eastern borders. Such an atmosphere leads to tensions and the threat of armed confrontation. Since the Chinese invasion of northern Vietnam in February 1979, frequent clashes along the Sino-Vietnamese border have been reported. Armed confrontation also spills into other areas in the region. The recent incident of Laotian intrusion into Thailand at Ban Rom Klao, in Phitsanuloke province of northern Thailand, provides a fine example. The authorities of Laos, a poor and underpopulated country, have resorted to military means to exert a territorial claim without regard to adverse consequences for the suffering Laotian people. Their Vietnamese and Soviet allies have provided them with massive arms supplies.

Moscow's acquisition of Cam Ranh Bay and DaNang has accentuated superpower rivalry in regional militarization. The USSR, in Gorbachev's Vladivostok speech, linked the Soviet military presence with existence of the US bases in the Philippines—even though the latter have existed for the past four decades! Moscow is anxious to justify or rationalize its own military presence in Vietnam and Southeast Asia.

The future of the US bases in the Philippines will be decided in accordance with the expressed wishes of the Manila Government and the Filipino people, when the bases' lease comes up for renewal in 1991. President Corazon Aquino has implied publicly her inclination to vote to retain the bases by citing the Philippines' geostrategic position as necessitating the assumption of a share of the burden of regional defense. Meanwhile, the relevance of the bases to Philippine security has been publicly debated among Filipinos, with the Soviet ambassador to Manila joining in, when he told the Manila press in January 1988 that the presence of US bases in the Philippines did not contribute to regional security as commonly assumed.

Apart from the increased projections of Soviet power in the South China Sea, that vicinity has also experienced substantial militarization resulting from the conflicting claims by several regional states to sovereignty over parts of the Paracel, Spratly, and other island chains. In 1974, Beijing seized control of the Paracels. Since 1978, Vietnamese, Philippine, and Malaysian contingents have occupied parts of the Spratlys. Beijing has also staged naval exercises in the Spratlys to exert its claim over the potentially rich islands, and partly as a reaction to increased Soviet surveillance and intelligence-gathering activities over the South China Sea.

The Soviet build-up in the region, coming as it does at a time when Washington is reviewing its own defense requirements, has provided a strong impetus for Japan's changed defense posture. In the 1980s, Tokyo has gradually acquiesced to Washington's prodding to expand Japan's defense perimeter to a 1,000 mile radius from Tokyo. It has also given in to pressure to increase defense spending, which since FY 1987 has exceeded the self-imposed 1 percent (of GDP) limit set 10 years earlier. (The percentage for FY 1987 was 1.004 percent or about US \$29 billion, and that FY 1988 will be 1.013 percent or about US \$30 billion.)

Japanese forces are acquiring more sophisticated weaponry, some of which may no longer be strictly classified as "defensive" as required under Japan's post-war constitution. A case in point is the projected construction of a 72,000 ton destroyer and the joint development of the new generation of FSX fighter aircraft and defensive missiles. (There has also been a rumored agreement to construct an aircraft carrier.) Japan's enhanced wealth and recent technological achievements, as well as its changing strategies, are factors which can be fully exploited to explain the improvement of the nation's military capabilities. Tokyo's decision to participate in the US-sponsored Strategic Defense Initiative (SDI) project raises again the question of constitutionality. Article 9 of the Japanese Constitution and the self-imposed principles on non-possession, non-production, and non-importation of nuclear weapons constrain any prospect of large-scale militarization. In addition, regional apprehension, emanating particularly from China and Korea, has been directed at Japan's potential military revival.

Coupled with its economic strength, Tokyo's move to strengthen its military posture, even though executed in the name of self-defense, may have far-reaching implications for the region. Former

Foreign Minister Shintaro Abe has commented that Japan must continue to be "an economic big power while walking the road leading to being a military small power." Increasingly, it is being asked whether this strategy is possible in the light of the growing Soviet military build-up and declining US capabilities to shoulder the entire regional defense burden. Tokyo actually faces little choice but to accelerate its own build-up.

EAST ASIAN/PACIFIC DYNAMISM

In the midst of continued tensions in the region an encouraging trend of economic dynamism has emerged. Japan, the "Four Tigers", and ASEAN have already captured the bulk of trade and investment *via-à-vis* the United States. These countries' economic growth has consistently been very high—in fact the highest sustained growth in the world. Such dynamism has attracted even the Soviet Union's attention, leading that country to devise strategies to exploit this trend. The USSR particularly desires to harness the trend to benefit its own development plans for the Soviet Far East. Gorbachev's "soft" approach to the region has been conditioned by his awareness of the importance of not forfeiting the chance of partaking in this promising growth and development, especially taking advantage of neighboring Japan's resources. In fact, the promotion of the trend for "dialogue" emulated by Vietnam and other regional socialist states is an admission of the need to cooperate with the non-communist, market-oriented countries which have become formidable economic opponents. For the non-communist countries, the willingness of the socialist states to seek not just *détente* but also active cooperation for obvious benefits poses an important challenge, the outcome of which will significantly affect the political and security orientation of the region.

SOME MAJOR QUESTIONS

The changes in the regional security landscape raise both apprehension and expectation. The following questions and issues are likely to figure importantly in determining the future course of regional security:

- The continuation of Moscow's influence over the Indochinese states and its maintenance of Cam Ranh Bay and DaNang.
- The fate of the US bases and military installations in the Philippines.

- The outcome of the current dialogue over Kampuchea, and Vietnam's readiness to collaborate with other protagonists to pursue a genuine political solution.
- The success of Gorbachev's *glasnost* and *perestroika* programs, and the extent of the implementation of the so-called Vladivostok Initiative.
- The durability of the "Dengist" experimentation and the impact of the success of China's modernization on the region.
- ASEAN's achievement as a viable economic organization; ASEAN's success in managing external power rivalry and intra-regional conflict, and the imperative of developing a *modus vivendi* among the regional states.
- The alleviation of economic friction between the United States and its regional friends and allies; the question of the United States' sustainability as the source of prosperity and development for others.
- The path followed by Japan with its new economic power.
- China's future position as a partner or rival.
- The realization of ASEAN's long-term objective of ZOPFAN.
- The prospects for cooperation between the region's socialist and capitalist states.
- The question of security and well-being for the developing states such as Thailand: internal measures for political stability and economic development; external measures to cope with direct and indirect aggression.

THE OUTLOOK FOR PACIFIC BASIN SECURITY

The frequent echoes from Moscow and Hanoi concerning the trend of dialogue emerging in the region, and the facile manner in which they are often sounded, can sometimes be treated as suspect. One cannot overlook some changes in the attitude and strategy of the socialist states that have been left out of the overall development of the region during the past decade. With their decadent economies, they are seriously desirous of some rapid remedy which can be obtained from the more vibrant economies. In addition, the course of confrontation they have pursued externally has only brought more problems on themselves. They need a respite, a time to experiment with *détente*, and to cooperate with the capitalist states. They have

realized now that military superiority alone does not make for security.

It might be useful to ask whether the Soviet Union's and Vietnam's goal in deemphasizing confrontation might not be consistent with the Leninist strategy of "talk-fight-talk". Their ploys may fit the classical communist theory of permanent struggle of which armed struggle and peaceful coexistence form integral parts of a single process.

In the face of the Soviet Union's offensive the role of the United States is of particular significance. In spite of the existing economic differences, Washington and its friends and allies in the region are fully cognizant of the traditionally vast store of goodwill between them. The regional non-communist states continue to look to the United States on security matters as Washington's military leadership remains undisputed. Amicable negotiation of trade and other economic problems is not an impossibility if both sides will acknowledge the need to consult on compromise measures to minimize adversity. The US market remains a vital source of growth for the region's export-oriented economies which, however, will also have to devise alternative measures to diversify their exports. One such measure would be promotion of intra-regional trade and investment. ASEAN is taking the first small step in this direction. Japan is expected to do its share so that not only a greater flow of goods and services would result, but there would also be a greater degree of interaction among the regional states and their peoples. In this event, the United States would be well placed to give as well as receive benefits.

National interests continue to be the strongest determinant in regional power configuration. The challenge before every nation is how to successfully harmonize its own interests to create conditions which will serve the common interests, and hence lead to benefits for all. One prevailing common interest in the region is obviously the containment of conflict and the promotion of peaceful development. To many in the East Asian region, security problems have a lot in common with monsoon clouds. They form, sometimes break into a violent storm, and dissipate. To deal with such cyclic occurrences, the regional states must be armed with basic principles and the adaptability to face various exigencies. There must be firmness and flexibility to deal with the complex and volatile security situation.

**REGIONAL SECURITY:
THE STRATEGIC THINKING OF
THAI MILITARY LEADERS**

Dr. Kanala Khantaprab



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Thailand is strategically located in the southeastern tip of the Asian mainland. Historically, Thailand has demonstrated its diplomatic ability as the only surviving independent Southeast Asian nation amidst hostile military encroachments from Western colonial, neighboring Asian, and global communist powers aiming at political domination and the territorial annexation of the Thai kingdom. In spite of past success, modern Thailand is facing a threat to its national security from the Soviet-Vietnamese expansionist design to consolidate the Southeast Asian mainland in order to establish the United Indochina Federation under communist hegemony.

Conflicts in Southeast Asia and the risk of an escalation of superpower belligerency into the region have been well illustrated by T.B. Millar:

Southeast Asia is strategically relevant to the global balance mainly because it includes the nexus between two great oceans. Neither superpower, nor China, could afford to see the whole region dominated by a single power. With the Europeans departed, there is a rough balance of power between Indochina supported by the Soviet Union, rebel movements supported by China, and the ASEAN group supported by the U.S. and Australia.¹

Thailand's continued independence depends on her ability to successfully carry out a broadly based modernization program. Extra efforts at development must be focused in the areas of politico-military, economic, and international relations. Thailand's survival as a free nation will depend upon the correct strategic assessment of the development of Sino-Russian-Vietnam relations, and on the maintenance of close and friendly relations with the United States and the European powers. According to Donald Hugh McMillen:

Privately, even the Chinese believe that the partnership between Moscow and Hanoi is an unnatural and incompatible one. Publicly, Beijing argues that these differences will not lead to the two allies falling out completely. They are, China says, joined together by their common goal of expansion in Asia, and neither third-party offers of economic aid nor other inducements will wean them apart. China has suggested that Vietnam is merely being used as a Trojan horse to bring the other regional states into a Soviet sphere of influence. The

problem for Vietnam is to try to disengage itself from both Soviet control and Chinese pressure. However, it is doubtful that any Soviet leadership would watch such a development passively, particularly when concurrently Chinese pressure is seen to increase with some support from the West.²

McMillen maintained that while the current Sino-Soviet dialogue may produce some hope for a negotiated solution, or at least a lessening of tension, in Indochina, to date, neither Hanoi nor Beijing has shown much enthusiasm for moving beyond propaganda statements toward a real settlement. He states:

In fact, there are indications that their dispute over territorial and resource claims in the South China Sea has become increasingly militarized. Furthermore, there is a real chance that fighting along the Thai-Kampuchean border will intensify, bringing with it renewed Sino-Vietnamese border hostilities and little prospect of détente. Also it may have felt that the maintenance of a focus on the 'enemy' contributes to a higher degree of unity on domestic policies and issues than might otherwise be the case.³

The realization that Thailand has unfortunately been a part of the superpowers' struggles for world hegemony and containment has resulted in the change in Thai diplomacy from being pro-Western, during the 1950s through the 1970s, to a more pragmatic and non-ideological stance in the 1980s. The present Thai government, under the premiership of General Prem Tinasulanonda, is actively seeking friends, regardless of ideological differences, by means of the "Principles of Collective Defense," as well as the "omnidirectional" and "equidistance" foreign policies.

Thailand is now cultivating a new pattern of cooperation in civil-military relations. Friendly and fruitful cooperation between the government, headed by General Prem Tinasulanonda, and the armed forces, under the leadership of General Chavalit Yongchaiyudh (the Supreme and also Army Commander-in-Chief), is the order of the day. This can be seen in the national development programs, for example, in the strategic northeast and in the democratization of the Thai political system.

In terms of the military campaign to counter the communist insurgency, which has seriously threatened Thai national security in the past, General Chavalit has introduced new strategy and tactics, the so-called "Political Offensive" strategy, and the "Politics takes

Control (over the Military) Policy,' issued under the Prime Ministers' Order Number 66/23 (1980) and 65/25 (1982). The impact of these humanitarian and political measures used by the military leaders in dealing with the insurgent communists has evidently led to an alleviation of domestic tensions and increasingly to peaceful conflict resolution.

As for Thailand's strategy to modernize the army, aiming to strengthen her military capability in war-making and combat operations, in the wake of contemporary economic scarcity, a series of orders have been issued by General Chavalit. These range from programs to trim down the size of the army, a variety of welfare programs for low-ranking military officers, and the fundamental reorganization of the army's force structure.

THAILAND'S NATIONAL SECURITY AND THE THREAT PERCEPTION

The meaning of national security has sparked disagreement among policy-makers as well as scholars. The current literature on the subject provides a mixed bag; it includes a variety of distinctions between national security and foreign policy as well as a definition that refers to national security and foreign policy synonymously.⁴ According to Professor Klaus Knorr, national security is an "abbreviation of 'National Military Security,'" and he also takes this term to denote a field of study concerned primarily with the generation of national military power and its employment in interstate relationships.⁵ In an address at West Point, Richard Steadman defined national security as "the full spectrum of matter relating to the military aspects of security, from the structure of the forces and their development, to the budgets that support them, to individual matters of high policy such as the decision related to the Panama Canal Treaty and so on."⁶

Although there is no one definition of national security that is completely satisfactory for analyzing policy, there are several elements essential to any definition. These include concerns over the projection of national power, survival, and well-being of the state, and military posture capabilities. Sam Sarkesian has rightly pointed out that national security is the policy designed to protect the nation from external threat and to project the nation's power into areas of the world in order to create an environment enhancing the nation's capability to carry out these policies.⁷ Therefore, the perception of

threats by national leaders, civilian and military, inevitably becomes the main elements in the consideration and formulation of national security and policies.

With regard to the Thai experience, General Saiyudh Kerdphol, the former Supreme Commander of the Thai Armed Forces, has defined the term 'national security' as "the nation's stability which can be achieved through the political, military, economic and socio-psychological actions that would be supportive to each other."⁸ General Chavalit Yongchaiyudh's strategy for achieving national security seems to focus on acquiring "political stability" and "military proficiency."⁹ Therefore, his ideas on national security are closely related to his perception of the "threat" to Thailand's national security.

With respect to the relationship between the national security and the threat, General Chavalit has defined the threat as "any action that threatens its (the nation's) independence, people's safety and democracy under the constitutional monarchy." The general's perception of threat, therefore, includes "all types of external aggression, espionage, hostile reconnaissance, sabotage, subversion, annoyance, and inimical influences."¹⁰ General Chavalit's ideas and beliefs concerning the threat to Thailand's national security, can be divided into two aspects—external and the internal threats.

THE EXTERNAL THREAT

The military's perspective on the dangers to Thailand's political independence and territorial integrity probably stem from the massive invasion of roughly 160,000-170,000 men now occupying Kampuchea.¹¹ Given the fact that Vietnam possesses the largest armed forces in mainland Southeast Asia, the Vietnamese military presence in adjacent Kampuchea and occasional military maneuvers near and across the Thai borders have now dominated the strategic thinking of Thai leaders for over a decade. It is always possible that border conflicts, diplomatic stagnation, and military confrontations could trigger more serious conflicts of wider implications.

Nevertheless, the comparative analysis of development and modernization,—the socio-economic and political development of Vietnam vis-à-vis Thailand during the past fifty years—reveals that the performance of Vietnam as a strategically strong, united, and abundant state is still in question. Vietnam's international reputation and diplomatic recognition, especially seen from the United Nations and ASEAN vantage point, are losing ground. Reports have shown

the stagnation of Vietnam's economy in the past 5 years. Without Soviet support there would be a danger of fiscal collapse and bankruptcy. The growing military and diplomatic strength of the non-Communist Kampuchean nationalist forces has confirmed to the Thai government their ability to defend their own forces and some strategic zones inside Kampuchea. The changing face of the Vietnam-Kampuchean situation, to the advantage of Thailand, has led to the readjustment of Thai national security and defense policy. General Chavalit himself has accepted that "the external threat against Thailand from Vietnam's full-scale invasion is unlikely in the near future."¹²

Nevertheless, analysis of the future external threat to Thailand from Vietnam provides a different security picture. The presence of over 200,000 Vietnamese troops in Kampuchea and Laos and the occasional "hot pursuit" by Vietnamese small-unit patrols and artillery fire across the border into the Thai territory will inevitably become a major politico-military problem for Thailand's national security in the future. General Panya Singhasakda, the Assistant Army Chief-of-Staff, has speculated that future Vietnamese aggression into Thailand would likely take the form of offensive strikes to occupy some strategic zones in Thailand. These would be calculated to put pressure on Thailand at the bargaining table and to maximize Vietnam's chances of securing its interests.¹³

THE INTERNAL THREAT

Under the leadership of General Chavalit Yongchiyudh, who has a reputation as a "democratic soldier" and anti-communist champion, Thai military strategy seems, at present, to focus more on the internal threat as the factor that most affects Thai national security. In his speech to the International Foreign Correspondents Club of Thailand (IFCCT), General Chavalit pointed out:

now ... the external threat is not the problem to us at all ... internal threats, that's what worry us. Even our friends here tonight consider that we Thai people and the Royal Thai Army, (RTG), have had a lot of success, but I still worry about it because the conditions are still there ... the conditions that make people go back into the jungle and join the armed struggle against the government or the present regime. That's what worries me very much.¹⁴

In reviewing insurgent activities by the Communist Party of Thailand (CPT) which have plagued the nation's political stability for

the past 25 years, it is recognized that successive authoritarian regimes, under the premiership of General Sarit Thanarat, General Thanom Kittikachorn, General Prapas Charusathira, and Judge Thanin Kraivixien, have unfortunately failed in their counter-insurgency efforts through the use of military and legal suppression. It took the Thai administrators almost 2 decades, after heavy casualties involving tremendous loss of Thai lives and property (civilian and military alike), to realize that "political" measures of counter-insurgency would have to be launched. Eventually, it became apparent that violent measures would only drive greater numbers of innocent intellectuals and villagers into the jungles to join the CPT.

Only one month after becoming the prime minister, in March 1980, General Prem Tinasulanonda announced his support of the new "Political Offensive Strategy." General Chavalit was its chief planner, focusing on democratic and humanitarian measures in communist counter-insurgency. The success of this new political strategy (which is contained in the Prime Minister's Order number 66/23, 1980, mentioned earlier) has brought military victory to the Thai government. The CPT had been forced to halt its armed insurgent activities and most of its members have surrendered voluntarily to the Thai authorities.¹⁵

In his speech at the Pacific Armies Management Seminar, held in Bangkok in 1986, General Chavalit revealed that "although the armed insurgents and most of the base camps were eradicated four years ago, the CPT is still working very hard in expanding the Party's influence and increasing the numbers of the United Front."¹⁶ At this point, one can conclude that the immediate and crucial task for the military is "the launching of an all-out effort at the destruction of the CPT's United Front organizations" which are identified as composed of "those who create injustice in the society; those who corrupt, tyrannize, and misbehave in the bureaucracy."¹⁷

With regard to the possibility of the reemergence of communist revolutionary activities, with the CPT's strategy switching back from a peaceful one to the violent means of the past, General Chavalit, and his counter-communist experts in the army assert that if the conditions of political injustice, bureaucratic corruption, mass poverty, and the abuse of power by government officials—the conditions that support revolutionary war—prevail in Thai society, the communist so-called "United Front" organizations will be strengthened, to the extent that they could plunge the Thai government once again into revolutionary war in the near future.

One possible strategy which Thai military leaders have strongly recommended to strengthen the legitimacy of the Thai government vis-à-vis the CPT, is the development of a mass party and the increase of people's participation in democratic political activities, especially in election campaigns. New attempts have to be made to modernize the Thai politico-military structures and processes, in accordance with the country's financial capability and a realistic perception of the threat to the nations' security.¹⁸

THAI MILITARY LEADERS' STRATEGIC THINKING ON NATIONAL DEFENSE AND THEIR PERSPECTIVES ON REGIONAL SECURITY

In the late 1960s and the first few years of the 1970s, it was widely held in the Western world that the role of force in international relations had gone into decline. The gains that could be achieved by resort to force, according to Professor Hedley Bull, were shrinking: in particular, the use of force to acquire or maintain control of overseas territories did not advance a nation's prosperity—an old liberal thesis then being refurbished to justify Britain's retreat from east of Suez.¹⁹

With respect to Professor Bull's analysis, the costs of resort to force, on the other hand, were said to be rising: costs such as political opprobrium in world opinion, the enmity of Third World nations sensitive to foreign domination, domestic political turmoil, economic dislocation and ultimately, if there were a risk of nuclear war, the physical destruction of one's own society.²⁰ The great success story of the West in the 1960s had been the economic growth of West Germany and Japan, achieved without resort to force and indeed in a resolutely anti-military frame of mind. The West's recent experience of war, by contrast, was associated with some bitter failures: for Britain Suez, for France Indochina and Algeria, and for the United States Vietnam.

Professor Bull further maintains that the belief that the utility of force was in decline reflected the assumption that the world's resources for development were abundant, and that access to them was freely available, through the workings of a liberal international economic system.²¹ In Bull's broad view, wars throughout history have been fought to advance

three kinds of objectives, all of them set out, as every student of international relations knows, in Thucydides' *History of*

the Peloponesian War. There are wars fought for reasons of security, like the Peloponesian War itself or the First World War. There are wars fought to advance an ideology, like the Crusades or the Wars of Religion. And there are wars for economic gain, like the European trade and colonial wars of the age of mercantilism.²²

Another assumption, made by Western observers who proclaimed the decline of military force, was that military intervention, or at all events, direct military intervention in the affairs of Third World countries, had ceased to be a viable instrument of policy and indeed had become counterproductive. Although the use of strategic nuclear weapons to deter attack by the Soviet Union was expected to continue, so was the function of NATO forces in confronting the forces of the Warsaw Pact in Europe. The dispatch of Western expeditionary forces or the maintenance of Western garrisons to maintain colonial rule, post-colonial positions of influence, or client government in Third World countries were thought to be part of an era of world history that was drawing to a close.²³

This analysis of the Western powers' changing foreign and defense policies, into less militaristic, but more cooperative attitudes in their relations with the Third World countries, has obviously pinpointed the Soviet Union as practicing an opposing foreign policy, one characterized by militaristic and expansionist measures. The Soviet build-up and military assistance to Vietnam confirmed the accusations by Thailand, ASEAN, and the United Nation's non-communist countries of Soviet belligerency in the region.

In line with the ASEAN countries' perspectives on regional security related to the threat from the Soviets and Vietnam, they have repeatedly stated their position on the Kampuchean conflict, especially in the International Conference in New York. Even from the point of view of the Indonesian specialist, the threat to ASEAN security undoubtedly stems from Vietnam's invasion of Kampuchea. According to Jusuf Wanandi, that invasion

was a violation of Kampuchea's sovereignty and integrity, as well as a violation of one of the main principles of international relations and the UN Charter, that a solution to the conflict must be based on the following three principles:

- 1) the withdrawal of Vietnamese forces from Kampuchea;
- 2) the act of self-determination by the Kampuchean people under international supervision;

3) the adoption of a non-aligned foreign policy by Kampuchea so as not to create a threat to its neighboring countries.

... In the view of ASEAN, negotiations for a solution to the conflict must be accomplished through an international conference. The involvement of the great powers in the conflict clearly suggested the inadequacy of a regional conference as proposed by the Vietnamese.²⁴

As far as the national security of Thailand is concerned, global and regional military strategists recognize her legitimate role in defending the country from an Indochinese threat. The Thai government and her military leaders have persistently maintained that since Thailand is a front-line state in the Kampuchean conflict, her survival as a free non-communist nation would inevitably stem from the diplomatic and military support she received from her allies. United efforts must be made by the Free World nations to maintain peace and stability, to prevent arms races, and to deter Soviet hegemonic desires.

Chavalit Yongchaiyudh's strategic ideas concerning Thailand's national security and regional peace in Asia cover a wide range of issues, both domestic and international, in development and modernization. His perspectives, together with those of high-ranking Thai military officers, on Thailand's politico-military relations with neighboring Asian and Western countries; Thai strategy for survival in the face of Vietnamese aggression; and prospects for cooperation with various allies, extend Pacific and Southeast Asian regional security thinking. General Chavalit noted, "it is alarming to find that the Soviet Union is always in the middle of every turmoil." Hence, international cooperation is necessary to alleviate tension and conflicts and to make peaceful coexistence possible, even among nations with ideological differences.²⁵

SECURITY ASSISTANCE

For Thailand, security assistance is essential because of the two-sided threat of war—internal and external. For the past couple of years, the Thai Armed Forces, especially the army, have made serious attempts to economize their military expenditures and they have done this efficiently. It is unfortunate that military budgets could not be increased in parallel with increasing responsibility in national development programs.

US security assistance, together with the Foreign Military Sales (FMS) program, have, up to the present, played a major role in

assisting the Royal Thai Armed Forces to carry out national defense and security programs. According to General Chavalit Yongchaiyudh:

... Any reduction of these funds would significantly affect the Thai self-defense capabilities, national security, and eventually the stability of Southeast Asia. ... In strategic terms, where Thailand has been an anti-communist front-line state, the overall security of non-communist countries in this region, ASEAN states, in particular, is vital to the U.S. security interest as well.²⁶

THE KAMPUCHEAN CONFLICT

A propos the conflict in Kampuchea now in its tenth year, General Chavalit has claimed that "the Soviet Union is at the root of the problem, continuing to support its proxy, Vietnam, to deprive the patriotic people of Kampuchea and Laos of their independence and sovereignty".²⁷ The probability of war increased when the Soviets reconstructed and developed the former US port in Cam Ranh Bay to become the largest Soviet forward naval base in Asia. The base threatens the security of the region, confronting the Southeast Asian mainland and the Malacca Straits with Soviet military superiority.

Since the late 1970s, Vietnam has received a tremendous amount of military aid and assistance from the Soviets amounting to billions of US dollars a year. General Chavalit asserts that such funding allows Vietnam to maintain an army of over one million men, equipped with approximately 1,500 tanks and over 400 operational aircraft.²⁸ Despite all the UN resolutions, condemning Vietnam as an aggressor and suggesting it should withdraw its troops from Kampuchea at once, Vietnam has paid no attention.

With respect to the impact of the Kampuchean conflict on the security of Thailand, General Chavalit has pointed out:

While we remain uninvolved in the actual conflict, our security is threatened. Thai territory has often been violated by combat troops or artillery shells. Although the threat is not so harmful militarily the side effects are serious ...

General Sunthon Kongsompongse, the Armed Forces Chief of Staff, is very much aware of the strategic socio-psychological and economic problems of the Kampuchean conflict, as they relate to refugees, and the impact on Thailand's security.²⁹ General Chavalit, for his part, has clearly asserted:

The Kampuchean war has driven a large number of refugees into Thailand. Since 1975, 700,000 have been granted asylum. Of these, 130,000 still remain in Thai holding processing centers. In addition, a quarter of a million displaced persons are in various camps along the border. Thai people along the border are also adversely affected and have to be taken care of as well. Thailand certainly has not enough resources to help these people. Fortunately, we have international relief organizations and friendly countries that help us bear this burden. However, the problem will continue until Kampuchea is once again independent.³⁰

In his speech on "The Administration of the Thai Armed Forces and the Country's Economic Situation," a seminar organized by the Social Science Association of Thailand and the Institute of Strategic and International Studies, at the Faculty of Political Science, Chulalongkorn University, on 20 November 1985, General Saiyudh, the former Supreme Commander of the Thai Armed Forces, emphasized that the military budget has to fit with the country's economic program. To achieve the most efficient defense policy and national security policy, sincere cooperation between the civilian and military is vital.³¹

THE THREAT AS RELATED TO THE KAMPUCHEAN CONFLICT

General Saiyudh has asserted that the external threat of Vietnamese aggression would not be dangerous as long as the country could maintain its internal political stability and the nation's spending, especially in terms of the defense budget, coincided with the nation's economic capability.³² General Saiyudh believed that the aggressive attacks, and the hot-pursuit military activities by the Vietnamese troops along the Thai-Kampuchean borders, were primarily intended to have psychological impact. He contended that the Vietnamese military maneuvers along the Thai border aimed to create political disorders, instability and, if possible, a politico-military crisis in Thailand. Vietnam wished to:

- provoke an economic crisis that would create Thai budget deficits with the result that many development programs would be halted and the government might possibly even be forced to increase taxes. This would inevitably put more burden on the poorest classes and would probably lead to popular unrest, robberies, and unemployment.

- create political crises stemming from conflicts of ideologies and abuses of power by government officials, that would drive more people to the communist side. The Thai government might allow foreign intervention to solve the problems. If such a scheme misfired, the Thai people could become alienated.³³

DEFENSE POLICY

General Saiyudh holds that defense policy and measures to achieve Thai national security should be continuously formulated. They should be implemented with special consideration of the actual, real threat, accurate assessment of political stability, the National Economic Plan, the common interests of the country and her allies, and hard intelligence. As for national strategies, General Saiyudh indicated that the success of any strategic plans would depend on "mass support." Therefore, he proposed that the fundamental principles of effective defensive strategy for Thailand should be composed of deterrent strategy, resilient strategy, retaliation strategy, and intra-regional peace strategy.³⁴

THE SOVIET-VIETNAM THREAT

In his lecture on "Military Perspectives and the Formulation of National Security policy," Admiral Supa Kachaseni asserted:

... The Soviets are apparently attempting to prolong the Sino-Vietnam conflict so that the Soviets can have the "big say" in Vietnam ...

... As for Indochina, she is determined to launch a "limited war" in the region that would affect Thailand and the security of the region as well ...

... A series of border conflicts along the Thai-Lao and Thai-Kampuchea border will be pursued as part of the threat to the security of the Southeastern Asian nations in the next 5 years.³⁵

Considering the threat to Thailand from the insurgent activities of the Communist Party of Thailand (CPT), Admiral Supa warned that the Soviet-backed Laotian troops would continue to give military and economic support to the newly emerging Soviet-line Thai Communist Party, the so-called "Green Star" Movement. Meanwhile, the insurgent activities of Laotian troops into the northeastern provinces of Thailand, could possibly escalate. Overt and massive invasions

across the border could be predicted in the near future. Therefore, international and regional cooperation will have to be encouraged by the Defense and Foreign Ministries.³⁶

General Panya Singha-Sakda has pointed out that the Indochina problem has occurred as a result of the US decision, during the Vietnam war, to reduce its role in Southeast Asia. The Soviets have been attempting to fill the regional power vacuum that resulted from the US withdrawal. General Panya said:

The Kampuchean war is a protracted war and resulted from the Vietnamese aggressive design to expand their influence into Kampuchea and Laos. The Vietnamese success in the occupation of these 2 countries will in turn facilitate the long-cherished dream of Vietnam to set up an Indochinese Federation in mainland Southeast Asia.³⁷

General Panya pinpointed several strategic factors that could constrain a possible Vietnamese invasion of Thailand:

- the Sino-Vietnam confrontation and the risk that Vietnam would have to wage war with China from the North.
- The risk that Soviet support, especially in terms of economic and military aid and assistance to Vietnam, might possibly be reduced or temporarily halted due to the worsening economic condition of the Soviet Union.
- the deteriorating domestic politico-economic conditions of Vietnam as a result of strong resistance from the nationalist Kampuchean forces and the poor harvests in Kampuchea and Vietnam.³⁸ General Panya suggested that Thailand implement forcefully the "Total Defense" strategy as well as employing the "Collective Defense" strategy in international relations.

MODERNIZATION OF THE ROYAL THAI ARMY

In reassessing the total force structure modern high-ranking Thai military officers have come to realize that past military practices that blindly followed Western strategy and doctrines were not helpful and would not serve the best interests of the Thai nation. Thailand needs its own strategy suited to the perceived threat, the indigenous Thai military capability, and the nation's economic performance. R.V.R. Chandrasekhara Rao, the Indian political scientist, suggested that "along with shedding prejudices over strategic ideas, there has been an assertion of the need for indigenous strategic theory."³⁹

Admiral Sir Anthony Synnot considered that in formulating strategic defense policy:

The defense policy-maker has to avoid being either over-optimistic or over-pessimistic; he may learn from past trends, but he must do more than speculate on the future. He has to weigh up possibility and likelihoods against risks. In essence, he has to be practical rather than theoretical, about a very complex subject.⁴⁰

The commitment by the Thai government, seconded by top army brass, to reformulate the new and pragmatic but indigenous defense policy coincided with the country's strategic threat perception: the result has been the attempt to modernize the army. General Chavalit Yongchaiyudh and his staffs have occasionally confessed that, in terms of the relative combat power of Thailand and Vietnam, "One has to say that Thailand is heavily out-gunned," adding that Thailand has to be prepared and:

... must be ready to challenge any threat to our sovereignty. The Royal Thai Army must turn into an effective, compact, and modern fighting force. We need improved training and education of our personnel to increase their understanding of new technology and advances in military tactics and doctrines. The army must be able to sustain combat power during prolonged conflicts so we need an adequate arms stockpile vehicle that is constantly restocked.⁴¹

... Our combat units will be reequipped and with better training and trimming. They will be more compact and mobile with high combat power. We shall recruit volunteers instead of draftees. Then there is the National Defense program to consider. We have to lay down the National Defense Plans according to government Policy. We plan for the prevention of, defense against, and counter-attack on enemy operations by total use of all strategies: political, economic, social, and military.⁴²

General Chavalit sees five aspects in the development of the "total system," man power, training, doctrine, equipment, and force structure.⁴³ Emphasizing the quality rather than quantity of manpower, General Chavalit said:

With effectively trained soldiers, the army's efficiency as a whole will increase, a large percentage of the army's manpower can be trimmed down, and millions will be saved to

spend in other areas. A smaller army with well-trained soldiers equipped with modern weapons is what we have in mind.⁴⁴

In order to have a small but professionally competent army, General Chavalit determined that training programs have to be considerably improved to teach the Thai soldier to be "self-reliant," capable of surviving, and able to use his military knowledge and experience to overcome hardships in difficult, dangerous circumstances. Politics, economics, and social psychology have also been included in the army's various academic courses. As far as equipment is concerned, General Chavalit asserted that the Thai army under his command has become increasingly self-reliant due to the advance in weaponry research conducted in several production centers. New equipment and weapons systems with higher technology have been produced to increase Thailand's combat capabilities.⁴⁵

Having been handicapped in relative combat power with Vietnam, General Chavalit determined that proper doctrines and strategy had to be developed for the Thai army. As a consequence, the strategy of "total defense," launched by the army, is designed to mobilize and integrate the Thai people into national defense programs, side by side with the army. A strong reserve, ready to be mobilized within 72 hours, will also be developed.⁴⁶ General Chavalit concluded his plan for the modernization of the army as it related to the force structure with three types of forces—main combat forces, the local paramilitary forces, and the people's forces, which would be developed and strengthened to enable them to help each other in the defense of the country. According to General Chavalit:

Three kinds of forces have been organized: Main Combat Units, Local Units, and Local Population Units. We place an emphasis on the training and readiness of the local population as in the Self Defense Villages. These villages will enhance our capabilities along the border, act as warning posts, and as intelligence gathering units. If overrun by the enemy, they can engage in guerrilla warfare.⁴⁷

The army will give first priority to programs to develop combat readiness, modern technology, and proper doctrines. At present, the infantry divisions are being mechanized and restructured to achieve Western standards.⁴⁸ For the past two years attempts have also been made to improve, restructure, and strengthen the cavalry divisions. In addition, Thai military leaders are concentrating on:

- the relationship between threat perceptions and the strategic thinking on regional and global politics; and
- the necessity for the Thai Armed Forces, especially the army, to restructure and strengthen their combat readiness, doctrines, and force structures in order to modernize the total system strategy in defense of the country.

There are some similarities with the ideas of Western scholars in the new Thai strategic analyses. Most important is the realization that defense policy should flow from a country's strategic circumstances. Thai attention is now focused on the necessity for developing strategic guidance to cover political, economic, and military circumstances and their future trends.

Many of the proposed changes coincide with Western philosophy of defense. As Admiral Sir Anthony Synnot has suggested:

... there are two basic elements of threat: first, capability and second, intention. Until and unless a potential enemy has the necessary capability, he cannot be a threat; his capability is open to assessment and there are limitations on how quickly he can change it. The second element, intention, can change much more quickly. The degree to which it can change will be more a matter of judgment than assessment. The nature of a threat can range from involvement in a global war, through a regional conventional war, to relatively low-level but nonetheless damaging contingencies.⁴⁹

The relationship between the strategic perception of threats by the military leaders, led by General Chavalit, to Thailand's national security, and the general's modernization of the Thai Army, can be seen as a move towards a more pragmatic stand in defense and foreign policies that corresponds closely to Admiral Sir Anthony Synnot's view.⁵⁰

NOTES

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**INDONESIA, ASEAN, AND THE PACIFIC
BASIN: SOME SECURITY ISSUES**

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For over two decades Indonesia has been a member of the regional cooperation of ASEAN, which has until now been designated as the "cornerstone" of its foreign policy. It is not unlikely that a change is in order in the priorities of Indonesia's foreign policy in the coming years. Perhaps ASEAN will no longer be *the* but just *a* cornerstone in its foreign policy. Greater attention will probably be given to the countries of the South Pacific, for instance. As stated by Indonesia's foreign minister a little over two years ago, from then on Indonesia would start to "look east and southeast," which it had neglected to do for a long time because of its preoccupation with the South China Sea area. This is by no means to imply, however, that ASEAN will become less important. In strategic and security terms Indonesia will continue to be directly, immediately, and inextricably linked to ASEAN.

It is to be expected that the way Indonesia looks at the wider region of the Pacific Basin, its security issues, and the question of its patterns of cooperation is likely to be influenced by its experience with ASEAN and what it perceives to be the interests and point of view of ASEAN. In this sense, perhaps conscious of its own as well as ASEAN's weaknesses and limitations, Indonesia tends to be regional and parochial rather than global in its strategic and security orientation.

Barring a direct major power confrontation, the best that the ASEAN states can do to ensure their security, peace, and stability is to put their own houses in order on the foundations of respective national resilience. The development of the national resilience of each of the ASEAN member states will combine, if vaguely defined, to promote that of ASEAN regional resilience. National resilience would ensure internal security and stability, while regional resilience would ensure regional peace, security, and stability. Both levels of resilience would ensure security from external interference, a major preoccupation of ASEAN and a major consideration for its establishment more than twenty years ago.

However, attempts at the realization of ASEAN ideals have met with obstacles, internal as well as external in nature. While internal hurdles are primarily ASEAN's internal affairs, particularly those related to the problem of intra-ASEAN cooperation and, more

particularly, to the economic field, external obstacles are by definition more closely related to external factors. One of these, on which ASEAN's attention seems to have been excessively focused for almost a decade, perhaps to the detriment of ASEAN regional cooperation as a whole, is the Kampuchean conflict. In a sense, this is understandable for the Kampuchean problem has related directly to the principles and ideals of ASEAN regionalism, and thus the security not only of the ASEAN states but also the countries of Southeast Asia, both individually and collectively as a region. This has been the case because the problem has also involved the role and interest of major powers.

Another issue like the Kampuchean problem involves the role and interest of a major power—the United States—and may, in principle, stand in the way of a full realization of the ideals of ASEAN regionalism. Running counter to ASEAN's proposal for the establishment of a zone of peace, freedom, and neutrality (ZOPFAN), is the question of the US military bases in the Philippines. Some degree of uncertainty and ambivalence has clouded the attitude of the ASEAN states, including even that of the Philippines itself, toward the existence of these bases and is reflected in current debates in the ASEAN region.

ASEAN AND THE KAMPUCHEAN CONFLICT

ASEAN as such is never directly involved in the Kampuchean conflict. But one of its members, namely Thailand, feels that a direct threat to its national security is posed by Vietnam's occupation of Kampuchea. On that account Thailand claims to be a "frontline state." Primarily out of sympathy with Thailand the rest of the ASEAN member states have, since the Vietnamese invasion of Kampuchea near the end of 1978, adopted a common position that has basically toed the Thai line. As a consequence, ASEAN unity and solidarity have been maintained, if not strengthened.

It seems that what the Thais really mean by the "Vietnamese threat" itself has never been seriously investigated. Is it a threat in the military sense alone, in view of the flow of Kampuchean refugees across its border and Vietnamese encroachment on its territory in "hot pursuit" of the fleeing Khmer Rouge, or is it really more a question of power politics—domestic as well as external—especially in the light of the history of Thai relations with Vietnam? Or is it both, simultaneously? Whatever the case, it is doubtful if the Thai

perception of the Vietnamese threat is shared by the rest of the ASEAN states. Nor do all the ASEAN states, the question of Vietnamese threat apart, share a precise common perception of the sources and forms of external threat.

For the purpose of the present discussion there is no need to dwell on these issues. The Kampuchean situation has been both a domestic and intra-regional conflict in Southeast Asia that warrants the attention and concern of the other countries of the region and directly or indirectly affects their interests. Whatever the reasons behind the Vietnamese action, the use of force in an effort to settle a dispute between Vietnam and Kampuchea under Pol Pot is contrary to the principles of ASEAN regionalism.

This is so, despite Vietnam's attempt at justification which involves "the request of the Kampuchean people" to "help them get rid of the genocidal Pol Pot clique," who represented the "Chinese threat." The Kampuchean conflict has invited external intervention, particularly by major powers, again contrary to the ideals of ASEAN regionalism manifested so clearly in ASEAN's proposal for ZOPFAN. This sets out the aspirations not only for the ASEAN region but for the region of Southeast Asia as a whole.

The efforts that have been made by ASEAN up to now by various means, such as its support of the CGDK (Coalition Government of Democratic Kampuchea) under Prince Norodom Sihanouk—who, incidentally, has now resigned from the Presidency of the CGDK—and through international forums, particularly the United Nations, for a "political solution" of the Kampuchean problem, are in full conformity with the principles and ideals of ASEAN regionalism. Unfortunately, however, ASEAN has not always been consistent in adhering to those principles and ideals. It supports, for instance, the so-called "anti-Vietnam resistance forces" of the CGDK that have also resorted to the use of force themselves, if only in the name of self-defense.

It is also unfortunate that what is meant by a "political solution" has never been clearly defined except in ASEAN's demands that are basically legal and ethical, based on moral and international law. If a "political solution" is to be understood as one resulting from some form of compromise, then there have been no indications on the part of the parties involved in the conflict that any one of them is really ready for such a compromise. What has often been called

“progress” has mainly been concerned with the format and procedure of negotiations or other peripheral and less fundamental aspects. One can only hope that these steps will, nevertheless, form part of a long process toward some sort of compromise, which should be the essence of a political solution.

It does not follow, however, that ASEAN has completely failed in its efforts. At least in a limited sense it has met with some degree of success. It has succeeded in keeping the Kampuchean conflict alive as an international issue. This may help clarify the problem and will probably put pressure on the international community, particularly those parties interested in the conflict, so that they will continue to make efforts toward its eventual solution. ASEAN has also been successful in helping to maintain the United Nations seat for the CGDK, which accordingly has continued to enjoy international recognition, even if such a recognition may be of doubtful value without the regime in question having at least some facade of control over its people and territory. Its real significance will depend on how well the regime fares in the outcome of a final solution vis-à-vis the de facto regime of Heng Samrin in Phnom Penh which, for all practical purposes, is in control of Kampuchea and the Kampucheans and thus in a better position to consolidate its power and authority with the support of Vietnam.

However, if ASEAN's policy by itself is aimed at finding a final solution to the Kampuchean conflict, then ASEAN has failed or is bound to fail. It is unlikely that separately and on their own any of the countries of this region can possibly solve the problem. The desire that regional problems should be solved regionally without external interference will continue to be what it is—essentially a slogan, at best an aspiration, at least as far as the Kampuchean problem is concerned. In consequence, it is most likely that a solution of the Kampuchean problem will only be reached if the major powers also play their roles.

To be sure, the ASEAN states are also aware of this, but their views of the roles of the major powers seem somewhat distorted. They tend to exaggerate, for instance, the role of the Soviet Union which has so far provided the main political, economic, and military support for Vietnam. They seem to believe that the Soviet Union alone is able and willing to dictate to Vietnam what it should or should not do. Thus, ASEAN states have been trying to persuade Moscow to bring pressure to bear on Vietnam to withdraw from

Kampuchea. Indeed, the Soviet Union may be in a position to do just that, since Vietnam has been heavily dependent on Soviet aid. The question is whether the Soviet Union is also willing to pay the price.

The role of China, which holds the key to a solution of the Kampuchean dilemma, tends to be overlooked. Perhaps because ASEAN's policy has basically coincided with that of China on the Kampuchean issue, no efforts seem to have been made to persuade China to play a more constructive role than it has played so far, particularly in its persistent support for the Khmer Rouge, a key consideration in Vietnam's invasion and occupation of Kampuchea. To make matters worse, Indonesia, the so-called interlocutor between ASEAN and Vietnam, is hardly on speaking terms with China.

Moreover, perhaps because of their preoccupation with the Kampuchean issue, in addition to the persistent problem of intra-ASEAN cooperation, particularly in the economic field, the ASEAN states do not seem to appreciate the developing *détente* in Sino-Soviet relations. Despite certain difficulties in the process of "normalization" of their relations the ASEAN states do not seem eager to capitalize on the unfolding development. They may fear that the implications of such a trend in Sino-Soviet relations for the Kampuchean situation jeopardizes ASEAN's position which, until now, has enjoyed China's support and blessing.

It does not seem inconceivable that in the context of Sino-Soviet normalization, even rapprochement, some sort of understanding may be reached between the PRC and the Soviet Union in which the Chinese might eventually withdraw support from the Khmer Rouge and the Soviets, for their part, may gradually withdraw their support from the Vietnamese. With its security ensured against the Chinese threat, Vietnam may be expected to withdraw from Kampuchea more readily. Without Chinese support the Khmer Rouge might be no longer relevant either as a political or military force. This could conceivably pave the way for Kampuchean national reconciliation, for the establishment of a government acceptable to all, and for a settlement between Vietnam and Kampuchea on the nature of their future relationship.

The realization of such developments would depend on other factors also. One factor would be relations between Thailand—and thus ASEAN—and Vietnam which might be expected to improve in the light of Sino-Soviet rapprochement and Sino-Vietnamese reconciliation. Another factor would be the role of the West, particularly

the United States, Western Europe, and Japan. While Vietnam is likely to continue to receive aid, especially of economic nature, from the Soviet Union, that aid might be more limited; thus, Vietnam would need alternative sources of aid for its national reconstruction. This need can only be fully met by the West. Some sort of a consortium might be considered with the support of ASEAN, Japan, Western Europe and, at least over a longer run, the United States which, for various understandable reasons, may not be disposed to normalize relations with Vietnam in the immediate future. In any event, in the light of the Sino-Soviet détente and Sino-Vietnamese reconciliation, such a move by the United States toward Vietnam might no longer run the risk of annoying its close friend, China, given the possibility that differences with Vietnam over such issues as the MIAs could be settled. Indeed, on the basis of the discussion above, it seems clear that ASEAN has done its utmost given present circumstances. ASEAN should continue to maintain the momentum and further encourage all the interested parties to gradually come closer to a compromise that would result in a political solution of the Kampuchean issue acceptable to all.

Meanwhile, the right lesson for the future of ASEAN regional cooperation should be learned from ASEAN's experience with the Kampuchean problem. On the one hand, as an external challenge the Kampuchean issue has helped to strengthen ASEAN unity and solidarity as reflected in the common position. On the other hand, this unity and solidarity has concealed fundamental differences among the ASEAN states in terms of strategic outlook and perception of external threats to their national and regional security. These differences account for the different attitudes toward Vietnam and the major powers. Differences have surfaced whenever ASEAN has tried to move beyond its common stand on the Kampuchean issue. This has often created an awkward situation in relations among the ASEAN member countries. A case in point was the disarray in the wake of the so-called Ho Chi Minh City accord between Indonesia's Foreign Minister Mochtar in his capacity as ASEAN's "interlocutor" and his Vietnamese opposite number, Foreign Minister Nguyen Co Tach, late last year.

Thus, while the Kampuchean issue has helped strengthen ASEAN unity and solidarity, it has at the same time been a dividing factor among the ASEAN member states. In future, the success of

ASEAN regional cooperation will need to be sustained by something more lasting and less sensitive to external challenges in the form of crises. ASEAN should survive not because of, but in spite of, such external challenges. Here lies the significance of continuous intra-ASEAN cooperation, particularly in the economic field. This would sustain the viability of ASEAN regionalism which, in turn, would assist its member states in the development and maintenance of their national and regional resilience.

ASEAN AND THE US BASES

For some time, especially before the third ASEAN summit meeting in Manila in the middle of December 1987, the ASEAN states seem to have been put in an awkward position when efforts were made to make the US bases in the Philippines a regional rather than a bilateral issue between the Philippines and the United States. Before the agreement between the two countries governing those bases is to expire in 1991 it will be subject to review, and renewal or termination. The expectation seemed to be that the ASEAN governments, preferably at their summit meeting in Manila, would state publicly their attitude toward the bases. They were expected to express their view, individually or collectively, as to whether the bases had contributed to the peace and stability of the region, and, if so, to express their desire to have the bases maintained. There was a hope that the United States would be "persuaded" or perhaps "invited" or "requested" to stay in the region, to ensure its military presence by maintaining its bases in the Philippines and thereby to continue to ensure the future peace and stability of the region. If the US bases have served the region's interests, so the argument seems to have run, then the regional states, particularly the members of ASEAN, having shared the benefits should also "share the burden"—whatever that means.

Either for domestic or external reasons, or both, Manila's interest seemed to be in having the support of ASEAN in making its decision either to terminate the agreement and have the bases removed or to renew it with different terms more acceptable to Manila. Either way, the impression seems to have been created that an attempt was made to "pass the buck" from Manila to the ASEAN capitals.

Such attempts, official or otherwise, did not seem to be successful. The issue of the bases apparently was not even discussed at the Manila Summit, let alone mentioned in the documents issued thereafter. The ASEAN states were spared what might have been an

embarrassing predicament, because it may be argued (even if this may not have been realized by the Philippines) that for the ASEAN states to make a public statement, either for or against the bases, would have put the Philippines in an even more difficult position. It would have put pressure on the Philippines to arrive at a decision in conformity with the ASEAN position, while the majority of the Philippine people might not necessarily make such a choice. Either way, and probably contrary to Philippine wishes, an ASEAN stand would not have been in the best interests of the Philippines after all. Moreover, as regards US interests, an ASEAN public statement against the bases would not have been a welcome gesture. Apt to be considered as unfriendly or even hostile, such a gesture would have damaged the close and friendly relationship between the ASEAN states.

The United States is a global power with global interests. If it thinks it in its interest to continue its military presence in Southeast Asia through the maintenance of its bases, given the consent of the host country concerned, in this case the Philippines, then, to follow that course it does not need encouragement, persuasion, or requests made, from the countries of the region. But, had a regional statement been issued, in one way or another various forms of pressure might have been exerted on the countries of the region for the acceptance of US bases.

More importantly, however, for ASEAN to make such a declaration in favor of the US bases would be self-defeating. It would run counter to the principles and ideals that ASEAN upholds. It would make nonsense of ASEAN as it was established by the Bangkok Declaration of 1967. For one thing, the Bangkok Declaration states that

the countries of South-East Asia share a primary responsibility for strengthening the economic and social stability of the region and ensuring their peaceful and progressive national development, and that they are determined to ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples.

Thus, in principle, for an ASEAN state to host foreign military bases on its soil is not really in conformity with such a "primary responsibility," which implies the principle of self-reliance rather than reliance on the might of an external major power. Hosting is also against the determination to ensure "security from external interference." This is not to suggest that the very existence of a foreign

military base is in itself necessarily a form of interference but, as experience shows, particularly in the case of Indonesia, the existence of foreign military bases in a country may facilitate or encourage interference in the domestic affairs of a neighbouring country.

In addition, the Bangkok Declaration also states:

all foreign military bases are temporary and remain only with the expressed concurrence of the countries concerned and are not intended to be used directly or indirectly to subvert the national independence and freedom of states in the area or prejudice the orderly processes of their national development.

One might well argue that this is an ambiguous stand. After all, "temporary" is a relative term; in practice, it may even mean "permanent." But this is a reflection of awareness, on the part of the founding states of ASEAN, of the kind of reality they were facing when establishing the association, in spite of their dream for the future. The US military bases, in particular, were already in place in the Philippines. It would have been pointless, unrealistic, and impractical to call for their removal at that juncture. In fact, a most ingenious statement was crafted that adequately reconciles the basic aspirations of the ASEAN states with the hard reality they cannot overlook. It also accommodates the strong position of a nonaligned country like Indonesia against foreign military bases as well as the interests of a country like the Philippines still hosting such bases on its soil.

Indeed, the desire of the ASEAN states for independence and security from external interference, for self-reliance, and national and regional resilience has been firmly and clearly expressed in the ASEAN proposal for ZOPFAN. Even if ZOPFAN is perhaps not much more than an ideal which, by definition, will never be fully realized, the idea encompasses the full expression of the ultimate goal, the ideals, of ASEAN regionalism or regional cooperation. At least it will serve as a guide to where ASEAN is heading: its realization, even if in relative terms, will definitely rule out the existence of foreign military bases.

The argument that the US bases in the Philippines have served a useful purpose in ensuring peace and stability in the region of Southeast Asia, or perhaps even the Asia-Pacific region, is at best a doubtful proposition. It can neither be proved nor disproved. The argument fails to show the causal relationship and its validity will depend on the strength of its assumptions. The apparent assumption that without the US bases the region of Southeast Asia would have been unstable

would seem not only pretentious and presumptuous but tends to underestimate the role of the regional states. Moreover, how would one account for the instability that has beset the individual countries of the region over the years? The argument that the presence of the US bases in the Philippines has guaranteed the peace and stability of Southeast Asia is not unlike the proposition that nuclear deterrence has prevented the outbreak of a nuclear war, and therefore it has worked, whereas the most one can say is that it has not failed.

The argument that the presence of the US bases holds the "balance of power" in Southeast Asia or the Asia-Pacific region is of equally doubtful value. At best it is ambiguous. It depends on what one means by "balance." For decades, the United States has enjoyed a military preponderance in the Pacific region. If now the Soviet military build-up in the region, including the Soviet bases in Vietnam, may be said to have disturbed the balance of power in the region, this probably means that the Soviets have now challenged US preponderance. It is the Soviets who may have tried to redress the balance that for so long has favoured the United States in the Pacific region. Whether this has created the "Soviet threat" is another matter, a question beyond the scope of the present discussion. It nonetheless needs to be said that, at least from the US point of view, the Soviet military buildup, particularly the Soviet bases or "facilities" in Vietnam—which may have been part of the Soviet response to the US bases in the Philippines and US military preponderance in the Pacific—may have added to the significance of the US bases. This, however, is certainly an affair of the United States, especially because the Soviet build-up is more likely to be aimed primarily at that country rather than other countries of the region.

On that basis, the attitude of the ASEAN states is basically correct in considering the question of the US bases in the Philippines as a bilateral issue to be dealt with by the United States and the Philippines. And although, as discussed earlier, the presence of the US bases in the Philippines is contrary to the principles and ideals of ASEAN regional cooperation, the ASEAN states will certainly respect whatever decision may be agreed upon by the two countries, even if it should mean the continued maintenance of the bases. This would still be in conformity with the consideration of the Bangkok Declaration cited earlier.

It is to be noted in this connection that apart from US strategic and political interests, the Philippines for its part may feel that the presence of the US bases on its soil has benefited Filipinos, in the

sense that it has given them a sense of security, or economic benefits, or, possibly, in some other way. For such reasons it is Philippines' sovereign right to make its decision regarding the US bases in the context of bilateral relations with the United States. It may consider that the removal of the US bases, for whatever merits, might create new problems of a nature and magnitude that may far outweigh the arguments against their continued presence—or it may think otherwise. The ASEAN states are likely to continue to refrain from interfering in Filipino domestic affairs.

ZOPFAN AND THE MAJOR POWERS

A question may rightly be raised, in the face of ASEAN's idea of national and regional security and stability—its desire for independence and freedom from external interference and its idea of ZOPFAN as the fullest expression of these aspirations to be founded on national and regional resilience—what will be the future role of the major powers that have maintained their presence and interests in the region of Southeast Asia? In the first place, ZOPFAN is to be understood as a framework for peace and security in Southeast Asia. It is to be an arrangement that would recognize the legitimate interests of the external major powers and allow for their proper role and involvement in the region in so far as these do not prejudice the interests of the countries of the region. It is intended, in particular, to prevent Southeast Asia from becoming an arena of international conflict as a result of the rivalry and antagonism of the great powers.

Thus, the idea of ZOPFAN, though an expression of ASEAN's rejection of external interference, particularly by the great powers, does not imply a total rejection of their presence or their legitimate roles and interests in the region. Such an idea would be neither realistic, feasible, nor desirable. No nation in Southeast Asia is capable, nor feels the need of ousting the great powers from the region. On the contrary, ZOPFAN would allow for mutually beneficial relations, interaction, and cooperation between the countries of the region and the external major powers on bilateral as well as multilateral bases. The earlier discussion on the positive and constructive role that the major powers may be expected to play in the search for an acceptable political solution to the Kampuchean problem should make this clear. Indeed, the great powers can help, on the basis of mutually beneficial relationships and cooperation with the countries of the region, to promote the advancement of the aims and purposes of ASEAN regional cooperation, because the maintenance of peace and stability in the region will also be in their own best interest.

Talk about the proper, positive, and constructive role of the major powers and their legitimate presence and interests, vis-à-vis the ideals and aspirations of the ASEAN states, is admittedly somewhat clouded in ambiguity. There are intangibles that defy precise, clear-cut definitions; in fact, ASEAN's attitude toward the major powers is itself marked by ambivalence and is likely to continue to be so. Thus, in spite of the repeated emphasis on and continued concern and preoccupation with the threat of external interference "in any form or manifestation," ASEAN's rejection of external interference is also ambivalent. The rejection has been selective; the ASEAN states tend to be more accommodating toward certain subtle forms of interference, if they are considered to be basically in their own interest.

Such interference must inevitably result from relations and cooperation with the great powers, particularly as these involve various forms of aid provided by the major powers, in a sort of asymmetrical interdependent relationship. Strictly speaking, there is no such thing as aid without strings. ASEAN's rejection is selective in the sense that, partly by choice and partly by force of circumstance, ASEAN states have fostered relationships and cooperation with some major powers but not with others, or more closely with some than with others at different times.

In the last analysis relations, interaction, and cooperation among sovereign states are dictated by what each perceives as its own national interest. The question is: How can they engage in such an exercise not on the basis of a zero-sum game but for common benefit, even though the results will not be exactly symmetrical?

**REGIONALISM IN THE PACIFIC:
PROSPECTS AND PROBLEMS**

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The stretching of governance is the supreme political challenge of our times. Our response will determine the capacity of diverse societies to develop and to coexist in peace in the decades immediately ahead. Both ends of the political continuum urgently need cultivation. On the one hand, a nation cannot be truly strong if its provincial and local units are lifeless appendages of an all-powerful, centralized government. Thus, new nations are increasingly turning their attention to strengthening grass-roots institutions. Interestingly, support for this project crosses ideological-political lines. The People's Republic of China, for example, is now attempting to revitalize village government, partly as a means of deepening local commitment to community programs. But the capital-centric states of Southeast Asia are also becoming aware of the importance of refurbishing ancient roots, encouraging greater local initiatives. And within the Western democracies, the United States among others has recently rediscovered the need to emphasize local and state responsibilities rather than to depend exclusively on the national government.

At the same time, the information-communications revolution together with the massive changes taking place in the global economy have reduced the self-sufficiency of the individual nation-state, no matter how large. The quest of the Leninist states for participation in regional and global economies is but one sign of our times. Policies and institutions that will provide some order beyond the nation are now essential. Such requirements, moreover, cannot be merely a temporary response to crisis. They must come to represent regularized procedures, a permanent part of our political life.

We are a great distance from meeting this challenge. The task of this essay will be to sketch the advances—and the deficiencies—of regionalism, with a focus upon the Asia-Pacific area. While an emphasis will be placed upon security, attention must be given to those economic and political elements that are ever more critical determinants of security in its most basic dimensions.

First, a brief glance at recent history is necessary. At the conclusion of World War II, Asia was not an entity in any sense other than that of geography. Japan's efforts to impose a regional order had been smashed although the lasting impact of these efforts is sometimes overlooked. In humbling the Western powers during the early

stages of the Pacific War and in cultivating certain Asian nationalist movements, the Japanese hastened the end of the old imperialist order despite their defeat. Yet Asian societies emerging from colonialism remained essentially foreign to each other, their primary ties having long been with separate Western powers or Japan. Upon independence, moreover, various separatist forces—ethnic, religious, and sectional—were liberated along with the dominant political elite of the center. Even now, the prior loyalties accorded such forces render precarious the legitimacy of the state in certain settings.

China, wracked by international and civil war, was finally unified by the Communists, but in the early postwar years, the only Chinese claim to power lay in the sheer massiveness of their society, and as the Korean War demonstrated, their willingness to expend manpower in profligate manner. Japan was reduced to the status of an American ward, thoroughly defeated and relieved only that the occupying force had not come from the north.

Under these circumstances, it was natural that the United States and the Soviet Union would cast a long shadow over post-1945 Asia. To be sure, there was a great disparity in the power of these two nations. Horribly damaged by the war and having never divested itself of backwardness in many crucial respects, the USSR was no more than a regional power at this point. Even that status was achieved principally by virtue of its size, and the comparative weakness of its neighbors. The region over which it could lay claim to authority, however, was the Eurasian continent, an area critical to any global balance. Hence, it was not surprising that American leaders fashioned a policy designed to contain Soviet expansion. And, despite the difficulties involved in countering the internal lines of communication implicit in the Soviet position, the United States was able to fulfill this task. Its military reach coupled with its economic strength and a newly achieved political consensus on key foreign policies sustained the American ability to play the role of the world's preeminent power.

At an early point, however, a basic strategic issue emerged with respect to Asia. Whereas the commitment to Western Europe enjoyed widespread support among Americans, a division of opinion unfolded both at "expert" and public levels as to whether the United States should pursue an island *cordon sanitaire* strategy or make selective commitments to states on the Asian continent. This debate threaded its way through subsequent events including the Korean and Vietnam

wars. Whether it has yet been resolved may be questioned, although the 1969 Guam Declaration and events that have taken place in recent years have muted the controversy, making possible limited or conditional commitments, and ones that pledge the avoidance of employing a massive US land army.

In any case, the Eurasian regional balance in the opening years after World War II was intimately related to the commitment of American and Soviet power. In neither case was that power wholly military. The Soviets, in possession of greater influence on the Asian continent than at any time in Russian history, paid a sizable price to uphold their authority. While they were lending their ideology and political system to North Korea and China, they were also providing economic and military assistance at considerable sacrifice, given the conditions within the USSR. The recipients, to be sure, did not find Soviet aid overly generous, and hard bargaining took place on occasion. Yet in retrospect, the industrial strides made by these two Asian states owe much to Soviet assistance. In military terms too, the role of Soviet aid was not negligible.

Comparatively speaking, of course, American assistance to Asian as well as European allies was far more generous and more massive. Japan could be reborn within a few years because of a combination of US stewardship and a Japanese capacity to take advantage of the assistance given it. In most other parts of Asia, American aid was not put to such effective use. Yet that aid extended to sacrifices in lives as well as in material goods. One needs to recall that in the decades immediately after 1945, the disparity in capacity between the United States and the USSR on the one hand, and their allies on the other hand, was huge. Hence, the essential strategic and economic commitments had to be made by the major powers and in exchange, they expected to receive firm political allegiance. The alliances of this era were thus structured to be tightly knit, exclusive, and firm. This condition was strengthened, moreover, by the relatively clear ideological-political lines that existed.

The changes that are now underway in the nature of alliances represent one of the most profound developments of recent decades. In relative terms, the capacities of the two major powers to aid others or to control international events has declined, or put differently, has risen prohibitively in cost. The result is far more carefully conditioned commitments. The largess of yesteryear is no longer available. Correspondingly, as the capacities of the minor parties to alliances

have increased. their quotient of self-assertion, translatable as greater economic and political independence, has grown. The resulting relationship is at once more flexible and less exclusive. Alliances have evolved or are in the process of evolving into alignments.

The full consequences of this trend have yet to be realized, not to mention being assimilated into policies. There is much talk about "partnership," but the distribution of responsibilities or the system of consultation that would undergird such a relationship is either absent or grossly inadequate. Hence, each party feels free to diverge from the "common interest" when its perceived "national interest" so dictates, and while the degree to which this occurs varies from case to case, it is the general trend in both American and Soviet "alliances."

Yet there is a second trend somewhat contradictory in nature, namely, the decline of non-alignment. In the years immediately after World War II, a sizable bloc of nations, mostly states recently emerged from colonial status, defined themselves as neutral. They sought to remain aloof from, and more or less equidistant between the American and Soviet blocs, either proclaiming "a plague on both of your houses" or carefully balancing their relations with the major contestants. This general posture has supposedly been forwarded in our times through such organizations as the Non-Aligned Conferences. But virtually none of the states proclaiming themselves non-aligned occupy such a position in fact. The swirling tides of economic interdependence combined with specific security needs have served to tilt virtually every nation toward one power center or another. No one would presumably define Singapore or Cuba—two members of the Non-Aligned Conference—as truly non-aligned, and if they are regarded as being positioned at the extremities, one could take Indonesia, India, or a host of other states, and reach the same conclusion. Burma, one of the few states that has sought to maintain a strict aloofness from external connections until recently, withdrew from the Conference precisely because its members were not non-aligned.

There is an additional and related phenomenon relevant to our concerns that must be noted. To an extent not true in the recent past, economic factors are now dominating political and security considerations. Every state, moreover, is finding it extraordinarily difficult to adjust its economic policies to the greatly speeded up tempo of the global economic revolution that is now moving toward a crescendo.

Policies that seemed to be advantageous a decade ago such as the export-oriented strategy are now less certain. Exports must have markets, and the United States cannot serve as the principal market for everyone. While the role of the state is universally acknowledged to be important, moreover, even the socialist nations are seeking ways to utilize the market economy more effectively. Most importantly, the two global powers must each give greater consideration to domestic issues, among which economic problems loom large.

Under these conditions, we witness a series of seeming paradoxes. The times cry out for coordinated international economic policies. Yet while interdependence, even integration, is moving swiftly ahead, a countervailing tide, that of economic nationalism, is running strong. Nor is this tide confined to a single category of states. It is rife in so-called developed and developing nations alike. Democratization, moreover, far from providing solutions, is likely to compound the problem. As private interests find stronger expression in the political arena, protectionist pressures are certain to mount. We have not yet seen the flood-tide of nationalism, economic or otherwise. The intricate problems of working out economic relations between and among states at very different stages of development, suddenly catapulted into an intimate relation with each other, are far from being properly conceptualized, let alone resolved.

It is thus not surprising that while internationalization is rapidly advancing in terms of the economic conditions governing our times, we are witnessing a psychological retreat, a strong reluctance to face those realities that call for innovative policies and institutions beyond the nation-state level. We rely heavily upon summitry, bilateral talks undertaken in the midst of crisis and other types of ad hocery. Perhaps as prelude to later efforts, the current concentration is upon domestic problems—reform from within. To a considerable extent, as noted earlier, this inward-looking trend encompasses each of the so-called major Asia-Pacific states—the United States, the USSR, China, and even Japan—the latter nation being the one that can least separate itself from global currents.

One benefit derives from this trend. Not in recent years have tensions among and between major states been less threatening. Each is seeking a lower cost, lower risk foreign policy. Faced with a plethora of domestic concerns, leaders are not anxious to move toward confrontation, and their citizenry even less so. Once again, the United States and the Soviet Union are, each in its own way,

seeking to lighten the burdens of global or regional leadership, whether this takes the form of burden-sharing or reducing commitments. This is not to say that we are entering a risk-free era. Conditions in select Third World countries will almost certainly become more volatile, especially in Latin America and the Middle East. If, as expected, concentration on nuclear weapons is reduced, with greater attention being paid to innovation in the conventional field, and if the expansion of such technology to a wide range of states (and dissident groups) proceeds, greatly heightened temptations for major power intervention—direct or indirect—will occur, since such intervention will involve a lower risk of nuclear confrontation. In sum, this is a lull in terms of the most basic issues facing the international community, and whether it will later be viewed as a lull before another great storm depends upon the use that is made of the current period to develop sound domestic policies and an international structure serviceable for these times.

It is in this context that we must look at the status of the Asia-Pacific regionalism in its various forms. First, one overarching trend of signal importance should be noted. A process of Asianization has been underway for several decades, and has not yet achieved its full momentum. By Asianization, I mean a widening and deepening network of ties between and among Asian states, including those of diverse political and cultural nature. While this process has not eliminated the importance of the so-called superpowers, notably, the United States and the USSR, it has introduced a major new and partly independent dimension into the scene. Whether in conflict or in concert, the Asian states are creating, or recreating relations between and among themselves, both hierarchical and equal. Interdependence *within* Asia as well as with external parties is growing.

Relations within Northeast Asia are especially revealing in these respects. The dominant relations are still bilateral, but one may speak of the emergence of a soft regionalism. Let us turn to both parts of this assertion. The dynamic power within the region today is Japan, its strength derived from its extraordinary economic performance over the past three decades. Consequently, the other countries of Northeast Asia have been drawn increasingly into Japan's economic orbit. This includes China and in more limited degree, even North Korea as well as South Korea and Taiwan. With the two superpowers, both of which have strong and enduring interests in this region, Japan also has significant and growing ties, albeit vastly

different in size and importance. Given the varying circumstances pertaining to the Northeast Asian states, economic bilateralism rather than any unified regional approach has prevailed. In the case of US-Japan economic relations, moreover, concessions exacted from Japan under great US pressure have evoked protests from other countries that see themselves excluded from similar benefits. Unlike the 19th century, no "most favored nation" provision is in effect that guarantees to others the benefits given to one.

Not all economic roads in the region lead to Tokyo. Economic intercourse between China and South Korea, and between China and Taiwan has expanded rapidly in recent years, partly oblivious to political barriers. Similarly, Sino-Soviet economic intercourse, including border trade, has resumed on a modest level, but with future promise. And these various bilateral economic ties have a cumulative multilateral effect, both with respect to the circulation of trade and the transfer of technology. Thus, while economic bilateralism remains dominant, its rapid growth—and extension to all states within and peripheral to the area—have been supportive of a soft regionalism.

A similar pattern can be noted in the political realm. Once again, Tokyo has increasingly served as a main artery through which political leaders pass, with conversations on such sensitive issues as Korea, the disputed Northern islands, and other matters of a more global nature. Yet one cannot ignore the negotiations or discussions, formal and informal, official and unofficial, that have taken place between China and South Korea, between North and South Korea, and even between China and Taiwan. Both China and Japan are serving as intermediaries on occasion, transmitting communications and sending signals on political matters. Once again, the existence of a soft regionalism and the advance of Asianization is strongly in evidence.

With respect to security issues, the picture is exceedingly complex. Here, bilateralism seems especially dominant, a product of history both ancient and modern. No state in Northeast Asia is currently able to impose security upon the area or even to assume leadership in this respect. Thus, the two global powers play key roles. For its part, the Soviet Union underwrites the security of the Mongolian People's Republic and in somewhat more equivocal fashion, that of North Korea, without seeking to forge a unified defense structure from these separate commitments. Nevertheless, these ties, together with Soviet security relations with Vietnam, mark a continuance of a past

legacy, namely, Soviet containment of China. Between one-third and one-fourth of Soviet military power lies east of the Urals, directed against both the principal Asian states and the United States. For its part, the United States maintains its security alliances with Japan and South Korea, with a low-level military relationship having been forged with China despite continuing defense assistance to Taiwan. Once again, however, the linkages among these separate ties are most fragile. Meanwhile, US military strength in the Asia-Pacific area has also been growing.

Soviet spokesmen have often asserted that a Northeast Asian NATO is in the offing, although most Russian experts acknowledge that their warnings are a prophylactic measure, intended to inhibit such a development. While a regional security structure is far from reality, there are a few signs of movement away from the inner-core aloofness of the recent past. Once again, these center mainly upon Japan. PRC and ROK defense chiefs have interacted with their Japanese counterparts, exchanging information. With the United States, Japan has agreed upon contingency plans should an attack upon South Korea be launched from the North. Most importantly, Japan has formulated a regional surveillance program by air and sea, as is well known, although its capacity to execute this commitment is yet incomplete.

In competition with these developments, the signs of disharmony over security matters among the Northeast Asian states are clear, and have even grown in recent times. In the late 1970s, PRC spokesmen encouraged the further development of Japanese defense capabilities, expecting these to be directed northward. At present, Chinese spokesmen warn against the revival of Japanese militarism, taking a cool attitude toward such actions as overriding the so-called 1 percent barrier (the earlier pledge of Japanese administrations not to allow defense expenditures to exceed 1 percent of the GNP). Many factors explain present Chinese attitudes: the reduction in Sino-Soviet tension; the Chinese decision to give a lower priority to their own military program while concentrating upon economic reform and development; and the greater confidence in US strategic capacities and commitments, in Asia and elsewhere.

Is the concern of the Chinese—shared by a number of other Asians—that Japan will assume a high political-military posture in this and surrounding regions warranted? It can be argued that even today, Japan has the sixth or seventh most powerful military force in

the world, and that the level of its expenditures, assuming continued growth, will be conducive to ever greater strength. Moreover, if as expected, the United States demands a greater burden-sharing in the security realm, and reduces or further qualifies its own commitments in this respect, will Japan be compelled to assume the primary responsibilities, given its enormous dependence upon a stable Asia, indeed, a stable world? In sum, will Japan be the new leader in forging an Asian security balance, assuming the mantle passed on by a weary and troubled United States?

While some observers, including Americans, believe that this will happen, they are probably wrong. In the first place, although the United States will surely seek to reduce, and in some measure, share defense burdens in Asia as in Europe (especially if concerns over Latin and Central America rise, as is likely to be the case), this will not mean an abandonment of Asia-Pacific security commitments. The gravitation of American economic interests toward Asia as well as growing cultural and political ties, together with the US physical presence in the region via Alaska, Hawaii, Guam, and other outposts, make it unthinkable that the United States would turn its back on the Pacific in strategic terms. Second, the Asia of the 1980s and beyond is not the Asia of the 1930s. There is no vacuum of power to fill or colonial enclaves to liberate. On the contrary, Japan is made repeatedly aware of the suspicions of other Asians about its past behavior, hence, the high economic and political costs of a greatly enhanced military posture. In addition, if Japan were to assume such a posture, it would create serious fissures at home, disrupting the high level of consensus that has supported Japanese foreign policy in recent years.

The likely approach of Japan to issues of security has been illustrated recently by its pledges in connection with the Gulf crisis. Despite its heavy dependence upon Gulf oil, Japan eschewed any military involvement, promising instead to provide navigational equipment that would enable ships to pass through regions cleared of mines more safely, and in addition, indicated its willingness to grant low-interest loans to Oman as well as to Jordan. In its concept of "comprehensive security," the economic component has always been emphasized. Hence, the approach to China and Southeast Asia as well as South Korea has involved the use of the economic weapon constructively, and to Vietnam and North Korea, as a form of punishment. If this continues, as is likely, Japan's influence upon regional and global security will not be negligible. It should be noted, however, that a countervailing tendency also exists in Japan, namely,

that of a "market foreign policy," one that seeks to separate economics from politics or security, doing business wherever it is economically profitable. This proclivity is strong in the private sector, and will create continuous pressure on foreign policy decisions.

If the odds favor a Japan that pursues neither a pacifist nor a Gaullist policy, but continues to coordinate its security measures with those of the United States, is China another candidate for an independent, indigenous security leadership? One might say that the innate psychological-political conditions here are more favorable even as those in the economic realm are less so. China's burgeoning nationalism and its self-confidence, born out of the sense of being a great nation, together with its smouldering resentment of having been repeatedly humiliated by others in the past provide an appropriate atmosphere for Gaullist type policies. Moreover, the very size of China including the scale of its economy suggests that military resources could be rapidly expanded once such a decision were made.

We should be cautious, however, in projecting a powerful China, one that would strike out independently to achieve its strategic goals in Asia and beyond. In the first place, China's modernization remains a formidable task. Even under optimal conditions, the process is likely to stretch far into the next century. In its course, moreover, recurrent internal crises, some of them requiring coercion to control, cannot be ruled out. In sum, we cannot know the extent to which military resources will be needed to keep Chinese society itself stable during its forced march to modernity. In addition, while Japan has its geopolitical deficiencies, being a series of small, densely populated islands, exceedingly vulnerable to aerial and naval attack, China must live cheek by jowl with one of the two global powers of this era, a power that will continue to be exceedingly suspicious of Chinese military prowess or expansionist proclivities. Indeed, if such threats were to develop, one might expect the Soviets to seek some startlingly new alignments.

As China is drawn into the economic orbit of the market economies, moreover, assuming that this trend continues, like Japan, it will find the costs of a high military posture rising. Indeed, fear of China as an incipient great power is already a problem for the PRC in Southeast Asia. Nevertheless, China has an unfulfilled agenda with respect to Asia. At some point, that agenda may be brought forward. It is for this reason that most other Asians want China to make progress slowly so that Chinese nationalism will not soon spill over into

other parts of Asia and Chinese economic competition can be kept within bounds. Whatever the long-term prospects, however, it seems likely that for the foreseeable future, despite real strains and rhetorical flourishes, China will continue its policy of tilting toward Japan and the West, especially the United States. Its security as well as its developmental goals dictate such a policy. At the same time, the effort to reduce tension with the Soviet Union will also go forward as a tactical measure.

Meanwhile, the smaller societies of Northeast Asia should benefit from a reduction of tension among the major states and the latter's preoccupation with domestic concerns. The threat to small state security is thereby lowered and in addition, increased opportunities for economic and cultural interaction across political lines are afforded. And as we have noted, that is what is taking place.

In sum, two concurrent responses are being given the developmental-security requirements of the Northeast Asian states today. Bilateral ties still predominate in importance, with Japan being a key actor in the economic field along with the United States, and with the United States and the USSR playing the crucial roles in the security realm. Yet, a growing network of ties is binding some of the indigenous societies together in a soft regionalism that lacks and will continue to lack a formal structure.

In other parts of Asia, regionalism has acquired an institutional base. Let us turn first to Southeast Asia. Here, two regional entities have emerged. The three states of Indochina now exist under the hegemony of Hanoi, the culmination of a lengthy Vietnamese goal, postponed first by the French, then by the Americans, but ultimately achieved. Whether an Indochina federation under Vietnamese leadership is to be a long-term condition remains to be seen. China is not likely to be satisfied with the status quo, and sooner or later, Vietnam must reach some accommodation with its giant neighbor unless it chooses permanent militarization, economic hardship, and extensive dependence upon another major power. These facts may make possible the reestablishment of a neutral, non-threatening Cambodia at some point, but the path to such an outcome is presently strewn with boulders.

Meanwhile, the Association of Southeast Asian Nations (ASEAN) has survived its adolescence. Designed with a mix of economic and political objectives in mind, ASEAN has acquired significance primarily as an instrument for coordinating security

policies. Coming into being as the United States was abandoning South Vietnam, ASEAN hoped to fill a presumed vacuum, providing some strength to its individual members by speaking with a collective voice. Differences of political system have not been sufficient to prevent cooperation. Most ASEAN members can be defined either as authoritarian-pluralist or dominant party states in their political structure. Less promising has been the economic basis for cooperation within ASEAN. A community of developing societies—the city-state of Singapore and the tiny enclave of Brunei excepted—cannot easily coordinate economic policies, and only now are some potentially meaningful, if modest steps, being taken. More important may be the fact that ASEAN can and does present collective economic demands upon the major powers, notably Japan and the United States.

One of ASEAN's useful accomplishments has been that of bringing the leaders of five, now six states together, enabling them to become acquainted with each other, and in some instances, to resolve or contain long-standing bilateral problems. When one reflects upon the Sukarno era, this is no small achievement. Indonesia, the potential "great power" in this region apart from Vietnam, has generally been careful to conduct itself with a suitably low posture, acutely aware of the sensitivities of others.

The fact remains, however, that Southeast Asia represents a complex medley of different and in some degree, conflicting ethnic, religious, and localist groups. Both within and among the states comprising ASEAN, the potential for disunity remains substantial. Malaysia currently presents the most worrisome scene, with problems exacerbated by a confrontational leader. Similar issues lie just under the surface in Indonesia despite the gains of recent years. The serious problems in the Philippines are of a different nature, being primarily economic and political in character, except for the Islamic issue. In any case, ASEAN's role in handling the domestic security problems of member states can only be relatively minimal, especially those of an ethnic or religious nature. At most, its members can avoid instigation or aid to dissident groups, and pursue some border cooperation.

The big cloud that hangs over the region is the Malay-Chinese issue. That problem influences foreign as well as domestic politics. For the Malay leaders of Indonesia and Malaysia, the Chinese issue—at home and abroad—is never out of mind. And for Singapore, the consciousness of being a Chinese island in a Malay

sea is always present. Varying views on the imminence of the threat from China, hence on the utility of Vietnam, lead to one of the critical fissures in ASEAN unity.

There is a larger related set of issues on which opinions differ, if not in kind, at least in degree, and with respect to timing. How non-aligned can and should the ASEAN states be? Homage is paid to ZOPFAN (a Zone of Peace, Freedom, and Neutrality), a concept first advanced by Malaysia and periodically supported by others. Indeed, virtually all ASEAN leaders at one time or another have voiced the sentiment that the strategic withdrawal of every major power from the region would be ideal. Moreover, the concept of a nuclear free zone is certain to be advanced more vigorously in the period ahead.

At the same time, realism demands that it be recognized that the major powers will not leave the area. On the contrary, whereas Southeast Asia was once host only to one external power in military terms, the United States, it must now contend with the USSR and the PRC as well. Under these conditions, as was recently demonstrated at the Manila ASEAN summit, even the more "neutralist" leaders have indicated that they do not want US bases in the Philippines abandoned—although they also do not want such bases on their territory.

In sum, while regionalism in Southeast Asia has made gains, it is still fragile, both in its Communist and non-Communist forms. Economically, little progress toward greater regional interaction has taken place and there is a high degree of dependence on external sources, for aid, trade, and investment. Politically, ASEAN has influenced global opinion on the Indochina issue. Moreover, it has reduced tensions between and among its members. It remains to be seen, however, whether racial and religious cleavages can be contained in the years ahead. Meanwhile, ASEAN has provided moral support to Thailand with respect to Cambodia, but it cannot in itself guarantee the security of its members either from external aggression or from internal upheaval. Despite ASEAN desires, moreover, the major powers now impinge upon the region more directly than at any time in the recent past. Hence, it must work individually and collectively for some combination of a balance of external forces and the containment of internal upheavals.

There is always the possibility of Indonesia as the big state within ASEAN asserting its perceived interests even if these run counter to a consensus. Thus far, this has been avoided, as we have noted, despite the divisions over Vietnam and other matters. Strongly

on the positive side of the ledger is the fact that current conflicts in this area, including that relating to Cambodia, do not threaten to escalate into full-fledged inter-state struggles. None of the major states is presently interested in becoming directly embroiled in a military contest, including China.

ASEAN, however, is not sufficient unto itself to forward the economic development and strategic stability of the region. These matters require the cooperation of a broader configuration headed by Japan and the United States, and buttressed by such international agencies as the Asian Development Bank, the World Bank, and others. On the competitive front, Vietnam's embryonic Indochina federation remains dependent upon continued Soviet support as this point, a support that is likely to prove more costly than the Russians want to sustain over time, despite recent guarantees.

To the east lies a huge, sparsely populated area we denote as the South Pacific. Apart from Australia and New Zealand, the states of this region are newly independent, and most of them face complex domestic problems. Economically, three broad categories can be discerned: states having a resource and population base sufficient to underwrite developmental programs; states marginal in these respects, but capable of making substantial gains when bolstered by external assistance; and states that will always be dependent upon international support. These economic facts of life cannot be dodged when considering the future of the South Pacific.

The politics of the new Pacific states run a considerable gamut, but rarely can politics be separated from the issues of ethnicity, as the recent coup in Fiji so graphically illustrated. The dominant sub-cultures are Melanesian and Polynesian, but the admixture of Indians, Chinese, and Whites adds further complications in certain societies. This is a region where there are still colonial possessions, primarily French, and a series of soft authoritarian and quasi-democratic political systems, in each case resting upon traditional foundations.

In the South Pacific, the "big states" are Australia and New Zealand, and their influence continues to be substantial. None of the major Asia-Pacific nations has established a strong presence in the area, and in this sense, the South Pacific might be described as a power vacuum. Soviet influence, generally exaggerated, is actually strongest within certain portions of the Australian and New Zealand "Left," especially within the trade union movement. The Chinese have shown only modest interest in the region, generally out of a

desire to counter Taiwan. Japan, among all of the major states, has been moving ahead most significantly both in trade and in economic assistance. The United States, its prestige damaged by the refusal to ratify a nuclear free zone treaty crafted to meet American needs and by the perceived support for French policies in the region, has had a very low profile.

Two regional organizations have emerged in recent years. One, the South Pacific Commission, is essentially an outlet for technical and economic assistance, with its members including the United States, Great Britain, and France. The other, the South Pacific Forum, is primarily political in nature, involving the indigenous states only and having a prominent Melanesian sub-unit composed of Papua-New Guinea, Vanuatu, and the Solomons.

The day may come when the great powers will take a more prominent interest in the South Pacific. Antarctica, for example, lies on its horizon. For the present, however, the region is more self-contained than other parts of the Asia-Pacific region, with economic as well as political-security assistance coming primarily from Australia and New Zealand. The collapse of ANZUS has thus far had a limited effect, particularly since US-Australian ties remain firm.

Finally, we must turn to South Asia, scarcely less in total population and land area than China, yet divided between one dominant state, India, and a host of lesser states on India's peripheries. A few South Asian nations like Pakistan have had very satisfactory growth rates, and India itself, if its vast second economy were factored into the official statistics, would present a reasonable picture of growth, albeit, one varying greatly from region to region. The bulk of South Asia, however, including sizable sections of the key states, remains hobbled by poverty and the developmental road seems difficult indeed for Bangladesh and the Himalayan states.

In this setting, the political miracle is Indian democracy, a phenomenon due in part to India's secular culture (notwithstanding extensive religious influences) and in part to British tutelage of an elite. Here—and in Sri Lanka—parliamentarism has thus far weathered extraordinary storms. The future, to be sure, cannot be guaranteed, especially given the intensity of the ethnic, religious, and regional conflicts, but with regard to India at least, it would be unwise to gamble against the survival of political institutions that are

now approaching a half-century in age. Pakistan and Bangladesh, moreover, have soft authoritarian systems, with military leaders pledged to democratization despite the recurrent setbacks.

South Asia has also given birth to a regional organization, SAARC (the South Asian Association for Regional Cooperation). Thus, far, this organization has functioned primarily as a sounding board for members, and a vehicle whereby contacts among state leaders can be regularly renewed. Its substantive accomplishments have been small, but some of the perennial issues confronting the region have been placed on the agenda. Security in South Asia, however, is not likely to be resolved through SAARC, at least in the foreseeable future. The central issues can be defined simply. India insists upon being accepted as the dominant state on the subcontinent, and it resents any challenge to its role from an outside power. Despite denials, India's alignment (not alliance) with the USSR is both real and relatively firm. In contrast to its actions in certain places, the Soviet Union has followed sophisticated policies toward India, providing important economic and military assistance. Consequently, its influence has survived Indian regime change.

At the same time, as India moves toward a more advanced industrial economy, its economic interest in Japan and the West is rising. India's perceived threat, however, is not the Soviet Union, even after the Afghanistan invasion, but its neighbor, Pakistan, and it deeply resents US support (however wavering) of that country. Looming over the scene, moreover, is the issue of nuclear proliferation, an issue that will not go away. Thus, the security issues affecting the subcontinent are primarily internal, both as they relate to the high levels of violence within states, and the unresolved issues among the states of the region. The external powers can affect the internal balance through various forms of assistance, but there is no evidence that Indian dominance will be overturned.

In conclusion, a few basic themes require reiteration. First, economic concerns are driving Asia-Pacific political and strategic policies in this profoundly revolutionary era. The major powers quite as much as the smaller states are being forced to concentrate upon domestic issues, most of them socio-economic in character, issues that cannot be ignored or postponed. This promises to offer a respite from the type of massive or global conflicts that characterized much of the 20th century. We shall certainly not see the end of violence, but it will take place at levels considerably below that of a holocaust.

To contain the lesser types of violence will require carefully crafted and coordinated economic, political, and military policies. Success, moreover, will demand a much greater degree of cooperation. Measures by a single power, even a so-called superpower, will not suffice. The need, thus, emerges for more complex policies and institutions beyond the nation-state. Some requirements can be met by technical or financial bodies international in character. The World Bank, the Food and Agricultural Organization, and a host of other independent or UN-affiliated bodies have performed valuable services. It is clear, however, that these do not suffice.

In the past decade, therefore, we have witnessed the emergence of a number of regional organizations in virtually every part of the Asia-Pacific area, differently shaped to take account of specific circumstances. While these bodies contemplate a wide range of activities—and have undertaken some of these with varying success—their central goal is to provide members with a greater hope for development and security, the supreme desiderata of all societies. It is virtually certain that they will not only survive but gradually become more integral parts of governance. And even where a formal structure is not possible, such as in Northeast Asia, the network of ties that I have called a process of Asianization will steadily expand.

Yet it is also clear that if the problems confronting the inner Asia-Pacific states are to be alleviated, the cooperation of the major powers, including the two global powers, the United States and the Soviet Union, will be required. The Asian states perceive that a broad strategic equilibrium between the United States and the USSR now exists in the region. They are aware of the relatively weak alliance-alignment structure that underwrites Soviet power in Asia and they are also aware of General Secretary Gorbachev's determination to strengthen the Soviet position there by adding economic and political elements to what has been essentially a military policy. In addition, they know of the economic difficulties in which the United States finds itself, and the problems of continuity—hence credibility—in American foreign policy. They expect positive actions (assistance in various forms) as well as restraint (avoidance of conflict and/or intervention) from these two powers. But, as we have noted, for most Asia-Pacific nations, the expectations reposed upon the United States and Japan are far greater than those reposed upon the USSR, especially in the economic and political realm.

In this connection, two basic principles are essential: reciprocity consistent with the capacities of each party and consultation rather than unilateralism in the decision-making process. These principles must apply to the range of economic, political, and military policies that are now clustered under the phrase "comprehensive security." They demand an acceptance of clearly defined responsibilities by all parties and the regularization of procedures governing inter-state decision making. Asia-Pacific regionalism in its current phase is only a first step in these directions.

**ECONOMICS AND NATIONAL SECURITY:
THE ILLUSION OF SELF-RELIANCE**

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I wish to take issue with some elements of the currently conventional wisdom regarding the global balance of power and security questions in the Pacific. I want, in particular, to discuss four questions. First, and probably least controversial, I suggest that self-reliance in national security matters has never been possible, even for great powers at any time in modern history, and that today it is less possible than ever. Secondly, there are increasing doubts as to whether the economic and technical pillars of national security policies are any longer under the sovereign control of any government certainly of the government of any non-great power. Third, I want to argue that quite contrary to much that is heard in public debate, the US ascendancy in matters strategic, economic, and technical is alive and well. And fourthly, I suggest that the conditions in which this ascendancy is exercised involve major new problems not just for the external policies of US allies, but for internal politics including those of the United States itself.

Let me begin with the fairly obvious reflection that the concept of Pacific security can be questioned in at least two ways. One has to do with the fact that most aspects of the great power balance need to be discussed in a global rather than merely a regional context. The nuclear balance between the United States and the USSR, however decisive for all of us around the Pacific, can only be considered in global terms. Similar considerations apply to the deployment patterns of the US Navy in the Pacific, or the role of Subic Bay and Clark Field. The question whether the expansion of the Soviet Pacific fleet poses a threat, of what or to whom, cannot be answered without reference to the Middle East or the security of the conventional forces. Australian governments of both parties have defended the presence of certain strategic facilities on Australian soil on the grounds that these contribute to maintaining Western deterrence of the USSR as well as to the verification aspects of Soviet-American arms control agreements.

On the other hand, the Pacific contains a number of security issues that are bilateral or internal to states, in which other Pacific powers remain quite uninvolved. The issue of the border between West Irian and Papua-New Guinea may be a matter of acute concern in Port Moresby and of fitful attention in Jakarta or even Canberra,

but it is likely to be politely ignored by Japan and South Korea. The question of who rules in Kampuchea, of urgent importance to Thailand and a useful tool for the expression of other interests by ASEAN, is, in spite of some government statements to the contrary, a matter of relative indifference to New Zealand, Vanuatu, or even Japan. Indian plans for naval expansion, which seem to involve nuclear-powered submarines, carrier task forces, and the creation of units of marines, may be of great interest to littoral states such as Indonesia and Australia or even to countries which, like Japan, rely on transit through the Indian Ocean, but can hardly be said to be of urgent concern to Taiwan or South Korea. The issues in the Philippines are not equally vital for everyone. In the—fortunately unlikely—event of Mrs. Aquino's government being succeeded by some anti-Western administration, that would be a severe blow politically; but the loss of US access to Clark and Subic could, given time and money, be made more or less good in other ways. Even on so important an issue as the Philippines, therefore, not everyone in the region is equally concerned or, for that matter, able to do anything about it. Altogether, we cannot assume that analysis of, or prescription for, any one of these issues in the region will yield implications for any other.

That relations between states have, as a general proposition, become more complex, more interdependent, and probably more volatile is clearly true. What is not true is the suggestion that interdependence, especially in strategic and defense matters, is something new. In the whole of modern history no major or minor power has ever been self-sufficient in these things. It has always been true that a country's first line of defense has to do with its diplomacy, its political relations with friends and a comparison between these and similar relationships maintained by the potential opponent. Furthermore, by the end of the nineteenth century each of the major European powers relied on one or more of the others for supplies of strategically important goods, sometimes including steel and coal. Indeed, so comprehensive had reliance on trade and other economic links become that before the first World War there was much serious writing which argued that these ties had become so strong and various that war between the powers was no longer realistically possible. All modern wars, from World War I to the conflict between Iran and Iraq, have involved some reliance by the belligerents on external supply and, equally, efforts to limit or deny supplies to the opponent. Discussions by outside powers about how to bring the Iran-Iraq war to an end

invariably had, as one of their key elements, the question whether these two powers could be denied essential outside supplies. Similarly, the idea of sanctions, whether against Italy in the 1930s or South Africa today, centers on the notion that denial of external trade would cause severe pain.

The matter goes much further, however, for interdependence is no longer confined to an exchange of goods. During the last two decades even more important and quickly reacting areas of interdependence have been created in general economic, fiscal, and monetary matters. It has always been assumed that national security depends critically on the possession of a strong, varied, and capable industrial and economic infrastructure. Yet the new global market in money, goods, services, and ideas has produced unprecedented pressures on the economic authorities of the sovereign state. There is nowadays a real question whether governments, and especially the governments of smaller states, can any longer be said to exercise sovereign "control" over the economic underpinnings of their national security efforts. It has, for instance, long been evident that smooth trading arrangements require some cooperative international regulation by governments. It is now also clear that if the cataracts of money which can move between continents at the touch of a button are to be regulated, if interest rates are to be managed, and currency and exchange rate volatilities limited, that also can only be done by cooperative action in, or centering upon the group of G5 or G7. It is not that effective power has moved from government to the private sector; it is rather that national governments and monetary authorities are no longer able to act alone but must try to act in closer international concert than ever before.

Yet the very attempt to achieve agreed action faces serious practical difficulties. Governments and monetary authorities may, and often do, differ sharply in their views of the world economy and its workings, and therefore in the kind of action that they think desirable. Even if agreement is reached, a government might find itself unable to keep its promises because of unexpected developments in politics or in trade such as the relative prices of important categories of goods. Or a government may be compelled by powerful domestic interests to withhold agreement or to go back on some promise.

Almost no country any longer has the power to set the level of its currency by its own unfettered decision. Yet exchange rates clearly play a vital role not just in trade but in investment, in a

country's external debt position and, hence, patterns of domestic welfare and the entire economic structure. And the health of that structure is vital for national security policy, including the social cohesion which sustains it. At its simplest, external and uncontrollable events can help to set both a country's domestic interest rates and its currency exchange rates, with important repercussions on defense purchases from abroad. The Australian defense modernization program, much of which relies on external purchases of weapons and equipment, especially from the United States, is a case in point. So, perhaps, are Indonesia's joint venture arrangements with General Dynamics for the sale of F-16 fighters and the discussions with Dassault-Breguet of France for the possible joint manufacture of the Super-Etendard. Similar points might be made about Singapore's F-16s and Thailand's new corvettes and their equipment.

There is also the matter of science and technology. The capabilities in these spheres of countries around the Pacific vary greatly and everything suggests that the gaps will grow wider with time. Three general points deserve consideration here. First, there are complex links both between the various elements of any national science and technology sector and between that sector and industry. Where these clusters of advanced effort, and the sometimes subtle linkages between them, do not already exist, it will be increasingly difficult and expensive to create them. In many cases it will prove to be impossible. The difficulties currently encountered by the People's Republic of China in these matters form a case in point.

Second, the best scientists and engineers seem increasingly to congregate in fewer rather than in more centers of scientific and technical excellence of global importance and influence. The differences between centers of excellence and everyone else are becoming greater and the process of establishing new centers is becoming more difficult and time-consuming. There are partial exceptions to these rules in certain groups working for governments, but even they tend to rely on constant interaction with outside centers in various disciplines. One need only reflect on the relations between the US Department of Defense, or the National Security Agency, and the Massachusetts Institute of Technology or IBM laboratories; or between Australian Defense Science and the materials scientists of the Commonwealth Scientific and Industrial Research Organization or universities like the University of New South Wales. In such matters also, smaller countries with a narrower knowledge base are at some disadvantage.

Thirdly, because of this international specialization no country can claim to be autonomous in industrial or defense-related science and engineering. Every country, even one with the strongest of science bases, is likely to have to rely to some extent on research and development done outside its borders. Small and medium states, and especially poor ones, are more highly dependent in this respect than others and are likely to remain so.

Such considerations have important consequences for any national defense effort, perhaps most particularly in the acquisition of weapons and equipment. Those countries which wish to have access to state-of-the-art hardware, whether in computers or avionics or communications equipment, will have to maintain appropriately friendly relations with nations able to give or withhold it—and the number of such suppliers is strictly limited. Even at technically less demanding levels similar considerations can apply. Though the world arms market is large, varied, and sophisticated, the more important supplies in it tend to remain under the control of national governments which can, but need not, apply solely commercial criteria to their sales. The results are everywhere apparent. The Afghan resistance would probably have collapsed some time ago without substantial Western and especially US supplies both to it and to Pakistan. The proxy armies which have fought the Soviet Union's battles, in Africa, for example, have depended critically on Soviet supplies as well as advice and even leadership. Although countries like Israel, South Africa, Iran, Iraq, Argentina, North and South Korea, and Vietnam have arms industries of their own, the military establishment of each would be gravely weakened without outside supplies.

The argument can be taken further. The capabilities for information gathering and analysis possessed by the major powers are clearly orders of magnitude more powerful and comprehensive than those available to others. For any smaller or medium power which might contemplate a possible conflict it therefore becomes vital to know just what kinds of information it can expect to get from its great power allies as well as what kind of information is likely to be available to the potential opponent. The point has been variously, but decisively, illustrated in the Middle Eastern conflict of 1973, the Falklands war, in Vietnam's border conflicts with China, and more recent military actions and deployments in and around the Persian Gulf.

Supplies of weapons, equipment, and information may be of only modest help unless there is an infrastructure which can make

best use of them. That infrastructure must be able to guarantee the security of supply of spare parts and replacements, react in time to new information and in general be staffed by people with appropriate education, training, and experience.

Patterns of training may, therefore, involve not just a strengthening of the domestic education system, but dispatching significant numbers of students, often including serving officers, abroad to study in countries with more sophisticated or comprehensive resources. That process can have a number of ripple effects. Students can return with strange ideas. Officers or civilians can get involved in networks of personal relations centering on the great universities or larger staff colleges. That can influence the whole temper of relations between services and states. The entire governmental apparatus may need to be adapted to allow the newly-trained to work to best advantage. Such a process is often unwelcome to powerful groups or institutions. Examples can be found, in somewhat different forms, in Australia, and the People's Republic of China.

The position of the United States amid these interdependencies is widely misunderstood. There is a fashionable view that the post-1945 period of US ascendancy has ended and that the United States has relatively declined in military, political, and economic terms. Where the United States pursued relatively clear and effective external policies between 1945 and 1960, since then the position has radically changed. The political disasters of Vietnam, Watergate, Iran, and the *Contras* have undermined the domestic consensus and sapped the capacity of the executive for coherent external leadership. Congressional attempts to conduct foreign or intelligence policy have been, at best, erratic. Political impatience with allies has visibly grown. Recent arms control efforts have created as much allied alarm at US unilateralism as relief at the approach of nuclear reductions. Furthermore, America has historically unprecedented budget and balance of payments deficits, has become the world's largest debtor, and is seeing real economic and financial power pass increasingly to Japan.

The trouble with this view is that large parts of it are simply wrong and have more to do with American domestic wishes for unilateralism or disengagement than with global realities. In fact, US military and economic dominance, even hegemony, is alive and well, albeit in part in new forms which can continue to operate even in the presence of uncertain or confused policy-making by government. I

say that with the qualification that dominance does not mean, and has never meant, either that the United States can do whatever it wants or that it can simply make others do what the United States wants. It means, more reasonably, that the United States remains the single dominant player (on the Western side) in the strategic and economic game and can largely set the rules by which that game is played. Moreover, it has never been otherwise.

It would be quite misleading to compare the real or imagined alliance difficulties of today with some mythical golden age in the past when the United States could do as it wished and others simply followed. Things have never been so simple. Charles de Gaulle, Anthony Eden, Konrad Adenauer, Ernest Bevin, and Helmut Schmidt cannot reasonably be portrayed as US puppets. The former Presidents of South Vietnam were notoriously difficult to deal with. No recent Australian or Japanese Prime Minister has been simply bid-dable. Nor does the proposition deny that the US proportion of the world's GNP has declined over the last thirty years: it merely regards that decline as irrelevant to the question of presently exploitable ascendancy. Nor does it address the question whether US power is, or is not, "overextended." It would, in principle, be quite possible even for a power possessing ascendancy to be overextended. Finally, the assertion that the United States retains ascendancy does not affect, and is not affected by, the proposition that the United States and its allies need to reexamine the question of burden-sharing.

The American ascendancy is still reflected in all five of the major dimensions of relations between states: in security affairs, in the field of knowledge, in finance and credit, in systems of production, and in cultural matters, especially popular and youth culture. The ascendancy is reinforced by some frequently unacknowledged linkages between these five.

The position is perhaps most obvious in the field of security and defense. The United States has a panoply of strategic and long-range forces, including aerospace devices, which is in a different category from that of any other power except the Soviet Union. If the Soviets are to be "balanced" no-one doubts that it is US power, or the threat of its use, which will have to do it. Even the "independent" nuclear forces of Britain and France must be regarded as ones able to start something which the United States might have to finish rather than as seriously capable of independent action against the USSR. A glance at any recent edition of the International Institute for Strategic

Studies' *The Military Balance* will show that the United States holds an entirely commanding position within NATO, let alone in the Pacific, whether measured in arms or in defense expenditure. US defense spending is running at a level, measured in current dollars, five or six times that of the rest of NATO put together, and not far short of one hundred times that of Japan. Moreover, public expectations everywhere accord with this universality and preponderance of US military power and with the associated political influence.

There is almost no regional conflict anywhere, and there are no major disasters, in which most of those involved or afflicted do not look to the United States for assistance, supplies, diplomatic support, medical help, or even, in many cases, armed support. Clearly, the influence of this military establishment ranges far beyond matters of defense and national security. It is, for instance, a matter of high significance that West Germany and Japan, both of whom are natural competitors of the United States in some important areas of high-technology production and marketing, also rely critically upon the United States to maintain their central national security interests. They are therefore unwilling to press commercial and other forms of competition beyond the point at which those national security interests might be jeopardized.

The United States' lead in the production and use of knowledge is almost equally remarkable. It is true that the United States does not have the leading centers of excellence across all disciplines; but it seems to have more such centers, especially in science, technology, and engineering than any other single state. Insofar as competent people from around the world work at such centers for long or short periods, the US advantage is very great. The "brain-drain" towards the United States and its scientific institutions, especially but not solely from the English-speaking world, is probably increasing, although comprehensive figures do not appear to be available. They might not mean much even if they were. For it is the quality of those who move, rather than their number, which is likely to be important. It is also worth noting that in recent times the drain to the United States seems to have broadened from scientists and technical people to persons in the social sciences and humanities, all of whom are attracted quite as much by the support systems available in the United States for advanced work as by greatly improved salaries. The size and wealth of the US university system, and the variety and flexibility of administration of its research effort are not matched by any other single country.

Even more clearly dominant is the US advantage in systems for collecting, storing, retrieving, and analyzing information and in developing new technologies and products to do so. This is clearly of critical importance to all those, whether politicians, bureaucrats, business leaders, or scientists, for whom knowledge is power. In areas like supercomputers and microcomputers, advanced software, space technology, biotechnology, automation and communications it is far from clear that the United States—which enjoys (or suffers) both the military competition with the USSR and the commercial competition with Japan—has yet been equalled, let alone surpassed, by anyone else. The US lead may be especially marked in those areas of optical and electronic surveillance and communication which relate to the strategic competition with the USSR, but where products and processes can also have a number of other applications. US leadership in all these various fields, as Professor Susan Strange has pointed out, also rests on the large and uniform home market available to US hi-tech firms. Such markets are available only to a much lesser extent to the Japanese and not at all to European firms and corporations. It rests also on the support which the large US defense budget gives to hi-tech efforts by helping to finance industrial research and development (R&D) and offering an assured market.

The third element of the US ascendancy is the US ability to control the supply of credit denominated in dollars, which gives to the US government and the federal reserve authorities a controlling influence on credit-creation in a global system which shows very little sign of wishing to displace the US dollar as the chief reserve currency or unit of account. What seems to be forgotten in much public discussion is that not merely are the US authorities the only ones that can create dollar assets but insofar as US debts are expressed in dollars, in an international financial system largely operating in that currency, it is not clear that the United States needs reserves at all in quite the same way as other states. If the Australian or Indonesian or Philippines payments balance is in deficit, they owe US dollars and that is a sign of weakness.

A US current account deficit corresponds to a capital inflow which—admittedly at the cost of selling US assets—also implies investment at least some of which makes up for the recent low rates of US domestic savings going into capital investment. Moreover, the US current accounts deficit in US dollars also functions as a major element of growth in international money supplies and the terms and

conditions of these movements are an important influence on international movements of interest rates. It is therefore not enough to speak of the US payments deficit as having consequences for the domestic US economy simply equivalent to that of payments deficits in other economies. Indeed, the growth in international money supplies probably has an especially beneficial effect in a period when many people fear the onset of recession if not depression. That does not mean, of course, that the payments deficit could or should be allowed to grow without limit. But it does suggest that many of the theoretically possible tactics for bringing it down—especially if a reduction were too sudden or too steep—could do far more damage to the international economy than a gentle reduction or even a mere levelling off of the deficit.

For the United States to be able to run a deficit for twenty years is a sign of real systemic power. And while it is true that exchange rates can nowadays only be regulated—or their movements moderated—by agreement among the five or seven leading financial powers or their central banks, it is clear that the dominant member of that group is always the United States. Nor is it only a matter of the role of public authorities. It is banks in the United States which carry responsibility for the greater part of the bank assets of the industrial world; and some three quarters of those assets are denominated in dollars.

I therefore disagree entirely with the view that the US budget and payments deficits signify a basic change in the US international economic situation; that Japan is rapidly becoming the world's dominant economic and financial power; and that the yen is about to replace the dollar. What has happened in recent times includes some indicators suggesting rather different conclusions. For some years Japan has been persuaded to invest heavily in US assets, including large quantities of US Treasury bonds. The reasons seem fairly obvious. The United States is the largest, most attractive and, in the longer term, the most secure market for investment, especially on a large scale. The fact that Japan was investing surpluses derived to a significant extent from export earnings in the United States made investment in the United States still more desirable, for both currency and political reasons. US investments in the United States on such a scale would help to maintain growth in the US economy and, therefore, Japan's ability to export there. And, by no means last, Japan's purchases of US bonds could plausibly be presented as a way to make it easier for the United States to maintain the defense preparations

and deployments on which Japan relies and which it would be impossible to replace by direct Japanese defense efforts.

However, the fall in the US dollar, permitted if not orchestrated by the Americans, did more than devalue Japan's newly acquired bonds by some 40-50 percent of their value in yen terms in some two years. For any Japanese bond holders who did not expect the yen-dollar relationship to worsen greatly over, say, the next five years, it created great pressures not to realize their losses in terms of yen. At the same time, not just for people who did not expect the yen-dollar relationship to worsen but for those who thought it might improve, there were equally great pressures and incentives to go on investing still more yen in US dollar assets. Which seems to be just what is happening. Japan can now build or buy US factories relatively cheaply, measured in yen, and therefore retain or even expand its US market share for goods and services in ways less vulnerable to US protectionism, a market share on which Japan's economic health greatly depends. In a number of ways, therefore, it is the United States rather than Japan which seems to have been in control of events. In addition, one might observe that, given recent foreign investment in relatively cheap US assets, and once the fall of the dollar has led to the usual J-curve results, those US firms, and especially hi-tech ones, which have become leaner and tougher during the recent US industrial difficulties seem likely to do rather well not just in the US market but abroad.

No less important is the US ascendancy in the world's productive system, as measured not by US exports but by the share of the world's goods and services produced either within the United States or by businesses whose headquarters are there and which are therefore especially responsive to its government. All six of the world's largest corporations producing computers are American, and they operate in a market which is thought likely to quadruple by 1991. The world's largest producers of integrated circuits are not the Japanese but IBM and Texas Instruments, while ITT and AT&T are the leading companies in telecommunications as measured by sales. The seven major US oil companies are at or near the head of the list in the oil business.

In aeronautics and satellites, the leaders are American and it is much the same in large conglomerates or even pharmaceuticals. Of the world's 300 largest companies, almost half are American. Nor is it only a matter of company size. The huge US domestic market is

the focus of attention for everyone else and the customs, regulations, and management practices there have tended to shape a good deal of similar activity elsewhere. Furthermore, the sheer size of the domestic market, combined with the low level of US trade dependence relative to, say, Japan, Britain, Germany, and Australia, means that the United States has special clout in the arrangements which regulate international trade. It is not, of course, that US wishes always prevail. For example, one would guess that the United States will not succeed in breaking—as distinct from denting—agricultural protectionism in Japan or the European Community. If that prediction turns out to be correct, it will not be because the United States lacks economic or trading clout but because the United States will have failed to dominate Japanese or European domestic social policies.

There is also the matter of popular culture. There is no question but that a great part of the popular, and especially the youth culture which has swept the advanced and modernizing worlds stems from, or is very heavily influenced by, the United States. Young men and women in the streets of Tokyo, Jakarta, or Melbourne—and, if they can get away with it, Leningrad—wear jeans indistinguishable from ones invented and made in the United States. The music to which they listen, or the videos which they watch, may come to them from machines made by Sony, but most of the music or films comes from the United States or is imitation-American.

Compared with the influence of California and New York in clothing or music or general youth culture, or even that of Atlanta or Kentucky, that of London's Carnaby Street or of the recording studios of Paris or Rome is somewhat minor. Similar, though somewhat less compelling, arguments might be offered about the influence of US centers on the marketing and collection of art or the production and recording of classical music. Or, at quite different levels, the flow of news, information, and entertainment round the world is dominated by the services and agencies which operate in English and among these the American television, newspaper, and wire services, and entertainment conglomerates, hold commanding positions. While these activities do not determine political or national security affairs, they help to form the backdrop against which an assertive electorate judges such matters.

It is worth repeating that almost all these aspects of structural US ascendancy can continue to function even in the presence of an inward-looking political mood in the United States, or of political

confusion, even turmoil in Washington, fresh tensions between congress and the executive, or a general absence of wise international leadership. That situation contributes to the difficulties which now face the Western alliance, including the allies in the Pacific.

Interdependence, and American ascendancy within its web, creates a number of tensions and contradictions. Three are worth special mention here. One is the contradiction for each country between political and institutional customs, between liberal democracy itself, and the compulsions of international competitiveness and flexibility. Every government is under pressure to go further than its electors might like in welcoming foreign investment, trying to lower domestic factor inputs and unit costs, including labor costs, to maintain attractive interest rates, sound money and a low tax regime relative to external competitors. That probably means trying to adapt the entire domestic political, administrative, regulatory and taxation framework in response to foreign pressures, sometimes at short notice.

For example, deregulating markets in one country can virtually compel deregulation in another, just as changes in the tax structure of Country A can compel consequential changes in Country B. The US decision to deregulate some financial markets in 1975 made comparable changes necessary in Japan and Britain, just as some recent taxation changes in New Zealand are compelling adjustments in Australia lest financial services or targets for investment be transferred across the Tasman. Obviously, such compulsions can affront domestic preferences and create great tension. Such tensions can, in turn, disrupt the cooperation and continuities which are so desirable for the maintenance of domestic stability, both in its own right and as a precondition not just for consistent alliance policies but for any coherent set of foreign and national security arrangements.

Secondly, the facts of interdependence and of US ascendancy are also at variance with the contemporary yearning for "equality" between states, peoples, and cultures, as well as with assumptions, so heavily encouraged by the media, about the universal validity of domestic political and ethical principles. In Australia, New Zealand, Thailand, and Japan the very strength of the compulsions of interdependence encouraged a stress on sovereignty, self-determination, and cultural self-assertion. Yet self-assertion also has clear links with the idea that other people should run their domestic affairs in the way we would like them to—especially in so-called "human rights" matters—as a condition for our willingness to deal with them.

The Soviets are clearly correct in their complaint that Western human rights policies are deeply subversive of most customary ideas about national sovereignty; but the complaint does not resolve the practical problems, which are accentuated by the increasingly complex links between media perceptions, cultural preferences, economic ties, and national security affairs. In Fiji, the economic consequences of Colonel Rabuka's two coups have obviously been very damaging. They include difficulties with sugar sales and a downturn in general foreign earnings which, in turn, put great pressure on the ability of the Fiji government to maintain existing military arrangements. A better known example is South Korea where recent political difficulties, and student unrest, have threatened serious disruption to the amicable relations with the United States and other countries. New Zealand's attitude to US naval visits is and even more obvious example of the role of domestic moral and political preferences in disrupting established alliance links.

A third difficulty has to do with the management, in this confused situation, of the US-led alliance network. The US self-perception is of a benevolent state willing, in the interests of democracy and freedom, to expend treasure and sometimes blood; of a great country willing to help others maintain the freedoms and the prosperity which it cherishes for itself and to do so for reasons, which, while naturally based on US direct interests in the world, also include much that is generous and even selfless. Americans sometimes find it hard to grasp the other side of their situation. The US ascendancy exists whether Americans see themselves as exercising ascendancy or not. Other, smaller, and more dependent countries can feel uncomfortably like members of an "empire" in a new guise. It is the political and psychological effects of these divergent views which are often hard to deal with.

Though government reactions to such difficulties vary from place to place, they usually include at least two components: a more detailed domestic regulatory environment and attempts to maintain closer control of parliamentary and public opinion. At one level, the needs of competition can point in the direction of a lighter regulatory burden—as in the cases of Britain, Australia, and New Zealand as well as the United States—and even of privatization. Yet the issue is not, domestically any more than externally, one of transferring functions and control from the public to the private sector. To the contrary: contemporary international economic competition seems to rely

more rather than less on governmental encouragement and support for national business enterprises. Indeed, one of the reasons for privatization—in addition to the obtaining of revenue and the imposition of greater market discipline on previously indolent public enterprises—is precisely that general constraints on a set of managers dependent on performance, perhaps even indicative planning, may be more effective in producing the desired results than the actions of direct owners.

Regulation is apt to be more effective than ownership. It is the nature of the regulations, as much as their number, which is at issue here. Legislation can be couched in terms which would allow, and therefore also threaten, a spate of consequential regulation. The details of those regulations are necessarily unpredictable when the initial legislation is passed, and not subject to congressional or parliamentary scrutiny later. Such procedures are made easier by the way in which the government of the day, in most modern countries, uses party discipline to contain parliamentary opposition—with the US congress being an obvious exception.

In Australia, for example, and since the days of former Prime Minister Malcolm Fraser, the commissioner of taxation has been given steadily increasing powers of discretion. That, combined with a spate of frequently indistinct, even ill-formulated, regulations has meant that individuals and companies have had an increasingly obscure view of their precise obligations, with the result that, except in those areas where Tax Office decisions have created precedents, people can find themselves compelled to operate in terms of worst-case assumptions which are not always conducive to originality and enterprise; while government has increased opportunities for manipulating the business sector by minor regulatory nudges without the tiresome necessity of consulting parliament or the public. Similar examples of the use of regulatory powers, often in direct contradiction to official rhetoric about deregulation and freeing markets, can be found in Britain, the United States, New Zealand and, perhaps in more elliptical and even unwritten ways, in Japan.

More interesting still is the growing sophistication of attempts to manage the media and opinion. In both Britain and the United States public distrust of media power and irresponsibility has permitted, if not encouraged, the growth of indirect methods of control. There are fine differentiations in government decisions on who has access to what kind of news. Presidential or prime ministerial press

conferences or interviews are arranged with increasingly professional care, as are the relationships between government and media managers and proprietors.

Nothing less than a new era of politics seems to have begun in Australia, in the 1970s with the advent of the former Premier of New South Wales, Neville Wran. Not only was he a prominent lawyer, personable, a good debater and performer on television, but he created in his office a media management team of unprecedented size and competence. It helped to keep him in power for a decade. That example was followed by the present Prime Minister, Bob Hawke, and the premier of Victoria, John Cain. By comparison, the media management efforts of the Opposition have been amateurish. But beyond that, senior ministers obviously have a careful and consistent policy of massaging the senior members of the media, of the Parliamentary Press Gallery, and media proprietors. Election campaigns are guided by the best advertising skills that can be bought. Inner cabinet members can and do "leak" to the press or make threatening private telephone calls to the editors of even minor newspapers which print unfavorable stories at the wrong electoral moment. Modern polling methods allow parties, and especially governments, to keep unprecedentedly close tabs on specially targeted constituencies or voting groups.

None of that means that attempts at control are always successful, or that dissatisfaction or dissident views cannot appear. It does mean that the government of the day can have a dominant influence on the agenda of public discussion, on the backdrop of public assumptions in terms of which particular issues are perceived and, not least, on the views of some of the groups which determine what is, at any given time, mainstream media opinion. In all such matters the government of the day naturally enjoys all the intellectual and policy support provided by the public service. Oppositional groups therefore tend—in the absence of special economic hardship or some particular drama—to have a harder task than, say, twenty years ago in holding public attention or creating a "band-wagon" effect for their views. Here again, an obvious exception is the United States, where the power and independence of congress, as well as the First Amendment, create somewhat different conditions.

If interdependence creates novel problems for all states, its own ascendancy may create special ones for the United States. Some stem from the relationship between the various elements of that

ascendancy. If, for example, currency volatilities were to persuade growing numbers of international corporations to denominate their activities in currencies other than US dollars, that would affect the American position not just in the monetary and banking world but in trade and production also. If the Japanese came to the conclusion that the US security umbrella had developed serious leaks, or that US power had significantly declined, one would expect repercussions on Japanese attitudes to investment in the United States. If a decline in the US external trade deficit were to lead to an appreciation of the dollar, that would affect the ability of others to purchase US weapons and equipment.

Possibly more important difficulties stem from the tensions between the vagaries of US politics and the need for long-term continuity as a condition of US leadership. It must be said at once that in spite of some public suggestions to the contrary, the continuities in basic US strategic and foreign policies over the past quarter century have been impressive and reassuring. A number of recent developments, however, in US domestic politics give rise to real concern. Direct voter participation in a growing number of issues has led to unpredictability and volatility of political outcomes. Single issue and special interest groups have at times distorted the governmental policy-making process, as has split-ticket voting in a deliberate and sophisticated attempt to keep the government weak. That approach has been especially effective in the absence of a majority party and, more importantly, the balkanising effects of party fragmentation, including the revolt of younger congressmen and senators against the former ascendancy of the old congressional barons, especially in their control of the committee system.

Friends and allies of the United States have tried to come to terms with a situation in which no deal can be certain to stick for long—indeed, it is often quite unclear with whom a deal should be made in a situation which seems to require constant retail lobbying. Foreigners are also faced with an increasingly narrow-minded domestic focus for policy debates between the executive, congress, and the media. To be sure, congress has always played a critically important role in the support, even at times the creation, of US defense and foreign policies. The temper of congress seems now to have altered at the same time as its claims are becoming more intrusive.

From the point of view of US allies, when the era of Senator William Borah's obstruction of Rooseveltian foreign policies gave

way to that of Arthur Vandenberg's support for President Truman, the world changed for the better. Now we have the spectacle of leading figures in the house and senate not merely opposing administration policy on Central America but in effect conducting Nicaraguan foreign policies in Washington, against the President, and winning on the floor of congress. It gives friends of the United States furiously to think.

Moreover, in recent times the habits of effective consultation with allies have been eroded, the sense of US impatience with external responsibilities has grown stronger, as have allied worries about US unilateralism. Allies are being given the impression that US policies not merely take account of domestic considerations, as they must, but that they have too often come to be based on little else. From the point of view of allies and friends, US leadership and decision after careful consideration and consultation is one thing: US decisions as a function of minor domestic irrelevancies or even of a fit of inattention, are quite another.

What, given the facts of US ascendancy in an interdependent world, can the rest of us do? It must be emphasized that the point here is not the adoption of a hostile attitude but the outlining of a way in which the system, given current circumstances, might be made to work better from the point of view of the United States' smaller allies. In considering the situation, it is necessary to distinguish between various forms of congressional action. The refusal of treaty ratification by the senate is extremely rare. Ratification with conditions attached—as in the "Jackson Amendment" of arms control fame—is possible but also relatively rare. A more frequent tactic is the introduction of various understandings between congress and the executive in the process of negotiation or ratification of arrangements with other states; and, of course, much more so during the regulatory process consequent upon the conclusion of treaties or other external arrangements.

From the point of view of foreign countries, five kinds of action would appear to be in principle possible. One, obviously, is to find alternatives to reliance upon the United States, in detail if not in basics. So, for example, the Australians have diversified their sources of supply of military equipment. Taiwan has diversified its markets, and Japan is diversifying its targets for investment and production. A second possibility is to make a combined case to, or even against, the Americans on particular issues. It is not necessary to let the

Americans "pick off" individual allies in bilateral negotiations in which that single ally may have no effective recourse. Certain recent trade discussions between the United States and Canada are an obvious example.

A third possibility may be to put special stress on formal inter-governmental agreements of a kind which, once concluded, congress may be reluctant to reject. Of course, such a tactic faces at least two obvious dangers. One is that it gives the US government even greater negotiating power if it can argue that congress will, or will not, accept some particular point. Another can be an adverse congressional reaction to suggestions that its powers and privileges are being circumvented or ignored.

A fourth and perhaps more promising approach is to try to establish direct links with the US congress, even given the real problems of continuous retail lobbying. It is true that foreigners cannot "deliver" US votes, or not directly. Yet something can be done simply by talking to senior congressional figures and generally currying favor. Even the Australians, rarely innovative in such matters, have recently got round to appointing a minister in the Washington embassy to maintain contact with congress. Much more telling tactics may be available and there are signs that Japan, for instance, is exploiting them. Investment in the United States could be targeted towards particular states and withheld from others. Trade diversion to or from particular areas may be possible. Investment can be shifted, given time, from one state to another in ways which create a real US constituency for the foreigners concerned, with real effects on the senators and congressmen from that region. Finally, even a nation as large and powerful as the United States should not entirely forget that smaller countries could be pushed to the point where pride or public anger leads them to cut off their policy noses to spite their faces. New Zealand's ANZUS policies have come close to that. It would be unwise to test that bottom line, in the Pacific or elsewhere.

Summing up: interdependence is inevitable. Self-reliance is mere rhetoric or, at best, a symbol, even for the United States itself. Within the web of interdependence the United States remains dominant, in spite of the difficulties and even confusions of politics and leadership. The problems do not have to do with independence or self-reliance in any classical sense but, more modestly, with alliance management, including the relations between the legislature of the hegemonic power and the political leaderships and voters of smaller allies. Of course, none of this is entirely new. It has all happened before.

Plenary Address:
**AUSTRALIAN PERCEPTIONS OF
COOPERATIVE SECURITY
IN THE SOUTH PACIFIC**

Peter G. F. Henderson



Mr. Peter G. F. Henderson, Chairman, Council for the National Council, Australia, was educated in Australia and at Oxford, where he gained his M.A. degree. Mr. Henderson, who is presently a company director, served with the Department of Foreign Affairs 1951-1985. He has been Australian Ambassador to the Philippines and Secretary of the Department.

Developments during recent years in the region to our north, and in the South Pacific itself, have aroused deep misgivings among the small percentage of Australians who take a serious interest in defense and foreign affairs issues. The increasingly powerful Soviet military presence in Vietnam, including the development of base facilities from which Soviet naval vessels can operate for long distances into the Indian and Pacific Oceans and from which long-range Soviet aircraft have the capacity to overfly many of the countries of the region, including a large part of Australia, represents a new and unwelcome potential threat to regional security. Nor can we overlook India's recently publicized plans to acquire from the Soviet Union nuclear powered submarines. No less unwelcome, from the security point of view, are the fishing agreements which the USSR has concluded with small island governments in the South Pacific. No one supposes that the fishing vessels are there only to catch fish.

Though we sympathize with the small island governments who are trying to capitalize on one of the few natural resources with which their countries have been endowed, the use of Soviet fishing vessels for intelligence gathering purposes elsewhere has been too well documented to be seriously questioned. It is therefore a source of deep regret to the United States' friends in Australia that one of the main reasons for island governments turning towards the Soviet Union to conclude fishing agreements was the unlicensed activities of the American tuna fishing boats in the South Pacific. These boats disregarded what the islanders regarded as legitimate claims to national sovereignty over large areas of sea, taking fish which were the property of those island states. The agreement that has now been reached, under the auspices of the US government, whereby tuna boats pay agreed fees to island governments in return for licenses to fish, while limiting political damage to future Western security interests, can do very little to offset the damage already done to those interests.

The continuing turmoil in the Philippines is yet another cause for concern to Australians. Not only do we worry about the increase in communist guerrilla strength and the prospects for the continuance of democratic government in that country, but in the wider regional security sense, we are profoundly disturbed at the possibility of unsuccessful negotiations between the Philippines and US

governments on the terms of an extension of the bases agreement. Recent public statements by the Foreign Minister of the Philippines, Mr. Manglapus, do little to encourage the idea that the Philippines government itself is disposed to look beyond the prospects of concluding the best possible financial deal, from its own point of view, to the implications of its own security, the security of ASEAN, and the security of members of the Western alliance in the broader Asian and Pacific region. If the United States and the Philippines cannot agree on mutually acceptable terms for extensions of the bases agreement, and if what is now only talked of as a remote and theoretical possibility—the withdrawal of American military power eastwards, perhaps even as far as Hawaii—becomes an accomplished fact, not only Australia will feel the consequences.

Closer to home, the present state of our relations with Indonesia, while in no sense a current security issue, adds to an existing sense of disquiet. Prickly relationships with close neighbors, whatever the cause, whoever is to blame, hardly reinforce feelings of well-being and national security. Australians cannot forget that, not so long ago, Indonesia was governed by a charismatic but unpredictable dictator, President Sukarno, and that Sukarno seemed wedded to military adventurism. Could the same kind of man ever come to power again? Also, whatever the rights and wrongs, many Australians remain troubled by Indonesia's subsequent military occupation of Portuguese Timor. The general in charge of that operation, until very recently the senior military man in Jakarta and now perhaps about to become a Cabinet Minister, is publicly and avowedly anti-Australian in his utterances and in some of his actions. The Australian media are still not wanted in Jakarta. The dialogue between Indonesia and Australia, whether at the governmental or public level, seems patchy and superficial.

In the South Pacific itself there are a number of current issues attracting our concern. In New Caledonia there is the long-standing struggle between the French colonists and the indigenous Kanak movement seeking independence from France. The Kanaks have sought help from outside, including from Libya after that country established close relations with the government of nearby Vanuatu, itself formerly a colony for which France had partial responsibility. A Libyan presence in the South Pacific, while different in nature and objectives from a Soviet presence, is no less unwelcome to Australia.

In Fiji during 1987 there has been serious political unrest, including two military coups leading to the departure of Fiji from the

Commonwealth. There has been some progress recently in restoring constitutional government but in a state which, numerically, is almost evenly divided along racial lines between ethnic Fijians and the descendants of imported Indian laborers, tensions are bound to persist.

The unsettling issue affecting all South Pacific countries in varying degrees is the nuclear one. First it was a question of French nuclear testing in Tahiti, and the feelings of strong opposition and condemnation which the testing aroused in all other countries of the region, including Australia and New Zealand. Australia, under the Whitlam government in the mid-seventies, led the successful international campaign to ban French nuclear testing in the atmosphere; the tests are all now conducted underground on Mururoa Atoll. More recently, the aspect of the nuclear question which has gained greatest prominence has been the deployment of nuclear powered naval vessels and nuclear weapons. It was opposition to nuclear weapons and nuclear powered ships that led the New Zealand government into withdrawing from participation in the ANZUS alliance and thus to the alliance's effective demise, even though it continues legally in being. This action by the New Zealand government, which has been severely criticized by all its natural and long-standing Western allies, has done far greater political damage to the cause of cooperative security arrangements in the Southern Pacific than to the actual military strength of the alliance itself.

The vast Antarctic area to Australia's south cannot be overlooked. It is still very much a natural wilderness, even though a number of countries, including Australia, have established stations in various parts of it and have made claims to sovereignty. Not all these claims are recognized internationally, but there have been negotiations between countries interested, including notably both the Soviet Union and the United States, and an international treaty intended to safeguard and conserve the whole region, and containing, *inter alia*, explicit provision for its non-militarization. This treaty is now under challenge in the United Nations where it is being argued that the natural resources of Antarctica—whatever they may be, but including fish and, theoretically, minerals or oil as well—should be regarded as the common heritage of mankind and made accessible to everyone, not just the original treaty partners. Australia views with real concern the possible overturning of treaty arrangements which have served it, its treaty partners, their joint security interests, and the preservation

of an ecologically very sensitive area very well over a period of years.

Against this gloomy and necessarily sketchy survey of recent events in Australia's broader region, and given the limited size of Australia's population, its comparatively limited financial resources, and the enormous size of its landmass and surrounding territorial sea, one might suppose that all Australians would unhesitatingly seek to secure their national security and well-being by contributing wholeheartedly to effective international cooperative security arrangements. That, regrettably, is simply not the case. For some people in Australia the basic question to be resolved is not the adequacy or otherwise of the cooperative international security arrangements that now exist, but whether Australia should be part of such arrangements at all. It is on this perception—or, in my view, misperception—that I want to focus this morning.

There are, I believe, three distinct elements in the arguments that are advanced in support of the proposition that Australia should "go it alone." All three, when well presented, can separately and together exercise a powerful if shallow attraction. Indeed, one of the biggest mistakes which those of us who do not subscribe to these views have made in the past, and tend to go on making now, is to underestimate the influence those arguments can have. We assume too readily that, because it has been self-evident to Australian leaders in the past, and is official government policy today, that Australia's national interests are best served by a close defense relationship with the United States and by membership of the Western alliance, we can comfortably go on assuming that there will be continuing public support for those policies. What happened in New Zealand in terms of the voting public's response to the nuclear issue should be a warning enough to people in Australia that the unthinkable can become the actual if complacency persists.

The first argument goes roughly along the lines that no self-respecting country wants to be the creature of any other country and that membership of a cooperative security alliance, especially when the other members of that alliance are more powerful and bigger than oneself, inevitably means that one will be dragged into the larger partner's conflicts; therefore not only are one's real national interests liable to suffer as a result of membership, but that membership itself is somehow demeaning. It is argued that genuinely independent-minded people—which of course we will imagine ourselves to

be—do not let themselves be “used” by anyone else at all. Rather, upright in their moral stance, and having regard to the demonstrable direct national interests of their own country, they equip themselves with the necessary means for effective defense against all external forces and follow a self-sufficient and genuinely neutral foreign policy. Two extracts from a recent simplistic article in a major Australian newspaper illustrate what I mean.

During the Bicentennial Year, it would be worthwhile for the Australian people to reflect on whether this state of affairs (that is, that the Hawke Government is as deeply enmeshed in American strategic policies as was the Menzies Government) is any longer acceptable. Should we not make it clear to our ruler that we will not in the future allow ourselves to be dragged into wars in which none of our real interests is served.

... all that is necessary is that we should shed our subservience and strike out on our own. First we should extricate ourselves from rivalry between the Super Powers. Then we should re-establish relations with our neighbors on a basis of mutual respect and support: move our industry to the front line of technology; and provide ourselves with defenses appropriate to a status of neutrality.

I am quite certain that the author of that article, a former Foreign Affairs officer, is not the first or the only member of the department to have been affronted at times by the working out, in practice, of the alliance relationship. Nor, indeed, is that experience restricted to Australian officials. It has included many prominent political figures, including prime ministers, who have not relished being informed at the very last minute, and without any attempt at prior consultation, of major US policy decisions impacting directly and indirectly on Australia. I remember once myself, when traveling with an Australian prime minister in the United States, after some such incident, asking a prominent American which sort of ally he would rather have: one who spoke his mind, albeit in private, or one who went along unquestioningly with what the American government of the day wanted. The latter, he said. I was deeply disappointed, because my own view was that an ally of that kind was not always worth having. But that said, most Australians do not allow the acknowledged imperfections of the practical working of the alliance to lead them into the cloud cuckoo land of thinking we would be better off without it. To return to the article from which I have just quoted, I have yet to see a convincing blueprint of how, in cold hard-headed practical terms, we

would "provide ourselves with defenses appropriate to neutrality." Does this mean no defenses at all, or does it mean the other extreme, the possession of nuclear weapons?

The second element in the argument against membership of a cooperative security alliance was also touched upon in that same article: that is the allegation of moral equivalence between the two super powers. The impression is given that the same upright citizen, aspiring to national independence of mind and action, would be better off, both morally and from a practical point of view as well, if he adopted the attitude of "a plague on both your houses". This has become a rather shop-worn line of argument, encouraged, one suspects, by propagandists who see advantage to the Soviet Union in advocating something so demonstrably out of keeping with the facts. Like so many such tendentious propositions, it appeals most of all to those who for emotional reasons want to believe it. It doesn't seem to me that there is much moral equivalence between a free society like America and a communist dictatorship like the Soviet Union.

The third element, again in simple terms, is an amalgam between "we are so far away from things that what we do doesn't matter" and "we are too small to have an influence on events anyway." These two notions played an important part in convincing the public in New Zealand that they could give free rein to what for many of them was the morally superior position of having nothing to do with hosting visits of nuclear powered naval vessels which might or might not be carrying nuclear powered weapons. This fantasy was compounded when, at the same time, New Zealand seemed seriously to expect that the United States would welcome New Zealand's continuing to be a member of ANZUS entirely on New Zealand's own terms, and to expect also to be the beneficiaries of the United States defense umbrella. This was provided, of course, that equipment acceptable to New Zealand's delicate sensibilities was the only equipment to be used. No wonder the United States finally lost patience.

What most citizens of New Zealand still fail to recognize—perhaps because no real effort has been made to inform them—is that whether they like it or not, they all continue to be protected by the US nuclear defense umbrella. Geographical remoteness from the centers of world population has nothing to do with it. What members of the Australian Council for the National Interest are doing their utmost to ensure is that woolly thinking, based on inadequate understanding or deliberate misrepresentation of the facts of international life, is not

assiduously and deliberately given currency in Australia. It is still only a small, albeit vocal, minority of Australians whose political sympathies lie with the irresponsible policies on foreign affairs and defense being followed by the present government of New Zealand.

I said earlier that the present Australian government, led by Prime Minister Hawke, proclaims its adherence to the Western alliance. On his recent visit to Moscow, and in his first major speech there, Mr. Hawke said:

Australia has chosen the values, positions and interests of the West. Australia and the United States formed an alliance which continues to exist today and is stronger than it has ever been . . . Australians do not see this as merely a military alliance, but as a partnership based on shared liberal-democratic values: our deeply cherished values.

This recent reaffirmation of position, made in such positive terms and in such a significant setting, is reassuring to Australians like myself who have seen during the past five years some striking examples of the Australian government's failure in practice to live up to the propositions to which it subscribes. It is not only on the extreme left wing of the parliamentary Labor party that one finds instinctive anti-Western and anti-American attitudes. Pressure from what might broadly be described as anti-American elements in the party obliged Mr. Hawke to make a personally humiliating retraction of his promise to the US government that Australia would assist in the MX weapon trials. Nor has the Australian government responded positively to the US invitation to take part in SDI research again, one suspects, because of the gut reaction of the same people who opposed the MX trials.

On disarmament generally, the impression has at times been given publicly that the Australian government is more interested in posturing before the so-called "peace" groups on the local domestic political scene than in making any practical or helpful contribution to US efforts to achieve significant progress in arms reduction. In Geneva, this has, at times, seemed to have taken the form of trying to push the United States into formulation of resolutions which Australia knows quite well go beyond what the US government believes its own national security interests can accept. In the South Pacific, Australia has been primarily responsible for the promulgation of the Treaty of Rarotonga, which purports to establish a nuclear-free zone in the South Pacific. In the Defense White Paper which came out in

1987 the treaty is described as "a gain for Australian and regional security," and the claim is made that "it protects Western strategic interests in the region." One Australian newspaper described these assertions as "whimsical." In my own view they are dangerously misleading, as the treaty is quite plainly not what it claims to be, the foundation of a truly nuclear-free zone.

We would have done rather better to have said openly to the island governments of the South Pacific that, for overriding defense reasons, including the maintenance of their own security, as well as Australia's, America needs to be able to move naval units freely round the South Pacific, whether or not those units are nuclear powered or nuclear armed. We could have added that a real nuclear-free zone could not be reconciled with our mutually shared interests. The fact that the Soviet Union hastened to adhere to the treaty, while the United States and Britain declined to do so, speaks for itself. Not only does the United States decline to accept the Australian assertions about the treaty's protection of security interests, but it looks with evident disfavor on the fact that the treaty concedes the major themes of the anti-nuclear movement—namely that nuclear weapons even when carried for deterrent and second-use purposes are bad, and that unilateral gestures are helpful to the cause of peace. The public welcome by the Australian government of the Soviet decision to adhere to the treaty, coupled with public criticism of the United States for not signing, must have made life just a bit harder for the present Australian ambassador here in Washington.

On the other side of the ledger there are two important facts to record. The first is that, despite the anti-alliance, anti-American, and anti-nuclear sentiments within sections of the Australian Labor Party and in some elements of the Australian public, the Hawke government has, as far as I know, done nothing to weaken the agreements between Australia and the United States covering the joint intelligence facilities in central Australia. To critics of those facilities, and especially in reply to the suggestion that they provide a nuclear target for Soviet attack which would not otherwise exist, government spokesmen including the Foreign Minister, Mr. Hayden, have repeatedly pointed out that the facilities serve a valuable purpose in policing adherence by the Soviet Union to disarmament agreements it has reached with the United States. This, they say, is a contribution which, by an accident of geography, Australia is uniquely able to make, and that it would be irresponsible not to make it. (It would be another situation entirely, of course, if technological advances in

future made the joint facilities redundant. One consequence could be severe strain on Australia's commitment to the American alliance and a shot in the arm for the neutralists.)

The other development to be noted is that, partly because of criticism of a report to the government on Australian defense policy by a Mr. Paul Dibb—criticism which came from within Australia itself and from groups in the community such as the Council for the National Interest—the subsequent White Paper retreated markedly from Dibb's attitude of fending off the United States, from acting towards the alliance in a grudging and lukewarm way, and from the impression it gave that the Soviet build-up was not to be taken seriously. According to the press, the United States government itself also made its own views on the Dibb Report unmistakably clear to the Australian government saying, amongst other things, that Dibb's view of the Australian role in the ANZUS alliance was not acceptable to the United States. Putting aside, for the moment, the question of who was responsible for bringing the changes about, the fact remains that the 1987 White Paper refers in positive terms to the alliance relationship with the United States and to Australia's role in the Western alliance.

Immediately after the opening and unexceptional statement that the government's policy of defense self-reliance gives priority to the ability to defend ourselves with our own resources, the White Paper states:

This policy of self-reliance is pursued within a framework of alliances and agreement. The most significant of those is with the United States.

If the Australian government has not always lived up to the spirit of its statements of adherence to the Western alliance and ANZUS and to its defense relationship with the United States, there have also been times when Australians have been worried about traffic in the other direction.

By this I do not mean only the problems of intra-alliance consultation and dialogue, which I have already mentioned, but also perceptions that have emerged from time to time that the United States does not always taken much account of the likely consequences for a close ally of its actions in other fields, particularly the economic and trade field. I have in mind particularly the impression gained by even the most historically fervent supporters of the United States within

the Australian community, that commodity deals with third parties—including, for instance, the Soviet Union in regard to wheat—are regarded as having greater importance for the United States than safeguarding and maintaining traditional Australian export markets and, in turn, Australia's capacity to pay cash for the very large orders of American defense equipment over many years.

Resentment, and I do not think it is too strong a word, that has been aroused on this score has given additional ammunition to those in Australia who see advantage in offsetting commercial trading advantages against perceived Australian concessions to the United States intelligence interests, exemplified by the joint intelligence facilities in central Australia. This is a delicate and controversial subject which I do not want to get involved in now, other than to note that defense and security arrangements cannot always be kept in separate watertight compartments, and to repeat pleas that have been made publicly and privately by Australian government leaders visiting Washington that the United States government should not overlook these wider aspects of the security relationship.

One subject which should not be overlooked is the question of cooperative security arrangements between Australia and the countries of the South Pacific. Unfortunately, there is less to be said on that subject than many of us would like. Now that ANZUS is in effect moribund, some new bilateral security links are being developed between ourselves and New Zealand, including in the defense procurement area. Australia and New Zealand have a long-established tradition of military cooperation and partnership, and I believe the instinctive reaction of concerned Australians, despite their dismay that a New Zealand government has taken New Zealand out of the ANZUS alliance, is to make a deliberate effort to try to maintain what we can of the bilateral defense relationship. That does not include though, as Mr. Hayden has pointed out in New Zealand, Australia's stepping forward to provide the defense guarantees to New Zealand that it used to enjoy with the United States. Apart from willingness or the lack of it, Australia is in no position to do so.

Australia has also recently redefined its defense relationship with Papua New Guinea so as to provide some greater degree of public reassurance there also. This has not been without controversy within the Australian government itself, there being those who believe Australia might regret giving Papua New Guinea some form of blank defense guarantee that might have to be fulfilled in unforeseeable

circumstances. The opposing view is that failure to give any positive response to a considered request from Papua New Guinea to reaffirm the public commitment to defense support would be even more damaging to Australia's longer term interests in the area.

Papua New Guinea apart, the question that comes immediately to mind is whether Australia, having given some commitment to Papua New Guinea, is prepared now to make some specific security arrangements with the other island governments of the South Pacific, or whether vague suggestions that ANZUS somehow covers those countries as well and that they needn't seek anything more definite will still be thought adequate. In view of New Zealand's present policies, references to ANZUS are unlikely to be regarded in the islands as having much force. Nor is it possible easily to bypass the question of what forces Australia would in practice have available to honor any commitments given to Papua New Guinea and the states of the South Pacific. At the time of the first Fijian coup, there seemed to be considerable doubt whether Australia had the military strength to exercise any influence on the ground in Fiji even if it had wanted to. This did not prevent the Australian government from saying a great deal on the subject and from moralizing on how we thought the Fijians should behave. Lord Strang said of British policy towards Europe in the 1930s:

We behaved as though we could play an effective part in affairs as a kind of mediator or umpire, without providing ourselves with the necessary arms and without entering into any firm commitments.

He could in almost all respects have been writing about Australian policy towards the South Pacific in the 1980s. It will be evident from what I have been saying that my own view, and the view of the Australian Council for the National Interest is that, given the uncertainties and threats to peaceful development and stability in the region in which we live, Australia's national interests are undoubtedly best served by a firm commitment to cooperative security arrangements. Moreover, cooperation should be sought not only with the United States, as the principal power of the Western alliance within the region, but also with the small island governments of the South Pacific to whom Australia appears the large external power. I doubt if this will come as much of a surprise to you. What I do want to emphasize, though, is that there are forces at work within the Australian community seeking to turn Australian policy in a

different direction, and that those forces have already had some success in influencing the policies of the present Australian government.

This is so despite the repeated public commitments from the Prime Minister, Mr. Hawke, regarding membership of the Western defense community and the alliance with the United States. Those Americans who are as attached to their perception of US national interests as I am to the interests of my own country would do well to make sure that they have an up-to-date and realistic appreciation of the strength of hostile political views in Australia. We must not allow the strength of our mutually advantageous cooperative security arrangements to be weakened further by complacency or by failure to present the basic facts to the Australian and American publics. What then, you may ask, should we as Americans do in practical terms to nurture those cooperative security arrangements? At the risk of being berated for issuing prescriptions uninvited may I suggest the following:

Do not take it for granted that citizens of allied countries fully comprehend or automatically accept your own political values. Boost your own information program about yourselves. Contrast the repugnant values of Soviet communism and the inequities of the Soviet political system with the genuinely democratic society of the United States. This is a message to the rest of the world that cannot be repeated too often. It may be one of enduring validity but it will not gain lasting acceptance without sustained effort on your part.

Promote within the United States greater basic knowledge at the popular level of the countries with which your government has concluded formal alliances. For example, we in Australia are very much aware that the many Americans who came to Australia during the Second World War and learnt something of our country at first hand are now moving into the older age group in your community. I believe Australia is paying an increasingly heavy political price in this country for the dimming of those wartime memories and loss of personal contacts. We do try ourselves here to offset this trend, but we could do more if there were a wider acceptance by influential Americans of the need for action.

Try to dispel the notion in the public mind that all allies are simply hangers-on. In Australia's case we have played an important role in regional defense arrangements in the broader Western interest, for instance, in stationing units of the Royal Australian Air Force at Butterworth in Malaysia.

and in our contributions to United Nations peacekeeping exercises in the Middle East. Moreover, in bilateral terms, Australia has never been a recipient of US defense aid—on the contrary. Most years we spend \$200 to \$500 million on defense procurement in the United States. Some years it is over a billion dollars. Australians can look you in the eye and say: “Consider the interests for your allies. Make it worthwhile to be an ally of the United States.” And finally, turning to the South Pacific, maintain your official physical presence. Arrange visits, both by individuals and groups at the political level and in the defense area, by units of your armed forces. Promote joint naval exercises and maneuvers. Be there; be seen; be heard.

Taking account of all I have said so far, and coming back to the theme of this conference, there is only one last thing I want to say. Unless the political will to maintain our cooperative security arrangements is constantly nurtured by governments and community leaders in both our countries, the arrangements themselves can only be regarded as being at risk.

**THE CHANGING NEW ZEALAND
DEFENSE POSTURE**

Dr. Dora Alves



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New Zealand's historical isolation is sometimes overlooked by people in the northern hemisphere when New Zealanders appear to disregard their place in the world to cultivate their garden. The actions of the Lange government and New Zealanders' reactions have surprised members of the Western alliance. There are precedents in New Zealand history, however, for surprising legislation and its acceptance by the people. New Zealand's developing emphasis on the South Pacific region is linked to a growing appreciation of the ancient Maori tradition of belonging to the region; Maori sentiment today cannot safely be ignored by the Pakeha.*

David Lange affirmed on 9 July 1984 that ANZUS was part of the New Zealand defense arrangement:

It will continue. The suggestion that it would be frustrated if New Zealand took the moral stand which I believe New Zealand ought now to take, of declaring its abhorrence to nuclear weaponry, and its concern for nuclear propulsion, by absolutely prohibiting that in our territorial waters, would not mean the end of ANZUS.¹

The changed pattern of New Zealand's Pacific cooperation and security is shown by the comment in the 1986 bipartisan Report of the Defense Committee of Enquiry that it stretched public credulity to suggest that an ANZUS treaty devoid of any military cooperation, logistic support, or "security guarantee" made any sense as a defense policy for New Zealand. The report was issued in July when it had become clear that formal withdrawal of the US security guarantee to New Zealand was imminent.² In 1987 the prime minister said, "New Zealand is better out of ANZUS."

NEW ZEALAND PERSPECTIVES

Americans and Europeans from a variety of backgrounds find it hard to understand the New Zealand preoccupation with nuclear war, the prime minister's tergiversations, and the degree of public support for policies that have undermined Western solidarity. Behind today's attitudes in New Zealand lie the mushroom cloud that resulted from

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French atmospheric testing in the sixties and a mounting frustration at the growth of the superpowers' nuclear stockpiles.

New Zealand history and geography—perhaps little known elsewhere—have influenced the development of the national identity. For a long time bilateral relations with the United Kingdom dominated New Zealand's international relations. The Statute of Westminster offered formal constitutional independence in 1931; it was ratified by the New Zealand government in 1947. During the thirties, New Zealand insulated itself from the world economy and adopted tariffs that tended to limit trade and technological transfer.³

New Zealand characteristics that since the advent of the Lange government have sometimes surprised the West are not new. André Siegfried—the de Tocqueville of New Zealand—noted the idealism and moral fervor, contempt for political theories, practical empirical opportunism, and New Zealanders' persuasion that the eyes of the world were centered on their country in 1899.⁴ Siegfried saw the effects of smallness and isolation and observed that New Zealanders had, little by little, “lost the habit of seeking counsel from outside.”⁵

Siegfried also remarked on the fact that in most cases New Zealanders did not seem to see difficulties and proposed simple solutions for the most complex problems with an astonishing audacity. He noted, besides these traits, the supporting hands of the “mother” country:

England has solved for them all the most difficult questions of foreign, military and financial policy. . . . Their autonomy may be as complete as possible, but they feel vaguely, without admitting it to themselves, that behind them stands watching a powerful protector, who will be there at the moment of danger, and who, if necessary, will be ready to repair their blunders.⁶

The fall of Singapore in World War II and the United Kingdom's entry into the European Community removed powerful psychological props and prompted a rethinking of New Zealand's position in the world.

DEVELOPING SELF-RELIANCE

The ANZUS alliance, signed in 1951, was seen, at a time when the United Kingdom's power was diminishing, as a way to ensure the security of New Zealand. The old defense relationship remained

close, however. For many years New Zealand forces were incorporated in the British command structure and troops were pledged to the United Kingdom in emergencies. In 1974, the United Kingdom withdrew from east of Suez. The Nixon doctrine had been formulated five years earlier. A consequent evolution of New Zealand defense policy towards a more self-reliant stance in its area of immediate concern and in the South Pacific can be traced in the 1978 and 1983 defense reviews.

The 1983 Defense Review, which considered the relationship with the United States and Australia as fundamental, saw a natural progression reflecting the government's intention to "further develop the capabilities of the armed forces to constitute an effective deterrent to New Zealand or vital interests in the New Zealand area." The South Pacific was no longer a place apart and the need to monitor developments and work positively with like-minded countries in the region to "secure the wide horizon against destabilizing influences and possible intruders" was recognized.

The review advocated training, exercises, and exchanges with the countries of the region to promote stability and stable development in the South Pacific; the ability to respond to low-level emergencies in that area; the maintenance and strengthening of the defense relationships with New Zealand's ANZUS partners; and the capability to deploy quickly and sustain small, flexible ready reaction forces into the South Pacific and Southern Oceans in support of New Zealand's wider interests and security demands.

Without increasing expenditure, the emphasis would be changed to give greater priority to the maritime role and to enhance the ability to deploy all three services to where they were needed. Greater combat readiness and an improved capacity to sustain operations from existing reserves of personnel and material were foreseen. Specifically, it was proposed to replace the frigate force with four submarines to be phased in from the early 1990s, and to acquire two multi-purpose ships, one with a strengthened hull for Antarctic service. The army would have more operational and fewer support roles. A deployable battalion group of 1,000-1,200 would be maintained at full strength in a high state of readiness. The Royal New Zealand Air Force (RNZAF)'s flight refueling capability would be examined; a sixth Orion would perhaps be included in the modernization program; the Skyhawks would be upgraded and, possibly, more Skyhawks would be obtained.⁷

OPINION IN 1983

In 1983 Secretary of Foreign Affairs Merv Norrish spoke of his desire for "a level of public interest and public debate that takes full and realistic account of the actual facts." He voiced his belief that neither a nuclear danger to New Zealand nor a wider danger of nuclear war resided in the ANZUS treaty but rather in the nuclear powers' inability to negotiate meaningful reductions in their nuclear arsenals. He expressed the view that New Zealand could do more to promote arms control, stability, and better relations among states as a member of ANZUS than outside it.

Norrish doubted that the views of groups opposed to government policy (anti-American, anti-ANZUS, anti-nuclear, proneutralism, even pro-Soviet), were coming to be more widely shared. The Secretary did make the point, however, that fundamental considerations were too often left unstated in the public debate about ANZUS.⁸ Dr. Des Ball, of the Australian National University, considered that even in New Zealand, where there were strong and well-organized pressures for withdrawal from ANZUS, it was most unlikely that these reflected any majority opinion.⁹

Lange's appointee as New Zealand Ambassador to the United States, Sir Wallace Rowling, the former prime minister, has been one of the most articulate advocates of a different alliance emphasis. In 1983 he suggested more economic regional cooperation between the alliance partners and less stress on global military strategy.¹⁰ Before the change of government took place Sir Wallace advocated an ANZUS that would recognize New Zealand's unconditional anti-nuclear stance; New Zealand's right to promote a nuclear weapons free South Pacific; equal partnership on all issues and unanimous decisionmaking; and the complete integrity of New Zealand's sovereignty.¹¹

In the last years of the Muldoon government the pressure groups' statements were not adequately countered by authoritative statements about the strategic importance of the Asia-Pacific theater.¹² Many New Zealanders today seem unaware of the fact that, should the Indonesian straits be blocked, oil will have to pass through the Tasman Sea to East Asian allies, or of the implications of the region's richness in strategic commodities—tin, rubber, titanium, chromium, platinum, and, in Indonesia's case, petroleum.

THE LABOUR GOVERNMENT

When the Labour Party won the 1984 election by an overwhelming majority, Lange's government reaffirmed the election platform of refusing all nuclear-powered and nuclear-armed ships entry to New Zealand ports. The US government, for its part, reaffirmed the neither confirm nor deny policy (NCND), and it was agreed that no requests for ships' visits would be made for six months while consultations took place between the two governments.

A month after Lange had said that the United States was a very important ally of New Zealand and that it was contrary to the wish of the majority of New Zealanders and politically unacceptable to make "some unilateral gesture of withdrawal from ANZUS,"¹³ the Labour Party's annual conference recommended that New Zealand should withdraw from exercises and alliances with nuclear powers and withdraw the New Zealand battalion from Singapore.

1985

Early in 1985, New Zealand rejected the proposal for a port visit from the conventionally-powered USS *Buchanan*, to the surprise of US officials. As a result, the United States began a series of measures to lessen defense cooperation while pledging to take no economic sanctions against New Zealand.

As his country's Foreign Minister Lange did not practice quiet diplomacy but sought to explain New Zealand's posture from a number of public platforms, making it clear that his government did not share the view that nuclear weapons are primarily political instruments used to induce political responses. New Zealanders seemed less concerned about the altered defense situation than grateful for the attention New Zealand was receiving in the world abroad. Almost 90 years earlier Siegfried, in a chapter on "Present Conditions in Political Life," commented on a "too exalted sense of apostleship," saying, that New Zealanders believed that the world expected much of them, and that they must not be false to their destiny.¹⁴

Australia from the first considered New Zealand's policy wrong, but would not intervene. It saw the situation as an "open ended triangle" and Australian-New Zealand cooperation as mutually reinforcing in their area. Foreign Minister Bill Hayden spoke of working closely with New Zealand to reduce the opportunities for unfriendly external powers to intrude, and of striving to promote a sense of strategic community and cooperation to bolster regional harmony and

confidence. On 5 May 1985 he said, "The United States is a super-power but Australia and New Zealand are more effective in the context of the small states of the South Pacific: that is why it is important that we hold together across the Tasman." In 1985, Australia, Papua New Guinea, Fiji, Tonga, and Western Samoa accepted US port visits while Vanuatu and the Solomons declined them.

In March 1985, the Lange government acknowledged that the dispute with the United States made it necessary to reexamine fundamental interests in the changed circumstances. (On 26 February, Lange had stopped in Los Angeles, on his way to Europe. William A. Brown, the deputy assistant Secretary of State for East Asia and the Pacific, had outlined the steps that the United States proposed to take, maintaining that, in the US view, New Zealand had an obligation, under the alliance, to share burdens by admitting US ships.) Stating that the fundamental interests afforded by ANZUS remained valid, the Lange government now saw the need for a new fabric of cooperation to be developed with both South Pacific neighbors and ANZUS partners, based on a clear definition of New Zealand interests and its policy of self-reliance. It was admitted that the "capacity to operate on our own bat in the South Pacific" would require more surveillance, more exercises, and more training assistance as well as more developed links with island governments on defense and security matters. In June, an increase in defense spending of 18 percent was decided on to reverse the recent rundown in the capabilities of the approximate 13,000 armed forces.

The New Zealand government wished friendly relations with the United States to continue. It was to be made clear that New Zealand would in future be carrying a greater share of the common security effort. The door was not closed to the resumption of trilateral defense cooperation, but if trilateral cooperation reappeared it would have to be on a more self-reliant basis. The government maintained that closer cooperation with Australia in a policy of pro-Western regionalism would make a significant contribution to the Western alliance.

Radio New Zealand reported that Foreign Secretary Merv Norrish, after talks in Washington with senior officials, including Assistant Secretary of State for East Asian and Pacific Affairs Paul Wolfowitz, said that the dispute over ship visits could be worked out, but did not specify the proposed solution. On the eve of the US-Australia talks in Canberra, Lange appeared to be in favor of

non-nuclear exercises, saying that after 150 years of intimate association with an ally like the United States one could not write off forever the possibility of a resumption. Earlier, in a post-Caucus press conference, the prime minister had said there was no possibility of reconciling the government's anti-nuclear stance with NCND (neither confirm nor deny) and that the US response had firmed New Zealand resolve to pursue a more independent role in the Pacific and this had been "good for New Zealand." Questioned as to whether New Zealand's policy had been worth the deterioration in defense relations, Lange said, "Very much so."¹⁶

In September, a New Zealand official was quoted by the *New York Times* as saying that the main difference from the winter before was that Lange was now not ruling out in advance ships that were nuclear-capable, but only those deemed to be carrying such weapons. The United States reiterated that it saw port access as essential to an allied relationship with New Zealand.¹⁷ Having announced on 10 October the government's intention to appoint a panel of independent experts to prepare a report to assist in the review of defense options, the government issued *The Defence Question: A Discussion Paper* on 20 December. This reiterated that there was nothing in the ANZUS treaty that required New Zealand to accept nuclear weaponry.

THE DISCUSSION PAPER

The 20 pages need to be read in their entirety. There is not scope in a paper of this length to summarize all the points raised. The sections devoted to "Fundamental Questions," "The International Dimension," and "Threats and Responses" make interesting reading. The discussion paper aimed to outline and invite comment on the available defense options. The government recognizes that New Zealand's interests in the South Pacific should be linked to the wider regional and even global considerations which are relevant. (11, p.4) and that effective defense forces increase the range of options available to a government. (16, p. 5). However, regarding the wider alliance, it says that although formerly New Zealand subscribed to the principle of collective security there is now a wide feeling that this was done uncritically, at too high a cost to a small, remote country. (31, p. 8) Centering on New Zealand's special responsibility in the South Pacific, the paper states that within the region the scale of things gives New Zealand a significant role and a responsibility to work in association with South Pacific partners. It is a part of the

world where New Zealand can have an important influence on events. (32, p. 9).

Australia is spoken of as a natural partner for New Zealand and of dominant importance to its foreign policy. Australia's proximity, the growing economic interdependence in Closer Economic Relations (CER), and the network of longstanding cross-Tasman ties all make it inconceivable that the profound mutuality of interest should not also be reflected in the defense field (36, pp. 9-10). The arguments pro and con for the battalion with light helicopter support remaining in Singapore are given, with the conclusion, "The Government has no plans at this stage to withdraw from Singapore as our presence there, at this time, is in accordance with the wishes of both the Singapore and Malaysian Governments." (49, p. 13). Part IV stated, "Above all we have shown to the world that New Zealand does not wish to be a party to dependence on nuclear weapons." (54, p. 14.) The government considered that international peacekeeping provided the New Zealand armed forces with the opportunity of gaining valuable experience by serving abroad with the forces of other countries. (56, p. 15.)

CONFLICTING VIEWS IN 1986

Early in 1986, Acting Prime Minister G. W. R. Palmer stated that New Zealand's security had been enhanced by the change in the ANZUS relationship and, "the effective dropping of ANZUS was an American assertion, a unilateral attempt to change the nature of the treaty." The New Zealand Nuclear-Free Zone Committee's spokesman, J. Gallagher, asserted that a nuclear ANZUS created New Zealand's most serious insecurities. "In the event of the most likely of any major threats—a nuclear war—a nuclear alliance is the last thing any thinking person could want for relative security."¹⁸

Meanwhile, Jim McLay, the Leader of the Opposition, was castigating Lange for saying, when New Zealand, unlike Australia and the friendly Asian governments, had no US briefing on the Reagan-Gorbachev talks in Geneva, that this was "a very sensible omission. New Zealand takes the position that it is no part of a nuclear alliance." Lange added that in not being consulted on nuclear reduction, New Zealand reached a new plateau of reality. The National party claimed that the government's abdication of the responsibility to contribute to discussion was morally indefensible. McLay claimed that Lange favored only the grand gesture, and was not interested in practical, working policies directed toward world peace and stability.

The National party wished New Zealand to stand strong with its allies, rather than weakening the alliance in the critical months preceding the Geneva talks.¹⁹

The government continued to insist that, from New Zealand's point of view, ANZUS was a Pacific regional pact, not a part of the global nuclear strategy. A publication called *New Zealand, a Country Profile* quoted an interview with Lange by John Richardson of *Island Business* regarding the prime minister's defense posture:

Q: So you're quite confident that despite the absence of access for US nuclear ships the treaty would still stand were New Zealand to be attacked?

A: Well, I can't be confident of that, but on the other hand if the treaty is not inoperative we can't be confident of that, because, you see, it's not a guarantee of security. . . . The ANZUS treaty does not provide a guarantee that one nation will come to another's support. So if a non-guarantee is replaced with a non-guarantee it's not actually a devastating political event.²⁰

Lange was the first foreign leader to visit Mrs. Aquino after Marcos' ouster. He was reported as saying in Manila that he did not want people to imitate New Zealand's policy. Each nation should determine what limited means of arms control each could take to enhance its own security.²¹

THE PROSPECT OF LEGISLATION

The United States reviewed its security obligations to New Zealand in the event of the enactment of the proposed legislation by the New Zealand government. The United States maintained that by unilaterally barring warships New Zealand had jeopardized the collective capacity of the ANZUS alliance to resist armed attack. Lange reiterated that ANZUS never did provide for an automatic military action in response to an ally's request, and that the obligation was only to consult and to take steps so as to avert worse trouble, and he referred to the US War Powers Act. Answering a question about a possible resumption of military alliance under any New Zealand government Lange claimed that the former (Muldoon) government had acquiesced in NCND while telling New Zealand something else. The Labour government would welcome any vessels that came without being nuclear armed, but the United States chose not to send any ships.

Asked about the conceptual difference between port visits and flights into Christchurch in connection with Deep Freeze and whether the potential moving of the base would be in accord with the spirit of the treaty, Lange replied that "sometimes these are not matters of reason or emotion, they are political." Legislation would continue as planned, without taking the issue to the country. In Lange's view, New Zealand's main contribution in support of Western security interests was the substantial security and economic role it played in the South Pacific.²²

That public opinion supported the government's defense posture appeared in the preliminary findings of the Corner report—so called because the committee was chaired by Mr. Frank Corner.²³ In sum, New Zealanders believed that the country could stand alone without military alliances such as ANZUS. The idea of collective security and association with powerful friends was not expressed very strongly. New Zealand's place was as an independent South Pacific nation. Although young people were against the nuclear network, this conviction was not just a matter of age—it was expressed right across the spectrum.

This attitude had implications for the United Kingdom, which has its own NCND policy. Considering the long association of the two countries, New Zealanders seemed surprisingly unconcerned about the impending breach with the United Kingdom as a result of the Lange government's stance. The Queen's speech from the throne (in which she customarily outlines the policies of the government in power) was criticized by the National party because, in making a speech as Queen of New Zealand, the queen was placed in conflict with her position as Queen of England where the government opposed the New Zealand warship ban. Senior military officers and Pacific island figures questioned the likely outcome of the government's policy. The British assessment of the proposed legislation was that it limited New Zealand's cooperation with nuclear powers. The British Chief of Defence Staff, Admiral of the Fleet Sir John Fieldhouse, said:

It would be a very sad thing for both our countries if the very long tradition of Royal Naval visits and cooperation in all forms of exercise, training, and equipment procurement should be at an end.²⁴

He added that the legislation was going to make a very considerable difference to normal relations, to which Lange responded that

the New Zealand government's intention was not to prevent training with nuclear capable forces.

Retired Chief of Defence Staff Air Marshal Sir Ewan Jamieson drew attention to the increased costs that would result from the non-renewal of the logistics agreement with the United States. He foresaw sometimes dramatically higher costs if New Zealand wanted to stand alone and to have stocks in times of emergency. The withdrawal of the guarantee of increased supply in times of emergency could be crucial for things like radio spare parts. Lange turned a deaf ear to Opposition protests that with so much equipment used by allies being US-sourced, New Zealand forces' operational standards were bound to fall further and further behind. Opposition leader Jim Bolger feared that New Zealand might begin to lose its operational compatibility with the Australian armed forces. Lange, with an election due in 1987 and with a politician's awareness of the need for public support of his defense posture, tended to respond to evidence of pro-alliance sentiment by depicting the United States as intransigent, thus darkening the US image, while protesting that he and his government were not anti-American.

DEFENSE ANALYSES

Two interesting analyses frame the actual report of the Corner committee. One is the New Zealand Labour Party (NZLP)'s submission to the committee, the other is Malcolm Templeton's assessment of New Zealand's defense needs, which appeared after the report and was influenced by the Dibb Report from Australia.

The NZLP's submission, which underscores that it presents the party's views, is critical of the foreign and defense policies of the political, bureaucratic, and military establishments. Detecting a broad desire in the community for greater public participation in the debate and development of these policies, the authors categorize the attitudes of the "Wellington community" as somewhat out of step with opinions commonly held elsewhere.

The submission represents the views of the party's annual conference, the New Zealand Council, and the Women's and Youth Councils. It traces the development of party thinking from the fifties, when the opinion was formed that New Zealand's small size did not condemn it to impotence in world affairs, through the sixties with the growing frustration at French nuclear testing, to more recent years. In 1981 the party sought a broadening of the alliance to emphasize

non-military factors; in 1982 the party conference voted for New Zealand's withdrawal from all military alliances with nuclear powers on a unilateral basis; in 1984 the recommendation was to remain within ANZUS, but on a highly qualified basis. (The submission states that the NZLP framed its 1984 policy on ANZUS in good faith, on the assumption that the alliance was loose and flexible enough to accommodate the unconditional non-nuclear stance.) In 1985 the call was for nonalignment and limited regional defense arrangements with Australia and the Pacific states.

The party feels strongly that there should be no alignment with blocs, and it is unwilling for New Zealand troops to be involved where there is no legitimate New Zealand interest. Doubting that the ANZUS treaty had any relevance to the defense of New Zealand, the party would like to see New Zealand work for agreement in the South Pacific on a policy of strategic denial to all non-regional countries. The answer to one of the government-proposed questions is interesting:

Q: Has ANZUS helped maintain a strategic balance in the Pacific?

A: The import of this question is not clear. Our members would probably assert that ANZUS per se is irrelevant to the question of strategic balance in the Pacific.²⁵

Since the party maintains that the military technology and training that flowed from ANZUS has often had little relevance to New Zealand defense needs, the party did not regard its loss as a matter for regret. However, the party would seek to retain and enhance New Zealand's defense relationship with Australia under the terms of the Canberra Pact of 1944.

Malcolm Templeton, a former career foreign service officer, argues for a credible defense policy, clearly related to New Zealand's security needs, that will stand the test of time and not be subject to radical changes at three-yearly intervals.²⁶

Templeton considers that the government in its election platform did not set out a coherent policy but only stressed its non-negotiable stance on port visits. Since its coming to power decisions on equipment have been taken on a piecemeal basis and the formulation of overall policy put off while public opinion was consulted. The present United States-New Zealand standoff raises an unresolved doubt as to whether the postwar defense policy was soundly based.

Meantime, New Zealand has no clearly defined defense policy, at least in the public perception. Government has a duty to be responsive to public opinion, but also a duty to alert and inform the public. Where there is division, it has a duty to provide leadership. The situation is summed up as follows:

It will only succeed in this objective if it goes out of its way to refrain from making party political capital out of defense issues. The ideal for any democratic country is a bipartisan or multi-partisan defense policy. In the New Zealand political scene, the ideal seems unattainable. In such circumstances, the Government has the greater responsibility to minimize political controversy over defence and look for consensus.²⁷

Templeton observes that while small, militarily weak nations, like New Zealand, have a vested interest in strengthening international law and in the strict observance of treaties to which they are a party, the need to observe international security commitments is not deeply rooted in the New Zealand public consciousness. An unfriendly observer might doubt New Zealand's reputation as a reliable ally in conflicts where British interests were not involved. Templeton does not consider the effective exclusion of the US Navy from New Zealand's ports a breach of ANZUS treaty obligation.²⁸

Lange wishes to revive the ANZAC defense cooperation of the Canberra Pact of 1944. This obviously antedates ANZUS and contains no comparable commitment for joint action in the event of a threat or attack upon one of the parties. With a number of differences in strategic perception Templeton considers it will be difficult to arrive at a common defense doctrine. New Zealand would have to address the question (since Australia would be likely to be attacked first) of whether to have a forward defense policy of direct military help to Australia or just enough capacity to deter an enemy from invading New Zealand. New Zealand would have to adapt to Australia which spends more than twice as much as New Zealand on defense.

DEFENSE AND SECURITY, THE CORNER REPORT

The Corner committee saw several merits to a closer defense relationship with Australia and commented that, unlike any of the other alternatives, it might contribute to the building of a more satisfactory consensus and ultimately, perhaps, to the "indispensable objective of a bipartisan foreign and defense policy."²⁹ The four-person committee included, in addition to Mr. Frank Corner, Major

General Brian M. Poananga, who was Chief of Staff 1978-1981 and former High commissioner to Papua New Guinea; Dr. Kevin P. Clements, Senior Lecturer in Sociology at the University of Canterbury, (a Quaker, Dr. Clements was part of the New Zealand delegation to the Non-Proliferation Treaty Review Conference to Geneva in 1985); and Ms. Diane Hunt, Director of the Policy Research Unit, DSIR. They were chosen for their expertise and their broad range of backgrounds and views. Together they examined alternative defense policies (including unarmed systems), took a poll, and examined ways of working for peace and other issues of public concern.

In their report they summarize submissions and point up the divisions in New Zealand society, particularly Maori society. Discussing Maori perspectives the report says:

A community divided along ethnic lines has serious implications for defense as well as wider society. The Committee believes that the best defense grows out of a just society. A failure to achieve a just society may mean that the aggrieved groups may look abroad for support for opportunist countries with interests inimical to our own.³⁰

To Western analysts perhaps the most interesting finding appears on p. 44 where one reads:

| <i>Choice Between ANZUS and Ships Visits</i> | Percent |
|---|---------|
| New Zealand in ANZUS allow nuclear ships | 52 |
| New Zealand out of ANZUS no visits by nuclear ships | 44 |
| Don't know | 4 |

If a position of New Zealand being in ANZUS without visits by nuclear ships proves impossible to achieve, the majority preference is for staying in ANZUS and allowing such visits.³¹

The work of the committee was thorough and detailed, but the prime minister was clearly not pleased and was accused by the Opposition of delaying publication of the report. Lange's chagrin is evident in the "Prime Minister's Questions and Request for Further Information."³² In written replies and in individual comments to the media the committee members reasserted that their opinions were indeed unanimous and that their responses to the prime minister were soundly based and objective. The report's "Part IV: Conclusion" states:

1. The country is deeply divided: 72 percent of the community desire to be in an alliance with larger countries, but 73 percent, many of them the same people, desire that their defense be arranged in a way which ensures that their country is nuclear free.
2. There are many different interpretations of the meaning of "nuclear free New Zealand." To date it has found Government expression in a ban on visits by nuclear armed or powered vessels. The alliance principle is embodied in support for the ANZUS relationship.
3. The most preferred defense option would be membership of ANZUS but separated from all nuclear aspects. So far the positions of the New Zealand and United States Governments have not contained sufficient flexibility to permit this option in practice.
4. Given this situation, 52 percent of the respondents in the poll (taken in April/May 1986) favored a return to an operational ANZUS alliance with the acceptance of visits by ships which may or may not be nuclear armed or powered. According to the poll there was no majority support for any other practicable option for defending New Zealand. However, 44 percent would be unhappy with this option, preferring to withdraw from ANZUS rather than accept the nuclear ship visits, and society would be divided. Furthermore, the Government's unconditional anti-nuclear stance has in any case ruled out this option.

Not wishing to provoke policies that were divisive the committee did not build a recommendation for a policy of ship visits if ANZUS without such visits were impossible, because of the unconditional nature of the government's policy.³³ The committee clarified its view that ANZUS had been misrepresented in three areas to the New Zealand people (p. 88). Both parties in the US-NZ dispute are described by the committee as wanting in good alliance management skills, and the report states that inflammatory statements on both sides damaged the negotiating atmosphere.

The work of the Corner committee clarified the New Zealand position on ship visits as it differs from the policies of other US friends and allies and it made plain Lange's inconsistencies.³⁴ In New Zealand, the defense budget is not well funded, whichever government happens to be in power, nor do defense questions generate much interest. However, the work and the report of the Corner

committee undoubtedly influenced the campaigns for the 1987 election and arguably, the Cabinet reshuffle after the election.

THE DEFENSE REVIEW FEBRUARY 1987 AND THE LEGISLATION

The review takes account of the findings of the Corner report. It also contains policies that developed from the seeds sown by Sir Wallace Rowling, and yet, despite the emphasis on civil defense, disaster relief, and greater cooperation with the South Pacific states and Australia, it is not very different from the 1983 review. It is difficult to see how New Zealand could operate in 16 percent of the globe without either the support of the United States or a considerable increase in defense spending. When the government claims that "any substantial interdiction of our trade would pose difficulties for any aggressor" it raises the question whether Lange, who has spurned the advice of his defense experts on more than one occasion, really grasps the significance of remote New Zealand's sea lines of communication.

1987

Australian Defense Minister Beazley and the New Zealand Defence Minister O'Flynn signed a Memorandum of Understanding in March 1987 agreeing to work together to acquire new ships in the 1990s. The ready reaction force and the RNZAF (Royal New Zealand Air Force) will have their Skyhawks modernized and acquire an in-air refueling system. Whether these policies and resources will, as it is claimed, "place the defense of New Zealand and its interests on a secure basis for the future," time will show. Sir Ewan Jamieson, one of the group dubbed "geriatric generals" by the prime minister, characterized the defense review as lacking specifics and being a policy statement of the basics of defense policy.³⁵

The "watershed legislation" passed in 1987 by a vote of 39-29 provided a legal shield for the anti-nuclear policy made by administrative decree. Lange declared that New Zealand had come to a turning point in its defense arrangements and that his government was proud that for the first time in 40 years New Zealand had made a fundamental reassessment of what constituted New Zealand security. Lange, who is responsible for assuring that nuclear ships or aircraft do not enter New Zealand under the new law, has never accepted that his government's policy utterly negates the ambiguity of NCND. Rather than being deterred by the erosion of the common ANZUS

commitment to deter aggression, Lange maintains that it is in the interests of the region that the South Pacific countries should be able to deal with security problems without involving outside powers.

ELECTION CAMPAIGNS

In his election campaign the prime minister reiterated his defense views, but he also cast a backward glance at the 1984 campaign, reminding his audience that Labour had undertaken to renegotiate ANZUS, with no intention of leaving the alliance or becoming a sleeping partner in it. "... When I campaigned ... I was assertive of the value to New Zealand of the alliance ... at the time ... I did not see the alliance as predominantly nuclear." Questioned about nuclear propulsion—something which the Nationals wished to reexamine—Lange suggested that even if an inquiry were seriously conducted it would serve no purpose. Given the almost inevitable association of nuclear propulsion and nuclear weapons, excluding nuclear power was a simple way of excluding nuclear weapons. Genuine arms control, in the government's view, required disengagement from a nuclear strategy for the defense of New Zealand.

The Labour party's TV campaign was thought by many to carry a subliminal anti-American message in its frequent shots of a mushroom cloud. When Member of Parliament Richard Northey, an active peace campaigner, was asked why Soviet and Chinese nuclear explosions were not given equal time, his response was that everyone knew those countries did not publish pictures of their nuclear testing. The campaigns of both parties were low-key, and it seems likely that Labour's victory was due more to the support of urban, entrepreneurial New Zealanders for Rogernomics—they wished to give Roger Douglas a chance to see his policies through—than to overwhelming support for Lange's defense policy. In support of his policy the prime minister talked about the projected amphibious-capable logistics ship which, with the fleet tanker from Hyundai, would allow support for long-range naval patrols in the region and the transportation of supplies in a natural disaster. It remains to be seen whether it will be possible to have this logistics ship as well as the new light patrol frigates compatible with those of the Royal Australian Navy.

The government election paper, *Standing up for New Zealand*, said nothing new. It maintained that on the disarmament front New Zealand's international reputation was growing and that New Zealand

was increasingly listened to, and it reiterated that the former government had maintained paper forces and covered deficiencies by pointing to allies' security guarantees. The cost implications and the implied difficult changes for the armed forces in the new regional emphasis were acknowledged.

The government could not accept a consensus in foreign policy that was "based on deceit." Lange maintained: "We have acted and born the consequences of our actions and we are not going backwards." He contrasted his policy with that of the National party which would pay lip service to nuclear arms control while repudiating the law that guarantees the exclusion of nuclear weapons. The prime minister claimed that National's wish to take the teeth out of the law showed that National preferred the nuclear alliance. Lange admitted that the ending of the operational alliance with the United States had some short-term disadvantages, but he was adamant that in the long run New Zealand was better off. Referring to a "false sense of security" that resulted from taking part in a strategy that had no relevance for New Zealand, the prime minister claimed that defense interests were now examined without "the distorting mirror of a nuclear alliance."

Admitting that the logic of the government's policies on defense and nuclear aspects was not widely understood, Lange also said, "Our hope is that others will join us in adopting serious measures of nuclear arms control which arise, as does New Zealand's, from each country's unique circumstances." The clock would not be put back, there would be a period of consolidation, and New Zealand would have to get used to reality. These were the themes of a campaign whose main thrust forecast new policies for Education, Health, and Maori Affairs.

In his wide embrace of the Pacific, Mr. Lange is not always attuned to the views of the Pacific island states. His strictures on the Libyan/Vanuatu connection brought protests from Father Lini, and Ieremia Tabai of Kiribati resented condemnation from a nation which also gave the Soviets fishing rights. The difference in perceptions—which became so apparent in the New Zealand reaction to the Fiji coups—are likely to complicate the New Zealand government's plan for defense cooperation with the South Pacific nations.

THE NATIONAL PARTY PERSPECTIVE

Bolger said, on 17 February 1987, after the appearance of the review, that New Zealand had lost the trust of its two treaty partners.

Since the majority of New Zealanders would like to be in ANZUS the National party would try to build the majority into a larger consensus, though it would take a long time to reach a common position with the allies. Bolger emphasized on a number of occasions that New Zealand cannot expect to be taken seriously in the region unless the navy has the capability to sustain a presence in New Zealand's area of strategic concern. The National party is committed to a navy able to undertake combat operations and wants a joint force under a central defense staff. National emphasized that this is not the time to break away into selfish isolation and that peace cannot be secured by legislative gestures.

Bolger, in the opinion of many, took away New Zealanders' defense choice when he said that though he wanted a full resumption of ANZUS, there was no need for nuclear weapons to be brought to New Zealand to secure peace in that part of the world, "nor do I believe our allies want to bring them in." This statement allowed Lange to have a field day talking about the ghost of National's defense policy and accusing Bolger of fudging. Bolger remains convinced, however, that a form of legislation could have been drafted which excluded nuclear weapons and yet allowed continued active membership in ANZUS.

The Nationals did not win the election but in his election campaign Bolger made some telling points against the uncertain defense policies of the Labour government. He pledged that National would ask the principal defense advisers to recommend the urgent remedial actions needed to restore confidence and a sense of purpose to the armed forces; would realistically assess actual and potential threats; and would consult with allies to see that New Zealand once again took part in cooperative defense arrangements. It would also make a commitment to a level of funding that would allow the Ministry of Defense to plan ahead. National intended that New Zealand's defense self-reliance would be based on alliances and regional associations and this would ensure that additional support would be available if a major threat developed.

In a particularly hard-hitting speech Bolger suggested that greed for domestic political advantage characterized the government rather than a genuine commitment to advance New Zealand's security interests and the strengthening of international relations. Bolger attacked the confusion of Labour's policies . . . first a statement that New Zealand's well-being as a nation depends on trade and the

noninterruption of sea, air, and telecommunications followed by a statement that the protection of these interests is primarily a requirement of foreign rather than defense policy. Bolger had become convinced that Lange's determination to rule out needed moderation in his legislation—to allow New Zealand's continued participation in Western collective defense—and the final wording of the legislation had been carefully calculated to achieve the purpose of those in the Labour party who had long wanted to get out of ANZUS. Unless the Labour government is overtaken by disaster there is unlikely to be a National government in New Zealand for some time—which gives Bolger time to rebuild his party.

Since the Lange government's reelection the relationship between Wellington and Washington has not improved. Russell Marshall has taken over the foreign affairs portfolio from the prime minister and Bob Tizard has replaced Frank O'Flynn, whose performance as Minister of Defence proved an embarrassment. In his second term, Lange has reduced the number of his press conferences, and he has avoided making flippant comments on serious subjects. So much has been said, on both sides, that a resumption of the old ANZUS relationship is not in the cards.

NOTES

1. David Lange, *Eye Witness News*, 9 July 1984.
2. *Defense and Security: What New Zealanders Want*: Report of the Defense Committee of Enquiry, July 1986, Wellington: Government Printer, 1986, p. 86.
3. Ralph Lattimore, "Trade Relations: Coming of Age," in L. Tim Wallace and Ralph Lattimore, eds., *Rural New Zealand—What Next?* (Canterbury, New Zealand: AEV, Lincoln College, 1987), pp. 9-1 and 9-12.
4. André Siegfried visited New Zealand during the government of Richard John Seddon when the major Liberal reforms had been enacted. His *Democracy in New Zealand* was published in Paris in 1904 and in London in 1914.
5. "The relative simplicity of their social organism, the more than insular isolation of their colony, have led them to persuade themselves that they are capable of solving their own problems, and that so far from being the disciples of Europe, they are intended to outdistance it in the path of progress

and to give it advice and examples." *Democracy in New Zealand*, Translated from the French of André Siegfried, with New Introduction and Notes by David Hamer, Victoria University Press Reprint, (Wellington: Victoria University Press, 1982), p. 48.

6. Siegfried, pp. 53-54.

7. Summary of a 19 December 1983 unclassified cable from the new Zealand Secretary of Foreign Affairs to all diplomatic posts.

8. "ANZUS: Implications for the South Pacific and New Zealand," speech at Press Club, Wellington, 9 June 1983, and "New Zealand, Foreign Policy, and the United States," speech at the Institute of International Affairs Seminar on the United States, its History, Culture, and Politics, Waikato University, 12 June 1983.

9. Des Ball, 18th Foreign Policy School, University of Otago, June 1983.

10. Sir Wallace Rowling, "Wanted: A Treaty for Our Time," *New Zealand Listener*, 22 October 1983, p. 22.

11. Rowling, New Zealand Institute of International Affairs, Dunedin, 22 March 1984.

12. For an account of anti-nuclear attitudes before the *Buchanan* incident, see Dora Alves, *Anti-nuclear Attitudes in New Zealand and Australia* (Washington, DC: National Defense University Press, 1985).

13. Partial transcript of an interview in *Asahi Shinbun*, 22 August 1984.

14. Siegfried, *Democracy in New Zealand*, p. 62.

15. Report of the Ministry of Defense for the year ended 31 March 1985, (Wellington: Government Printer, 1985.)

16. Ean Higgins, "Confusion Reigns Over New Zealand Nuclear Ship Ban," *Financial Review*, 28 June 1985.

17. *The New York Times*, 15 September 1985.

18. *Otago Daily News*, 7 January 1986.

19. *New Zealand Herald*, 8 January 1986.

20. *New Zealand, A Country Profile* without date or publisher.

21. *The Washington Times*, 31 March 1931.

22. Post-cabinet press conference, 11 August 1986.

23. A distinguished New Zealander, Mr. Corner had been Secretary for Foreign Affairs, and had taken part in the original negotiations over ANZUS. He was responsible for all political and defense policy matters in the New Zealand High Commission in London for seven years; he was Ambassador to the United States for five years. He worked closely with eight prime ministers of both parties. Reports of the chairman's summary of

preliminary findings appeared in the *Canberra Times*, 22 February 1986, and the *Evening Post*, 21 and 22 February.

24. Admiral of the Fleet Sir John Fieldhouse press conference.

25. Submission of the NZLP to the Committee of Enquiry of the Future of New Zealand's Strategic and Security Policies, April 1986. The submission included answers to all the questions asked about the future of ANZUS, (38 p. 10 of *The Defense Question*.)

26. Malcolm Templeton, *Defense and Security: What new Zealand Needs*, (Wellington: Victoria University Press for the Institute of Policy Studies, 1986,) Introduction, pp. 1,3.

27. Templeton, II "National Security," p. 9.

28. Templeton, "To Sum Up," p. 55.

29. *Defense and Security: What New Zealanders Want*, Report of the Defense Committee of Enquiry, July 1986, (Wellington: Government Printer.)

30. Templeton, p. 59.

31. Templeton, p. 44.

32. Templeton, Addendum I, "Historical Context," p. 78, and "The Security Guarantee," p. 79.

33. Templeton, "Response to Request for Further Information," p. 85.

34. See also the account of an official statement made by the US embassy concerning the policies of Spain, Denmark, and Norway. *Timaru Herald*, 2 July 1986.

35. Private conversations with New Zealand journalist.

Plenary Address:
**PACIFIC ISLAND NATIONS:
PERCEPTIONS OF THEIR
EXTERNAL ENVIRONMENT**

Sir Peter Kenilorea



The Right Honorable Sir Peter K. Kenilorea was a school teacher before entering his country's civil service. His political career began in 1976 and two years later he was made prime minister on the declaration of independence. Sir Peter is currently the Solomon Islands' Deputy Prime Minister and Minister for Foreign Affairs.

These are my own personal views, perceptions, and observations; I therefore hold total responsibility for the substance of my presentation; I would beg your indulgence as I share my naive view of world security to-day.

I would submit that conflicts and security are as old and inseparable as mankind itself. Man is himself a walking self-contradiction, a walking confusion. The great Apostle Paul attested in the New Testament to this basic, innate dichotomy of man when he complained: "the good that I would I do not and the evil that I would not that I do. Oh wretched man that I am." Since man populates, dominates, and guides, influences or causes the development of our world, it is not difficult to appreciate the evidence that man's innate conflicting nature is inevitably reflected in the state of the world.

THE UNSETTLED WORLD

Man is also, in my view, proud, greedy, selfish and, at the same time, progressive. He is inquisitive and acquisitive, to mention only some of his natural endowments. These qualities, man's competitive nature, and the misapplication or misuse of his God-given right to "multiply, replenish, and subdue the earth" are unquestionably the basis of a world ravaged with devastating conflicts and wars. Throughout history, much human misery and insecurity has been self-inflicted. In many respects history is the awful witness against man's stewardship in his capacity as a custodian of this God-given common spaceship we call earth. And what evidence of the madness of man it reveals to us! For despite so much progress and advancement by man, we must accept that the so-called progress and advancement have been born out of the dark history of man's inhumanity to man. Kingdoms have been the by-products of wars and throughout history kingdoms have been reduced to ashes as the result of wars.

The conflicts and wars, insecurity and disorders in the world today are not new; they are not the result of this great country's decision to make the first hydrogen bomb and use it in the early forties. Conflicts and insecurity are a part of the natural man. But today man has increased his insecurity through his development and stockpiling of nuclear arsenals to destroy himself and a civilization he had achieved by the sweat of his brow. Man has today created a world

totally unsafe for himself—for the rich and for the poor, for great and small, for far and near. In my view, man has succeeded in creating a world so unsafe that for many life itself has lost its meaning and purpose.

THE NUCLEAR THREAT

It is my understanding that the world now has in existence some twenty thousand megatons of bombs capable of explosions a million times more powerful than the explosions of Hiroshima. We are now doomed to self-extinction. No one on the face of this entire planet earth, in my view, is capable of surviving man's doom if a world-wide nuclear holocaust is once unleashed.

You cannot escape by hiding in some prepared shelter. You cannot claim safety by way of an escape to another, safer part of the world. There will be no such safe places in the event of a nuclear holocaust. Perhaps you might attempt to shelter underground; such places may perhaps escape the first direct detonation. But for how long? You can only spend a limited time underground. Eventually, your means of life-support would be exhausted. You would climb out of your underground hideout only to find that your beautiful life-giving world outside is no longer there. With the ecosystem completely devastated, the danger of a delayed nuclear fallout—which in the meantime would have polluted the entire stratosphere—would loom large. In time, you would simply waste away through starvation, exposure, and, finally, the world-wide nuclear fallout. A mind-boggling explosion of some twenty thousand megatons of nuclear arms would wipe out every living thing by its massive radiation. That would be the end of the world. Man would shelve his pride and complete his life cycle here on earth. Would that be the end of God's masterpiece of creation—man? I leave you all to your own speculations.

I do not doubt that this world will end in a war. Peter the Apostle spoke of this world and the universe "melting away in a fervent heat"; there is a biblical reference to the final battle of Armageddon. But until that inevitable time comes to close the chapter of human history wars, rumours of wars, and insecurity are here today. In fact, these will increase as the end of time draws near. This fact is born out, in my view, in that as recently as forty years or so ago mankind attempted to secure lasting global peace when the great world body we now call the United Nations was established by fallible man. It was conjured amongst human weaknesses as a means of resolving human

conflicts and ensure lasting peace and harmony for all mankind. Yet approximately one hundred and forty local wars or conflicts have disrupted peace throughout the world since the inception of that noble establishment. Nations and people have fallen as a result of human greed and divisions. Where before there was one people, one authority, and one culture we must now refer to two separate nations—in North and South Vietnam (until recently), North and South Korea, and Free and Communist China.

We are continually threatened by the cold war between the East and the West. Sometime this "cold war" may get to a point where it may not remain cold. I remember an instance in the early eighties when a mechanical fault in a computer in a certain strategic nuclear war warning system in this country made nuclear holocaust imminent with its early alert stage. Fortunately for mankind, that fault was discovered in time. Otherwise we would not have had the opportunity to talk about world security here today. The danger of nuclear explosion I understand, cannot now be blamed on possible mechanical mishaps alone for, I am told, "human error" or negligence could trigger a nuclear holocaust that would end all existence. It is irrefutable that such a mind-boggling error did occur sometime back in the United State when a test disc was erroneously inserted in the system, threatening our possible doom.

DETERRENCE?

When we reflect upon these stark realities, two things come to mind. Firstly, whatever the explanation for the current doctrine of "deterrence", these experiences suggest that it is, at best, a fallacious philosophy. In my view, this self-contradicting doctrine is only an attempt by doomed mankind to close its mind to the stark reality of imminent, inevitable global suicide that is at man's doorstep. Secondly, the doctrine of deterrence is unreliable because it is self-contradictory. The stockpiling of these deadly arsenals for mere nominal national security is the greatest deception, not only for nuclear capable countries but for all humanity. The escalation of such stockpiling has now reached proportions that clearly defy the apparent objective of national defense and security. A point has now been reached where deployment, either for offense or defence, would merely spell total annihilation of every living thing many times over. A nuclear catastrophe might not necessarily be started by either of the two superpowers. Any one of the various local conflicts in many parts of the world to-day could likely trigger total world destruction.

There are precarious situations and ongoing conflicts in the Middle East. There are the heightened tensions in the Gulf; an offshoot of the seven-year long destructive war between Iraq and Iran. The threatening situation is giving rise to growing tensions and uncertain further preparations by the neighboring countries, Kuwait and the United Arab Emirates among them. It is a tragedy that the United Nations has so far failed to find any peaceful solution to this seemingly endless struggle.

The continuing antagonism between the two Koreas is pathetically sad, and no less a threat to the security of the Pacific and the world. Not only does this divided people pose threats to the region and the world at large, but North Korea's encouragement of terrorists throughout the world poses a serious threat. That threat should not be taken lightly by those whose objective it is to ensure a safe world and to protect thousands of innocent travelers in the modern world. The total loss of all lives when a South Korean air liner exploded in mid-air above the coast of Thailand is a case in point.

We are witnesses to conflicts in Angola and to endless, ethnic struggles in South Africa. The religious wars of Northern Ireland and the ideological conflicts in Central America, particularly the continuing fights between the American backed Contra rebels and the communist government in Nicaragua, are other possible catalysts. These and many other ongoing local conflicts in various parts of the globe could well be the humble beginnings of a world war that would bring to an end all that arrogant man had ever achieved and stood for.

DESTABILIZING FACTORS

The threat to world security or the security of any nation is not found, however, in the nuclear threat alone. There are other devastating wars that are presently being waged in many countries of the world. In terms of loss of life these natural disasters are taking more lives than the conflicts fought with all man's ingenious weapons. More than twenty million people die every year from starvation. Many or nearly all of these victims are from the developing world or the so-called Third World.

Starvation may come about because greedy man is not distributing the resources of the world equitably. Another reason is that today worldwide climatic changes are creating deserts in some of the world's great farm lands. Yet climatic changes cannot alone be blamed for this threatening situation. Man's indiscriminate and inadvertent destruction of the world's ecosystem has directly resulted

in the depletion of the life-sustaining natural resources of many countries today. In Ethiopia, many former farmlands have been turned into lifeless deserts and in Mozambique the tragedy of starvation is a force daily to be reckoned with.

Yet when people are dying for lack of food in so many parts of this our common heritage, earth, more fortunate and affluent countries are stockpiling their farm products. They do this for lack of markets or simply as result of their selfish and protectionist attitudes. Member countries of the European Community pay great amounts of money to their farmers to produce mountains of sugar or butter which are useless to them. The United States subsidizes its wheat farmers to produce an abundance of wheat. The resulting harvests bear no relation to the US supply and demand system. Consequently, the United States is giving away its wheat to its greatest enemy, the USSR, to the obvious detriment of its friends.

Meanwhile, less fortunate friends are dying of hunger. The little commodities on which they base their economies find no market in any of the world outlets because these outlets are glutted by the superabundant, unwanted commodities of the affluent countries. What a hypocritical contradiction!

What about the north-south war? This is a war that is not necessarily fought between enemies but among friends. How ridiculously sad this is, but how true! And this war hurts much more because it is unnecessary. It could be avoided by simply preventing the widening gap between the "haves" and the "have nots". The situation does not call for perennial round table talks—what need is there to talk when the practical solution is so obvious? Why introduce such new terminology as the north-south dialogue when the obvious practical solution lies before us? All we need is simply to be human enough to ensure, in practice, equal distribution of wealth for all mankind. If human greed makes this impossible, why waste so much time on hypocrisy?

In the Pacific region the destabilizing factors are not very different from those found in other parts of the world: human beings are the same the world over. Although isolation was an important factor in the security of the region before contact with the West, we cannot on the basis of isolation now disregard the current tumultuous situations in remote parts of today's world. Currently, every little trouble spot is a common world problem. As much as we would like to take the easy way of demanding, "am I my brother's keeper?", today's

interdependent world obliges, or at least *should* oblige us to take note. We are no longer too far away from each other. The common threat to our world, which could have its beginning anywhere in the globe, must affect us all. The principle of "no man is an island" is equally applicable to the nations of the world today.

Politically, the Pacific island nations have become vocal on various national and international issues. The leadership of these island sovereign independent states is comparatively young by world standards. Sometimes the vigor, vitality, and excitements of youth, however decisive these qualities may prove, lack the balance of age and experience. These young leaders seemingly have only one (very important) ammunition at their disposal—the sovereignty of their nationhood. They are subject to demands by their people to provide practical, useful, and tangible goods and services for their comfort and convenience. As a result, when their own economic and financial capabilities are inadequate to meet expectations, the leaders of these newly independent nations may be tempted to take certain face-saving actions, even though they know that the broad, long-term implications of such actions could well strain the basis of political stability and, therefore, the security of their countries and the region as a whole.

INDEPENDENCE

Since 1962, the Pacific region has seen the birth of some nine small island independent states. These include: Fiji (1970), the Republic of Kiribati (1979), the Republic of Nauru (1968), Papua New Guinea (1975), Solomon Islands (1978), Tonga, Tuvalu, and Western Samoa (1962) and the Republic of Vanuatu (1980). In terms of population, the region—which stretches across more than 9,000 kilometers, from Pitcairn to Guam in the north—has no real impact on the great markets of the world. The entire population of the region could all be accommodated in one Australian city, Sydney, without any real discomfort. Approximately 3 million of the region's 5.5 million people live in Papua New Guinea. I stress this population factor, seen against the backdrop of the vast sea area of the region, because we are indeed "little fishes" swimming in a vast ocean. And we are not unmindful of the stark realities that "little fishes" are an easy prey for "big fishes." In other words, we are almost self-conscious about our many vulnerabilities. Strategically, we are open to blackmail if we drop our guard. Our economic bases are small and they all depend on commodity prices over which we have no influence or control.

Politically, we are young and inexperienced and our natural disposition is such that the material world does speak louder than the ideological and philosophical abstract world. Our negotiating powers are very thin on the ground and our ability to use this means to our advantage still has a lot of room for improvement. Our daily existence is so precarious that great plans for the future may seem inconsequential to us. However, because of historical accidents, the nations of the region, without exception, have connections to the West. We have been brainwashed by Western thinking and values, so that, to some extent, we have come to accept these values without question. Yet the truth is that we are still Pacific islanders; and there is still such a thing as the "Pacific Way." We are not Americans; we are not British. We are still very much the product of our natural environment—the Pacific.

Recently, this fact of life has been a basis for destabilizing activities in the region, more particularly by our regional friends who still feel that the shackles of colonialism are still there. Deep-rooted feelings are not only present in the remaining non-independent territories—certainly the longing for independence is articulated there, but the recent incident in Fiji shows that the feeling of human identity goes beyond mere political independence and material abundance in any human society.

In the context of regional security, however, this sentiment is destabilizing. Recently, we heard of Maoris in New Zealand agitating for self-respect, identify, and in dependence from the New Zealand whites and a similar movement among the Aborigines of Australia. In an incident that attracted the attention of the world media, an Australian Aborigine went all the way to England and claimed England for his tribe in a one man flag-raising ceremony in southern England. The Thursday Islanders in North Queensland, Australia, are making their claim to independence also. The 3,000 Rotumans of North Fiji have recently claimed their independence from the Republic of Fiji. The well-known struggle for independent by the Kanaks of New Caledonia has now reached a point of no return. These and many more factors are the reason for the increasingly troubled waters of the formerly tranquil Pacific.

The Pacific region, for historical reasons, identifies with the West. Despite this, recent attitudes on the part of some of its Western confidants have caused real concern. US fishing boats in recent years, for instance, appear to have deliberately decided to interfere

with our pleasant relationship. They indiscriminately entered the international waters of various island nations in pursuit of tuna, defending their high-handed dealings by claiming that tuna is a highly migratory species and that no international or national boundaries should give this common heritage to any one particular country. Their belief is mistaken.

When US fishermen project American attitudes to the island world, which regards the United States as a friend and a defender of the fundamental rights of human freedom, island respect for the United States is immediately diminished. The island world is perplexed and disillusioned and may come to hate the United States merely from spite. Island nations may even play their only card to court the USSR—though previously this was done with some mixed feelings—to see whether or not the repeatedly stated policy of the United States as a Pacific nation is authentic or a merely political attitudinizing. If our would-be friend appears unfriendly towards us, we may feel impelled to find new friends—although such an arrogant action by Pacific islanders may be accompanied by some sense of trepidation. The instances of a fisheries access licence agreement between the Republic of Kiribati and the USSR some time ago, and the current similar arrangement with the Republic of Vanuatu, may well be cases in point.

The attraction of Libya and Cuba into the region, is not based on any viable relationship. Relations with these countries are undertaken in the Pacific as a countermeasure to objectionable US attitudes and the image projected by the American Tunaboat Association. Libya may even have entered the Pacific simply to annoy the United States, the champion of a campaign against international terrorism which is an ignominious preoccupation of Libya's. Our only hope is to prevent our otherwise peaceful region from becoming a battle ground for these two hostile nations.

The fact that the United States, France, and Britain did not sign the protocols to the South Pacific Nuclear Free Treaty is in itself a destabilising factor for the region. The region could not understand why their friends had let them down while the USSR and communist China both happily signed the Treaty's Protocols. The only explanation appears to be that the signatures of the USSR and China should not be trusted because they say one thing and do the opposite.

ANZUS

The recent rift in the ANZUS Treaty has caused a sense of insecurity in the region. Although this treaty between the United States, Australia, and New Zealand was established for the defense of the region and to promote general strategic cooperation between the signatories, the island nations view it as an organization for the defense of their interests as well. Today, the region is asking this question: How can these friendly countries represent the security of the region when they themselves cannot agree on the basis and mode of defense?

The continuing arrogance of France in persisting with nuclear testing in the region is objected to by the region—and, in this case, "the region" would include Australia and New Zealand. Naturally, the region looks to Australia and New Zealand to take the leading role on certain regional matters. But when Australia showed her weakness by reconsidering the export of uranium to France, and New Zealand was blackmailed into submitting to France and handed over the French prisoners from the *Rainbow Warrior* incident, our sense of security was truly undermined. For if Australia and New Zealand cannot withstand the undesirable activities of France, how can the small island nations be safe against any threat from that country?

VULNERABILITIES

The situation had certainly made clear the stark reality that whatever the region says about the French presence and activities in the region, unless France chooses to take note, of its own volition, the condemnations voiced are as good as not having been said at all. The ineffectiveness of the continuing condemnation by countries in the region of the French nuclear testing, is evidence of this. The same might be said about the perennial talks on political independence for New Caledonia.

According to the Kanaks of New Caledonia, their only alternative is self-determination and full political independence. This appears to be fully supported by the South Pacific Forum countries and the region in general, while the quest for Kanak independence has become a topic of some lively exchanges at the United Nations and its relevant specialized agencies. Despite this, as far as I can deduce, it matters not what these external forces say or do. Independence for New Caledonia appears to be solely a matter for France to decide upon: no one else has any authority. This issue will, in consequence, continue to be a security hazard for the entire region.

Finally, the growing desire in the region to be identified along ethnic and racial lines is becoming counterproductive to measures to enhance regional solidarity. New terms, such as the "Spearhead Group" or the "Melanesian bloc," are understandably creating the desire among the eastern Pacific nations to develop a "Polynesian bloc." To start with, this desire appears to be limited to economic relations and cultural commonality. In my opinion, there is no doubt it would only be a matter of time for these divisions to take on political identities. When that happens, strategic interests would logically follow and the once peaceful and coherent Pacific world would have been successfully manipulated by the world powers for their own interests and to the detriment of the region's security and oneness.

Already, French Polynesia is said to have been a party to the new developments in the "Polynesian bloc" and the solidarity of the Forum island nations is being challenged. Already, the principle of "divide and rule" appears to be taking hold in the region which is thus very quickly developing into a future trouble spot. We cannot wholly blame this situation on the growing interests of the superpowers, the United States and the USSR, in the region. To be fair, this disastrous eventuality must partly be blamed on the avaricious attitude of our pragmatic lifestyle. By this means the Pacific region will likely be successful in inflicting upon itself an inexorable curse in the same manner that mankind has successfully developed a nuclear arsenal with which to compass its extinction.

In conclusion, today, "security" is a word that is fast losing its meaning. We ourselves have proved that the greatest achievement we are capable of is the ability to destroy ourselves. The only hope of the world is God's divine love for His creature—man—the hope that God would not allow man's follies to destroy His handywork without His divine permission. What a hope, and oh, what an assurance for the believing world! Man has certainly got the means, and more, to wipe himself from the face of this beautiful earth but God, the creator of man, and all that there is, will have the final say.

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