RESEARCH REPORT No.10

GREAT POWER POLITICS AND THE FUTURE
OF THE ASIAN PACIFIC REGION

JOHN WELFIELD
Australian National University

THE INSTITUTE FOR PEACE SCIENCE,
HIROSHIMA UNIVERSITY

Sept. 1982

Institute for Peace Science, Hiroshima University,
1-1-89 Higashisendamachi, Naka-ku, Hiroshima 730 JAPAN
TEL (082) 241-1221 ext. 829
INTRODUCTORY REMARKS

The Scope of this Study
This paper is about recent trends in Asian-Pacific international politics and about possibilities the future may hold.

It is divided into two sections.

In the first part, I wish to examine aspects of contemporary interstate relations in East and Southeast Asia. I will focus, in particular, on the strategic postures and external policies of the two superpowers, the United States and the Soviet Union, and of the two major regional states, the Peoples' Republic of China and Japan.

In the second section, I would like to evaluate some of the evolutionary possibilities that the present situation seems to contain. Specifically, I would like to discuss:

(i) the possibility that two or more of the Great Powers in the region might attempt to resolve their conflicts through resort to war,

(ii) the likelihood that long term stability and peace could be maintained through a partial restoration of the status quo of the Old Cold War, that is, through a return to generalised ideological anti-Communism in Washington, renewed American confrontation of both Moscow and Peking and a reassertion of United States military links with Japan, South Korea, Taiwan, the Philippines, Thailand, Australia, and New Zealand, or through conclusion of a new militant alliance between the Soviet Union and the Peoples' Republic of China,

(iii) the possibility that disinterested American neutrality in the Sino-Soviet conflict, strategic withdrawal to an entirely offshore position in Asia, coupled with consolidation of existing military, political and economic ties with Japan, the ASEAN countries, Australia and New Zealand would contribute to the emergence of a more peaceful regional order,
(iv) the probable political and strategic consequences of moves to establish a Pacific Basin economy, centering on Japan and the United States, and founded on international division of labour principles,

(v) the feasibility and probable consequences of an anti-Soviet American-Japanese-Chinese strategic association, linked with NATO in the West and the ASEAN and ANZUS powers in the South,

(vi) the feasibility and probable consequences of an anti-Soviet Sino-American strategic association which excluded Japan or from which Japan chose to remain aloof,

(vii) the possibility that a Soviet alliance system to contain China would contribute to regional peace,

(viii) the feasibility and probable consequences of a close Sino-Japanese partnership,

(ix) the feasibility and probable consequences of a Japanese strategic association with South Korea and Taiwan,

(x) the feasibility and probable consequences of a Japanese-Australian military alliance,

(xi) the feasibility and probable consequences of attempts by particular, individual nations, notably Australia, Japan, the various ASEAN powers, the Indochinese states and the two Koreas to establish their neutrality in world affairs,

(xii) the possibility of forming a belt of neutral Asian nations, extending from Japan and the Korean peninsula in the north, through ASEAN and the Indochinese countries, to Australia and New Zealand in the south.
PART I


General Considerations

Despite the upheavals of recent decades, the intricate, continually evolving balance\(^1\) among the two superpowers, the United States and the Soviet Union, and the two most influential regional states, the Peoples' Republic of China and Japan, remains the most significant relationship in Asian-Pacific politics.\(^2\) Military conflict among any two of these powers could precipitate a global holocaust. Even a marginal improvement in the general climate of relations among them could release immense resources and creative energies. At the present time, the same could not be said about relations between, let us say, Australia and Indonesia, or Vietnam and Thailand.

Nevertheless, since the early 1950s, and especially over the past decade or so, the overall influence of the Great Powers, both global and regional, their ability to exert a decisive, long term impact on the foreign and domestic policies of other societies, as distinct from their sheer physical ability to destroy each other, has decreased considerably.

The United States economic position in the non-communist world, while still tremendously powerful, has been seriously eroded. While both the United States and the Soviet Union maintain immense military forces, and while the Soviet Union has achieved effective strategic parity with its rival, the effectiveness of military power to extend political, economic, ideological and cultural influence in the face of concerted resistance has declined dramatically since the 1960s. The alliance systems through which both superpowers projected their influence in the early days of the Old Cold War have, with one or two significant exceptions, either collapsed entirely, entered periods of attrition, erosion and decay, or are subject to considerable internal strains, the outcomes of which cannot as yet be foreseen. Both the new American relationship with the Peoples' Republic of China and the new Soviet alliance system in the Middle East, South and Southeast Asia are
potentially unstable. Even if they do not prove to be transitory, neither of the superpowers is likely to be in a position to impose its will on its new allies and associates.

China's ability to exert a decisive influence beyond her borders has been limited not merely by the global politico-strategic equilibrium, the manifest strength of many of the societies around her periphery, their disinclination to accept either the Chinese view of the world or China as a model for their own development, and by her own internal problems, but also, until recently, by quite deliberate political decisions. The Sino-American rapprochement, while advantageous to Peking in other ways, has all but destroyed the old Chinese alliance system in the Far East.

Japan's re-emergence as a major economic power has brought with it a corresponding rise in that country's political and cultural influence, both global and regional. In many ways, of course, this can be viewed as a restoration of the situation that existed prior to the Pacific War. Yet the world balance of power, Japan's heavy reliance on overseas sources of raw materials, the declining effectiveness of force in international politics, her widespread economic involvements, uncertain future relations with a number of other societies in East and Southeast Asia, together with the trend of domestic opinion and the responsiveness of the political élite to it, all suggest that Japan will not, in the foreseeable future, be in a position to establish anything resembling a regional hegemony. She is, as Zbigniew Brzezinsky has so aptly pointed out, the most fragile blossom among the Great Powers.

The relative decline of the Great Powers has brought with it a corresponding increase in the influence of small and medium states. This trend will almost certainly continue. Nevertheless, at the present time, the Great Powers still dominate the stage.
THE PRESENT AMERICAN POSITION IN ASIA AND THE PACIFIC
THE PRESENT AMERICAN POSITION IN ASIA AND THE PACIFIC

The United States, as one of the two global superpowers and as a country bordering on the Pacific will play an important role in Asian affairs in almost any conceivable set of circumstances. America would retain a powerful, albeit diminished voice in the region if she were to abandon her military links with Japan, South Korea, the Philippines, Thailand, Australia and New Zealand and retreat to an offshore position based on Guam, Micronesia and Hawaii. She would still have considerable impact on East and Southeast Asia if she were to withdraw her military installations to the American West Coast. She would not be without importance in the area even if she ceased to be a superpower. After all, countries like Great Britain, France and the Federal Republic of Germany still enjoy, through conventional diplomatic activity, trade and low key military relationships, a certain degree of regional influence.

United States Military Forces in the Asian-Pacific Area

United States global military power, both nuclear and conventional, is immense. According to The Military Balance the United States strategic nuclear arsenal has grown from some 3950 deliverable warheads in 1969 to about 9000 in 1981-82. During the same period the Soviet strategic nuclear arsenal grew from about 1659 to some 7000 deliverable warheads. This, along with the continued development of Soviet general purpose ground, sea and air forces, has given the Russians de facto strategic parity with the United States. It has not given them superiority.

In the Asian-Pacific area the United States military presence has certainly declined. This is, however, largely because the Indochina involvement has come to an end.

Even so, in the vast area lying between the most westerly American State of Hawaii and the Asian mainland the United States deploys a fleet of some 650,000 tons (2 aircraft carriers, 21 surface combatants, 8 submarines, 200 carrier borne aircraft), 31,000 troops and 70 combat aircraft in the Republic of Korea, 24,000 troops and 190 aircraft in Japan, along with 2,000 troops and 80 aircraft in the Philippines.
Some American military personnel are stationed in Thailand. An undisclosed number of nuclear weapons, both strategic and tactical, are housed in various locations throughout the region. The United States has also been developing a substantial military presence in the Indian Ocean. From bases in Japan, the Philippines, Guam, Kenya, Somalia, Egypt, Diego Garcia, Australia and South Africa, the United States is in a position to dispatch expeditionary forces to any part of the Indian-Pacific area. At the same time it should not be forgotten, when assessing the overall naval balance in the Pacific, that the United States Third Fleet (3 aircraft carriers, 44 surface combatants, 30 attack submarines, 5 nuclear ballistic missile submarines) based at Pearl Harbour is the only substantial force maintained by any power in the waters lying between Hawaii and the North American West Coast. The greatest military budget in American history is currently strengthening and modernising these mighty forces.

The Decline of American Power

Nevertheless, the American position in Asia, like the American position in Europe, and indeed, in most parts of the world, has been declining. It will almost certainly continue to decline, whatever policies are adopted by the Reagan Administration. The United States has not become weaker because the Russians have become stronger. Certainly, in some ways, the Russians have improved their position. They do have greater freedom to act than they enjoyed previous. Yet they, too, have their difficulties, and they are serious ones.

The relative decline of United States global influence must be seen as the outcome of a complex, interaction of political, economic and strategic factors.

America was a Great Power before World War II. Yet her early postwar supremacy derived chiefly from the fact that she was the only major nation to have emerged relatively unscathed from the ravages of the conflict. The war had consolidated her industrial base and greatly expanded her productive capacity. Unlike some of her European rivals and Japan, her territory was extensive and well endowed with natural resources. Her armed forces, especially her naval and air power, had been modernised and expanded. She possessed, for a brief period, a monopoly of nuclear weapons. Her wartime ally and
only serious remaining rival, the Soviet Union, vast, populous and resource-rich like herself, while coming out of the war with a somewhat strengthened strategic position, had suffered immense and terrible losses. Russia's ability to project her influence beyond her borders was to remain, for over two decades, very much inferior to that of the United States. In Europe, America's former allies and antagonists, Great Britain, France, Germany and Italy, victors and vanquished alike, lay devastated. Their empires were shattered. Their ruling establishments were challenged by radical reformist and revolutionary movements. Japan seemed to have been effectively destroyed as a Great Power. Throughout Asia, the Middle East, Africa and even Latin America, revolutionary national independence struggles that were eventually to place severe limits on the expansion of United States influence were intensifying. In the immediate post-war period there was, however, no extra-European power that could challenge American political, military and economic supremacy. \(^3\)

Continued American primacy required that the Soviet Union remain, forever, strategically inferior to the United States, that Washington be able to maintain its newly established hegemony over Western Europe and Japan and that it be in a position, through the application of political, military and economic power, to guide the postwar evolution of the Third World in directions favourable to its perceived interests.

All these goals proved difficult, if not impossible, to realise.

By the early 1970s Soviet-American strategic parity was an established fact of international life. \(^4\)

Strategic parity did not directly threaten the security of either the United States or its major allies. Mutual deterrence placed severe restrictions on the ability of either superpower to use its military strength. Nevertheless, a strategic parity did give the Soviet Union the self-confidence to act in the Third World with a degree of freedom similar
to that previously enjoyed only by the United States itself, Great Britain and France. It opened new options to Third World countries, allowing them to reduce their level of dependence on the United States and the major non-Communist powers. It provided independently minded Europeans and Japanese with a whole battery of new arguments about the dubiousness of American guarantees.

American hegemony of Western Europe and Japan, institutionalised in the NATO alliance, the San Francisco system, the Bretton Woods agreements, the supremacy of the dollar, the American role as central banker, together with Washington's interest in promoting a liberal order of world trade, were premised on the assumptions that American military power would remain unchallenged and that the United States economy would continue to outstrip its rivals.

The attempt to maintain military supremacy, however, had a serious impact on the health of the American economy.

It also proved impossible to prevent the re-emergence, first, of Western Europe and, later, of Japan, as substantially independent centres of political and economic power.

Within five years of the defeat of the Axis, in fact, there were clear indications that America's economic position was being eroded by the multiple impact of the Cold War, high military expenditure, declining productivity, the outflow of domestic capital and the recovery of Western Europe and Japan.

Throughout the 1950s and the 1960s the United States economic performance continued to decline.

By the early 1970s, while America was still the most powerful single non-Communist nation, its relative position in the global economic balance had changed dramatically.

Its ability to influence its allies had been correspondingly reduced.
In 1949, on the eve of the Korean War, the Japanese gross national product was a mere 3.8 per cent of that of the United States. The West German gross national product was 7.1 per cent of the American, the French 9.2 per cent, Great Britain's 18.0 per cent, Italy's 5.0 per cent, Canada's 5.4 per cent. By 1974, just before the fall of Saigon, Japan's gross national product had risen to 32.2 per cent of its American counterpart, the West German to 27.5 per cent, the French to 21.3 per cent, the Italian to 10.7 per cent, the Canadian to 10.2 per cent. The British gross national product had, relatively, declined to 13.6 per cent of its American counterpart.

Between 1950 and 1960 the average annual increase in per capita gross national product in Japan was 8.0 per cent. In the United States it was 2.5 per cent.\(^5\)

By the middle of the 1960s it was apparent that the growth in American productivity was not keeping pace with the expansion of wages. This, coupled with massive expenditure on the Vietnam war, and the creation of money to finance it, led to accelerated inflation, aggravated by the impact of multinational corporations on the American economy.

In the early 1960s a serious balance of payments problem had begun to appear. By 1971 America's first postwar trade deficit had occurred.

At the same time, the United States' role as central banker was jeopardised by the rise of alternative central bankers in Europe and Japan, by the speculative activities of multinational corporations and by the growth of the Euro-dollar market.

United States gold reserves dropped from 24,650 million dollars in 1949 to 11,650 million dollars in 1974.\(^6\)

In Europe, from the late 1950s, the creation of the EEC and the rise of Gaullism revived American concern about possible fragmentations of the Western alliance and the emergence of rival trans-Atlantic blocks.
The EEC, as a body, has continually oscillated between unity and disintegration. Yet the French veto of Britain's entry in 1963, and the terms negotiated for her membership a decade later frustrated Washington's attempts to retain some degree of control over the organisation.

While NATO remained of immense importance, French withdrawal from the alliance, along with De Gaulle's adoption of a highly independent stance in foreign affairs and an omnidirectional defence policy were devastating blows to American (and Atlanticist European) conceptions of world order.

The 1960s and 1970s witnessed increasing conflict between the United States and the EEC on trade, agricultural policy, investment, energy, relations with the Soviet Union and policy towards the Third World.

In the Far East, while the Japanese-American Security Treaty System remained intact, Japan's continued refusal to participate actively in United States Far Eastern strategies, conflict over policy towards China, Korea, Southeast Asia and the Arab World, together with her disinclination to adopt economic policies favourable to American interests placed considerable strains on the Washington-Tokyo relationship.

The collapse of the Chinese Nationalists in 1949, the United States failure to achieve complete victory in the Korean War, India's refusal to join the Western alliance system, the emergence of the non-aligned movement, the Cuban revolution, the defeat in Indochina, the creation of OPEC, the demise of the Portuguese empire, the revolutions in Ethiopia and Iran together with the slow decay of American influence in Southeast Asia, the Middle East, Africa and Latin America have made it increasingly difficult for Washington to exert a decisive impact on events in all parts of the Third World. This, in turn, has hastened the decline of American influence in Europe and Japan.

Certainly, the United States retains very powerful positions in parts of Central and South America, in South Korea, in some of the ASEAN nations, in Saudi Arabia, Egypt, the Gulf States and a few areas of
Africa. Yet it could on no account be claimed that American influence in the Third World has increased during the past three decades. In some very fundamental aspects, the evolution of events has run contrary to America's national interests as perceived by her policy makers in the immediate postwar period.

The Partial Reconstruction of American Foreign Policy during the Nixon Administration. Détente with the Communist Powers. Attempted Reassertion of United States Leadership in the Non-Communist World

In 1971 the Nixon administration, confronted with a Soviet Union that was now, politically and militarily, the equal of the United States, with the re-emergence of a powerful Europe and a highly competitive Japan, a declining economic position and the collapse of its policies in Indochina, embarked on a fundamental re-assessment of American global interests and strategies.

President Nixon and his Secretary of State, Dr. Kissinger, perceived, unlike most of their predecessors, that the United States position had changed radically since 1945. They appeared to believe that America's declining influence was attributable to the strains of the Cold War, to the over extension of national commitments and to the reemergence of competitive relationships within the United States alliance system.

To adjust American policies to the realities of the new global politico-economic order, the Nixon administration adopted a complex, multifaceted strategy. A truce was called, temporarily at least, in the global struggle against communism. Détente with the Soviet Union was promoted. The United States also embarked on the long road towards normalisation of ties with the Peoples' Republic of China. Although the administration adopted a posture of equidistance between Moscow and Peking, some interest was shown in the long term possibilities offered by the Sino-Soviet dispute.

At the same time, efforts were made to end the Vietnam war, either through decisive victory or through compromise. The lessons of the Indochina involvement also prompted the administration to begin a thorough reexamination of the American position in the Third World, with
the ultimate object of scaling down the level of involvement in strategically non-essential areas. The number of United States troops and facilities stationed abroad was substantially reduced. Economic and military aid was curtailed. Allies were pressured to do more for their own defence. Arms sales were promoted.

The administration also embarked on a series of policies designed to strengthen the American economic position against its more competitive allies, notably Japan. These measures, centering on the de jure inconvertibility of the dollar, a 10 per cent import surcharge and a wages and prices freeze, while effectively destroying the Bretton Woods system, failed to achieve the desired results. The United States economic position, relative to its allies, did not improve. The Smithsonian Agreements of December 1971 effected an 8 per cent devaluation of the dollar, an 8 per cent revaluation of the yen and a 5 per cent revaluation of the mark. After a further 10 per cent devaluation of the dollar in 1973, carried out amidst turmoil in the world's money markets, a highly unstable system of floating currency blocks came into being.

The Collapse of the American-Soviet détente

The politics of détente with the Soviet Union, rapprochement with China, equidistance between Moscow and Peking, withdrawal from direct military involvement in the Third World and measures to reassert American hegemony over Europe and Japan were continued, with mixed success, under the Ford administration.

Towards the end of the Ford administration, however, the policy of détente with the Soviet Union began to come under attack. By the middle of the Carter administration, despite Carter's personal commitment to the continual rationalisation of American global strategies, it was evident that United States relations with the Soviet Union were entering difficult times. By the end of President Carter's term in office the atmosphere of Soviet-American relations had begun to resemble that of the early Cold War period.
The reasons for the collapse of the American-Soviet détente were complex. Basically, however, the breakdown of the relationship established during the Nixon administration can be attributed to the changing policies of the United States rather than to the development of Soviet policies. The new posture of the United States government appeared to reflect the evolving attitudes of the American public and of powerful pressure groups within American society.

By the late 1970s, while there was little change either in the United States real strategic position *vis-à-vis* the Soviet Union or in its economic position *vis-à-vis* its major allies, the American public had clearly begun to recover from the shocks administered to its self confidence by the defeat in Vietnam, the Watergate scandal and the collapse of the dollar. Within the foreign policy élite the regional specialists, who had risen to prominence during the latter part of the Vietnam war, and who recognised the complexity of international politics, the impossibility of interpreting all regional conflicts in terms of superpower rivalries and ideological confrontations, were gradually eclipsed by men and women who adopted a more traditional "globalist" view. This led, almost inevitably, to renewed emphasis on the single, identifiable external cause for all America's difficulties. Unconnected events, or events that were only remotely connected, were incorporated, once again, into the simplistic theoretical frameworks that have exerted such a nefarious influence not only on American, but also on Soviet and Chinese, foreign policy thinking in the 1950s and the 1960s.

Reports of large scale Soviet military spending,\(^{10}\) coupled with the demise of American client states in Southeast Asia, the disintegration of the Portuguese Empire, the emergence of socialist states in Angola and Mozambique, developments in the Horn of Africa and Southern Arabia, the Iranian Revolution, the hostages issue, the Afghanistan affair, the fall of Somoza and the waning of American supremacy in the Carribean, then the successive Polish crises, convinced many Americans that the Soviet Union was committed to achieving strategic
preponderance and had no intention of working with the United States for maintenance of the kind of world order envisaged by Nixon and Kissinger in 1971.

Kissinger himself now saw the Soviet Union engaged in "a systematic attempt to overturn the geopolitical equilibrium". Zbigniew Brzezinsky saw Moscow at least "exploiting" the current "massive global fragmentation and chaos" in order to undermine the position of the United States. "The Soviet Union underlies all the unrest that is going on", Mr Ronald Reagan told American voters in the 1980 presidential election campaign. "If they weren't engaged in this game of dominoes there wouldn't be any hot spots in the world."

There was a massive groundswell of popular concern about the decline of American power, the apparent growth in Soviet influence and the unreliability of America's allies. Among the general public there was an increasing willingness to countenance, once again, the use of direct military force in areas regarded as vital to America's interests. There was alarm that Washington's interpretation of world events was not shared by many of her major allies, that these allies appeared reluctant to increase their military preparedness and that their economies continued to prosper, allegedly at America's expense.

The revival of popular American anti-Communist nationalism was not unconnected with the powerful currents of fundamentalist conservatism that began to sweep the English speaking world in the mid-1970s, in the wake of the Indochina débacle, the oil crisis, the rise of OPEC and the upheavals in the global monetary system. The loss of empire frequently gives rise to such phenomena. The new conservative American nationalism, which has close historical parallels in 19th century French réactionisme, in the moves to restore Germany to greatness after the humiliations of World War I, in the hard line domestic and foreign policies of the Japanese Seiyūkai in the 1920s and the 1930s, or in America's own reactions for the collapse of the Kuomintang in 1949, is likely to remain a potent factor in international politics for some time to come. It will almost certainly be consolidated by the gradual eclipse of America's old eastern
establishment and the shift in the centre of national power to the West and South, where traditional values have deep roots and where men tend to view the world in somewhat stark and elemental terms.\textsuperscript{15}

\textit{Détente} with the Soviet Union was a fundamentally important element in the original Nixon-Kissinger formula for American recovery. The restoration of American self-confidence did not automatically solve Washington's strategic, political and economic problems. In many ways, indeed, the revival of assertive American nationalism complicated those problems.

The Carter administration, which, for a time, was divided between groups emphasising the need for continued \textit{détente} and factions advocating a harder line towards the Soviet Union, adopted a multi-faceted strategy to deal with the domestic and international pressures which confronted it. Yet one by one the basic components of the 1971 Nixon-Kissinger approach were abandoned. Soviet domestic and foreign policies were vigorously denounced. A massive increase in military spending was ordered. The post-Vietnam restrictions on covert activity by the CIA were removed. Efforts were made both to strengthen the old American alliance system and to reach a strategic accommodation with Peking. The attempt to reassert American political and economic primacy in the non-Communist camp, however, continued. At the same time, Carter carefully avoided military involvements in the Third World and strove to reach agreements with Moscow on strategic arms limitations and other matters.

The Reagan administration, swept into office by overwhelming popular dissatisfaction with Carter's policies, appears, at present, to believe that American global primacy can be restored through a programme of conservative political, economic and social reform, strict application of monetarist principles, large scale expansion of the military forces, active confrontation of the Soviet Union, renewed willingness to intervene, directly and indirectly, politically and militarily, in the Third World, together with strong pressure on United States allies in Europe, the Far East and Oceania to persuade them to adopt policies more in harmony with American interests.
Time alone will tell whether this strategy provides a realistic solution to America's problems. At the time of writing, the United States has clearly not re-established decisive military superiority over the Soviet Union. Even if it did so it is doubtful whether this would be accompanied by corresponding political advantages. Washington's pressure on the NATO allies and Japan has not reasserted American hegemony of the non-Communist world. Indeed, the intensity of Mr Reagan's anti-Soviet campaign appears to have been placing increasing stress on the American alliance system in both Europe and Asia. So too have America's economic demands. The United States economic performance has not dramatically improved. The United States position vis-à-vis its competitors remains substantially unchanged. In the Third World, Washington's real influence would appear to have suffered a further eclipse.

United States Relations with Japan

The alliance with Japan has provided, since 1952, the sheet anchor of United States policy in Northeast, East and Southeast Asia. President Reagan, like Eisenhower, Kennedy, Johnson, Nixon and Carter, appears to have high expectations of Japan's political, economic and military role in regional affairs. Although the United States and Japan differ significantly in their approach to some issues, no major American political grouping, no important American political personality, has ever publically questioned the Japanese alliance. Careful consultation with the United States is still an important aspect of Japanese foreign policy decision making. United States forces in Asia and the Pacific maintain the most intimate links with their Japanese counterparts. In recent years, indeed, military co-operation between the two allies appears to have become closer.

Nevertheless, it should not be forgotten that for much of the twentieth century, the United States has viewed Japan as a rival Great Power.

From the Russo-Japanese war until well on into the Occupation period, United States military planners regarded Japan as the principal threat, either actual or potential, to their perceived interests in the Pacific.
During this period, Washington’s East Asian policy was essentially Sino-centric.

The American leadership and broad sections of the American public sympathised profoundly with the efforts of the Chinese Nationalists to create a united, modern, republic based on free enterprise principles. American-Japanese rivalry for preponderant influence in China contributed significantly to the origins of the Pacific war. During the war, and for some years afterwards, Chiang Kai-shek’s Chinese Republic, administered, in the main, by American educated Chinese Christians, modernised by American capital, technology and know-how, armed by American weapons, was seen in Washington as the lynch pin of United States strategy in the Far East. The Chinese Republic was to help the United States prevent a possible revival of Japan as a Great Power. It was also to assist in the containment of Communist influence in the Far East.\textsuperscript{16} In both these fields of endeavour, Chiang Kai-shek’s record was impeccable.

It was only the collapse of the Nationalists, then the rapid advance of revolutionary movements in Korea, Indochina and other parts of Southeast Asia that persuaded the United States to base its East Asian policy on a remodelled, rearmed and, essentially dependent Japan.

The American alliance with Japan, therefore, was not simply the natural outcome of the Soviet-American Cold War. It was also a legacy of the collapse of America’s Chinese allies and of Washington’s failure to establish working relations with the Peoples’ Republic at an early date.

The global balance of power, the positions of both the United States and Japan in the international system, their interactions with other societies, the character of their domestic politics, have all changed radically since 1952. In both the United States and Japan, powerful interest groups have come to view the San Francisco system as less than satisfactory. The Security Treaty and its associated arrangements are not on the verge of collapse. The perceived common
interests of the two allies still far outweigh their differences. Nevertheless, despite the strong interest of both governments in preserving the alliance, and despite the established momentum of the relationship, a tentative, cautious search for supplementary, or, perhaps, even alternative arrangements has been under way for some years. It is, at the present moment, with a new and assertive administration in Washington, a somewhat inexperienced government in Japan, a fluid situation in China, an imminent change in the leadership of the Soviet Union, and unstable situation in Korea and considerable uncertainty in Southeast Asia, impossible to predict how far this process will go, or in exactly what direction it will evolve. It seems distinctly possible, however, that the American-Japanese relationship will become a less and less intimate one, that the two nations will gradually drift apart, even if they do not drift into conflict.

American-Japanese Differences over Strategic Matters

The post-war American-Japanese alliance has never been an easy one. Japan has not been the most compliant of allies, despite all appearances to the contrary.

Differences over Japan's role in the United States Pacific alliance system have complicated the relationship from the beginning.

The Japanese archipelago, despite all the developments in military technology since the end of the Occupation, still provides a formidable geographical barrier to Soviet naval operations beyond the Japan Sea and the Sea of Okhotsk. The alliance with Japan, together with access to bases in that country, has facilitated American naval, air and intelligence gathering operations throughout the Western Pacific area. American forces in Japan, supported by the Japanese army, navy and air force are admirably placed not only to defend the archipelago itself, but to threaten Soviet military installations, communications facilities and population centres in the Maritime Province, Siberia and Sakhalin. In the event of a large scale nuclear and/or conventional conflict with the United
States, the Soviet Union would neither be able to deploy its naval forces into the Pacific, nor be confident of protecting its Far Eastern territories, without first attacking and occupying the Japanese archipelago.  

In the 1950s and the 1960s, American bases in Japan and, albeit very indirectly, the Japanese Self Defence Forces, played a crucial role in United States containment of China strategies. Both were essential for prosecution of the Korean war. Both were of considerable importance in the Vietnam conflict. Renewed American confrontation of China, another outbreak of hostilities in Korea, a United States decision to intervene yet again in Southeast Asia, would inevitably increase the value of the Security Treaty in Washington's eyes. In recent years, the scope of the Security Treaty has been extended to include the Middle East.

The United States, however, has never been inclined to view the Japanese-American alliance as a simple base lending agreement. From the Truman administration onwards, policy makers in Washington have strongly encouraged Japan to play a more active political, economic and military role in regional affairs. American leaders, following through the decisions made after the collapse of the Kuomintang, have, with a few significant exceptions, seen the long term future in terms of a Japan centred Asian-Pacific regional security organisation, modelled, to some extent, on NATO.

Japan, unlike France, has seldom confronted the United States publicly on matters on this sort. Yet successive Japanese governments have resolutely refused to take up the regional security role designed for them in Washington. They have been prepared to allow the United States virtually unrestricted use of bases on Japanese territory. They have, albeit reluctantly, built up substantial land, sea and air forces for the defence of the home archipelago and the American bases on it. They have undertaken joint exercises with the United States. They have been prepared, at times, to extend generous economic assistance to America's East and Southeast Asian allies. They have given, on occasion, considerable political support to these allies. They have not prepared to underwrite their
military security.

The late John Foster Dulles encountered bitter resistance from former Prime Minister Yoshida Shigeru on the issues of Japanese rearmament, Japanese participation in regional defence and dispatch of Japanese forces overseas. Dulles was quite unable to convince Yoshida to rearm on the scale then considered appropriate in Washington. He could not persuade the Japanese Prime Minister to join a regional military pact. He was unable to break Yoshida's resistance to overseas service for Japanese troops. It was only under extreme pressure that Yoshida agreed to establish ties with the Chinese Nationalists rather than with the People's Republic. He refused to have anything to do with the Rhee government in South Korea, despite American efforts to bring these two Northeast Asian allies together. As a result, Washington's first attempts to set up a NATO type organisation in Asia, centred around the Japanese-American Security Treaty system, ended in failure.

Hatoyama Ichirō and Ishibashi Tanzan, Yoshida's immediate successors, were even more emphatic in their rejection of a regional political and military role within the ambit of the American alliance system.\(^{20}\)

Former Prime Minister Kishi Nobusuke's attempts to negotiate a new, and, from the American point of view, more acceptable mutual defence treaty, were defeated not only by the sheer weight of public opinion, by the press and by the opposition parties, but by a revolt within the conservative party itself.\(^{21}\)

Mr Kishi's brother, former Prime Minister Satō Eisaku, who appeared, on the surface of things, the most pro-American political leader in postwar Japan, who concluded the Basic Treaty with the Republic of Korea in 1965, resisted considerable domestic pressure for rapprochement with Peking, maintained close ties with the Chiang Kai-shek regime and gave strong verbal support to Washington's Vietnam policies, also refused to involve Japan in anything resembling a regional military pact. As the former (and current) Foreign Minister, Mr Sonoda Sunao, told the present writer a few years ago,
"The Americans were always asking us to do this and to do that, to take over part of the burden of their Far Eastern policies. But all their efforts were sabotaged by one Japanese cabinet after another. That's why Satō Eisaku got the Nobel Peace Prize. He got it for his accumulated achievements in the field of sabotage. I suppose he is the only Prime Minister ever to have got the Nobel Peace Prize for sabotage."  

It was Satō, together with his successors, Tanaka and Miki, who made the Nixon doctrine, at least in its original form, which envisaged a substantial regional role for Japan, utterly unworkable. It was, in all probability, Japan's refusal to enter the game of Great Power politics, that persuaded the Carter administration to negotiate a Sino-American *entente cordiale* against the Soviet Union, thus initiating a partial return to the Sino-centric American policies of the pre-war period. During the last two years of the Carter administration, John Foster Dulles' original concept of an East Asian NATO organisation was tacitly broadened to incorporate China, the ASEAN countries, Australia and New Zealand.  

The Ohira cabinet, despite strong verbal support for America's policies, declined to go any further than its predecessors. Despite Moscow's apprehensions, the Washington-Tokyo-Peking axis, with ASEAN and Australian appendages, was still-born.

The Suzuki cabinet, for its part, in the face of almost unprecedented American and Chinese pressure, refused to consider Washington's requests for a *de facto* 15.4 per cent annual increase in military expenditure over three years, rejected the figure of 9.7 per cent, regarded by the United States as a barely acceptable minimum, and settled, instead, for a 7.6 per cent increase, a figure which apparently includes substantial wage adjustments for Self Defence Force members. Mr Suzuki, like all his predecessors, has made it clear that Japanese troops cannot and will not serve abroad. He has totally rejected a regional military role, although he does not appear opposed to a somewhat greater degree of bilateral military co-operation. 

There have been sound political and strategic reasons for the Japanese
government's attitude. These will not be examined in this paper. Suffice it to remark that the Japanese view of the Security Treaty system has differed significantly from the American one. For a United States in relative strategic decline, however, Japan's political and military reticence poses far more serious problems than it did in the days when the American star seemed in the ascendant.

It should be recalled, in this context, that America's relations with some of her most important NATO allies have also entered troubled times.25

If Mr Reagan can revive the values of the Pilgrim Fathers, halt America's economic decline, reassert her hegemony over the non-Communist world, pull decisively ahead of the Soviet Union in the arms race and restore the United States to the immensely powerful position it occupied in the immediate postwar period, when both its friends and its antagonists lay in ruins, he may not need allies.

If he cannot do these things he will be faced with four basic choices.

He can, as he apparently hopes to do, place renewed emphasis on ties with America's 'traditional' allies. In East Asia, unless he intends to resort to the highly dubious expedient of relying on South Korea and Taiwan, this strategy will almost certainly lead to increased pressure on Japan to rearm on a large scale, to strengthen relations with South Korea, Taiwan and the ASEAN powers and to participate in some kind of regional defence organisation. The history of the past thirty years, and the political realities of the present day, make it abundantly clear that Japan does not intend to involve herself in activities of this kind.

Alternatively, Mr Reagan could adopt the Nixon-Kissinger strategy of détente with the Soviet Union, rapprochement with China, delineation of mutually acceptable spheres of influence and implementation of measures designed to reassert American authority in the non-Communist world. This strategy, which would not necessarily involve demands on Japan for greater military spending and more activist policies, might adversely affect Japanese interests in other ways. A general relaxation
of tensions among the Great Powers, if it could be sustained, might remove much of the raison d'être for the Security Treaty system itself, both from the American and from the Japanese points of view.

The latter problem could, perhaps, be overcome by adoption of the Eisenhower strategy of energetic efforts towards détente coupled with a rather more ritualised approach to confrontation of the Soviet Union. Détente, if it proved enduring, could facilitate America's economic recovery and help restore United States competitiveness. The appearance of confrontation might help hold the United States alliance system together and satisfy the demands of domestic anti-Communist opinion. This policy may be somewhat alien to President Reagan's temperament. It also has its own inherent dangers. Prolonged ritualised conflict can create demands for real violence.

Or, again, Mr Reagan could abandon his ideological principles and adopt the Carter-Brzezinsky strategy of a special relationship with Peking to turn the flank against the Soviet Union and compensate for the deficiencies of the Japanese alliance.

Despite its economic backwardness, factionalism, regional tensions and the military weakness revealed during the Sino-Vietnamese war, the People's Republic of China appears admirably suited to adopt the role that the Nixon Doctrine originally cast for Japan, but which neither the Japanese government, nor the Japanese people, for perfectly good reasons, felt inclined to take up. China's territory is vast. Her population is immense. Her long term military potential is at least as great as that of the NATO alliance. Her armies can directly threaten the Soviet Union in Siberia and in Inner Asia. A powerful and modern Chinese navy, if one were to be developed, could seriously threaten the Soviet Pacific fleet and disrupt Soviet communications with their allies in Southeast Asia. At the present time, there is no doubt about China's willingness to confront the Soviet Union. China has no Peace Constitution, no neutralist Opposition parties, no pacifist public opinion. Better still, it is a socialist country. So long as it remains a socialist society it is unlikely to emerge as a major economic competitor with the United States.
A Sino-American *entente cordiale*, if it proved enduring, would almost certainly reduce the value of the Japanese-American relationship in Washington eyes. This would be especially so if Japan refused to be actively associated with the Washington-Peking axis and declined to increase significantly her military spending.

*American Japanese Economic Friction.*

Economic relations among states are extremely complex. There can be little doubt that in many areas the interaction of the United States and Japan has been to the advantage of both. Nevertheless, in recent years, economic friction between the two countries has begun to place some stress on their relationship.

The American political and business establishment has observed Japan's emergence as a major economic power with not a little ambivalence. Different interests have reacted in different ways. Broadly speaking, those Americans who give priority to the global struggle against the Soviet Union remain convinced that the size of the Japanese economy, Japan's influence within the Asian-Pacific region and the alleged historical unpredictability of Japanese governments make it essential for the United States to take an indulgent view of Japanese economic competition. Those who take a less ideological, more utilitarian view of the national interest have, increasingly, come to see Japan's extraordinary competitive power, her penetration of United States domestic and foreign markets, her struggles with the United States for access to world resources, as threats to the stability of the American economy itself.

*American criticism of Japan has tended to focus on the massive imbalance in bilateral trade and the factors that are believed to have contributed to it. In 1978 the United States sustained a $12 billion deficit in trade with Japan. This was a 50 per cent increase on the previous year's figure. The intensive efforts of both parties have done little to rectify the situation.*

The problem is, in fact, not one that can be solved readily. The
two countries have very different trade structures. It would be
difficult, if not impossible, for the United States to increase sub-
stantially its exports to Japan. Indeed, its share of the Japanese
market in almost all categories of products except wool fibres and
rubber has declined over the past decade. As James Abegglen and Thomas
Hout have pointed out, this decline has been caused, with a very
few exceptions, by the operation of the market mechanism. Japanese
importers of coal, iron ore and scrap metal have abandoned the
United States for more cost efficient producers such as Australia.
Japan's refined oil products are now largely supplied by Asian
refineries. The troubled American aluminium, chemical, petrochemical,
shipbuilding, steel and synthetic fibre industries are in no position
to take advantage of the difficulties currently being experienced
by their Japanese counterparts. Japan, which has become, like the
United States, a high cost producer in these areas, has been relocating
industries abroad, in the form of joint ventures with resource rich,
low wage countries such as Indonesia. The complexity of the
Japanese retail industry makes United States entry difficult.
The United States has, perhaps, some chance of breaking into the
contract market for the Japanese Public Monopolies. Yet American
industry is in no position to compete on the Japanese domestic
market in the field of automobiles, consumer durables, electronics
and industrial machinery. Political considerations make further United
States penetration of the Japanese agricultural products market
impossible. Japanese agriculture, small scale and, in many
areas, highly inefficient, is extremely vulnerable to foreign
competition. Yet its collapse would almost certainly precipitate
the downfall of the present conservative government and usher
in a new era in American-Japanese relations.

If the market mechanism has resulted in a decline in the United
States share of Japanese imports, the same mechanism has produced an
extraordinary increase in certain categories of Japanese exports to
the United States. The Japanese automobile industry, which has recently
overtaken its American counterpart and captured 25 per cent of the
United States domestic market is a case in point. Yet it is only one
case. The American electronics, steel and computer industries have
come to view Japan as a dangerous competitor. Over the past decade or so, some of the most powerful interest groups in the United States have been developing a noticeable anti-Japanese outlook. The Japanese are generally, and, on the whole, incorrectly, believed to be ruthlessly exploiting America's markets while protecting their own behind invisible walls of non-tariff barriers.

The result has been a rise of protectionist sentiment in the United States. Despite the United States International Trade Commission's rejection of petitions from the Ford Motor Company and the United Auto Workers Union demanding imposition of tariffs and quotas on imported vehicles, and despite warnings of the dire effects of trade restrictions both on the long term health of the American economy and on the cohesion of the non-Communist world, protectionist sentiment would appear to be growing. In 1975, according to polls conducted by Yankelovich, Skelly and White, 25 per cent of Americans favoured protectionist policies. By 1979 this figure had risen to 31 per cent. At the end of 1980 some 40 per cent of Americans supported protectionism.

American administrations have already taken strong measures against Japan in some areas. The Nixon administration's 10 per cent import surcharge was aimed principally at Japan. More recently, on 21 August 1980, the Carter administration decided to increase import duties on Japanese light trucks by 25 per cent. This effectively priced them out of the market. The Carter administration also placed extreme pressures on Japan to adopt voluntary restraints in automobile exports. These efforts proved unsuccessful. Towards the end of 1980 congressional concern over the matter appeared to be rising. Mr Reagan, during his election campaign, promised strong measures to stem the flow of Japanese vehicles into the United States. Throughout the course of 1981, despite the importance the new President clearly attached to Japan's place in American global strategy, United States economic pressure on Japan showed no signs of relenting. If the United States economy continues to stagnate, protectionist sentiment may well increase to the point where no political party will feel able to ignore it.
Many of the problems between the two countries might, perhaps, be resolved through a judicious combination of yen appreciation, an energetic American export drive, Japanese investment in the United States, and within the limits of the possible, increased Japanese imports of American products, as recommended in the 1979 Jones Report to the United States Congress. Yet even if these steps were taken it seems probable that serious tensions would remain, new disputes arise.

Japan, it should be noted, has also challenged the United States as the dominant external economic influence in Southeast Asia. Competition for leadership in China's modernisation campaign (assuming, of course, that the Peoples' Republic continues to follow its present policies) is, moreover, likely to re-open an old source of American-Japanese friction, further complicating relations between Washington and Tokyo. 29

The basic problem lies in the re-emergence of a politically significant degree of rivalry between the two great commercial and industrial powers.

American comment on these issues has been various. Nevertheless, an article by Mr William E. Colby, former Director of the United States Central Intelligence Agency, perhaps gives an insight into how the future of the American-Japanese relationship is seen by at least some influential figures in Washington. 30

"From a narrow point of view", Mr Colby argues, "Japan and America might be considered to be on a collision course and their interests bound to clash in the new world of the 1980s and 1990s. Having shown her strength in the automotive, steel and electronics fields, Japan is today focussing on the computer and knowledge intensive fields of the future, planning to leave labour intensive industry to the developing nations of East Asia. If it could outpace America in these advanced technological fields, it could draw its agricultural products and raw materials from America and move into the leading economic position in the world.

From America's point of view, Japan might be considered as a dangerous threat to its hope for development of
new information intensive industries. America's past leadership in free world political and strategic matters could be replaced by a Japan strong in the economic and social issues which will dominate the future. The strength of the Japanese economy could transfer financial leadership of the world to the yen at the expense of the dollar as the international medium of exchange.

Mr Colby is deeply disturbed by the political and strategic implications of these developments. He sees the solution to the problem in the political, economic and cultural integration of the United States and Japan.

"Japan and the United States must begin to develop a common political framework to permit full operation of their economies within a common framework instead of within two political frameworks. As long as two separate political frameworks exist, competition in the economic field will be reflected in the political field, and the temptation will arise to use political tools to suppress economic competition."

Perhaps Mr Colby has grounds for optimism. Perhaps the United States and Japan will eventually develop a single government and a unified economic structure. Perhaps they will assume joint hegemony over some kind of Asian-Pacific Community. Nevertheless, to the present writer, it seems by no means improbable that the United States and Japan will retain their separate political and economic structures. They will attempt to solve their mutual problems by piecemeal, conventional means. If these fail, and it by no means inevitable that they will, the problems will, imperceptibly perhaps, become political and strategic. They will be exacerbated by cultural differences. In this situation, the establishments of both countries will be, increasingly, tempted to seek solutions in the well tried techniques of traditional power politics.
United States Relations with China

The Nixon and Ford administrations, as already noted, while anxious to improve relations with Peking, endeavoured, on the whole, to pursue a policy of equidistance between China and the Soviet Union.

The Carter administration, impelled by the logic of escalating global strategic rivalry with the Soviet Union, tempted by the opportunities apparently offered by the Sino-Soviet conflict and frustrated by the contradictions in America's relationship with Japan abandoned equidistance diplomacy and gradually moved towards a position where Peking was seen as a strategic associate at least equal in significance to Tokyo. The government of the Peoples' Republic was officially recognised as the government of all China. United States treaty commitments to Taiwan were unilaterally renounced.

Despite the very great importance of the American Japanese relationship and the persistent influence of the Taiwan lobby there was evidence that a considerable body of American opinion, both official and popular, had begun to drift back towards the Sino-centric view of East Asian affairs that had characterised United States regional policy during the first half of the twentieth century.31

President Carter and his advisors, however, saw no incompatibility between Washington's new relations with Peking and her established ties with Tokyo.

In June 1978, the then Undersecretary of State for Far Eastern Affairs Mr Richard Holbrooke, speaking at a conference of Western state governors, proposed the formation of a de facto Washington-Tokyo-Peking axis, a Northeast Asian Treaty Organisation rather different in structure but somewhat similar in purpose to that originally conceived by the late John Foster Dulles.32 By the time of Vice-President Walter Mondale's visit to the ASEAN countries, Australia and New Zealand, and National Security Advisor Zbigniew Brzezinsky's concurrent tour of China, Japan and South Korea, the concept of an anti-Soviet strategic association among the United States, the Peoples'
Republic of China and Japan, linked up with ASEAN, the ANZUS pact and South Korea appears to have taken firm root in Washington. The idea also had very great appeal in Peking.

It did not, however, arouse universal enthusiasm in Japan. From the northern summer of 1979 onwards, a reluctant Japanese government found itself under considerable pressure from both Washington and Peking to adopt a more positive attitude towards the emerging entente. At the Carter-Fukuda talks in May 1978 the American president encouraged the Japanese to press ahead with difficult negotiations on the Sino-Japanese Treaty of Peace, Friendship and Mutual Co-operation. In Washington, Japan's potential role in the modernisation of China's strategic industries caused much excitement. It was hoped by some administration officials that Japan would emerge as one of China's principal suppliers of sophisticated military equipment.

America's own ties with the Peoples' Republic expanded rapidly. In the months after the final normalisation of relations in January 1979 scores of economic, scientific, technological and cultural agreements were signed. These included an extremely significant accord on nuclear co-operation. By the end of 1979 over sixty American firms had established offices in China. In 1979 bilateral trade totalled $2.3 billion - more than twice the 1978 figure. The United States Congress granted China most favoured nation trading status - a privilege repeatedly and pointedly denied the Soviet Union.

During the course of 1979-80 American strategic co-operation with China also developed at an astonishing pace.

Exchange of intelligence, which had apparently taken place, on a limited scale, since the late 1960s, was expanded. After the fall of the Shah, American monitoring devices similar to those previously located in Iran were installed along the Chinese side of the Sino-Soviet border.
Mr Deng Xiao-ping discussed China's plans to "punish" Vietnam during his visit to Washington in February 1979. His talks with Mr Ôhira on the way back to China were intended to give the impression that the Washington-Tokyo-Peking axis was already a reality. (Ôhira, in fact urged the Chinese to work for a peaceful solution). The Carter administration, along with large sections of American opinion, leaned heavily towards the Chinese side in the conflict. Washington joined Peking in denouncing Vietnamese support for the anti-Pol Pot forces in Cambodia. There had been no such denunciations of Indonesian support for anti-Fretelin forces in Timor, or of Tanzanian military participation in the Ugandan movement to overthrow President Idi Amin. Indeed, both of these actions received a considerable degree of American sympathy and encouragement. While administration spokesmen claimed Vietnamese "aggression" in Cambodia made normalisation of ties with Hanoi impossible (a stricture never applied in the case of American relations with Israel, Egypt or South Africa) China's invasion of Vietnam was followed by still more intimate Sino-American co-operation. Both countries adopted policies of extreme hostility toward Vietnam. Both gave support, military, in the case of China, diplomatic and economic in the case of the United States, to the Pol Pot forces operating along the Thai-Cambodian border. Both countries strengthened their relations with ASEAN. China consolidated its ties with Pakistan. The United States moved towards reconciliation with Islamabad. The Chinese, while maintaining their alliance with Pyongyang, adopted an indulgent attitude towards Seoul and made it clear they were not anxious for an American withdrawal from South Korea.

The Afghanistan affair and the protracted Iranian crisis gave fresh impetus to the Sino-American strategic association. During his visit to Peking in January 1980, Defence Secretary Harold Brown stressed the convergence of Sino-American interests in the strongest terms. The visit of the Chinese Defence Minister Mr Geng Biao to Washington in the summer of 1980 resulted in an American decision to sell military support equipment to the Peoples' Republic.

At the funeral of the Japanese Prime Minister Mr Ôhira Masayoshi in July 1980, United States, Chinese and Australian leaders made
intense but, on the whole unsuccessful efforts to encourage Japan to join the common front against the Soviet Union.\(^{46}\)

The Carter administration thus regarded the Peoples' Republic of China as a *de facto* ally. President Reagan's China policy still appears to be in a process of evolution.

Despite his intense hostility towards the Soviet Union, Mr Reagan seems to have entered office with an inclination to downgrade the relationship with Peking. His statements on China policy during the 1980 election campaign caused considerable irritation in the Peoples' Republic.\(^{47}\) Mr Reagan's coolness towards Peking is probably a function of his overall ideological outlook. The old Taiwan lobby would also appear to exert some influence on those sections of the Republican Party which are now dominant. Some of Mr Reagan's advisers, moreover, seem to fear the unsettling effects of a close Sino-American relationship on the foreign policies of the Soviet Union. While General Alexander Haig's testimony to the Senate prior to his appointment as Secretary of State stressed the importance of the relationship with China,\(^{48}\) President Reagan's decision to invite Taiwanese representatives to his inauguration caused a significant cooling in Sino-American relations. The Chinese also professed to believe that the United States was behind the sale of two Dutch submarines to Taiwan.

Mr Haig's visit to the Peoples' Republic in June 1981 was not an unqualified success. Certainly, the United States decision to lift restrictions on arms sales to China appeared to represent a further advance in the Sino-American strategic *entente*. In Southeast Asia, tacit Sino-American co-operation against the Soviet Union and Vietnam has continued. Nevertheless, the Chinese government has made no secret of its deep concern at President Reagan's gradual upgrading of relations with the Kuomintang. During Mr Haig's visit, the Chinese
went to some trouble to stress that their armed forces were in a position to handle any Soviet threat alone and that, in any case, the break with the Moscow might not be totally irreparable. The day after Mr Haig's departure, the Peoples' Republic published a lengthy article analysing the border talks with the Soviet Union. Mr Haig's optimistic assessment of his talks with the Chinese differed significantly from China's own account. There were indications that many party officials and army officers who accepted the tactical rapprochement with the United States have been less than happy with the trend of recent events. 49

Whatever Mr Reagan may wish to believe, active confrontation of the Soviet Union will require continued co-operation with Peking. Co-operation with Peking necessitates the jettisoning of Taiwan. Prolonged Sino-American co-operation against the Soviet Union, in the context of continued Japanese refusal to increase military spending, play an active role in containment and comply with United States demands in the economic sphere, is likely to place considerable stress on Washington's relations with Tokyo.

If the Reagan administration, after much soul searching, eventually decides to adopt whole heartedly the Carter-Brzezinsky strategy of a de facto alliance with Peking, the United States will certainly not suddenly abandon Japan immediately and proceed to build up China as the pivot of its Asian strategy, in the same way as it abandoned China for Japan in the period 1947-1950. Such a development might occur, of course, if a Socialist government, or a Socialist-Communist coalition dedicated to neutrality were to be elected in Japan. It might also occur if an economically nationalist conservative government, hostile to China and anxious to consolidate ties with ASEAN, Taiwan and South Korea were to emerge in Tokyo.

Barring these contingencies, however, it is probable that increased American-Chinese intimacy, issuing from intensified Soviet-American confrontation, would lead either to the demotion of Japan to the status of America's junior East Asian partner, or to a gradual rehabilitation of the Roosevelt strategy of using China to contain both the Soviet Union and Japan.
United States Relations with Taiwan and South Korea

Whatever the Reagan administration may do about relations with the People's Republic of China, the development of American foreign policy during the Carter era, the renunciation of the mutual defence treaty with Taiwan and the strategic judgements which underlay this move, have severely shaken the underpinnings of Washington's old East Asian alliance system.

Even if President Reagan were to completely abandon Peking, restore full diplomatic relations with Taipei and send the Seventh Fleet back into the Taiwan Straits, the ties between the United States and the Kuomintang could never be the same again. The Chinese Nationalists, along with many of Washington's other Asian allies are not unaware of the erosion of United States global power and the hard choices with which American administrations are now confronted.

President Reagan attaches considerable importance to relations with South Korea. His foreign policy advisor, Mr Ray S. Cline, was the first foreign visitor to call on Major-General Chun Du Hwan after his accession to power in May 1980. Chun Du Hwan was the first foreign leader to call on President Reagan after his inauguration in January 1981. The first year of the Reagan administration has seen a general consolidation of Washington's ties with Seoul. President Carter's plans for American troop withdrawals, indefinitely shelved during the last months of his administration, have been finally and irrevocably reversed. Congressional and media criticism of human rights violations in South Korea has become increasingly muted. 50

Nevertheless, the United States faces very serious problems in its relations with South Korea. President Reagan, whatever his personal inclinations, will eventually have to address himself to them.

First, while the president and his staff appear committed to South Korea they are also committed to reducing government spending in non-essential areas.
The exact purpose of the very expensive American presence in South Korea has never been clarified. It would be difficult to claim that the South Korean alliance has been instrumental in preventing Chinese hegemony of Eastern Asia. China intervened in Korea only when American troops threatened the existence of the DPRK and when Macarthur spoke openly of invading Chinese territory. China's influence has never been dominant in Pyongyang. A united Korea, whatever its political complexion, would very probably adopt neutralist policies. Nor has the South Korean alliance been necessary to contain Soviet regional influence. However one is to interpret Stalin's alleged conversations with Kim Il Sung in the period prior to the outbreak of war in 1950, the Soviet Union adopted a policy of extreme restraint during the conflict. The evidence would suggest that the Russians are not unhappy with the status quo on the peninsula and have worked actively to avoid new outbreaks of hostilities. In conjunction with the United States-Japan Security Treaty system the American presence in Korea does, it is true, help block Soviet access to the Pacific through the Tsushima Straits. Yet, in time of war, the Russians would probably find it simpler to attempt to move their fleet into the Pacific through the northern routes. They would also be in an excellent position to put pressure on Japan from their bases in Eastern Siberia, Sakhalin, Kamchatka and the Northern islands. Bases in Southern Korea, even assuming such bases were available, would improve their position only marginally.

The view that the American presence in Korea is necessary to forestall a Japanese drive for regional hegemony cannot, in the present circumstances, be regarded seriously. United States support for South Korea, however, does help ease official Japanese anxieties about Japan's future security. The dominant groups in the Japanese establishment have been convinced, rightly or wrongly, that maintenance of an anti-communist régime in Seoul is an important element in Japan's own security. This view is not shared, however, by important dissident elements within the establishment, by the opposition parties and by a very large body of public opinion. Because of this it is difficult to make predictions both about the future evolution of Japanese policies and about the impact particular American actions in Korea on the political environment in which the security treaty exists.
The American presence in Korea may or may not prevent an indigenous communist revolution in that country. Yet quite apart from the question of whether it is wise for one country to intervene in another country's civil war, the argument that United States troops help contain communism could be countered by the contention that support for the brutal military and police dictatorships that have ruled in Seoul since 1945 has increased domestic instability and promoted the growth of radical revolutionary movements. It could also be argued that Washington's support for the régimes in Seoul has undermined popular support for the American alliance in Japan. Popular sympathy for the United States in Japan, it could be contended, is a far more important long term American interest than preservation of an anti-communist régime in Seoul.

Second, instability has always been a serious problem in South Korea. President Chun Du Hwan's government is likely to prove rather less stable than its predecessors.

The late President Park Chung Hi was able to remain in office for nearly two decades largely because of a confluence of exceptional circumstances.

The United States, at the height of its power, appeared willing to pay any price to ensure containment of communism. American pressure on Tokyo, the Cultural Revolution in China and the fortuitous emergence of a favourable constellation of factions in the Japanese Liberal-Democratic Party, persuaded the Japanese government to contribute actively towards South Korea's economic development. Oil was cheap. Raw materials were also relatively inexpensive. Protectionism was at a low ebb. The Vietnam war increased demand for the kind of goods and services South Korea had to offer. An extraordinary rate of economic growth enabled the military government to contain social unrest, suppress a strongly rooted indigenous democratic tradition and prevent factional-policy struggles within its own ranks making administration impossible. It was significantly, the internal
repurcussions of a worsening global economic climate that brought down the Park Chung Hi government, aggravating social unrest, strengthening opposition movements and unleashing fatal conflicts within the ruling oligarchy. The last years of the Park Chung Hi administration saw the emergence of a serious economic situation. The growth rate dropped from 11.6 per cent in 1978 to 7.1 per cent in 1979, falling to 4 per cent in the latter half of the year. Inflation increased from 21 per cent in 1979 to 30 per cent in 1980.57 Unemployment was extremely high. The Japanese government and industrial circles, conscious of the dangers of association with an unstable régime, preoccupied with China and Southeast Asia, began to reduce the level of their involvement with Seoul.

The present world economic climate does not auger well for South Korea's future. Rapidly increasing oil prices, soaring international interest rates, lack of confidence among foreign investors and protectionism in the advanced industrial countries will make recovery difficult. Internally, President Chun Du Hwan has been left a legacy of over-investment in heavy industry, neglect of agriculture and a weak financial system.

In South Korea, therefore, the Reagan administration and its successors are likely to find themselves confronted with a series of unstable, transitory and extremely repressive régimes. Even if President Chun Du Hwan survives, South Korea is likely to be racked by social and political unrest for many years.

President Reagan's administration, like its predecessors, will also find itself confronted with the problem of controlling its South Korean allies.

American officials familiar with the Northeast Asian situation sometimes privately justify a continued United States presence in Korea not so much on the grounds that it acts as a deterrent to the North as that it restrains bellicose moves on the part of the South.

In the early 1970s the Park Chung Hi government began work on an
independent nuclear deterrent. The South Korean military nuclear programme was brought to a halt in 1975, largely as a result of extreme United States pressure. 58

Again, during the military factional struggles that preceded Major General Chun Du Hwan's accession to power, Chun overrode the authority of General John Wickham, of the Combined Forces Command, and used troops and tanks of the Korean Ninth Division stationed outside Seoul. General Wickham later told the United States House of Representatives Armed Services Committee that these "actions were taken without constitutitional authority and raised serious concern about stability within the military and responsiveness of the military to civilian authority." 59

Whatever attitude is adopted by the Reagan administration, it can be expected that United States - South Korean relations in the 1980s will be no less troubled than they were in the 1970s.

The United States may, perhaps, at great financial and moral sacrifice, be able to prop up a dictatorial, repressive, corrupt and perilously unstable regime.

President Chun Du Hwan may well, however, go the same way as the South Vietnamese generals, the Ethiopian monarchy, the Pahlavi dynasty in Iran or the Somoza family in Nicaragua.

American policy makers have never been totally convinced that Korea is an essential American security interest. 60 Washington's support for South Korea has wavered in the past. It may well waver again.

United States Relations with Southeast Asian Countries

The greater part of the old American alliance system in Southeast Asia has already collapsed.

The flags of three allied socialist republics now fly over the former
territories of Indochina. Both the United States establishment and the American people seem to have forgotten that the preservation of Vietnam, Laos and Cambodia from communism was once viewed as the principal objective of Washington's Southeast Asian policy, the most vital national interest, essential to the security of the American Republic itself.

The SEATU Treaty, once regarded as crucial to the survival of America's Asian allies and to the security of the non-Communist world, crumbled in the wake of the Vietnam débacle.

Washington has consolidated and rationalised its military bases in the Philippines, despite some uneasiness in Manila about the long term implications of the American connection. The vast Subic Bay naval base, along with other facilities in the archipelago, are seen as essential to fulfilment of United States objectives in Japan, Korea, the ASEAN area, the Indian Ocean and the Persian Gulf.

Although the Vietnamese, officially at least, seem to regard ASEAN as the most recent reincarnation of SEATO, Washington's direct ties with the five non-Communist Southeast Asian nations do not appear to be especially close.61

The United States still regards itself as responsible for the maintenance of the status quo in Thailand. The Carter administration seemed prepared to assist Thailand to repel what was seen as "Vietnamese aggression". The Peoples' Republic of China lent strong support to these endeavours. If the Sino-American relationship continues to develop under the Reagan administration it is by no means impossible that Washington might gradually leave military containment of undesirable influences in continental Southeast Asia to the Peoples' Republic. China, for its own reasons, would seem at present only too willing to take up this role. If the Sino-American relationship deteriorates during Mr Reagan's presidency, America's non-Communist allies, notably Japan, Australia and New Zealand, will probably be expected to assume greater responsibilities in Southeast Asia. This prospect will probably arouse something less than universal enthusiasm in the countries concerned.
The United States maintains a significant economic stake in the ASEAN region.

American investment in all five ASEAN countries, while increasingly overtaken by that of Japan, remains substantial. It does not, however, in any way, compare in importance with American investment in Canada, the EEC, Latin America or EFTA. American trade with the ASEAN region is, from the United States point of view, of marginal importance. In 1976, only 3.2 per cent of American exports went to ASEAN countries. Some 4.9 per cent of United States imports originated in the ASEAN region.62

Since Vietnam, in short, Southeast Asia has assumed less and less importance in the eyes of American policy makers. Such interest as there is remains, essentially, ideological, political and strategic, rather than economic. As such it should not, of course, be underestimated. Yet it is unlikely that the intense preoccupation with Southeast Asia that characterised United States policy throughout the 1950s and 1960s will revive in the immediate future.

**United States Relations with Australia and New Zealand**

For the United States, Australia and New Zealand, two small nations of European culture on the fringes of Southeast Asia, with complex strategic and economic interests in both the Pacific and Indian Oceans, have been, throughout the postwar period, valued, albeit relatively minor and by no means indispensible allies.63

Australia and New Zealand have occasionally disagreed with the United States. In moments of acute crisis their governments have sometimes contemplated radical alternatives to the American alliance.64

In general, however, under Labor governments as well as under conservative administrations, the foreign policies of both countries have either closely followed or intelligently anticipated those of the United States. Australia and New Zealand have provided enthusiastic diplomatic and military support for Washington's efforts
to contain communism in the Asian-Pacific region. Both have made their territories available for the construction of American military facilities. The United States, Australia and New Zealand conduct annual joint military exercises. The intelligence systems of the three countries are closely linked. The Australian embassy in Washington, with a staff of some three hundred officers (just under two hundred of whom are military personnel) is by far the largest of Australia's overseas diplomatic establishments.

Historical and cultural factors have combined to ensure that the difficulties encountered by the United States in some other parts of the world have so far been of negligible importance in its dealings with Australia and New Zealand.

While particular Prime Ministers, sections of some political parties, some government departments and many intellectuals have been sceptical of the value of the United States alliance, public opinion, especially in Australia, is solidly pro-American, more than a little suspicious of the Soviet Union and profoundly concerned about the implications of the country's location on the edge of Southeast Asia.

The Australian national consciousness is also rather ill defined.

There has been, since the late nineteenth century, a small, radical nationalist, republican tradition, socialist in its domestic policies, isolationist and anti-imperialist in its stance on foreign affairs.

For the greater part of their history, however, the majority of Australians have seen themselves not so much as an independent nation, like France, or Italy, or Sweden, but as a singularly remarkable entity in the far flung Anglo-Saxon global Commonwealth, the most favourably endowed, dynamic, vigorous and martial scions of the race. In two world wars, and in countless colonial struggles, Australians have fought for the greater glory of the British Empire, not for the ideals of Australia Felix. Pan-Anglo-Saxon sentiment, in fact, not nationalism, is the key to the understanding of Australian foreign policy.

After 1945, Australians perceived that the leadership of the English
speaking world had passed from London to Washington. They were inspired by Churchill's concept of a great alliance of the English speaking peoples (popularity conceived as "The West") to dominate the globe. Despite persistent undercurrents of isolationist radical nationalism, the Australian establishment, on the right and on the left, together with the vast majority of the Australian people, has retained a deep sense of cultural identification with the Anglo-American world. Throughout the postwar period, moreover, association with the United States has provided Australians and New Zealanders with that exhilarating sense of participation in world events that made the peaceful antipodean life bearable during the British Empire period. A majority of Australians, of all political beliefs fear that their country will be threatened with invasion within the next fifteen years. Fear of foreign invasion, always strong, has grown since the fall of Saigon.

Despite all its advantages, the ANZUS treaty is still rather more important to Australia and New Zealand than it is to the United States.

The most crucial American facilities in Australia are probably the communications bases at Pine Gap, Nurrungar, Smithfield and Northwest Cape. These apparently pinpoint targets in the Soviet homeland and on the oceans, provide navigational assistance and firing orders to American nuclear missile submarines and process satellite information on Soviet missile and radar defences.

Australian governments, anxious both to contribute to the general cause of the English speaking world and to involve the United States in their own defence, have made these facilities available on almost uniquely favourable terms. The United States has been able to conceal the true character of the bases, change their role and purpose in violation of the original agreements, expand their size and activities and even place them on nuclear alert without informing the Australian government, and without provoking any significant protest for having failed to do so.

While there is some evidence that the United States has been willing
to act against Australian governments and political parties interested either in removing these bases, or in gaining greater control over their use, they could probably be relocated without too much difficulty.76

The communications facilities apart there would not appear to be much of value to the United States in Australia in terms of strategic real estate.

During the Indochina War, Washington relied almost exclusively on its bases in Okinawa, Guam, the Philippines and Thailand. While Australian military and diplomatic support were appreciated, the Australian continent itself fulfilled no major strategic role, except, of course, as a centre for rest and recreation.

In the last years of the Carter administration, the Indian Ocean received increasing attention from United States strategists. At the time of the Iranian crisis, the American naval presence in the region was substantially increased. A rapid deployment force was created. President Reagan seems committed to the establishment of a permanent fleet in the Indian Ocean.

The Australian government has been anxious to have Cockburn Sound, in Western Australia, made the home port for any such fleet.

From the American point of view, however, the existing facilities at Subic Bay in the Philippines, in Guam, on Diego Garcia, and base lending agreements either recently concluded, or under negotiation, with Egypt, Somalia, Kenya and Oman are likely to prove more convenient. Australia is simply too far from the main theatres of American interest.

Indeed, on the eve of the Republican victory in the 1980 presidential election, Admiral Joseph Moorer, Mr Reagan's chief military adviser, prepared a report specifically recommending South Africa, rather than Australia, as a home base for any future Indian Ocean fleet. Australian facilities, he contended, would be no closer to the Persian Gulf than Subic Bay is. The areas of vital concern to the
United States were the waters around the Indonesian archipelago, the Straits of Hormuz and the sea lanes around the Cape of Good Hope. The United States could exert military pressure in the Indonesian area from Subic Bay, Guam and Diego Garcia. Bases in Australia would be redundant. South Africa, not Australia, offered the quickest and most convenient access to the Straits of Hormuz and the routes around the Cape. South African shipyards and air field facilities were, moreover, very much superior to those of Australia.  

Nevertheless, the United States has been persuaded by Canberra to use Australian air fields as stop-over points for B-52 bombers bound for the Middle East. It is difficult to see what purpose these stopovers will fulfill, apart from impressing the Australian electorate with the strength of Australian-American friendship.

Politically, the importance of Australia has waxed and waned in the official American mind.

During the Vietnam War, American officials continually emphasised the importance of Australia in United States strategic planning. Yet only a few years before Washington had refused to support Australia against Indonesia in the dispute over the future of Dutch New Guinea. This attitude came close to negating the principles on which the ANZUS pact was founded.

After the Vietnam War, President Carter and the Australian Prime Minister Mr Malcolm Fraser did not appear to have much respect for each other. The American President declined to meet Mr Fraser during his visit to the United States in 1978. This was despite intense lobbying on the part of the Australian Embassy in Washington. The two did meet in 1979. The account of the meeting given by the then Australian Ambassador to Washington, Mr Alan Renouf, would suggest, however, that the 1979 Carter-Fraser talks did little to heal the breach.

The Afghanistan affair and the Olympic Games boycott restored the intimacy of Vietnam period, although the question of trade embargos against the Soviet Union and Iran soured relations between the two
countries. Australia and the United States did not, in fact, see eye to eye on all aspects of the Iranian situation.

The Reagan administration apparently expects Australia to deepen military co-operation with America's other Asian and Pacific allies. Nevertheless, the Australian Prime Minister was not one of the ten Western leaders contacted by President Reagan immediately after his inauguration. Since President Reagan's accession to office there have been, within the context of general agreement on global strategy, important differences between the United States and Australia. The decline in American interest in the Third World has not been welcomed by the Australian government. Nor has the Reagan administration's support for South Africa. The Australian decision to participate in President Reagan's Sinai peace keeping force was made only after great deliberation and considerable internal struggle. Nor has Washington been able to convince Australia of the merits of large scale arms sales to China.

Australia is of some importance in United States global economic strategies. The United States is the largest single foreign investor in Australia. American multinational corporations dominate the Australian mining industry, are of crucial importance in manufacturing and of growing significance in the agricultural sector. While it is by no means inevitable that multinational companies will follow the dictates of their home governments, the recent history of United States involvement in Latin American and the Middle East provides evidence for close co-operation among the governmental, business and intelligence communities. It is within this general context that Australia's position as a supplier of raw materials to Japan should be viewed. Nevertheless, it should be stressed that the kind of influence the United States government could exert on Japan through multinational companies operating from Australia is probably, at best, indirect and uncertain.

From the American point of view, therefore, Australia and New Zealand are relatively quiet and secure back-waters. Their diplomatic and military support, and the various facilities which they so willingly provide, are useful. Yet they are not necessarily
as valuable as the support and facilities that other countries can provide. While the maintenance of friendly governments in both countries is seen as a United States interest, and while Washington has shown itself prepared, on occasions, to use its influence to ensure the survival of such governments, antipodean interests can be readily sacrificed when necessity demands. Australian governments, it is thought, whatever their political complexion, will by and large, continue to identify their interests with those of Washington.
THE PRESENT SOVIET POSITION IN ASIA AND THE PACIFIC
THE PRESENT SOVIET POSITION IN ASIA AND THE PACIFIC

The Soviet Union's position in Asia derives not merely from its superpower status but also from the fact that it is, like China, Japan or Indonesia, geographically part of the region. The Soviet Union shares long borders with China, Mongolia, Afghanistan, Iran and Turkey. It has a short border with Korea. It has strategically important (albeit disputed) territories within sight of the Japanese archipelago.

Throughout the postwar period Moscow, like Washington, has attempted to protect its perceived interests and extend its influence by means of a complex alliance system, backed up where necessary, by substantial deployments of ground, air and naval power. Soviet economic involvement in Asia and the Pacific, unlike that of the United States, has been on a relatively small scale. Soviet cultural influence, while not so pervasive as that of the United States or China, has been by no means entirely insignificant.

Soviet American Strategic Parity and Its Implications.
Checks and Balances on the Exercise of Soviet Power.

Over the past decade the Soviet Union, having more or less completed its recovery from the Stalinist purges and the devastations of World War II, has consolidated its domestic political base, expanded its economy and begun to assume a global role more commensurate with political, economic, military and cultural realities.

Soviet global political influence is still probably somewhat less than that of the United States. The Soviet economy is the second largest in the world, not the largest. Yet Western Europe's trade with the socialist bloc is now double its trade with the United States. Japanese trade with the Soviet Union, while much smaller in volume, is by no means totally insignificant. Sino-Soviet trade, despite adverse political conditions, has recently reached record levels.

During the late 1960s the Soviet Union entered into a relationship of strategic parity with the United States. Like the United States, it has been developing its strategic nuclear forces, upgrading its
theatre nuclear weapons, expanding and modernising its air power. It has ceased to be simply a great continental power with small naval forces to protect its interests in the Baltic, the Black Sea, the White Sea, the Sea of Japan and the Sea of Okhotsk. The Soviet navy, while operating under considerable constraints, has now become, globally, a very significant force.

Nevertheless, the realisation of strategic parity has not given the Soviets that extraordinary capacity to influence world affairs that was enjoyed, for a brief period, in very exceptional circumstances, by the United States after World War II.

The Soviet Union has become the strategic equal of the America of the early 1980s, in the world of the early 1980s. It in no way resembles the America of the early 1950s.

Many of the factors that have contributed to America's decline have also placed limitations on the growth of Soviet influence.

Both superpowers must operate in a world transformed by the paralysing contradictions of mutual nuclear deterrence, by the economic recovery of Western Europe and Japan, the emergence of China, the resources crisis, the growth of autonomous national capitalism in parts of the non-European world, by the impact of various forms of highly independent national communism, by the revival of Islam, the decline in naval power as an instrument of diplomacy, the demonstrated success of guerilla warfare as a means of overthrowing unpopular governments and frustrating Great Power aggression, and by the manifold social, political and economic problems that plague all complex, multicultural, industrial societies.

Certainly, Soviet influence in parts of Africa, South and Southeast Asia has increased in the past decade. A new, albeit loosely organised Soviet alliance system, centering around the Indian Ocean and the South China Sea has been gradually emerging. In the ten years since the break up of the Soviet-Egyptian alliance and the destruction of the Sudanese communist party shattered the Soviet
position in the Arab world, Moscow has concluded treaties of peace, friendship and mutual co-operation with India, Angola, Ethiopia, South Yemen, Afghanistan, the Socialist Republic of Vietnam, Laos and Cambodia.

These are, undoubtedly, important gains. Yet it would be more than a little excessive to imagine, as some have, that all of these developments are part of a Soviet grand design for world conquest. It would be even more erroneous to imagine that the Soviet Union has created the revolutionary situations in which forces somewhat favourable to its interests have come to power. It would also be wrong to overlook the diversity within the alliance system. The Soviet relationship with India is clearly one between two independent states sharing common interests and strategic perceptions. So too is the Soviet relationship with Vietnam. Soviet military assistance played an important role in ensuring the victory of Agostinho Neto's Marxist-Leninist Popular Movement for the Liberation of Angola (MPLA) in 1975-76 and in consolidating the power of Colonel Mengistu Haile Mariam in Ethiopia after 1977. Neither Neto, nor his successor, nor Mengistu, however, could be described as Soviet puppets, although their reliance and the Socialist bloc is considerable. South Yemen, small, isolated, surrounded by powerful enemies, sees the Soviet connection as an important element in its survival. The situation in Afghanistan is, however, very different. The Soviet Union does not appear to have played an important role in the coup that brought Nur Mohammad Taraki to power in 1978. It does not seem to have helped Amin come to power in October 1979. Yet it appears to have played a decisive role in the events leading to the overthrow of Amin. The Karmal government, confronted by powerful, albeit disorganised, rebel groups financed and armed by the United States, China, Pakistan and Iran, and enjoying considerable popular support among the nation's intensely traditionalist and Islamic tribesmen would appear to be as dependent on Soviet economic and political support for its survival as the former South Vietnamese regime was on the United States. 89

From any conceivable point of view, however, the alliance system in Eastern Europe is more crucial to the real strategic interests of the
Soviet Union than Moscow's political military and economic relationships with other parts of the world. Yet the Warsaw pact, like the American alliance system in the West, has been subject, for some years, to increasingly severe strains. While Belgrade's relations with Moscow have been not altogether unfriendly since the fall of Stalin, Yugoslavia has never shown any inclination to return to the fold. Albania's membership of the Warsaw pact has effectively lapsed for many years. For almost two decades, Romania has adopted a highly independent stance in both foreign policy and defence. Poland could well follow suit. Hungary has, from time to time, demonstrated a surprising degree of independence.

Soviet influence in East Asia and the Pacific has, generally speaking, also been declining. The break up of the Sino-Soviet alliance, the fall of Sukarno in Indonesia and Moscow's failure to draw the North Koreans more decisively into its orbit have all dealt severe blows to the Russian position. The new relationship with Indochina has, nevertheless, offered some consolations.

The long term future is impossible to predict. At the moment, however, it would be difficult to argue that strategic parity and the relative decline in American global influence have made the Soviet leadership more adventurous. On the contrary, the Soviet Union remains as cautious, conservative and rational an international actor as it was twenty years ago.

In many ways indeed, it has become even more cautious. The Soviet Union's stance on Berlin in 1958 and 1961, on Cuba in 1962 and on the Sino-Soviet border in 1968-69 contrast remarkably with its policy towards Angola, Ethiopia, Cambodia, the Sino-Vietnamese conflict, the Iranian revolution, the Iran-Iraq war and the clash between the United States and Lybia. Soviet policy towards Romania and Poland has differed radically from its policies towards Hungary and Czechoslovakia in the days before the strategic parity.

Despite the vast increase in Soviet capabilities, direct Soviet intervention in Africa, the Middle East, Southeast Asia and other parts of the Third World has been, with the exception of Afghanistan, selective and limited in scale.
In Angola, for example, the Soviet Union, through support for the Alvor accords, at first sought to avoid a civil war. The Russians and their Cuban allies only became involved, and then on a relatively small scale, after American and South African actions threatened the position of the MPLA.91 The Soviet airlift of 10,000 Cuban troops and assorted military supplies to assist in the Neto government against UNITA and the FNLA could hardly be described as "massive" by postwar American, British, or French standards. It was no more substantial than Soviet assistance to the DPRK during the Korean war, to Cuba in the early 1960s or to Nasser's Egypt. In the Horn of Africa, Moscow also attempted to avoid conflict, tried to check it when it broke out, applied restraint to its local allies and made sure no other Great Powers were contemplating intervention before deciding to act.92 Again, the Soviet airlift of 20,000 Cuban troops, 300 tanks, two billion dollars worth of arms and 3,000 Soviet military technicians to assist Mengistu must be measured against the scale of, let us say, American involvement in South Korea, Iran or even Saudi Arabia. Moscow has also decided not to exploit several extremely attractive situations. The Soviet Union did not intervene in the Iranian revolution. It has endeavoured to act as a mediator in the Iran-Iraq conflict. The Russians have not attempted to directly influence the outcome of struggles in the Spanish Sahara, in Namibia, in Chad or Rhodesia. They did not intervene in East Timor. They were not responsible for the fall of Somoza in Nicaragua. Despite claims to contrary, Soviet support for the rebel forces in El Salvador is not a significant element in the situation.93 Moscow's response to the clash between the United States Sixth Fleet and two Lybian air force jets in the Gulf of Sidra was extremely mild.

Soviet caution does not derive from a higher international morality but from a recognition of the realities of world politics and the limitations of Soviet power. The Russians would appear to be confident that even if they themselves are not in a position to establish a global hegemony, the inexorable workings of the laws of history, coupled with mistakes engendered by the arrogance of power, will eventually undermine the position of their enemies. They therefore need do little more than defend the socialist homeland and its immediate security perimeter, and, occasionally, where circumstances permit, intervene
in the Third World to give history a helping hand.

The Soviet Union, like the United States, faces a variety of internal difficulties. It is impossible to know whether they are more serious than those that confront the United States. Yet they are real nonetheless.

The Soviet Union's economic growth has not been spectacular. Agricultural development remains retarded. The heavy burden of military expenditures continues to distort the economic structure of the state. Despite the Soviet Union's vast reserves of fossil fuels, the long term energy outlook is uncertain. Since 1979 the domestic price of oil has risen sharply. Oil and gas exports to Western Europe and Scandinavia have been cut back. A reduction in oil supplies to Eastern Europe could, in certain circumstances, begin to affect the cohesion of the Warsaw pact.

The restlessness of Soviet minorities has certainly been overstated. The Soviet Government has been from the beginning, more enlightened than the governments of many Great Powers in the treatment of national minorities living within its borders. In the view of the present writer, Central Asian minorities with an Islamic cultural background are unlikely to regard the Ayatollah Khomeni's Iran, Colonel Khadaffi's Libya or Saudi Arabia as models for their own future development. Yet it would be surprising if the growing populations of Uzbekistan, Kazakhstan, the Ukraine and other distinct cultural areas did not eventually result in pressure for greater autonomy. The responsiveness of the central government to these pressures may well have a profound impact on the future of the Soviet Union.

The strength of the anti-communist dissident movement, too, has probably been vastly exaggerated. Yet, as the twentieth century draws to a close, the struggle between conservative Marxist traditionalists and a variety of movements advocating a more open, more liberal and less bureaucratic socialist society is likely to intensify. The example of Eurocommunism, of the great French, Italian and Spanish parties, will probably not be without its influence on these developments.
The Soviet Union, like the United States, will certainly survive, well beyond 1984. Yet, like the United States in the 1960s it has, beneath a superficial appearance of solidity, many of the elements conducive to the onset of a period of political, social and cultural upheaval. Involvement in a protracted, expensive and unsuccessful war in, let us say, Central Asia, the Middle East or Africa could bring a multitude of contradictions to the surface.

Soviet Military Forces in the Asian-Pacific Area

The ground, air and naval forces stationed in the Asian-Pacific territories of the Soviet Union are substantial. Since the late 1970s the Soviet presence in the region appears to have grown. The small forces stationed in territories claimed by Japan have been reinforced. Backfire bombers have been deployed east of Lake Baikal. The number of missile bases in the Soviet Far East has multiplied. The Pacific fleet has been expanded.

With one or two exceptions, Anglo-American, Chinese and Japanese analysts have seen the Soviet presence in the Far East as further evidence of Moscow's aggressive and expansionist global policies. Perhaps it is. Yet one cannot assume that a particular country is aggressive simply because it stations military forces on such and such a part of its own territory. It is, in fact, also possible to view the Soviet military posture in the Far East as an essentially defensive one. However this may be, it is clear that the Russians face serious military problems in the area. The potential effectiveness of Soviet ground forces is hampered by long lines of communication. Outside the Sea of Japan and the Sea of Okhotsk both the Soviet navy and Soviet air power are rather more vulnerable than their American counterparts.

Before the Sino-Vietnamese war approximately one quarter of the Soviet Union's total ground strength (some 400,000 men in 44 divisions, equipped with an estimated 10,000 tanks and 8,000 artillery pieces) was disposed at various points along the Sino-Soviet border. More than 300,000 men in 32 divisions were deployed in areas East of Lake Baikal. No dramatic increase in the strength
of these units appears to have taken place either during or after the conflict. Soviet lines of communication in Central Asia are long. Some units on the Sino-Soviet border are over 6,000 miles from the Russian heartland. The tyranny of distance continues to have a considerable impact on Soviet military capabilities outside Europe, despite the postwar revolution in transport and communications technology.

At the time of the Sino-Vietnamese war about 25 per cent of the Soviet long range air force (some 1,800 combat aircraft) was stationed in the Far East. In 1980 the Japanese Defence Agency estimated that the Soviet Union maintained about 2,060 aircraft (450 bombers, 1,450 interceptors and 140 patrol aircraft) in the region. Throughout the 1960s and 1970s the Soviet Far Eastern air force was a declining force, made up largely of older generation heavy and medium bombers. During the latter part of 1980, however, powerful, long range Mig-23s began to replace the older generation Mig-21s. A number of Tupolev Backfire bombers (estimates range from 10 to 60) were transferred from Europe to the Far East. The deployment of the Backfire bomber has somewhat strengthened the overall Soviet position in the area, reducing the advantages the United States gains from possession of a large carrier based air fleet. The recent changes in both the size and quality of the Soviet force are probably the outcome of the established momentum of Soviet defence policy, updating of equipment among the United States and its allies, the generally increasing tension in the Far East, the Sino-American rapprochement, the Sino-Japanese accord and the Sino-Vietnamese border war.

The Soviet Union currently deploys something less than one third of its strategic nuclear missile force in Siberia and on the Pacific fleet. New IRBM sites, apparently to house SS20 missiles capable of striking at targets anywhere in China, Korea and Japan are at present being constructed in several centres. Various theatre nuclear weapons are also stationed in the area.

Soviet naval forces in the Far East (currently estimated total 1,520,000 tons, and comprising altogether 785 vessels, including 86 major surface combatants, 210 minor combatants, 80 submarines, 24 nuclear ballistic missile submarines (including Delta-2 class nuclear submarines armed
with 16SS-N-18 missiles capable of hitting targets within a 4,500-6,000 mile range) a Kiev class and anti-submarine aircraft carrier and 330 combat aircraft, including 100 bombers) are designed to facilitate a submarine launched ballistic missile attack on the United States in time of war, to help protect Siberia, the Maritime Province, Sakhalin and Kamchatka from American and Japanese incursions, to destroy American bases in Japan and South Korea, to assist Soviet operations against China, to make a presence felt in the South China Sea, in Indonesian waters and in the Indian Ocean and to provide, where necessary, support and protection for Russia's allies in the region. They also have the task of protecting Soviet shipping. Needless to say, the Russian navy, like any other, also has many purely routine, peacetime duties.

The Soviet Pacific fleet still operates largely in northern waters. It has, however, been developing a capacity to operate in the East and South China seas, in Indonesian waters and in the Indian Ocean. Before the Afghanistan affair the Soviet Union had been deploying an average of 20 vessels continuously in the Indian Ocean. After Afghanistan this number increased to approximately 30 vessels.

At present, the Russian Pacific fleet maintains approximately 20 per cent more surface combatants and submarines than the American Seventh Fleet. Soviet submarines in the Western Pacific outnumber those of the United States by two to one. United States aircraft carrier capability, however, gives the Seventh Fleet greater long range striking power than its Soviet counterpart. This has to some extent been undermined by Soviet deployment of the Backfire bomber.

These factors do not give the Soviet navy regional superiority. The United States, it will be recalled, maintains two fleets in the Pacific, not one. The single Soviet Pacific fleet is hampered by extremely long lines of communication. Virtually all its vessels, as in Tsarist times, have been constructed in European yards. They can only reach the Far East after long journeys through potentially hostile waters far from protective air cover. This applies as much to the northern route, through the Bering Sea, close to Alaska, as it does to the Indian Ocean route. The Soviet position has been marginally, but perhaps not radically, improved by access to naval and/or air facilities in Ethiopia, South Yemen and Indochina. There are, moreover, only a few naval construction and repair facilities in the Soviet Far East. Not
only that, but of the six principal Soviet naval bases in the area
(Vladivostok, Nahodka, Sovietskaya Gavan, Khorsakov, Magadan and Petropavlovsk)
only one (Petropavlovsk) gives direct access to the Pacific. The others
are all around the Sea of Japan and the Sea of Okhotsk. While the Russians
can be reasonably confident of maintaining strategic supremacy in these
areas, the greater part of their Pacific fleet can still be contained
by the United States navy, either alone, or acting in conjunction with
the Japanese Self Defence Forces.

The size and versatility of Soviet naval forces in the Pacific and Indian
Ocean areas will probably continue to increase. It should always be
remembered, however, that the Soviet Union, in determining the size and
character of its naval forces, must take into account not only the naval
power of the United States, but also that of the NATO powers, of France,
Sweden, and that of America's principal Pacific allies, notably Japan,
South Korea, Taiwan, Australia and New Zealand. It must also consider
Chinese naval power and the potential threat of Chinese armies to its
land communications in Central Asia and Siberia. It is most misleading,
therefore, simply to compare the sizes of the Soviet and American fleets
in any one particular region.

The Declining Soviet Position in Eastern Asia
The Collapse of the Chinese Alliance and its Strategic Consequences

From 1950 until 1960 the alliance with People's Republic of China
constituted the cornerstone of the Soviet Union's Far Eastern policy. 101
The Chinese alliance was supplemented by close military, political and
economic ties with the Democratic Peoples' Republic of Korea, Mongolia
and the Democratic Republic of Vietnam.

From almost any point of view, the existence of a friendly government
in Peking is a vital Russian interest. This was recognised by the early
Bolsheviks. 102 It was also recognised by Stalin. Throughout the prewar
period the Soviet dictator went to extraordinary lengths to avoid
antagonising Chiang Kai-shek. The Soviet desire not to offend Chiang
Kai-shek required the Chinese Communist Party to maintain close ties
with the Kuomintang - at all costs. 103 This policy, in the end, proved
to be disastrous for the cause of communism in China. In Stalin's
desire not to alienate the Kuomintang, and the impact this policy had
on the fortunes of the Chinese Communist Party, lie the
penultimate origins of the Sino-Soviet dispute. However this may
be, had Stalin's Marxist orthodoxy and Europocentric cultural attitudes not overcome his better strategic judgement, he might also have gone out of his way to avoid antagonising Mao Ze-dong.\textsuperscript{104}

The Sino-Soviet alliance greatly simplified Soviet Union's defence planning, even if it did not give Moscow the influence in Peking it was widely believed to enjoy.

The Sino-Soviet estrangement, China's development of nuclear weapons, then the emergence of the Peoples' Republic as Moscow's most vociferous and determined opponent, have greatly weakened the Soviet position in Asia and the Pacific. Much of the Soviet military build up that has taken place since the mid-1960s can probably be attributed to the fact that Moscow has been forced to think in terms not only of protecting its perceived interests in Europe from the United States and NATO, and of countering the Japanese-American security treaty system in the Far East, but also of defending its vast, resource rich territories in Siberia and the Turkestan from the armies of the Peoples' Republic. The potential vulnerability of the Trans-Siberian railway has increased the importance of the sea routes between European Russia and the Far East. This, along with the lessons of the Cuban crisis and a more general interest in the possibilities of sea power, has stimulated the development of the Soviet navy.

The Soviet relationships with India, Vietnam, Laos and Cambodia, along with Russia's interest in the Horn of Africa and the southern part of the Arabian peninsula, have developed out of complex historical, geographical, political and strategic circumstances. Their emergence cannot be attributed directly to the breakdown of the Sino-Soviet alliance. Yet it would be most surprising if the Soviet Union's Indian-Pacific diplomacy had not been influenced, to some considerable extent, by a desire to break out of its encirclement, to find new and reliable allies, to enhance the security of its shipping and to create a strategic environment suitable for the conduct of naval and air support operations, when and where necessary, to advance its own interests and those of its friends.
The New Soviet Alliance System
The Horn of Africa, Southern Arabia and the Middle East

The alliances with Ethiopia and South Yemen have somewhat improved the Soviet position in the Northwest Indian Ocean and around the Red Sea. Both relationships, however, contain elements of instability. It is difficult to know whether they will prove enduring. If they do last, if the Soviet Union continues to maintain friendly ties with Syria and Iraq, if the situation in Iran remains as it is and if events force the United States to make Israel the pillar of its Middle Eastern policy, the Saudis and some of the Gulf states might well decide to drift towards a position of neutrality. Saudi Arabia has recently expressed an interest in diversifying her sources of arms supply and has, for the first time, mentioned the Soviet Union as a possible source of weapons. A Saudi drift into neutrality, while not necessarily increasing Soviet influence, would certainly reduce America's regional role.

The Indian Subcontinent

Since the 1920s, India, like China, has been central to Soviet thinking about the future of Asia.

A Soviet-Indian Treaty of Peace, Friendship and Mutual Co-operation was signed in August 1971. Until 1975 the Soviet Union, while attaching paramount importance to its relationship with India, also attempted to cultivate friendly ties with the other nations of the subcontinent. In the early 1970s Moscow enjoyed amicable relations with Pakistan. The dismemberment of Pakistan in 1971, the emergence of a Bangladesh under heavy Indian influence, did not immediately destroy this relationship. In both New Delhi and Islamabad the Soviet Union was seen as a disinterested peacemaker. It was only after Bhutto realised that Moscow would not help him negotiate a return of Bangladesh that Pakistan began to incline decisively towards Peking. Bangladesh, for its part, maintained the closest ties with both the Soviet Union and with India until the coup of August 1975, after which it drifted into a neutrality favourable, on the whole, to Peking.
and Islamabad.

Since August 1975, Moscow has devoted its attention almost exclusively to the cultivation of a special relationship with New Delhi. Its efforts have met with considerable success. The Soviet-Indian relationship, unlike Moscow's alliance with Egypt, seems likely to remain a factor of some importance in international politics for several years. India's immense population, leadership in the Third World, considerable military and industrial potential, nuclear power status, widespread cultural influence and strategic location, abutting China, the Himalayan kingdoms, Bangladesh, Burma and Pakistan in the north, and lying athwart the Indian Ocean trade routes in the south, give the Soviet-Indian relationship, like the Japanese-American alliance, a potential impact on events in many parts of the globe.

It is important, however, to view the Soviet-Indian connection with a sense of proportion. India can in no way be regarded as a Soviet client state. The Soviet-Indian treaty of 1971 specifically recognises India's non-aligned status.\textsuperscript{108} India has supported the Soviet stance on many issues either out of genuine conviction or because she has seen it in her interests to do so. While the Soviet Union enjoys limited access to naval facilities in certain Indian ports and has emerged as a major arms supplier to New Delhi, there are no Soviet troops stationed on Indian territory. Under the terms of the 1971 treaty, the two nations agree, in case of the emergence of a threat to the security of either, to "immediately start mutual consultation with a view to eliminating the threat and taking appropriate effective measures to ensure peace and security for their countries."\textsuperscript{109} This falls very much short of the kind of commitment contained in the NATO and Warsaw pacts. It is not as binding as the Japanese-American Security Treaty or the ANZUS agreements. It is difficult to know to what degree India and the Soviet Union have decided to co-ordinate their diplomatic and military strategies in case of a conflict with China and its allies.

Nevertheless, the economic ties between the Soviet Union and India
are significant and growing. The Soviet Union has been, for some time, India's largest export market.\textsuperscript{110} Between 1972 and 1974 the two countries concluded no less than 40 agreements on economic, scientific, technological and cultural exchange. Of great significance, in this context, was the announcement in 1973 that India intended to make structural modifications in her economy to facilitate co-operation with the Socialist camp. This process had apparently been completed by 1975.\textsuperscript{111}

In the thirty years since independence, and particularly in the last decade, the Soviet Union has built up a substantial body of support within the Indian ruling establishment. The major political parties would appear to have formed a consensus that the Soviet connection is, at the present time, an important Indian interest. The Communist Party of India, reasonably large, well organised, with a strong popular base, committed, in general, to a \textit{de facto} alliance with the Congress Party and support for Soviet policies, encouraged by powerful left wing elements within the Government, has played an important role in advancing Soviet interests in the subcontinent.

The strategy of alliance with the ruling establishment of a developing Asian country in which a substantial Communist Party operates freely, however, confronts Soviet policy makers with serious problems. By supporting the establishment they risk alienating the Communist Party. By supporting the Communist Party they risk alienating the establishment. By attempting to forge alliances between the establishment and the Communist Party they risk discrediting the Party, frustrating genuine social change and making subservient puppets of those who ought to be their natural allies.

The nature of the problem, together with its possible outcome, is well illustrated by the history of Soviet relations with the Kuomintang and the Chinese Communists in the 1920s.

India is not China. The Congress Party is not the Kuomintang. The 1980s are not the 1920s. Yet the fact that India \textit{is} undergoing a process of rapid political, economic and social change, that it \textit{is} a complex and highly factionalised society, \textit{does} introduce
elements of instability into the Soviet-Indian relationship. During the 1970s such problems as arose were apparently smoothed over. Yet the basic contradictions will certainly not go away. There is no guarantee that they will not eventually re-emerge in a form that could place the entire relationship in jeopardy.

Moscow has already made several serious errors of judgement in its relationship with India. These errors have been no more disastrous in their impact than somewhat similar American misunderstandings of Japan. Yet they have been real nonetheless.

Until 1975, for example, the Soviet Union, considering Mrs Gandhi's leadership to be unchallenged both within the Congress Party and the nation, concentrated almost exclusively on cultivating ties with her supporters. The Communist Party of India was also encouraged to work in close alliance with the Congress Party. The Indian Communists offered almost uncritical support for all of Mrs Gandhi's policies, including the 1975 State of Emergency. The Communist Party, urged on by the Soviet Union threw its support behind Mrs Gandhi in the 1977 general elections. The outcome of these elections proved disastrous both for the Congress Party and the Indian Communists. Contrary to Moscow's expectations, Mrs Gandhi was soundly defeated. The Soviet-Indian relationship itself appeared imperilled. Moscow, in its enthusiasm for Mrs Gandhi, had never bothered to establish connections with the Janata Party. It had, indeed, severely criticised the party leader and the future Prime Minister, Mr Desai, on the eve of the elections. Desai himself was not happy about India's ties with the Soviet Union. He publically expressed the hope that the 1971 Treaty would gradually be allowed to lapse. He was anxious to cultivate better relations with China. He was also bitterly opposed to the Communist Party of India, which he regarded both as a subversive force and as the agent of a foreign power.

As it was, a combination of astute diplomacy and good fortune enabled the Soviet Union to salvage the alliance. In April 1977 Mr Gromyko, on his visit to India, was able to persuade Desai that the relationship did serve the interests of both parties. Then,
in January 1979, the Chinese invasion of Vietnam, which took place
during the visit to the Indian Foreign Minister Mr Atal Bihari Vajpayee
to Peking, dampened Desai's interest in improved ties with the Peoples' Republic. Indian opinion was almost universally sympathetic to Vietnam. All of India's suspicions about the long term intentions of her great northern neighbour were revived. The view that the Soviet alliance was an important component in India's security policy was further consolidated.

Despite this, the circumstances surrounding the 1980 general elections, the break up of the Janata Party, the split in the Congress Party, the Communist Party's re-assessment of its role and its adoption of a position critical both of Mrs Gandhi and its own previously unqualified support for Moscow have placed new strains on the Soviet-Indian relationship.

The Soviet Union, which had previously made the mistake of supporting Mrs Gandhi against the Janata Party now decided to back Mr Desai. Again this proved to be a major miscalculation. Much to Moscow's embarrassment, Mrs Gandhi was swept back into office. Nevertheless, under Mrs Gandhi's leadership, the Soviet-Indian relationship appears to have regained something of its former intimacy. India has not been overly critical of Soviet actions in Afghanistan. It has given strong support to Vietnam. It has recognised the Heng Samrin government in Cambodia and encouraged other powers to do likewise.

Even so, the internal changes in the Congress Party, the death of Sanjay Gandhi, the growing independence on the Indian Communists both from Moscow and from the Congress Party make the long term future on the relationship difficult to predict.

**Vietnam, Laos and Cambodia**

Since the early 1950s the Soviet Union, perhaps somewhat against its own inclinations, has become increasingly involved in the affairs of Indochina. Despite the fact that Russia has not, until recently,
attached much importance to Southeast Asia, the Socialist Republic of Vietnam could well emerge as one of its most reliable and effective allies. Vietnam, unlike India, is a socialist society. The Vietnamese leadership is more experienced and, on the whole, more united than that of any other country in Asia. The Vietnamese people, steeled by decades of struggle and sacrifice, would appear, on the whole, to be rallied solidly behind the Party and government. A factional upheaval, or a coup d'état leading to a change in government seems less likely in Vietnam than in any other power in the region.

Vietnam is clearly emerging as the leader of an Indochinese federation. The three nations of Indochina, although devastated by decades of war, are inhabited by energetic and talented peoples. They are well endowed with natural resources. In the past, Vietnam, Laos and Cambodia have all developed highly civilized societies based on a rich and prosperous agriculture. While Vietnam's present economic situation appears bleak, there is no reason to suppose prospects for recovery are any less promising than those of Japan in 1945.

From Moscow's point of view, the Vietnamese performance in the border war with China has enhanced the country's attractiveness as an ally.

Access to naval and air facilities in Vietnam could help overcome some of the weaknesses of the Soviet Pacific fleet.

Despite all this, it is difficult to know whether the Soviet-Vietnamese alliance, in its present form, will prove to be enduring.

Certainly, Vietnam has concluded a defence treaty with the Soviet Union, joined COMECON and entered into extensive political, economic and cultural relations with the Warsaw Pact countries. Soviet diplomatic support, backed by the threat of possible Soviet intervention, has been important for Vietnam in her conflict with China. In the present circumstances the Vietnamese government is correct in regarding the Soviet alliance as one of the pillars of the nation's defence policy. At the same time, association with Vietnam, with its impressive record of struggle against foreign aggression, has been
of some value to the Soviet Union in its diplomacy towards the Third World.

In the view of the present writer, however, Vietnam is not likely to see its future in terms of excessively close relationships with great and powerful friends.

The country's circumstances are such that no future Vietnamese government is likely to court bad relations with Moscow. The Russians have done much for Vietnam. The Vietnamese will not easily forget their generosity. There is much the same natural community of interests between Vietnam and the Soviet Union today as there was between Vietnam and the nomads of the northern steppes eighteen hundred years ago. Yet, throughout their long history, the Vietnamese have shown themselves to be a proud and extremely independent people. Like the Yugoslavs, the Romanians, the Chinese and the Koreans, they have been developing their own particular, nationalistic approach to socialist reconstruction, an approach deeply rooted in the history and traditions of their own society. There are grounds for supposing that Vietnam concluded the Soviet alliance only after considerable internal debate, when it became clear that no other acceptable alternatives were available. The Soviet-Vietnamese alliance, in its present form, has been, in fact, the outcome of Washington's failure to adopt the enlightened approach to peacemaking it has adopted after every other major conflict in which it has been involved this century, of China's tilt towards the United States, of Peking's total misunderstanding of the realities of Indochina, of her folly in aligning herself with the moribund and savagely repressive Pol Pot régime in Cambodia, of her inability to appreciate that those who are not actively anti-Soviet are not necessarily hostile to China. Japan, Australia, New Zealand and the ASEAN countries, all of which could have played an important role in the reconstruction of Vietnam, have been anxious, both for strategic and commercial reasons, not to offend either Washington nor Peking. They have also accepted the argument that an Indochina Federation would not be in their own interests and would run counter to the aspirations of Cambodians and Laotians. This may prove to be, on all counts, a serious error of judgement.
The Soviet Union, in considering the future of its ties with Vietnam, must give thought to the long term prospects for its relations with China.

China's hostility poses very serious strategic problems.

These cannot be offset by the relationship with Vietnam, however valuable this may be.

The Russians know that China is a complex and highly factionalised society. Recognition of the seriousness of the strategic problem and of the potentialities inherent in the fluidity of Chinese politics has hitherto led Moscow to pursue a cautious policy towards Peking.

The Soviet Union's short term goal has been to defend its Central Asian borders, to discourage Chinese co-operation with the United States, NATO and Japan, to construct an effective alliance system around China's periphery and to undermine Peking's influence in the Third World.

Russia's long term goal, however, must be to normalise relations with China and encourage the emergence of a more friendly government in Peking. For this reason the Kremlin has so far scrupulously avoided actions that might alienate all groups in China. It has not attempted to play the "Taiwan card". It did not actively intervene in the Sino-Vietnamese war. It has never proposed an economic boycott of China. It has endeavoured to keep the Sino-Soviet dialogue open, while in no way relaxing its own position. Sino-Soviet relations have not reached the nadir reached by Sino-American relations in the 1950s and 1960s.

Viewed in this light, the alliance with Vietnam is important in the context of the Soviet Union's short term goals. It is not necessarily incompatible with the Kremlin's long term goals. Yet an improvement in relations with Peking, if and when it comes about, would almost certainly cause the Soviet Union to attach less importance to its ties with Hanoi.
Hanoi, too, might take the opportunity of a Sino-Soviet détente to improve its own relations with Peking. Alternatively, it could become the sacrificial lamb on the altar of Great Power expediency. Whatever happens, a better climate in Sino-Soviet relations, in the absence of other great upheavals in the Far East, could well cause the Soviet-Vietnamese alliance to pass into a partial eclipse.

Other Soviet Relationships

The Soviet Union's relations with its other allies in the region are various. For several reasons, the Mongolian Peoples' Republic is likely to remain closely associated with Russia.* The Democratic Peoples' Republic of Korea, linked by treaties with both the Soviet Union and China, steers an uneasy but very independent course between its two mighty neighbours.

Soviet diplomacy is active in several countries around the rim of China.

The Soviet Union would seem to attach considerable importance to the future potential of its relations with such ASEAN countries as Indonesia and Malaysia where anti-Chinese sentiments are strong. These countries adopted rather ambivalent attitudes during the Sino-Vietnamese war. While the long term future of Moscow's relations with these countries is uncertain, there would not seem to be any immediate prospect of a shift in their present alignments.

The Soviet Union has also been anxious to persuade such countries as Japan and Australia that their long term future does not necessarily lie in unconditional support for China in the Sino-Soviet dispute.

* This despite the exertions of the Japanese freelance comic strip secret agent-tough guy Gorugo 13, whose efforts to overthrow the pro-Soviet Mongolian government are chronicled in Biggu Komikku (Comics for Men), Gorugo 13 Shiriz, Shogaku-kan, 1979, 25 May, 1979, pp. 11-53.
THE PRESENT CHINESE POSITION IN ASIA AND THE PACIFIC
THE PRESENT CHINESE POSITION IN ASIA AND THE PACIFIC

The Peoples' Republic of China is the largest, the most populous and potentially the strongest state lying wholly within the Asian-Pacific region.

In historical times, the Chinese Empire, by virtue of its size, its wealth, its military power and the extraordinary prestige of its civilization, was able to achieve a partial hegemony of East, Southeast and Central Asia.

The Chinese historical record and the Sino-centric tradition of Western Asian scholarship have tended to obscure the fact that this hegemony was never an undisputed one. It has also obscured the fact that it was by no means universally beneficial.

From the mid-nineteenth century onwards, China's regional influence was eclipsed by that of the imperial European powers, the United States and Japan.

Since the Communist Revolution and the proclamation of the Peoples' Republic, however, China's prestige has steadily recovered. The climate of self criticism that has prevailed since the deaths of Mao Ze-dong and Zhou En-lai should not be permitted to obscure the country's basic strengths.

The successive revolutionary upheavals of the twentieth century, above all the revolution of 1949, have broken down archaic class barriers, destroyed a moribund intellectual tradition and released the creative energies of a talented people with a rich and varied cultural heritage. China has all the elements necessary for greatness. If the country develops a more liberal and open socialist society, if it allows full reign to its own inner sources of creativity and becomes, at the same time, more responsive to a variety of foreign cultures, its regional influence will almost inevitably grow.

Nevertheless, at the present time, China's global impact can in no
way be compared to that of the United States or the Soviet Union. China is not a military superpower. It is not an economic giant. The present modernisation campaign is unlikely to change this situation radically.

The Underlying Principles of China's Foreign Policy

China's strategic situation is a difficult one. Her recent experiences with the Western powers and with Japan have been unhappy and frustrating. Her past alliances have not enabled her to protect all her perceived interests. The Sino-Soviet pact may have temporarily stabilised her long and dangerous Central Asian frontiers. It probably helped forestall an American invasion of China during the Korean War and, perhaps, at other times in the 1950s. Yet it did not help China to realise her objective of recovering the province of Taiwan. Moscow refused to support Peking during the Sino-Indian border war. The Soviet alliance did not give China access to the world's most advanced technology.

Despite the shortcomings of the relationship from China's point of view, the break-up of the Sino-Soviet alliance placed severe strains on the country's military and diplomatic resources. Throughout the 1960s the Peoples' Republic, isolated, torn by internecine strife, had to face the possibility of conducting military operations against both the United States and the Soviet Union. It also had to contemplate the nightmare of possible Soviet-American collusion.

Confronted with this situation the Maoist leadership, under the slogan of "dig tunnels deep, store grain everywhere and do not seek hegemony", adopted an essentially self reliant, independent and isolationist role in world affairs. The Peoples' Republic let it be known that it opposed the regional ambitions of both superpowers. At times when the state of factional infighting permitted the development of a consistent foreign policy, China encouraged limited political, economic and cultural relations
with Western Europe, dissident East European governments and Japan. The Chinese identified strongly with the revolutionary forces in the Third World but gave little material support to insurgency in Asia, Africa and Latin America. Their defence policy rested on twin pillars of "peoples' war" and a reliance on a small nuclear strike force.

In the northern autumn of 1971, at a time when the collapse of American policies in Southeast Asia appeared imminent, and after the Lin Biao incident had apparently shattered the last vestiges of pro-Soviet influence in the upper echelons of the Chinese establishment, the Peoples' Republic began to tilt towards a more decisively anti-Soviet position. Efforts were made to encourage the United States to retain a strong position in East and Southeast Asia. Relations with Western Europe and Japan developed rapidly.

The United States, too, conscious of its declining position, propelled, perhaps somewhat unwillingly, by strategic and economic necessity towards a policy of détente with both Moscow and Peking, aware that Japan had no inclination to undertake an active anti-Soviet role in the region, began to sound out China's intentions. It is by no means impossible that Dr Henry Kissinger tempted Mao Ze-dong and Zhou En-lai with the kingdoms of the earth when he visited Peking in 1971, offering acceptance of the Chinese position on Taiwan and tacit recognition of a Chinese sphere of influence in parts of continental East and Southeast Asia in return for closer co-operation with the United States against the Soviet Union. The Sino-American relationship, as it subsequently developed under Deng Xiao-ping, Carter and Brzezinsky certainly suggested the existence of such a tacit understanding.123

However this may be, on 1 November 1977, the Peoples' Daily announced what was, in effect, a new foreign policy doctrine.124

The post-Maoist leadership still claimed to oppose Great Power hegemony. There was no doubt, however, that the only hegemonists of concern to Peking were the 'New Tsars' in the Kremlin.

Containment of the Soviet Union necessitated the development of the
closest political and economic ties with the United States, Western Europe and Japan. These countries were viewed both as essential elements in the global strategic balance and as sources of advanced technology.

The November 1977 policy statement still portrayed China as a member of the Third World.

There can be little doubt, however, that as China has approached the United States, Western Europe and Japan, her conception of herself as a member of the underdeveloped world has tended to fade.

The official rationale for the new direction in Chinese policy was explained succinctly by Mr Deng Xiao Ping to the Italian journalist Oriana Fallaci in an interview in Peking in September 1981.

"You see, for years the Chinese have been repeating that only two countries in the world are capable of launching a war: the United States and the Soviet Union.

But after the Second World War, I mean after the war in Korea and the war in Vietnam, the forces of the United States have heavily declined and the United States has been retreating.

Now America is on the defensive and let's face it: America fears the Soviet Union.

If this were not enough, with the political system they have, it isn't easy for the Americans to take immediate decisions.

The Soviet Union instead is now on the offensive and it can take immediate decisions very quickly indeed: they only have to assemble a few members of the political bureau."125

In the interview, Deng Xiao Ping presented the classic balance of power argument. The global balance is changing. The Soviet Union is now stronger than the United States. It is in China's interests to support the weaker side.
Mao's decision to lean towards the Soviet Union in 1950 could also have been interpreted in the same light.

It is quite conceivable, however, that the present Chinese leadership are not thinking in terms of classical balance of power concepts but are, instead, hoping to apply the well tried formula of using one barbarian to defeat another in order to eliminate the regional influence of both superpowers and re-establish China's traditional primacy in Asian affairs. Khruschev, in the 1960s, had the distinct impression that Mao Ze-dong hoped to embroil the Soviet Union in a conflict with the United States in order that China should inherit the earth. He therefore held back from the brink. Some remarks once made by Zhou En-lai to Muhammad Heikal, the former editor of Al-Ahram, suggest a similar train of reasoning.

The view that grandiose schemes of manifest destiny may exert some influence on China's external policies cannot be dismissed out of hand. After all, the United States, the Soviet Union and many lesser powers entertain rather inflated notions of their own place and role in the world. Certainly, China's attitudes towards Vietnam, Laos, Cambodia and, to some extent Korea, suggest that at least some people in Peking think in terms of a Chinese version of the Brezhnev Doctrine, applicable to the other socialist societies of East and Southeast Asia.

It would be surprising if there were not people who think in terms of a rather more all-embracing Chinese Monroe Doctrine for the region.

Nevertheless, the possible impact of other factors on Chinese foreign policy decision making should not be overlooked.

The Chinese leadership has, in recent years, exhibited a much stronger tendency than its American, Soviet or Japanese counterparts to swing erratically from one all-embracing interpretation of international events to another. To some extent, of course, these changes can be viewed as realistic responses to the evolving global situation. A realistic response to a developing external situation, however,
requires a unified political structure, accurate intelligence and dispassionate judgement. China's political structure, especially since the deaths of Mao Ze-dong and Zhou En-lai, has been torn by personal conflicts, factional strife and institutional rivalries. Although it is not possible for an outsider to penetrate far beneath the surface of Chinese political life it is not unreasonable to assume that these struggles exert considerable influence on the formulation of both domestic and foreign policy. Moreover, long isolation and the lack of a competent global intelligence organisation have given sections of the Chinese élite particularly unreal and exaggerated perceptions of international society. The present emphasis on the Soviet threat strikes Anglo-American and Japanese observers as "realistic" simply because it coincides with their own current prejudices. It should be recalled, however, that only a short time ago, China identified American imperialism as the single cause of all the woes afflicting the globe. Later, a revival of Japanese imperialism was spotted and singled out for special attention. These aberrations were, of course, the products of the age when the nefarious "gang of four" exercised undue influence on policy formulation. In the view of the present writer, however, it would be surprising if further radical changes in orientation did not take place.

There have also been occasions when the central control of Chinese foreign policy has simply broken down. Such instances were common during the Cultural Revolution. Yet there are grounds for believing that the dispatch of armed fishing vessels to the Senkaku islands during the negotiation of the Sino-Japanese treaty in 1978 was not sanctioned by the central government in Peking. Some Japanese observers with good connections in China have speculated that the Sino-Vietnamese border war had its origins in as yet unresolved factional struggles in China. 128

China's Military Strength

China's military spending, while somewhat greater than that of each of the major NATO powers, is not in the same class as that of the United States or the Soviet Union. At the present time, in conformity with the new leadership's policy of budgetary restraint, it is
being reduced, not increased.

The Chinese armed forces are not, at the moment, of a type that can be used to project China's influence far beyond her borders. The situation may change if the Peoples' Republic acquires a substantial quantity of sophisticated military technology from the United States, the NATO powers or Japan. Yet the Sino-Vietnamese war highlighted the deficiencies of the Peoples' Liberation Army as an instrument for imposing China's will on her neighbours. The Chinese military campaign, conducted in favourable diplomatic circumstances, did not achieve any of its objectives. Vietnam remains unchastened. The strains placed on its economy have increased reliance on the Soviet Union. The Pol Pot forces in Cambodia have not rallied.

Given the present levels of equipment, the Peoples' Liberation Army (3,250,000-4,350,000, 115 infantry divisions, 40 artillery divisions, 11 armoured divisions, 150 independent regiments, 10,000 outmoded Russian and Chinese produced T-34 and T-59 tanks) could probably defeat any invader who penetrated into the densely populated, intensively cultivated areas of China proper.

It is possible that the economic structure built up since 1949, with its emphasis on regional self reliance, simple technology and a wide distribution of basic skills throughout the community has made China's overall defensive capability superior to that of the United States, the major West European powers and Japan. National resistance would not easily be broken by massive application of air power to military installations, communications systems, industrial centres and concentrations of population.

It remains to be seen what impact the current modernisation campaigns will have on this strategic resilience. Recent indications are, however, that a combination of strategic rethinking, uncertainty about American policies and budgetary constraints has been prompting a return to the self reliance of the Maoist era.
"We intend to rely on our own strength and our existing military equipment in dealing with the Soviet Union", Mr Xu Xin, the Vice-Chairman of the Peking Institute of Strategic Studies told a recent meeting of the Trilateral Commission.

"We are highly confident that by mobilising our rich manpower and material resources and applying our long tested experience in fighting protracted wars, we will be fully capable of defeating well equipped enemies with our inferior weapons." 130

China proper and the Inner Asian borderlands, however, are very different areas.

The Chinese army would face serious problems in highly mechanised warfare on the steppes and deserts of Central Asia.

It might well have difficulty protecting Manchuria from a concerted Soviet ground and air assault.

Chinese sabotage units could, nevertheless, greatly disturb Soviet transport and communications facilities in the Turkestan and parts of Siberia.

Operating in conjunction with the forces of powerful indigenous allies the Peoples' Liberation Army could probably make an impressive showing in Korea. It could also be expected to hold its own on the Sino-Indian border.

The Chinese navy (568 thousand tons, 15 destroyers, 17 frigates, 9 patrol escorts, 195 fast attack craft (missile firing), 46 large patrol craft, 345 gun equipped fast patrol craft, 230 torpedo firing fast attack craft, 2 nuclear submarines, 1 conventional SLBM submarine, 102 other submarines) is, essentially, a defensive force. It could, perhaps, be employed to harass merchant shipping in the Western Pacific. Yet such operations, might be rather futile. A greatly expanded and modernised Chinese navy, however, would experience few of the constraints that currently hamper the Soviet Pacific fleet. The emergence of a powerful Chinese navy, with a capacity to carry expeditionary forces overseas, would radically alter the strategic picture in Asia and the Pacific.

The Chinese airforce, (5,500 aircraft) consisting, at the moment,
largely of B-6 and TU-16 Badger medium bombers, B-5, Il-28 Beagle and TU-2 light bombers, Mig-19s and Mig-21s, is obsolete. China's nuclear capacity is limited, although it could pose some threat to the Soviet Union to Japan and to some of China's smaller neighbours in Southeast Asia and Oceania. It would appear that the airforce and the nuclear weapons programme have been receiving the highest priority in the drive for modernisation. Budgetary considerations, however, have caused the projected purchase of the British Harrier jumpjet to be indefinitely shelved.

The Regional Impact of the Chinese Economy

The overall regional impact of the Chinese economy is not great. The situation is changing, although not as rapidly as some people had originally predicted. The new Chinese leadership's modernisation programme and, with it, China's plans for massive imports of foreign capital equipment and technology have been, during the course of 1979, 1980 and 1981, drastically revised. Since March 1979, in fact, there would appear to have been a partial return to the Maoist strategy of self reliance, priority for agriculture and emphasis on light, rather than on heavy, industry. Still, even the revised modernisation campaign will not be without its influence, both in the Asian-Pacific area and beyond. It will also have a formidable impact on the development and character of Chinese society.

China's Relations with the Soviet Union and the United States

Superficially, China's present foreign and defence policies would seem to be motivated exclusively by a desire to contain the influence of the Soviet Union. Almost every official pronouncement from Peking, every statement by Chinese delegations visiting any country, makes the Chinese position on the Soviet Union clear. Soviet social imperialism and hegemonism are the sole causes of all undesirable changes in every nook and cranny of the globe. Moscow's policies are leading the world along the road to war. China, the United States, the NATO countries, Japan, ASEAN, Australia and New Zealand should co-ordinate their strategies. During his visits to the United States and Japan Deng Xiao-Ping openly advocated the formation of an anti-Soviet tripartate alliance in the Pacific. Hua Guo-Feng, on
his grand tour of Europe, urged the NATO countries to prepare for
the coming clash of arms. Since the early 1970s the Chinese leadership
has been expressing concern about the decline of American influence
in Asia. Events in Africa, Iran and Afghanistan have apparently intensified
their fears. The Japanese conservatives and the Japanese Socialist
Party have been urged to give the utmost consideration to improving
relations with Washington. Despite China's alliance with the Democratic
Peoples' Republic of Korea, Peking has implicitly made it known that
it would be reluctant to contemplate an immediate American withdrawal
from the southern part of the peninsular. The Peoples' Republic has
enthusiastically applauded President Reagan's decision to go ahead
with construction of the neutron bomb.

The latest round of Sino-Soviet negotiations seems to have ended
in failure.

It has already been pointed out, however, that diplomatic relations
between China and the Soviet Union have never been broken off.
Bilateral trade has reached record levels.

It would be a mistake to assume, as some have, that the causes of
enmity between the Peoples' Republic and the Soviet Union are so
deep that their confrontation will endure forever.

It would be equally erroneous to believe that China's new relationship
with the United States, Western Europe, Japan and Australia somehow
represents a return to normality after twenty years of aberration.

If China's foreign policy is based on traditional balance of power con-
cepts, it could be expected to change direction if

(i) the Reagan administration's attempts to draw ahead of the
Soviet Union in the global arms race and re-assert American
supremacy in the non-Communist world prove successful;

(ii) new Chinese assessments of the international situation,
based on empirical data, convince Peking that its perceptions
of the Soviet threat have been exaggerated;

(iii) China is confronted with some new development in East Asia, such as the resurgence of Japan as a powerful military and political force.

If China's foreign policy is based on the principle of employing one barbarian to overcome another in order to eliminate the regional influence of both superpowers and re-establish her own hegemony, the relationship with the United States could break down

(i) when it has fulfilled its purpose;

(ii) if the Americans, who view the world in somewhat different terms, were to suspect, like Khruschev in the 1960s, that they were being used in ways not necessarily consistent with their national interests.

If China's policies are determined by the ebb and flow of factional conflict, or even by intelligent men in a unified political structure grappling with a mass of misinformaton, or if there is a lack of central control, the Sino-American relationship could break down at any time.

A great deal of nonsense can be talked about ideological differences, traditional hostilities and cultural incompatability.

Since the end of the Cultural Revolution both the theory and practice of communism in China and the Soviet Union have tended to converge. Despite his continued admiration of Stalin, Deng Xiao-ping is, ideologically, somewhere in the no-man's-land between Khruschev and Brezhnev. At the present time, the ideological rift between Peking and Moscow could be settled with a few swift strokes of the theoretician's pen. The border dispute between the two countries is, in all probability, not the serious matter it is sometimes made out to be. It did not cause the Sino-Soviet conflict. It grew out of it. A decision in Peking and Moscow
to embark on a policy of mutual détente, a few generous concessions here and there, would probably settle the issue. The cultural differences between Chinese and Russians are no greater than those between Chinese and Americans. Rivalry between China and the Soviet Union has a far shorter and less bloody history than rivalry between China and the United States or between any of the major European powers.

Certainly, China's experience in economic co-operation with the Soviet Union did not leave a favourable impression in Peking. Yet it could hardly be claimed that pre-revolutionary China's experience in economic co-operation with Great Britain, Germany, France and Japan was any better.

There is, at the present time, some evidence of tension between non-communist foreign experts and their Chinese colleagues. There is also evidence that many Chinese consider they are not being given access to the most sophisticated Western and Japanese technology.

These factors could well combine to generate frictions similar to those which bedevilled Sino-Soviet relations in the 1950s.

A restoration of the Sino-Soviet alliance seems most improbable. Yet just as there are sound strategic reasons for the Soviet Union desiring to maintain amicable relations with China, whatever the character of its government, so too are there excellent reasons for Peking to wish for friendly relations with Moscow.

The Soviet Union's military power and global political influence are much greater than those of China. While a Sino-Soviet nuclear confrontation is unthinkable, China's Inner Asian frontiers are long and difficult to defend. Soviet military superiority in the steppes and deserts of Central Asia is virtually absolute. The border regions are inhabited by non-Chinese people, closely akin to national minorities in the Soviet Union. Many Mongols, Uighurs and Kazakhs fled to Mongolia or to the Soviet Union during the Cultural Revolution. They remain there to this day. Tibet is still an area of great potential instability. The Dalai Lama's 1979 tour of the
Soviet Union and Mongolia (where His Holiness attended a religious conference) suggests that Moscow has been pondering on the latencies inherent in the Tibetan situation. In short, conflict with the Soviet Union could cause China to lose many of its vast, resource-rich Inner Asian territories. A policy of détente with Moscow could help secure these territories at minimal cost.

On the other hand, however, close strategic co-operation with a declining America, supplemented by economic co-operation with the United States, Japan and Western Europe, could enable the Peoples' Republic to hold the Soviet Union at bay in Central Asia while consolidating its own position throughout East and Southeast Asia. In this way China could emerge, with the passage of time, as the heir and successor to America's influence in the region, in rather the same way as Japan's alliance with a declining British Empire enabled her to establish a partial hegemony of Northeast Asia in the early twentieth century.

The United States, not the Soviet Union, holds the key to Taiwan. Only the United States can initiate the process that will lead to change in Korea. American influence in Japan and parts of Southeast Asia is considerable. American influence in Australia is, at present, overwhelming.

In the view of the present writer, the Chinese can be expected to continue co-operation with the United States only so long as such co-operation appears to give them what they could not obtain from the Soviet Union in the 1950s. If President Reagan decides that he can dispense with Peking, if he decides to consolidate relations with Taiwan, the Chinese will probably revert to the 1960s posture of passive confrontation of both superpowers, attempt to drive a wedge between the United States and its allies, or move towards a cautious rapprochement with the Soviet Union. The second and the third options, or a combination of both, would appear to offer the greatest returns.

**Sino-Vietnamese Relations**

China's rapprochement with the United States, the NATO countries and
Japan has significantly altered her strategic environment.

So too has the conflict with Vietnam.

China now confronts an implacably hostile Vietnam on her southern borders. Blood has been spilled. For this reason alone, China's relations with Vietnam, once a strong and reliable ally, are unlikely to be repaired as easily as Russia's ties with Yugoslavia were after Khruschev's accession to office. The present Chinese leadership has, in fact, gratuitously provided the Asian-Pacific region with just that barrier to Chinese southwards expansion that successive American presidents strove, in vain, to create. There now exists a Vietnam with a strong nationalist government, powerful military forces and reliable allies, determined, and able, to oppose Peking's policies in Indochina. Were Vietnam, not a socialist republic, John Foster Dulles could sleep soundly in his grave.

China's Relations with the Korean Peninsula

The Sino-American rapprochement, the Sino-Japanese Peace and Friendship Treaty, the normalisation of relations between Washington and Peking have all placed strains on China's relationship with the Democratic Peoples' Republic of Korea.

The Peoples' Republic of China, mindful of the strategic importance of the Korean peninsular and, in all probability, reflecting on the lessons of its relations with Vietnam, initially went to some lengths to placate opinion in Pyongyang.

In 1978-79 Pyongyang was virtually bombarded with high level missions from Peking. Most prominent among these were the then Chairman Hua Guo-feng's visit to the Democratic Peoples' Republic in May 1978, Deng Xiao-ping's visit in September 1978 and the trip made to Pyongyang by Zhou En-lai's widow Deng Ying Chai in June 1979.

The Chinese diplomatic offensive was not entirely without its effect.
The Democratic Peoples' Republic tilted towards the Chinese position on a number of crucial issues, notably Vietnam, Cambodia and ASEAN. It was clear to the Chinese leadership, however, that Pyongyang had no intention of allowing its relations with Moscow to deteriorate irreparably. All the efforts of Hua Guo-feng, Deng Xiao-ping and Deng Ying-chao failed to persuade the North Koreans to leap unequivocally aboard the anti-hegemony bandwagon. This was despite the tension between Moscow and Pyongyang in the wake of the 1976 Pammunjon incident, Soviet scepticism of North Korean foreign economic policies and the general decline in Russian and East European technological assistance to the Democratic Peoples' Republic.

The continued evolution of China's policies towards the United States and Japan caused a significant re-assessment of the Chinese alliance in Pyongyang. By the end of the 1970s, it had become increasingly clear to the North Korean leadership that Chinese foreign policy was developing in a direction inimical to its own perceived interests.

While Pyongyang was highly critical of Vietnamese support for the anti-Pol Pot forces in Cambodia, the Chinese invasion of Vietnam profoundly shocked the North Koreans. After the Sino-Vietnamese war, the Democratic Peoples' Republic gradually adopted an attitude of polite, co-operative reserve towards Peking.

China, in return, adopted an increasingly cool attitude towards Pyongyang. The Peoples' Daily, in its editorial on the occasion of the Democratic Peoples' Republic of Korea's National Foundation Day in September 1979, was unusually reticent on the question of Korean reunification. The traditional references to the "militant unity" and "revolutionary friendship" between the two countries were absent. There was no mention of the "wise leadership" of Marshal Kim Il Sung. More significantly, no mention was made of American troop withdrawals from South Korea. Indeed, when the then United States Defence Secretary, Mr Harold Brown visited Peking in January 1980, the Chinese leadership apparently did not convey to him any objection either officially or privately, to the continued presence of American forces in South Korea.
China's uncertainties about the Reagan administration, together with the accession to office of Chairman Hu Yao-bang in July 1981 seem to have brought about a cautious rapprochement with Pyongyang. The North Korean ambassador was the first foreign representative received by the new Chairman. China has supported, with certain ambiguities, the North Korean formula for reunification expounded by President Kim Il Sung at the Sixth Congress of the Korean Worker's Party in October 1980. The celebrations to mark the twentieth anniversary of the Sino-Korean Treaty of Friendship in July 1981 proceeded in a convivial atmosphere. Unofficially, however, many Koreans would appear to be sceptical about the long term future of the relationship.

As Peking's relations with North Korea have deteriorated, Soviet overtures to Pyongyang have increased. It has been claimed that the treaty signed by the North Korean Vice-President Pak Sung-chul during his visit to Moscow in January 1979, at the height of the Sino-Vietnamese war, would enable the Russians to establish a naval base at Najin, on the Korean coast south of Vladivostok. There were reports of North Korean troop movements towards the Yalu River border with China around about the same time. It has also been claimed that the Soviet Union is prepared to supply North Korea with a number of Mig-23s, and that North Korean pilots have already been flying these aircraft in Libya.

Even if many of these reports lack substance, it is distinctly possible that the Peoples' Republic of China may be obliged to face, in the not too distant future, a rather new situation on its northeast frontiers, reminiscent, in some ways, of the situation it faces in the southeast.

If relations between Peking and Pyongyang do not improve, the view that continued division of the Korean peninsula is a Chinese national interest will become further entrenched in the Peoples' Republic.

If the Reagan administration, contrary to expectations, decides to
develop the Sino-American relationship that began to emerge under the Carter presidency, the Chinese will certainly be urged to establish ties with Seoul. Covert Chinese trade with South Korea (exports of medium grade coal, precious metals and textiles in return for television sets and tubes, textile fibres and fertilizers) has grown considerably in recent months. At the moment, however, China's potential gains from courting Seoul are not so great as the dangers likely to be incurred from completely alienating Pyongyang.

Sino-Japanese Relations

China's relations with Japan have improved dramatically since the Tanaka visit to Peking in 1972. The Sino-Japanese peace and friendship treaty, signed in Peking on 12 August 1978, has provided the framework for a major expansion in political, economic and cultural contacts between the two countries.

The Chinese have not found, however, that the Japanese leadership is willing to accept their view of the world uncritically.

The 1978 treaty contained an anti-hegemony clause qualified, at Japan's insistence, by the statement that "the present treaty shall not affect the position of either contracting party regarding its relations with third countries." The dominant groups in the Japanese government are suspicious of the Soviet Union. Powerful elements in the Liberal Democratic Party, the Foreign Ministry and the Defence Agency have been concerned by the Soviet military build up in the Far East - however it is to be interpreted. They have been disturbed by events in Indochina. Yet China has found it impossible to draw Japan into an unequivocally anti-Soviet position. In January 1979 Japan refused Chinese requests to jointly oppose Vietnam in accordance with the anti-hegemony clause of the 1978 treaty. Deng Xiao-ping could not persuade the late Japanese Prime Minister Mr Ôhira Masayoshi to endorse Chinese military action against Vietnam when he visited Tokyo in February 1979. The then Foreign Minister Mr Sonoda Sunao, who attempted to play a mediating role in the conflict, was obliquely
critical of Chinese policies in Indochina. At the United Nations, Japan urged a withdrawal of Chinese troops. Nevertheless Japan subsequently suspended aid to Vietnam (while expanding economic co-operation with China) and adopted a strong line in support of continued recognition of the ousted Pol Pot régime in Cambodia. The Japanese government went to considerable lengths to defuse the Senkaku islands dispute. Despite this, very heavy pressure from China, the United States, Australia and other countries failed to persuade the Japanese of the merits of overt association with a grand anti-Soviet alliance. Japan remains, to this day, no more than an interested bystander, passively aligned with the United States and friendly to the Peoples' Republic.

China's attempts to involve Japan in her economic reconstruction have met, until recently, with somewhat more success than her efforts to secure active Japanese co-operation against the Soviet Union.

Since 1972 Sino-Japanese trade has increased rapidly. By 1975 the total volume of two way trade between the two countries was four times the 1972 level. By 1978 the value of two way trade and reached some $5 thousand million, almost five times the 1972 figure. Japan has been, since the early 1960s, China's most important trading partner. In 1979, the Peoples' Republic became Japan's tenth largest trading partner, after the United States, Saudi Arabia, Iran, South Korea, Australia, Indonesia, Canada, West Germany and Taiwan. By 1980, China was Japan's fifth biggest trading partner, after the United States, Saudi Arabia, Indonesia and Australia.

A long term bilateral trade agreement, integrated with China's economic development programmes, was signed on 16 February 1978. This agreement was revised in September 1978 to take account of the new Chinese leadership's accelerated modernisation campaign. Both the accelerated modernisation campaign and the trade agreement turned out to be more than a little unrealistic. The revised agreement of September 1978, which is supposed to regulate economic relations
between the two countries until 1990, envisaged a fourfold expansion of bilateral trade, greatly increased Chinese exports of crude oil to Japan, joint development of various undersea oil reserves, Japanese participation in the development of oil fields in Sinkiang, joint development of coal reserves in Shantung, Shansi, Hunan and Hupei, along with the Japanese participation in hydroelectric power development on the Yangtze and Yellow rivers. There were also plans for the joint development of aluminium, tungsten, tin, copper and lead reserves.\textsuperscript{146} Japan was generally expected to supply some 30 per cent of China's capital equipment purchases and technology needs during the modernisation campaign.

The interest of the present Chinese government in involving Japan in resources development along its Central Asian and northern borderlands has almost certainly been political and strategic rather than economic.

The continued modification of the Chinese modernisation programme, together with the erratic nature of China's economic planning and the casual approach to contracts and agreements have, however, placed severe strains on the relationship. The massive cancellation of projects in February 1981, as a result of which Japanese firms stood to lose an estimated US $1000-1500 million, created a particularly unfavourable impression in Tokyo. As a result, the Chinese authorities may well find it increasingly difficult to interest Japanese business in future industrial and resource development projects.\textsuperscript{147}

Nevertheless, the Sino-Japanese relationship is an extremely important one. The general outlines of the 1978 trade agreement remain intact. China has replaced the United States as Japan's most important market for steel products. The belief that China would become one of Japan's major oil suppliers appears to have been ill founded. While exports to Japan, Thailand and the Philippines made up some 10 per cent of Chinese oil production in 1980, China's domestic petroleum output would appear to be falling.\textsuperscript{148} China is emerging, however, as a major supplier of steaming coal to Japan.
Japanese interest in Chinese coal deposits appears to be mounting.

At the moment, the political and strategic implications of China's trade with Japan are in no way comparable with those involved in the Japanese-American relationship.

The Japanese economy could not survive in its present form without access to the American market. The United States can exert a powerful influence on Japan's resources supply. A breakdown in Japanese-American economic relations could cause major structural changes in both countries and have far reaching political effects.

China's economic relations with Japan have not yet reached the point where a breakdown would have a catastrophic impact on either party. The opportunities for either Peking or Tokyo to use the relationship for political purposes are thus limited.

China's Relations with the ASEAN Powers

The present Chinese leadership has made considerable efforts to cultivate ties with the ASEAN nations, especially with Singapore and Thailand, both of which have adopted a strong anti-Vietnamese position. This strategy has had some success. While the Heng Samrin government remains in control of most of Cambodia, China, Thailand and Singapore, supported by the United States, have managed to keep the civil war alive by supplying the Pol Pot forces operating from bases disguised as "refugee camps" in Thailand. Pressure from China, the United States, the ASEAN powers and, until recently, Australia, also encouraged Japan to throw its weight behind Pol Pot. China now appears to be backing the American sponsored Singaporean plan for a grand ASEAN political, economic and military offensive against Phnom Penh. The object of this offensive is to overthrow the Heng Samrin government and install the representatives of a Cambodian "third force" under Sonn Sann. This "third force" is apparently to include Prince Sihanouk and the Khymer Rouge.150
the Vietnamese Tet offensive in 1968) these conservative Australian governments appeared willing to seek accommodation with the Soviet Union, which was apparently viewed as a cautious, responsible and European socialist power - certainly a less desirable associate than Britain or the United States, but preferable to China.153

After the Kissinger visit to the Peoples' Republic in 1971, the situation changed rapidly. The Whitlam Labor Government, elected in 1972, recognised the Peoples' Republic and made every effort to establish amicable relations. The Whitlam government preserved, however, an attitude of strict neutrality in the Sino-Soviet dispute.

Mr Fraser's Liberal-Country Party government, elected in 1975, has, within the context of the American alliance, seen the world in almost exactly the same terms as the Chinese leadership. Mr Fraser has adopted, from the beginning, a policy of extreme hostility to the Soviet Union. It was Mr Fraser, on his visit to Peking in 1976, who first suggested the idea of a United States-Japanese-Chinese-Australian alliance against the Soviet Union. Since 1975, Australia and China have seen eye to eye on virtually every major foreign policy issue from Angola to Afghanistan. Close cultural and economic ties have been developed. The media has portrayed the Peoples' Republic in an extremely favourable light. Popular Australian perceptions of China have changed radically.

China has found, in Malcolm Fraser's Australia, an enthusiastic supporter. It seems very likely, moreover, that China will find the present Australian government unsparing in its efforts to ensure that Peking's relations with Washington do not deteriorate. If the Reagan administration does allow the Chinese connection to lapse, it is probable that Australia will continue to maintain ties with Peking - at least so long as the Sino-Australian relationship remains compatible with the ANZUS treaty.

The Peoples' Republic cannot, however, take Australia's pro-Chinese stance for granted. A Labor government would almost certainly
ASEAN is, however, deeply divided on these matters.

In Kuala Lumpur and Djakarta, in particular, there would seem to be considerable sympathy for the Vietnamese position.\(^{151}\)

Throughout the Malay world, anti-Chinese sentiment is strong. The Chinese-ASEAN connection, especially if it tends to settle into a comfortable relationship between Peking and the overseas Chinese, could easily come adrift.

China's economic relations with ASEAN are likely, in the long term, to be competitive rather than complimentary. Both will find themselves competing for foreign, particularly Japanese, capital and technology.\(^{152}\) Both will be exporting similar types of products to much the same sort of markets. China's resource endowments are not radically different from those of the ASEAN nations.

At the present time, however, the conflict of interests is potential rather than actual: So long as China remains a socialist society, so long as powerful groups remain attached to Maoist strategies of self-reliance, it would be unrealistic to expect her to play a regional economic role comparable to that of Japan, the United States or the overseas Chinese communities in the ASEAN nations and Hong Kong.

**China's Relations with Australia**

The 1970s and the 1980s have seen a remarkable development of Sino-Australian relations.

During the 1950s and the 1960s, successive Australian Liberal-Country Party (Conservative) coalition governments professed to regard the Peoples' Republic as the greatest potential threat to Australian security. The American alliance, together with Australia's involvement in conflicts from Korea to Vietnam, were explained to the Australian public in terms of the Chinese threat. At times when Australia's alliance with the United States appeared to be in jeopardy (e.g. in the wake of the West Irian dispute and after
endeavour to return to a policy of equidistance between Peking and Moscow. Many conservatives, along with important elements in the foreign affairs and defence establishments, have also regretted the present government's pro-China stand.

China's Future Prospects as a Regional Power

The Peoples' Republic, however it evolves, and whatever long term ambitions may be cherished by some of its leaders, is unlikely to establish the partial regional political and cultural hegemony achieved by the T'ang, the Sung, the Yüan and the Ming. The United States and the Soviet Union are, in every way, more formidable rivals than the pirates of the Eastern Seas and the nomads of the northern steppes. Despite the continuing importance of the Chinese cultural legacy in Japan, the Japanese have never been and, almost certainly, would never wish to be, part of the Chinese political sphere of influence. The Koreans, on both sides of the 38th parallel, are more powerful and more self confident than at almost any time in their history. The Vietnamese continue to display their traditional independence in relations with their great northern neighbour. In Indonesia and the Malay world, Islam, the strength of traditional society and the existence of large, unpopular overseas Chinese communities present almost insurmountable barriers to the extension of Chinese influence. China may, however, have some impact on Australia, where strong (albeit by no means unchallenged) popular anti-Soviet feeling, a well entrenched academic China lobby, growing cultural ties with the Peoples' Republic and the existence of a large, prosperous, highly educated and generally respected Chinese community provide the basis for a possible extension of Chinese influence.
THE PRESENT JAPANESE POSITION IN ASIA AND THE PACIFIC
THE PRESENT JAPANESE POSITION IN ASIA AND THE PACIFIC

Japan is, strategically and economically, the most vulnerable of the major Asian Pacific nations. The failure of her bid for regional hegemony, the collapse of her pre-war alliance system, the loss of her resource rich empire in Korea, China and Southeast Asia, her defeat and occupation by the United States, the development of military technology since 1945, her subsequent re-emergence as one of the world's foremost economic powers, her almost total reliance on overseas sources of raw materials, have combined to make it virtually impossible for Japan to function as a military Great Power, however significant her influence may be in other ways.

It is widely believed that, within the general framework of the American alliance, postwar Japan has devoted herself wholeheartedly and exclusively to the singleminded pursuit of economic self interest, regardless of ideological or cultural considerations.

This view is not entirely correct. Despite the understandable national preoccupation with economic recovery and reconstruction, and the superficial stability of the Japanese-American Security Treaty system, there has been no real consensus, official or unofficial, on foreign defence policy ever since the collapse of the Greater East Asia Co-prosperity Sphere in 1945.

The dominant groups in Japan's political and business establishments have never viewed the American alliance (as distinct from friendly relations with the United States) as a permanent national interest. They have seen it as a means of realising particular strategic, political and economic objectives. There has been, from the beginning, a continuing debate about the alliance, its place in Japan's foreign and defence policies, and about possible alternatives to it. Dissident groups in the conservative establishment have opposed the alliance altogether.

Most of the opposition parties have rejected the Security Treaty, advocating, instead, policies of armed or unarmed neutrality.

Public opinion, deeply affected by the experience of fifteen years of
military rule and the horrific futility of World War II, remains divided on the alliance but, essentially, pacific with respect to the issues of war and peace.

In the academic world, among strategic studies experts and specialists on international relations, an intense debate about the direction of the nation's external policies has been in progress since the Occupation.

In Japan, the conservative-reformist-communist struggles familiar to most European industrial societies have been complicated by deep-seated politico-cultural conflicts.156

On the right and on the left, Westernism, Asianism, Japanism and other concepts derived from the pre-war period continue to exert considerable influence on political thought and behaviour. Some consider that association with the non-communist industrial societies of North America and Europe offers the only acceptable path for Japanese development. Others view the long term future in terms of a special relationship with China. Still others see opportunities in a special relationship with ASEAN. Powerful elements within the Japanese establishment give priority to relations with South Korea and Taiwan. Australia, New Zealand and Oceania have recently attracted some interest. Pan-Pacific ideas, too, have begun to reappear. Among wide sections of the general public and the academic world neutrality remains a favourite option. Since the beginning of the 1970s the question of energy security, so important at other times in Japan's recent past, has added another dimension to the foreign policy debate.

It goes without saying that the Japanese economic impact in the Asian-Pacific region is immense. Japan is the major trading partner of almost every country in East Asia, Southeast Asia and Oceania. Her economic involvement with the United States and Canada is very great. Her interests in Latin America have been growing. Her trade with the Soviet Union is by no means inconsiderable.
Japanese Military Strength

Under Article 9 of the Constitution, Japan renounces war as a sovereign right of the nation, committing herself to eschew the use or threat of force as a means of settling international disputes. She declares her intention never to maintain "land, sea and air forces, as well as other war potential."

Successive Japanese cabinets have interpreted the Constitution as permitting the maintenance of defensive military power.

While Prime Minister Kishi Nobusuke declared, as early as May 1957, that the construction and use of nuclear weapons would not be incompatible with Article 9, the Satō Cabinet, in December 1967, effectively rejected a military nuclear option for Japan. According to the Satō Cabinet's "three non-nuclear principles" and "four nuclear policies", which remain in force to this day, Japan will not manufacture, possess nor permit the entry of nuclear weapons, provided the United States nuclear deterrent continues to function.

It is generally believed, however, that Japan would be in a position to construct a nuclear force de frappe if, for some reason, the three non-nuclear principles were abandoned.

The Japanese government's interpretation of Article 9 with regard to conventional power has been fairly flexible. Since the late 1950s the Japanese military budget has been consistently the seventh or eighth largest in the world. There has been a substantial gap, however, between Japan's military spending and that of the major European countries.

In 1977, for example, the West German military budget (US $16,606 million) was almost three times the size of the Japanese (US $6,090 million). The French (US $13,740 million) spent more than twice as much as the Japanese on defence. Britain's military spending (US $11,214 million) was almost twice that of Japan. The Japanese
military budget was, however, only slightly less than that of Iran (US $7,898 million) and Saudi Arabia (US $7,538 million). It was rather larger than that of Italy (US $4,416 million) and more than double that of Sweden (US $2,833 million), East Germany (US $2,889 million) or Australia (US $2,807 million).

Since the end of the Fourth Defence Plan (1976), the total number of Japanese under arms in all three services, (238,000 men) has been approximately half the number of West Germans (489,000 men) of Frenchmen (502,000 men) under arms during the same period. In numerical strength, the Japanese military establishment has been and remains at present, about 70 per cent of the size of the British (339,000 men), 77 per cent as large as the Polish (307,000 men), roughly equal to that of Czechoslovakia (181,000 men) and some one and a half times that of East Germany (157,000 men). In contrast to the NATO and Warsaw pact countries, to neutrals such as Sweden, Switzerland and Austria and de facto neutrals such as France, Japan officially maintains only a small number of reservists (40,000 men).

Only 0.9 per cent of Japan's population of military age is actually under arms. This figure compares with 6.9 per cent in the Soviet Union, 4.9 per cent in the United States, 2.2 per cent in the Peoples' Republic of China, 8.6 per cent in South Korea, 3.2 per cent in Great Britain, 4.8 per cent in France, 3.8 per cent in West Germany, 4.7 per cent in East Germany, 4.1 per cent in Poland and 6.0 per cent in Czechoslovakia.

The Japanese Ground Self Defence Forces (155,000 men, 1 armoured division, 12 infantry divisions, 1 airborne brigade, various other brigades) pale into insignificance beside the Chinese Peoples' Liberation Army (3,250,000-4,350,000 men), despite the fact that they are undoubtedly more mobile, more mechanised and generally better equipped. Soviet armed forces stationed East of Lake Baikal (300,000 men), largely along the Sino-Soviet border, out-number their Japanese counterparts by more than two to one. Japan's ground forces are approximately one third the size of those of North Korea (560,000 men) and South Korea (560,000 men). The Kuomintang army on Taiwan is over two and a half times the size of the Japanese. The ground forces of the two Koreas and Taiwan are every bit as mobile, mechanised and
well equipped as those of Japan. In Southeast Asia, the Vietnamese army, with an estimated strength of one million, is a formidable fighting force, well equipped and experienced. With the possible exception of Indonesia, however, the ground forces of the ASEAN powers are very much inferior to those of Japan. The Japanese army is approximately five times the size of the Australian army.

Japan's naval and air power is by no means inconsiderable. Because of this, Japan's military forces have an overall balance and potential flexibility lacking in the forces of many neighboring countries. It should not be forgotten, however, that Japan's maritime and air forces are linked with their American counterparts in the Far East even more closely than the Japanese army is. It should also be remembered that Japan possesses, at present, no aircraft carriers, missile launching submarines, medium or long range ballistic missiles or long range bombers. Long range troop transport capability is also limited. Nevertheless, Japan has the industrial and technological capacity to develop all of these areas in a relatively short space of time.

In the Pacific, the Japanese Maritime Self Defence Force (197,000 tons, 34 destroyers, 16 frigates, 7 large patrol craft, 14 submarines) is certainly inferior both in terms of size and modernity, to the Soviet navy (1,520,000 tons) based at Vladivostok and to the American Seventh Fleet (650,000 tons). The Chinese navy (568,000 tons) appears very much larger than its Japanese counterpart. Many of its vessels and much of its equipment are, however, obsolete. The gross tonnage of the Japanese fleet is a little larger than that of the Kuomintang naval force (179,000 tons), more than twice that of South Korea (66,000 tons). Japan's naval forces completely overshadow those of the ASEAN powers, the three nations of Indochina, Australia and New Zealand.

Measured simply in terms of the number of front line combat aircraft, without regard to capability or modernity, the present Japanese air force (410 aircraft) is very much smaller than the Chinese (5,500 aircraft) the Soviet (2,060 aircraft) and somewhat smaller than the total number of American aircraft (560) stationed in the Far East,
in Japan itself, in South Korea, the Philippines and on the Seventh Fleet. The figures for China incorporate many highly obsolescent machines. The Japanese air force is somewhat smaller than the North Korean (570 aircraft), rather larger than that of South Korea (250 aircraft) and about the same size as that of Taiwan (390 aircraft). In terms of modernity of equipment, the Japanese air force is approximately comparable with those of Taiwan and the two Koreans. Japanese air power is very much greater than that of any of the ASEAN powers, the nations of Indochina, Australia and New Zealand.

At the present time, only Kamchatka, Sakhalin, the northern islands, Siberia, the Korean peninsula, East and Central China, Taiwan and the Philippines fall within the operational range of Japanese aircraft based in the home islands and Okinawa.

The Japanese government has attempted, within the limits prescribed by the American alliance and the development of contemporary military technology, to maintain the defensive character of the Air Self Defence Force. Its chief functions would appear to be the protection of American offensive bases in Japan\(^{160}\) and the defence of Japanese centres of population, military installations and industrial facilities.

It is possible, however, for Japan's main interceptor fighter, the F-4EJ, to carry a nuclear payload anywhere within its operational range. Some minor structural modifications would be necessary for the F-4EJs conversion to an essentially bomber role. Much the same operational ambiguity characterises the F-4EJs replacement, the F-153.

If Japan's strategic problems are for a moment, ignored, and attention focussed simply on the size of the armed forces, the modernity of their equipment, the overall balance among the three services and the industrial back-up capacity, both actual and potential, Japan can probably be considered the third greatest military power in the Asian-Pacific region, after the Soviet Union and the United States.

It has already been noted, however, that the country's strategic problems are, such that she cannot function effectively as a military Great Power. This would be just as true of a nuclear
Japan as it is of a Japan armed with purely conventional weapons.

It should also be remarked that since 1945 Japan, unlike the United States, the Soviet Union, China, Great Britain and France has never once attempted to employ her military power, either as a direct adjunct to her diplomacy or as a means of internal repression. Her record in this regard is as impeccable as that of Sweden or Switzerland.

**Japan's Relations with the United States and the Soviet Union**

Since the end of the Occupation, the relationship with the United States has formed the keystone of Japan's foreign and defence policies.

The Japanese government continues to attach the utmost importance to its ties with Washington.

In his policy speech at the opening of the 93rd Diet, on October 3, 1980, the Japanese Prime Minister, Mr Suzuki Zenkō, reviewing Japan's foreign relations, reaffirmed his conviction that "the Japanese-American relationship, especially, lies at the heart of our foreign policy, and Japan, for its part, will fulfil its responsibilities and role in the international community on the basis of the unshakeable bonds of trust that have been built up between the two countries."161

Four months later, in his speech at the opening of the 94th Diet on 26 January 1981, Mr Suzuki outlined his expectations for the development of Japanese-American relations under the Reagan administration.

"As far as Japanese-American relations are concerned, Japan strongly expects that the United States, under the new Reagan administration, will demonstrate leadership in the cause of world peace and prosperity. Japan and the United States have, by virtue of the unflagging efforts of both sides, built up a relationship based
on mutual trust. Together with Mr Reagan's administration, we intend to strive for the development of an even more mature Japanese-American relationship. Japan will fulfil the role that is expected of her, and contribute to the search for solutions to international problems, on the basis of the extremely close relationship between the two countries. 162

From the beginning, however, Japanese perceptions of the Security Treaty system, at the highest level, have differed significantly from those of Washington.

This is hardly surprising.

Despite common postwar commitments to liberal democracy and the free enterprise system, Japan's strategic position, history, political culture and economic structure of the United States.

The World View of Former Prime Minister Yoshida Shigeru, the Founding Father of the Japanese-American Alliance

The original Security Treaty negotiations were conducted, in extreme secrecy, by a tiny fraction of the Japanese conservative establishment centering around the late former Prime Minister Mr Yoshida Shigeru. Mr Yoshida, who had worked energetically to avoid confrontation with the United States in the prewar period, had advocated a Japanese-American alliance long before opinion in Washington shifted decisively in that direction.
Yet despite the fact that Mr Yoshida regarded amicable ties with the United States as being essential for Japan, despite his general sympathy for Anglo-American ideas and institutions, the former Prime Minister viewed the security treaty system which he negotiated as a transient association of convenience, the unavoidable result of the defeat, the Occupation and the Cold War. Yoshida was confident that, given a favourable international environment and competent leadership, Japan would be able to re-emerge as a Great Power in her own right. He was by no means totally unprepared to consider a neutralist foreign policy. Like so many Japanese of his generation, however, Mr Yoshida believed that Japan's long term future lay not with the United States but with the Asian continent, above all with China. He did not consider that the Sino-Soviet relationship would prove enduring. He found it difficult to believe that China could become a genuine socialist society. Perhaps, like his mentor Baron Shidehara Kijūrō, he believed that even if China did embrace Communism, permanently, Japan's relations with Peking were too important to be influenced exclusively by ideological considerations.

At the time he negotiated the first Security Treaty, Yoshida saw the American alliance as offering temporary protection against the Soviet Union (towards which he was bitterly hostile), helping consolidate the conservative position against socialism and communism at home, involving Washington in the maintenance of a favourable status quo in Southeast Asia and Korea, while at the same time facilitating Japanese economic recovery by permitting a low level of military spending.

It was also Yoshida's belief that Japan, as a small, resource poor, maritime, trading nation, dependent for its economic survival on the import of raw materials and the export of finished products, had no choice but to maintain friendly relations with the world's greatest naval power. In 1951 that power was undoubtedly the United States. He was convinced, however, that Japan would be able to look after her own interests once economic recovery was complete.
In terms of traditional Japanese thinking about such matters, Mr Yoshida can be regarded as a flexible and pragmatic Sino-centric Asianist who was persuaded that Japan's immediate circumstances necessitated a foreign policy based on American centered Westernism. Within the conservative political, business, military and academic establishments Mr Yoshida was opposed by exponents of more energetic efforts to normalise relations with the communist powers, especially China, less reliance on the Security Treaty and, in general, a more independent foreign policy guaranteed by a substantial military build up. He also found himself at odds with advocates of closer military, economic and political co-operation with the United States. The major opposition parties were uncompromisingly hostile to the Security Treaty. The neutralist policies espoused by the Socialist and Communist parties, while not necessarily pro-China, proceeded on the assumption that Japan was an integral part of Asia, not a Far Eastern satellite of the United States.

Mr Yoshida's vision of an economically powerful, politically conservative, militarily autonomous, capitalist Japan, acting on the world stage as a fully fledged Great Power, and linked, politically and economically, to the Chinese continent, appears to have floundered on the geography of the Japanese archipelago, the postwar development of military nuclear technology, the country's reliance on overseas sources of raw materials and the course taken by the Chinese revolution. The speed of Japan's economic recovery and the scale of her subsequent economic growth have far exceeded expectations. Yet Japan has not emerged as a superpower. There would appear to be a general consensus in the conservative establishment, among the opposition parties, in the press and among the public at large that a major independent military role is impossible. Alliance with one or other of the Great Powers, association with some compatible group of countries or neutrality are seen as the only realistic options available.

In this situation the main stream of the conservative establishment, whatever the long term aspirations of its various component parts, remains persuaded that the American alliance is the lesser of several possible evils.
Nevertheless, the arguments in favour of maintaining the relationship
do not all have the same compelling force that they did thirty years
ago.

Fear of the Soviet Union as a Rationale for Preservation of the Security
Treaty

Contrary to popular belief, prewar Japanese governments did not
regard the Soviet Union as a more sinister and dangerous opponent
than the United States. At times, indeed, powerful interests
contemplated the possibility of alignment with Moscow against
Washington.166

Three decades of massive exposure to American culture have transformed
the United States image in Japan. The passage of time has done little
to reduce Japanese mistrust of the Soviet Union.

There can be no doubt that most postwar governments, along with the
majority of conservative political groupings in Japan, have
viewed the Soviet Union as a dangerous, subversive and potentially
expansionist power. There has been a marked tendency to accept
conservative Anglo-American views that most of the undesirable
happenings in Asia, Africa and Latin America occur as a result of
conspiracies hatched in Moscow. China's anti-Soviet campaign has
reinforced this conviction. None of the opposition parties, least of
all the Japanese Communist Party, sees the future in terms of a
special relationship with the Soviet Union. Among the general public,
animal-anti-Soviet feeling is strong. There are historical and cultural
reasons for these attitudes.167 These need not concern us here. It
should be remarked in passing, however, that the postwar conservative
establishment's fear of the Soviet Union has probably been accentuated
by the structural changes in Japanese society during the period
1945-52 and by the subsequent development of close political,
military, intelligence and cultural links with the United States.
Academic study of the Soviet Union is at a low ebb. (The parallel
with academic study of America a time when Japanese suspicions were
directed chiefly towards that country immediately springs to mind).
Press and television coverage of the Soviet Union and its allies is, on the whole, rather less than balanced. Any number of recent books and articles predict imminent Soviet invasion of the Japanese archipelago.

At the official level, Russo-Japanese relations remain cool. The coolness has been accentuated by the build up of Soviet forces in the Far East in response to the Washington-Tokyo-Peking connection that seemed to Moscow to have emerged in the last few years of the Carter administration. The Afghanistan crisis and the Olympic Games boycott have further aggravated relations between the two countries. There is little possibility of a settlement of the northern territories issue. The Soviet Union appears to have retreated from the 1972 position that "the northern territorial question remains a question unsettled between Japan and the Soviet Union". Moscow now maintains that all bilateral territorial issues were settled by the outcome of World War II. The Japanese government has been extremely suspicious of the Soviet drafts for treaties of peace, friendship and co-operation, purporting to see in them plans for the "Finlandisation" of Japan. The Self Defence Forces have been, since their inception, trained to view the Soviet Union as the chief hypothetical external enemy. This position seems unlikely to change in the immediate future.

At the same time, no postwar Japanese government has been anxious either to provoke Moscow itself or to see a Soviet-American confrontation. The Japanese government, the opposition parties and the press welcomed the Soviet-American détente that developed during the 1960s. Official comment on both SALT I and SALT II was, almost without exception, extremely favourable. The collapse of the latest SALT treaty, the beginning of a new and uncontrolled round of the arms race has undoubtedly caused widespread concern in Japan. Yet it has not shaken the official view that the Security Treaty offers a militarily weak Japan the best and cheapest protection from Soviet expansionism.

The Soviet Union is not one of Japan's major trading partners. Anglo-American and Japanese analysts, however, sometimes underestimate its importance, both actual and potential. Given a more
favourable political climate, the long term possibilities for the
development of a close and mutually beneficial economic relationship
would appear to be considerable. In 1977, for example, the Soviet
Union and other COMECON countries absorbed 3.7 per cent of Japan's
total exports. While the overall significance of the Soviet block
as an export market for Japanese products was thus very much less than
the United States (24.5 per cent of Japan's exports), it compared
not unfavourably with the EEC, to which some 10.7 per cent of Japanese
exports were directed. As an export market for Japanese goods, the Soviet
Union (2.4 per cent) ranked somewhat lower than South Korea (5.1 per
cent), West Germany (3.5 per cent), Taiwan (3.3 per cent), Saudi Arabia
(2.9 per cent), Australia (2.9 per cent) and Hong Kong (2.9 per cent),
was of equal importance to Great Britain (2.4 per cent) and Iran
(2.4 per cent) and a little more significant than Indonesia (2.2 per
cent), Singapore (2.1 per cent), Canada (2.1 per cent) and Thailand
(1.7 per cent). As a Japanese export market, the Soviet Union was
considerably more important than Brazil (1.0 per cent). In 1977,
some 2.5 per cent of Japan's imports came from COMECON countries.
Japan's reliance on the Soviet block was thus very much less than her
reliance on the United States (17.5 per cent). The EEC, however,
supplied Japan with only 5.9 per cent of her imports. As a source of
Japanese imports, the Soviet Union (2.0 per cent) ranked very much
below Saudi Arabia (12.0 per cent), Australia (7.5 per cent), Indonesia
(7.1 per cent) and Iran (6.0 per cent). Russia was, however, rather
more important than Brazil (1.3 per cent) and such ASEAN countries as
Thailand (1.1 per cent), the Philippines (1.3 per cent) and Singapore
(1.0 per cent). The importance of the Soviet Union as a source of
Japanese imports was approximately comparable to that of West Germany
(2.2 per cent), Malaysia (2.2 per cent) and the Peoples' Republic of
China.

The Soviet Union, has been, in recent years, Japan's fourth
largest steel market (after the Peoples' Republic of China, the
United States and South Korea), her third largest market for plant
and machinery (after the United States and South Korea), her fourth
largest supplier of forest products (after the United States, Indonesia
and Malaysia) and her second most important supplier of cotton (after
the United States).
Ambitious projects for joint development of Siberian resources have been discussed for several years. The unfavourable climate of political relations between the two countries has, however, made progress slow and difficult.

If, for some reason, the global balance of political, military and economic power tilted decisively in favour of the Soviet Union, it is by no means unthinkable that the Japanese establishment, after a series of internal struggles reminiscent of those which took place in the late Tokugawa period, at the turn of the twentieth century, or in the late 1930s, would increasingly identify its interests with those of Moscow. The Japanese establishment, operating under the principle of 'nagai mono ni makareru' ('do not offend the powerful'), has, in the past, undergone such astonishing metamorphoses. Few Japanese were more anti-European than the leaders of the Meiji Restoration. In the prewar period, most of Japan's present leadership subscribed to the view that the United States posed the greatest danger to Japanese security. In the present circumstances, however, the prospects of economic co-operation with the Soviet Union would have little impact on official Japanese perceptions on the value of the American alliance.

Instability in Korea and the Desire for a Continued American Presence in Northeast Asia

The situation in the Korean peninsula is also seen by the Japanese government as providing good reasons for the maintenance of the Security Treaty system.171

Within the political and business establishment, attitudes to the Korean problem vary widely. There is, however, a general view that developments in Korea will inevitably have an important impact on Japan. The dominant groups in the Liberal Democratic Party, the bureaucracy, the business community and the armed forces continue to see the maintenance of a viable anti-communist régime in Seoul as an essential element in Japan's own security. This view is given added weight by the economic links between Japan and the southern part of the peninsula. There is widespread acceptance
of the view that Japan herself cannot, and should not, play any direct military role in Korea - this despite the important indirect military links between Tokyo and Seoul built up within the framework of the Security Treaty system. This belief arises partly from an awareness of Japan's vulnerability, partly from recognition of the fact that Korean national sentiment, on both sides of the 38th parallel, would make such involvement disastrously counterproductive, partly from a view that while Korea is important to Japan, a Japanese presence in the peninsula would make long term co-operation with China difficult, if not impossible.

Belief that maintenance of the Korean status quo is a vital Japanese interest can only be reconciled with reluctance to countenance direct intervention by continued reliance on the United States. A large body of American opinion believes the United States is in Korea essentially to protect Japan. Japanese strategies to promote continued American involvement in the area would collapse if Tokyo's own commitment to the Security Treaty were thought to be in doubt.

Nevertheless, the collapse of United States policies in Indochina, together with the Carter administration's unilateral abrogation of its security treaty with Taiwan, have eroded the faith of many Japanese conservatives in Washington's ability and readiness to live up to its commitments in Korea. It remains to be seen whether the policies of the Reagan administration will restore official Japanese confidence.

Japanese Perceptions of American Naval Power and its Role in the Present World

For much of the twentieth century, Japanese leaders have believed that their country's peculiar circumstances leave them with no alternative but to cultivate close ties in the world's foremost naval power. At the turn of the century, the debate between exponents of a British and a Russian alliance was settled partly with this consideration in mind. British naval power, it was argued, could more
effectively frustrate Japan's continental policies than could the armies of the Romanovs. For this reason, a British alliance was preferable to a close association with St Petersburg.

Japan's postwar governments have all seen the Security Treaty not merely as a deterrent to the Soviet Union, but also as a means of facilitating access to raw materials and markets, of protecting the sea lanes vital to Japan's survival as a modern industrial state. Mr Yoshida was confident that Japan would eventually be able to undertake these tasks herself. Most Japanese strategic studies experts would now consider this idea unrealistic. Japan's global interests are so widespread, her involvements so complex that naval forces of sufficient size and sophistication to defend them simply could not be constructed. It is also felt that Japan's re-emergence as a major naval power would have important long term implications for her relations with Southeast Asia and Oceania, not to mention the United States, the Soviet Union and the Peoples' Republic of China.172

Japan's leaders, therefore, still feel that they have no alternative but to rely on others.

At the present time, as in the early postwar period, the naval power with the greatest capacity to advance Japanese interests is the United States. Conversely, it is still the United States, not the Soviet Union, which has the greatest ability to harm Japanese interests.

Certainly, Soviet naval and air power potentially dominate the Japan Sea and the Sea of Okhotsk. Yet while these areas are of considerable strategic (and gastronomic) interest to Japan - as they also are to the Soviet Union - they are not crisscrossed by trade routes vital to Japan's economic survival. The trade routes of fundamental importance to Japan extend across the Indian Ocean, from the Persian Gulf and the Cape, through the Straits of Malacca into the Pacific, then northwards to Japan; eastwards across the Pacific to North and South America; southwards, towards Southeast Asia, Australia and Oceania. Since 1945, American naval and air
power have potentially dominated the Pacific from the West Coast of the United States to the Straits of Taiwan. The United States is also preparing the groundwork for a major naval presence in the Indian Ocean area. The emergence of a sizeable Soviet fleet, together with increased Soviet naval activity in various parts of the world has not radically changed this situation (see pp. 53-55). At the present time, within the broad framework of strategic parity, the United States and its allies enjoy a considerable margin of naval superiority.

Moreover, for the greater part of the postwar period, Japan's principal suppliers of raw materials, as well as her chief markets, have been, apart from the United States itself, loyal American allies such as Australia, South Korea and Taiwan, or societies that have been, to one degree or another, subject to considerable American influence, such as Saudi Arabia, the Gulf States, the Shah's Iran, Indonesia and Brazil.

This said, however, a number of important supplementary observations should be made.

The belief that Japan's military and economic security could best be guaranteed by alliance with the world's foremost naval power was, perhaps, reasonable enough in the international environment of the immediate postwar period.

Mr Yoshida's support for a temporary alliance with the United States, and his insistence that Japan should always maintain friendly relations with that country, were probably based on a reading of Mahan, reflections on the Anglo-Japanese alliance and the Tripartate Pact and a consideration of the lessons of the Pacific War. He did not take into account the possibility that the importance of naval power, not merely as a means of defence but also as an instrument of diplomacy, might decline. This was, perhaps, not surprising. Both Mahan's study and Yoshida's conclusions were based on analyses of situations where naval power had exerted an important influence on history rather than on a consideration of times when it had not. Great Britain's naval supremacy had enabled her to defend her own
extensive colonial possessions, to support the interests of her allies, such as Japan, and to place checks on the imperial expansion of her continental rivals. British naval might was also an important background element in international economic negotiations of various kinds. The Tripartate Pact provided Japan with no comparable maritime support against the overwhelming power of the United States.

The latter part of the twentieth century, however, has seen important changes in the effectiveness of naval power. The United States navy played a decisive role in the Pacific War. It played a decisive role in denying Taiwan to the Chinese Communists. American naval forces had an important, albeit less significant, influence on the outcome of the Korean War. They had little impact on the first Indochina conflict. The lessons of the Cuban crisis are complex and difficult to evaluate.

The lessons of the 1960s and the 1970s are, however, very clear. Overwhelming naval and air supremacy, together with massive ground intervention, did not enable the United States to impose its will on the revolutionary forces in Indochina. Domestic political events, not American naval power, changed the balance in Indonesia in 1965. Naval supremacy in the Atlantic, together with an ability to exert some influence in the Indian Ocean, did not enable the United States to guide events in the Portuguese colonies after the fall of Salazar. The American navy had no impact on events in Iran. It will not effect the final outcome in Afghanistan.

Most conspicuously, from the viewpoint of important industrial allies such as Japan, United States naval power has had no impact either on the price of oil or on the willingness of OPEC nations to supply it.

In the Age of Imperialism, the destiny of the world was, perhaps, decided by the masters of the seas. Yet the locus of power is now returning to the land and to those who control the resources beneath its surface. In many instances, of course, the controlling interests are American multinational corporations. Across large areas of the globe, however, American influence is in retreat. The
initiative has been seized by strongly nationalist governments, by armed masses inspired by revolutionary creeds. Japan, no more than any other nation, can afford to ignore the implications of this development.

Japan's extreme reluctance to participate fully in the American sponsored boycott of the Ayatollah Khomeni's Iran, despite the strongest pressure from Washington, is an indication of how dramatically both the global strategic situation, and the Japanese government's evaluation of it, have changed in recent years.

In the past, Japan and the United States have clashed, sometimes bitterly, over China policy. The Iranian crisis, however, confronted Japan with perhaps the gravest problem it has faced since 1945.

The collapse of the Shah's Iran dealt a shattering blow to United States policies in the Middle East. America's principal regional ally was transformed, overnight, into one of her most bitter opponents. One of the central elements of Washington's global energy strategy lay in ruins. It was clear that United States political, economic and military power could do nothing to influence the situation.

Japan's relations with the Shah's Iran had evolved within the framework of the American global alliance system. In the last years of the monarchy Iran was, after Saudi Arabia, Japan's second largest supplier of crude oil, providing some 20.1 per cent of her total oil imports. Iran was a significant market for Japanese goods and a growing field for investment.

Despite the chaotic conditions of post revolutionary Iran, the fall of the Shah provided Japan with important long term opportunities. Nevertheless, Washington made it abundantly clear that continued Japanese purchases of Iranian oil, Japanese participation in
Iranian development projects and banking transactions with Iran would be considered unacceptable conduct from an ally.

The Japanese government sympathised with the American position. At the same time it saw that the United States was utterly powerless to act. It had no alternative but to regard its relations with Iran as only slightly less important to its security than its relations with the United States.

Japan eventually bowed to American pressure on the question of oil purchases. A serious Japanese-American confrontation was, however, only forestalled by the Soviet intervention in Afghanistan. This temporarily shifted the focus of American hostility from Teheran to Moscow, softened the anti-Americanism of at least some elements in Iran and gave Japan an opportunity to demonstrate her solidarity with the United States by boycotting the Olympics and hurling a variety of verbal thunderbolts at Moscow. As soon as the question of the American diplomatic hostages was settled, Japan moved quickly to re-establish relations with Iran, despite the hostile attitude of the Reagan administration.\textsuperscript{174}

Throughout the coming decade, the declining influence of the United States throughout the Third World, the inability of American naval and air power to maintain a favourable \textit{status quo}, together with differing Japanese and American economic interests in these countries can be expected to place considerable strains on the San Francisco system. These factors, much more than the present apparent strengthening of bilateral military co-operation, will shape diplomatic and strategic relations between Japan and the United States in the years ahead. Yasser Arafat's visit to Tokyo may, ultimately, have far more significance than Japanese participation in the RIMPAC exercises.

Japanese Reactions to Economic Friction with the United States

The impact of bilateral economic problems on American thinking about the Japanese alliance has already been discussed.

The influence of these problems on Japanese views of the San Francisco
system is rather more difficult to assess. Given the nature of official
Japanese thinking about the Soviet Union and Korea, the structure of
the Japanese economy and the pattern of Japanese trade, Japanese
governments are likely to consider that a spillover of economic
conflict into the political and military relationship would do more
damage to their own perceived interests than it would to those of
the United States. Because of this, they are likely to go to some
lengths to satisfy Washington's demands. Yet they will not go
to impossible lengths. If forced beyond the limit of what they
regard as reasonable they may well begin to look seriously at other
foreign policy options.

Hitherto, Japan has sought to placate the United States by piecemeal,
temporary concessions. These have done little to remove the cause
of the problems. American (and European) economic pressure has, for
several years, been building up a reservoir of frustration and
bitterness in Japan. In the world of conservative politics, in the
business community, in the bureaucracy and among farmer's organi-
ations, groups that were, in the 1950s and the 1960s, the chief
domestic pillars of the Security Treaty system, feelings of estrangement
from the United States would appear to be growing. 175

At present, these sentiments are contained by a cool analysis of
perceived strategic imperatives ("the Russians are worse"). In
the future, however, they could well break to the surface and begin
to influence other aspects of the relationship.

The growth of establishment anti-Americanism, interestingly enough, comes
at a time when popular support for the political and military
relationship with the United States is at its highest level for years
and when fading memories of the Sino-American confrontation, the
United States withdrawal from Southeast Asia, the legacy of Carter's
"human rights" diplomacy and the Soviet intervention in Afghanistan
have considerably improved the American image with the Japanese left.176
President Reagan's policies, however, especially his hostility towards
détente, his ambivalence on the SALT accords and his lionising of
Lt General Chun Du Hwan in South Korea may well erode popular support
for the American alliance in Japan.

However this may be, many powerful figures in the Japanese conservative establishment find Washington's attitude on bilateral economic issues petulant, sanctimonious, hypocritical and irritating.

It has been widely believed that Japan has been used by the United States as a scapegoat for its domestic economic woes. In the great economic organisations - Keidanren, Nikkeiren, Nissho and Keizai Doyûkai - the opinion has always been strong that the root cause of the problem is simply that the Japanese economy functions more efficiently than the American, that American businessmen lack initiative, that American workmanship is sloppy. 177 Keidanren recently issued a report urging foreign businessmen to improve quality of their exports to Japan. 178 The 1979 Jones Report to the United States Congress was seen in many quarters as part of a one sided anti-Japanese campaign launched in Washington for domestic political reasons. Commenting on the report, officials of the Ministry for International Trade and Industry, while stressing that attempts to refute specific charges would only place Japan at further disadvantage, claimed that Japanese trading practices had been grossly misrepresented. American responsibility for the deficit, they alleged, had scarcely been touched on. The Finance Ministry and the Bank of Japan also strongly objected to the report, particularly to allegations of Japanese discrimination against foreign banks. The Posts and Telecommunications Ministry and NTT were "shocked" by the report's analyses of the foreign goods procurement issue. Parts of the report, indeed, were seen as "slanderous". 179

The Japanese Ministry of Agriculture has fought a long and bitter campaign against the liberalisation of import restrictions on a variety of agricultural commodities. This issue, which affects the livelihood of a very large number of Japanese, has gone almost unnoticed abroad. It is the impression of the present writer that deep seated irritation with American policies in this area has been growing steadily, not only in the Ministry of Agriculture and the Agricultural Co-operative Associations but among the Japanese farming population as a whole.
Within the context of a general decline in United States political and military influence throughout the world, the long term consequences of bilateral economic friction, first on the Security Treaty, then on other aspects of the relationship, could be extremely significant.

As The Japan Times (28 February 1979) commented editorially:

"... After the United States sustained the staggering $12 billion trade deficit with Japan last year, the United States officials and legislators are reported to think that more rapid, dramatic, reduction of Japan's export surplus is necessary.... Most disturbing are the reports that the Americans increasingly interpret the Japan US trade gap as something of an enduring, structural nature, that not a few of them are interested in the possible use of an import surcharge as a last resort countermeasure. If the United States fails to control inflation and restore its industries to a position of strength in the world markets and falls back on an import surcharge or any other device to limit imports across the board, it would entail political and economic consequences too fearsome to contemplate." 180

Omnidirectional Diplomacy

There is, in short, a growing recognition that Japan may well be obliged, in the not too distant future, to alter at least some of the basic assumptions on which her postwar policies have been founded.

At the moment, the American alliance is still seen as indispensable in Japan's diplomacy towards the Soviet Union. It is seen as vital to the maintenance of a favourable status quo in Korea. The Japanese government is prepared to go to considerable lengths to avoid friction with Washington. It is convinced that Japanese-American estrangement would have serious consequences not only for Japan but for the entire Asian-Pacific area.

Yet, in view of the drift of world events, the realisation of Soviet-American strategic parity, the collapse of American policies in Southeast Asia, the general decline of United States global
influence, the emergence of Japanese-American economic friction, the Japanese government has, for some years now, considered it essential to develop relations with a wide range of societies, some within the American orbit, some outside it.

The attempt to reconcile the desire for American protection against the Soviet Union, a continued American military presence in Korea and relatively unrestricted access to the American market with the pressing necessity of cultivating other relationships has led to the evolution of the concept of "omnidirectional diplomacy".

Both the theory and the practice of the omnidirectional diplomacy are beset with serious contradictions.

Nevertheless, "omnidirectional diplomacy" can, in the view of the present writer, be regarded as the beginning of a transitional stage between the Security Treaty system and one of several other possible kinds of relationships, a halfway house on the road to neutrality, a staging post on the way to some other kind of alliance system.

Japan's Relations with the Peoples' Republic of China

The development of Sino-Japanese political and economic relations since 1972 has already been outlined.

Japan's relationship with the Peoples' Republic of China has become an extremely important one. The possibilities for its future evolution are considerable, despite the delicacy of Japan's international position, the erratic nature of Chinese economic planning and the continuing importance of the Taiwan lobby in Japan. The concept of a sound political and economic relationship with China is supported by powerful elements in the Liberal Democratic Party, by most of the opposition parties, the dominant groups in the business community, the intellectual world and by a substantial section of public opinion.

Japan has, however, resolutely declined to endorse China's view of world politics. While the Japanese government remains suspicious of
the Soviet Union it has seen no reason to unnecessarily antagonise Moscow. The anti-hegemony clause in the 1978 Sino-Japanese treaty, as already noted, contains an effective escape device. In January 1979, on the eve of the Sino-Vietnamese war, the then Japanese Foreign Minister Mr Sonoda Sunao, hitherto one of the most energetic exponents of Sino-Japanese amity within the Liberal Democratic Party, refused Chinese requests for a joint front in opposition to "global and regional hegemonists" (the Soviet Union and Vietnam) "in accordance with the five principles and general rules" of the Sino-Japanese treaty.181 In February the then Prime Minister Ohira Masayoshi strongly urged Deng Xiao-ping, visiting Japan on his way back from Washington, to settle China's problems with Vietnam peacefully. (He also requested Chinese help in opening a dialogue between the two Koreas).182 During the Sino-Vietnamese war the Japanese government, and Foreign Minister Sonoda in particular, appeared anxious to offer their services as mediators. Yet some of Sonoda's statements gave the impression that he regarded China's attitude, rather than that of Vietnam, as "hegemonistic".183 During the conflict, as before and after, Japanese businessmen continued to fly in and out of Hanoi on a variety of missions. In a New Year television interview in 1980 Mr Sonoda did not dwell on Japan's special relationship with China. Rather, he expressed his personal belief that Japan should devote her energies to improving the climate of Soviet-American relations and cultivating her ties with the Third World. He also stressed the importance of relations with Europe.

After Sonoda's retirement as Foreign Minister at the end of 1979, Japan apparently moved closer to the Chinese position.

Aid to Vietnam, which was very much in question after the fall of the Pol Pot régime and the installation of pro-Vietnamese Heng Samrin government, was indefinitely suspended. During the course of 1980, Japan emerged as one of the most energetic supporters of the defunct Pol Pot régime. Nevertheless, neither the late Prime Minister Ohira Masayoshi's visit to Peking nor Hua Guo-feng's visit to Japan gave any indication that the Japanese government was inclined to associate itself more unequivocally with the Sino-American anti-Soviet campaign. Throughout 1980 and 1981 Japan steadfastly refused United
States and Chinese requests to participate in the modernisation of China's armed forces and weapons systems. Prime Minister Suzuki Zenkō's administrative policy speech of 26 January 1981, along with Foreign Minister Itō's statement to the Diet on the same day, implicitly gave the question of relations with China lower priority than ties with ASEAN, the United States, Canada, Australia and New Zealand. No reference was made to the possibility of strategic co-operation against the Soviet Union.184

The Taiwan problem, the question of Korea and the dispute over the Senkaku islands all remain potential impediments to the development of Sino-Japanese relations.

The pro-Taiwan lobby retains an influential position within the conservative establishment. Japan's trade with Taiwan is still very significant.

The Korean situation is more complex. Nevertheless an escalation of tension in the peninsula could produce a situation in which Japan and China found themselves supporting mutually hostile Korean factions.

In the summer of 1979 the Sino-Japanese dispute over the Senkaku islands resurfaced briefly when Japan announced plans to construct a helicopter pad and carry out survey work in the area. Both Sonoda and Deng Xiaoping were extremely cautious in their handling of the problem, tacitly agreeing that the matter should be left untouched for twenty or thirty years. Yet it is clearly not a dead issue. Japanese editorial comment has taken, on the whole, an implacably nationalist stand on the Senkaku question. At the height of the dispute in 1979, reference was made to China's own hard line stand on territorial issues with the Soviet Union and Vietnam.186 At the moment, however, there would appear to be a general belief, on both sides of the Yellow Sea, that the strategic, political, economic and cultural issues involved in the Sino-Japanese relationship are too important for it to be allowed to run aground on disputes of this sort.

Nevertheless, the continual modifications to the Chinese modernisation campaign (in particular the latest round of cutbacks, which have cost
Japanese firms an estimated $US 1,000-1,500 million) have created an impression that China is a politically unstable and unreliable economic partner.

Sino-Japanese trade, moreover, has been heavily in Japan's favour. This situation is likely to continue despite China's efforts to rectify it. Because of China's historic fears of Japanese economic and political dominance the emergence of a bilateral balance of payments problem could have an even more important long term effect on Tokyo's relations with Peking than it has so far had on relations with Washington.

The Japanese government regards relations with China as very important. Yet for the time being, it appears to have set clear limits to the degree of intimacy between the two nations.

Japan, South Korea and North Korea and Taiwan

Japan's relations with the Korean peninsula remain complex and difficult.

During the 1950s, former Prime Minister Yoshida Shigeru, convinced that continental involvements had been the penultimate cause of the Pacific War, and harbouring himself a lively anti-Korean prejudice, resisted American attempts to set up political, economic and military links between Tokyo and Seoul. The late President Syng Chol Rhee's intense antipathy towards Japan, together with Seoul's demands for $US 2 billion in reparations, also acted as an impediment to the development of Japanese-South Korean relations. In the early postwar period there was, of course, no question of Japan's developing relations with the communist government in North Korea.

Yoshida's immediate successors, Hatoyama Ichirō and Ishibashi Tanzan, were also lukewarm towards the Republic of Korea. Prime Minister Kishi Nobusuke, who subsequently emerged as one of the leading figures in the Japan-South Korea lobby, was unable to improve relations with Seoul during his period in office. His successor, Ikeda Hayato, shared Yoshida's views. In 1961 he rebuked the Chairman of the Joint Staff Council for suggesting that Korea was important to Japanese
security and that links should be established between the Self Defence Forces and their Korean counterparts.\textsuperscript{188}

By 1965, however the intensification of the Sino-American Cold War, the escalation of the Vietnam conflict, the accession of the Satō cabinet in Japan, the consolidation of the Pak Chung Hi \textit{réime} in South Korea, American pressure in both Tokyo and Seoul together with the cultural revolution in China (which frustrated attempts on the part of the pan-Asianist Japanese conservatives to establish ties with Peking) had resulted in the signing of the Basic Treaty Between Japan and the Republic of Korea.

In the wake of this agreement, relations between Japan and the southern half of the peninsula developed rapidly. Japan, albeit somewhat ambiguously, recognised South Korean claims to be the only legal government in the peninsula.\textsuperscript{189} This made intensified Japanese confrontation with the North inevitable. While the Japanese government, despite considerable American pressure, declined to become actively involved in preserving the military balance in the peninsula, important indirect military links between Tokyo and Seoul were forged through the United States forces in the Far East, especially in the Fifth Air Force, based at Fuchu, near Tokyo. Japan, South Korea, Okinawa and Taiwan became, in fact, a single air defence zone, centered on Fifth Air Force Headquarters.\textsuperscript{190} This situation had extremely serious implications for Japan's ability to act autonomously in time of crisis. The 1969 Satō-Nixon Joint Communiqué specifically singled out South Korea and Taiwan as being vital to Japan's own security.\textsuperscript{191}

During the 1960s and 1970s, economic links between Japan and South Korea grew rapidly.

The totalitarian nature of the South Korean state, the commitment of its leadership to high economic growth within a free market framework, low wage levels and the obstacles confronting trade unions and anti-pollution campaigners have encouraged many Japanese corporations, especially in the fields of aluminium, petrochemicals, shipbuilding and steel, to transfer all or part of their operations to South Korea.
Japanese investment has contributed significantly to South Korean economic growth. In 1976 Japanese investment accounted for some 64 per cent of all foreign investment in Korea. The second largest foreign investor, the United States, trailed a long way behind with 17 per cent of foreign investment in Korea. In the Masan Export Processing Zone over 90 per cent of all investment is Japanese. Japan has been South Korea's second greatest source of loans and credits (19 per cent) after the United States.\(^{192}\)

The Japanese relationship with Korea is not one of mutually beneficial interdependence. As Gavan McCormack\(^{193}\) and others have pointed out, Japan's degree of dependence on South Korea is very much less than South Korea's dependence on Japan. In 1977, the Republic of Korea absorbed 5.1 per cent of Japan's total exports, making it the country's largest export market after the United States. In the same year some 3.0 per cent of Japan's imports originated in the Republic of Korea. In 1977, however, 21.38 per cent of South Korea's exports went to Japan and 36.32 per cent of her imports originated in that country. The balance of trade has been so heavily in Tokyo's favour that in the period 1965 to 1975 the Japanese trade surplus was three times the total value of Japanese aid to and investment in the Republic. Moreover, some 30 per cent of South Korea's foreign trade is handled by Japanese trading companies.

The late 1970s and early 1980s have seen a significant fall in Japanese economic interest in South Korea. This has partly been a result of uncertain political and economic conditions in that country, partly a result of new opportunities in China and ASEAN. Japanese governments have also found themselves under increasing pressure from liberal elements in the conservative party, from the opposition, the press and public opinion on the moral issues involved in the relationship with Seoul. The 1973 Kim Dae Jung kidnapping, the assassination of President Pak Chung Hi, the bloody repression of the Kwangju uprising, the military coup that brought Lt General Chun Du Hwan to power and the subsequent ferocious campaign against dissidents
have all provoked unusually strong reactions from the Japanese government. The trial and threatened execution of Mr Kim Dae Jung brought the Japanese-South Korean relationship close to breaking point. At the height of the crisis, the Japanese Prime Minister, Mr Suzuki Zenkō, threatened that if Mr Kim were executed Japan could re-orientate its Korean policy towards the North. This was certainly a hollow threat. Yet the emotions underlying it ran deep. In August 1981, Japan refused South Korean requests for a $US 6,000 million loan to help fund Seoul's 1982-86 socio-economic plans.194

While South Korea undoubtedly remains of very great economic importance to Japan, and while the dominant elements in the conservative party and the bureaucracy are still convinced of the country's strategic value, there have been subtle indications for some time that the Japanese government is interested in downgrading the relationship. During the Satō era, mention of relations with South Korea and Taiwan ranked high in official foreign policy statements. Prime Minister Suzuki Zenkō's policy speech to the Diet on 26 January 1981 dealt with South Korea only after discussing relations with the United States, the ASEAN countries, Canada, Australia, New Zealand, the EEC and China. Foreign Minister Itō's policy statement followed basically similar lines. The terminology used to describe the South Korean relationship was, on the whole, rather bland. While the Prime Minister noted that "the peace and development of the ASEAN region" had "a profound impact on Japan's own peace and security", that "friendship and cooperation" with the United States formed the principal axis of Japan's external policies, that the countries of Western Europe, Canada, Australia and New Zealand shared Japan's basic ideals, that "peaceful and friendly relations with
China" were developing satisfactorily, Korea was simply characterized
as being "especially important". The Prime Minister spoke of the
need to "deepen mutual understanding". Foreign Minister Itô spoke
of his intention to continue to strengthen the friendly and co-operative
ties between Japan and the Republic of Korea. He also reiterated
Japan's intention to increase trading, economic and cultural ties with
the North.

Since 1979, after an inauspicious start in the mid-1970s, Japan's trade
with the Democratic People's Republic of Korea has begun to expand
rapidly. The mainstream of the Japanese business community, however,
remains unconvinced of Pyongyang's reliability as a trading partner.
North Korea's debts have been renegotiated. In 1980, Japan's exports
to North Korea (principally chemical products, electrical goods and
non-ferrous metals) rose by some 30 per cent on the previous years'
figures. Imports from North Korea (agricultural commodities,
metals, mineral products and textiles) rose by 18 per cent. Never-
theless, Japan's trade with the Democratic Peoples' Republic
remains less than 10 per cent of her trade with South Korea.

Generally speaking, the dominant groups in the Liberal Democratic
Party, the Foreign Ministry and the Defence Agency are suspicious of
North Korea. Cultural ties with the Democratic Peoples' Republic
have developed considerably over the past decade. Yet the gulf in
mutual understanding remains immense. Public opinion polls
consistently show the Democratic Peoples' Republic vying with South
Korea and the Soviet Union for the honour of the most unpopular
foreign country.

Japan severed formal diplomatic relations with the Nationalist régime
on Taiwan when it established ties with the Peoples' Republic of China
in 1972. Since 1972, Taiwan has been regarded as a province of
the Peoples' Republic. This formula was bitterly opposed by sections
of the Liberal Democratic Party, the Foreign Ministry and the Defence
Agency. Japanese rightists continue to call for a restoration of the
status quo ante. Some elements in the Liberal Democratic Party, the
Foreign Ministry and the Defence Agency continue to regard the Taiwan
Straits as essential to Japan's security.

During the 1960s, Japan's trade with Taiwan was considerably more
important than her trade with the Peoples' Republic. Even in 1977,
Taiwan absorbed 3.2 per cent of Japanese exports, in contrast to the
2.4 per cent directed to the Peoples' Republic. In the same year,
Taiwan provided 1.8 per cent of Japan's total imports. Some 2.2
per cent of Japan's imports originated in the Peoples' Republic. It
was only in the period 1979-80 that the Peoples' Republic moved
decisively ahead of Taiwan as a Japanese trading partner.
Political instability on the mainland, together with the erratic
nature of Chinese economic planning, could easily reverse the
situation.196

Japanese investment in Taiwan, concentrated chiefly in the automobile,
electronics and textile fields, has remained second only to that
of the United States. The terms of Japan's normalisation of
relations with the Peoples' Republic, however, have discouraged
large firms from direct investment in Taiwan. Nevertheless, the
Taiwan connection, like the links with South Korea, will remain
an important element in Japan's foreign and domestic politics for
many years.

**Japan's Ties with the ASEAN Powers**

**Historical Factors**

Japan's ties with continental and insular Southeast Asia have never had,
until comparatively recent times, quite the same importance as her
relations with China, Korea and the countries of the Northeast.

At the time of the Meiji Restoration, despite pressure from pan-
Asianist groups, the Japanese government was content to see the area
remain the preserve of the imperial western powers. South-east
Asia was, on the whole, peripheral to the schemes of the Shōwa
imperialists. The Coprosperity Sphere planners saw the great arc of territories extending from the Philippines through New Guinea, Indonesia, Indochina and Burma to the frontiers of India as constituting the outer defence perimeter of an organisation centered on Japan, Korea, Manchukuo and China. Japan's involvement in Southeast Asia was essentially strategic. A strong Japanese position in Indochina was seen as necessary to halt the flow of Anglo-American aid to the embattled Kuomintang. Japan's absorption of Indochina precipitated the Anglo-American oil embargo. The oil embargo, by further hampering of the Japanese effort in China and clarifying Washington's attitude towards Tokyo's bid for continental hegemony, forced the Japanese to embark on the conquest of the Dutch East Indies. In this sense, Japan's expansion into Southeast Asia was the necessary and inevitable consequence of her attempt to preserve her empire in Manchuria, defeat the Kuomintang and the Chinese communists and incorporate continental China into a Japan centered East Asian alliance system. It did not have an economic, political and cultural rationale of its own.

**Japan and Southeast Asia in American Cold War Strategy**

During the 1950s and the 1960s Japan's ties with Southeast Asia, like virtually all aspects of her external relations, developed within the framework of her alliance with the United States.

American strategic planners, viewing the Peoples' Republic of China as the principal threat to American interests in the Far East, were determined to prevent a Sino-Japanese rapprochement. They were also anxious to forestall Japan's own re-emergence as a rival Great Power. The United States believed it had an interest in continued conservative rule in Japan. Washington was, moreover, hopeful of building up the economic and political infrastructures of its allies and client states in Southeast Asia. Many American policy makers hoped that Japan might eventually undertake military responsibilities in the region.

All of these objectives, it was felt, could be facilitated by
encouraging Japanese dependence on the resources and markets of Southeast Asia. A Japanese rapprochement with the Peoples' Republic of China could be avoided, Japan herself could be controlled, new prosperity would sap the strength of the Japanese left, reparations, Japanese aid and investment would consolidate the position of pro-American régimes from Seoul to Bangkok. Japan might eventually be persuaded to help defend her new interests through political support and military commitments. 198

This grand strategy rested on the assumptions that Sino-American hostility would prove enduring, that Japan would be in no position to challenge the United States, either economically or politically, and that Washington would be able to preserve its virtual hegemony over post-colonial Southeast Asia.

Southeast Asia, China and the United States in Japan's Global Strategy

As has already been noted, Japan's postwar conservative governments have shared some, but by no means all, of America's strategic perceptions.

Throughout the 1950s, Japanese involvement in Southeast Asia remained at a relatively low level. Nevertheless, the Ikeda cabinet's income doubling policy, itself conceived partly as a measure to check the growth of the Socialist and Communist parties in the wake of the 1960 Security Treaty crisis (which had threatened both United States policies in North Asia and the stability of conservative rule in Japan) led to a rapid increase in Japanese economic interest in the area.

Significantly, however, the Ikeda cabinet does not appear to have decided to develop close ties with Southeast Asia until the global strategic situation, events in China and factional conflict within the Liberal Democratic Party had convinced the Prime Minister that some kind of relationship with the Chinese was, for the time being, impossible.

During the late 1960s, Japan's relations with non-communist Southeast
Asia grew in scale and complexity. By the end of the decade, Japan, now the world's third largest economy, had begun to replace the United States as the dominant economic power in the region. By 1970 the basic assumptions on which United States Cold War strategy had been founded had begun to collapse. Soviet-American strategic parity, Sino-Soviet rivalry, the decline of United States global economic hegemony and the search for a solution to the Indochina war had forced the Nixon administration to initiate a policy of détente. At the same time, Japanese-American economic friction was beginning to re-emerge as a significant factor in East Asian politics. Perceptions of Japan as a serious economic rival had generated protectionist sentiment in the United States. The success of the revolutionary forces in Indochina was undermining American military and political influence throughout the entire region.

These developments coincided with the slow emergence of the Association of Southeast Asian Nations (ASEAN) and the drift of regional opinion towards support for the Malaysian concept of a zone of peace, freedom and neutrality (ZOPFAN).

From the beginning, the Japanese government has displayed very great interest in ASEAN.

At the same time, aware of the implications of the rapidly changing world situation, Japan has attempted, as far as possible, to co-ordinate its Southeast Asian policies with those of the United States.

No doubt, of course, many Japanese, along with many Americans continue to believe that the interests of their two countries in this part of the world coincide.

Nevertheless, Japanese political and economic leaders cannot fail to be aware that, in an age of strained economic relations with the United States and generally unsettled relations among the non-communist industrial powers, any appearance of unilateral preponderance in Southeast Asia could have a disturbing effect on relations with Washington.
The Japanese government also knows that its involvement with ASEAN's military junta, oligarchies and family dictatorships could aggravate regional social and political unrest. The lessons of Japan's own pre-war entanglements in China and of America's more recent involvement in the Caribbean, Central America, Indochina, Iran and the Arab world are very clear. The response to the Tanaka visit to Southeast Asia in 1974 served as a timely warning. Japan's strategic weakness, the declining cost-effectiveness of force as a determinant in North-South relations and the domestic Japanese political climate make it impossible for Japan to consider supporting her regional diplomacy by military means.

In this sense it has been to Japan's advantage to encourage the United States, economically less and less a regional competitor, to act as residual custodian of the status quo.

Dependence, Interdependence, Aid and Investment in Japanese-ASEAN Relations

At present, some 9 per cent of Japan's total exports are directed towards the five ASEAN countries. ASEAN supplies 11.9 per cent of Japan's imports. In contrast, some 26.3 per cent of ASEAN's exports are directed to Japan. 24.7 per cent of ASEAN's imports come from Japan.

Altogether, some 14.5 per cent of Japan's total resource imports originate in the ASEAN region. While this figure is relatively high, and while many of the raw materials concerned are vital to the survival of the Japanese economy, the relationship is not necessarily an interdependent one. Certainly, Japan relies on the ASEAN countries for some 96 per cent of her tin imports, 98 per cent of her natural rubber, 32 per cent of her lumber needs, 30 per cent of her bauxite, 32 per cent of her copper and 14 per cent of her oil. In general, however, the trade in these commodities is still relatively more important for the ASEAN countries that it is for Japan. The 14 per cent of Japan's oil requirements that are currently met by ASEAN suppliers (chiefly Indonesia) represent, for example, some 80 per cent of Indonesia's total oil production.
Japanese investment in all ASEAN countries except Thailand increased rapidly during the 1970s. American investment, in contrast, declined in all ASEAN countries except Malaysia. 203

The increase in Japanese investment resulted from the interaction of several factors. The rapid growth of exports and the necessity of avoiding disequilibrium in the balance of payments persuaded the Japanese government to dismantle regulations on the outflow of capital. The success of the Japanese labour movement in securing better wages and conditions, the rising cost of land in the home archipelago, public outcry against pollution, rising tariff barriers against Japanese manufactured light industrial goods in several developing countries, along with the desire to secure access to resources all combined to induce Japanese industry to invest abroad.

In 1971, Japan's share of the total foreign investment in ASEAN countries was 15.62 per cent. The United States share was 36.40 per cent. By 1976, the Japanese share had increased to 36.44 per cent, while the American share had declined to 26.02 per cent. At the present time, some 20.6 per cent of Japan's total direct overseas private investment is in ASEAN countries. Investment in ASEAN represents two thirds of all Japanese investment in Asia. Some 2,000-3,000 Japanese corporations currently operate in Southeast Asia. Giant corporations like National, Toyota and Matsushita Electrics exert an incalculable influence on local economics. Medium and small Japanese enterprises are also active.

Within ASEAN, Japanese investment is especially heavy in Indonesia (39.72 per cent of the total share), where it far exceeds that of any other country. Japan is also the largest foreign investor in Malaysia (21.42 per cent of the total share), Singapore (26.57 per cent) and the Philippines (34.93 per cent). Only in Thailand has the overall share of Japanese investment been declining (from 35.19 per cent in 1971 to 26.08 per cent in 1976).

The Japanese aid programme to ASEAN has been very substantial. In 1975 some 75 per cent of Japanese government to government level
aid was directed towards Asia, compared with 10.6 per cent channelled into the Middle East, 6.9 per cent into Africa, 5.6 per cent into Central and South America and 1.9 per cent into other areas. Of this 75 per cent, 44.7 per cent was directed towards ASEAN countries, with Indonesia receiving a total of 23.3 per cent, Malaysia 7.5 per cent, the Philippines 8.2 per cent, Singapore 0.9 per cent and Thailand 4.8 per cent. If all kinds of government aid, direct private investment, deferred payments and other kinds of assistance all added to this figure, 60.3 per cent of all Japanese economic co-operation in 1975 was directed towards Asia. Of this, the ASEAN countries received a total of 40.6 per cent. (In contrast, 18.4 per cent was directed to Central and South America, 12.9 per cent to the Middle East and 6.8 per cent to Africa). Of the 40.6 per cent channelled into ASEAN, Indonesia received 25.9 per cent, Malaysia 5.5 per cent, the Philippines 4.9 per cent, Thailand 2.9 per cent and Singapore 1.4 per cent.204

Japanese investment and aid has undoubtedly made an important contribution to regional economic growth. Yet in many cases its sectoral and regional distribution have created serious problems. The impact of Japanese corporations on local political and economic life has tended to exacerbate previously existing inequalities and tensions. In this sense, of course, the political, economic and social impact of Japanese business operations in Southeast Asia differs little from that of other foreign firms. Japanese corporations, however, have generated peculiar problems of their own.

In Indonesia, for example, Japanese investment during the period 1967-1974 was especially heavy in the manufacturing sector, representing 75.6 per cent of total Japanese investment in the country and 53.9 per cent of all foreign investment in this area. Japanese capital made an immense contribution towards Indonesian GNP growth. Yet despite the fact that it was concentrated, on the whole, in labour intensive industries such as textiles and consumer goods, and should theoretically have had a positive effect on employment, Japanese industries in fact tended to undermine the position of indigenous small and medium enterprises. The weakening of these
enterprises had a devastating impact on employment. It has been estimated, that some 391,000 jobs were lost through the collapse of traditional Indonesian textile operations in the face of competition from Japanese financed firms. Japanese investment in the textile industry, however, created only 18,000 new jobs. The adverse economic and social impact of Japanese investment was magnified by the fact that the workers in the new enterprises tended to come, on the whole, from the better educated, more highly paid sections of the community. Economic and social disparities within the indigenous population were thus increased. Concentration of Japanese investment in urban Java, moreover, reinforced existing regional problems, widening the gap between Java and the other Indonesian islands, and between urban Java and rural Java. (During the period 1967-1974, 74 per cent of Japanese investment projects were situated in Java, 6 per cent in Sumatra, 5 per cent in Kalimantan and 5 per cent in Sulawesi). While Japanese investment in Indonesian natural resources projects (17.1 per cent of total Japanese investment in Indonesia) was relatively small compared to that of the United States and some of the European powers, the dependence of local firms on Japanese credit gave Tokyo considerable influence. Contracts frequently stipulated that all the output be shipped to Japan, a certain proportion of the profits being used to repay the original capital loan. This produced a de facto Japanese monopoly of several Indonesian resource exports, the most notable being timber. It also tended to retard the development of Indonesian processing industries.

The irresponsible behaviour of some Japanese firms towards the environment was also a matter for concern among many Indonesians.

The special characteristics of Japanese company organisation systems, the racist attitude of many Japanese towards Indonesians, the reluctance of some corporations to employ Indonesians in the higher echelons of management, their hesitancy in transferring advanced technology to Indonesia, corruption, bribery and, perhaps, most significant of all, the mutually advantageous relationships between Japanese business, high ranking Indonesian military officers and the overseas Chinese business community have all caused serious difficulties.
Unless these problems are rectified, the entire Japanese position in Southeast Asia could eventually be threatened. In the view of the present writer, such a development would be neither in the interests of Japan itself nor of the region as a whole.

The Strategic Importance of ASEAN to Japan

From Japan's point of view, the ASEAN nations are important not only as sources of raw materials and as fields of investment.

Together with the countries of Indochina, they lie athwart trade routes vital to Japan's survival as an industrial society.

Some 80 per cent of Japan's oil supplies move in supertankers across the Indian Ocean, pass through the Malacca Straits, then head north to Japan across the South China Sea. Approximately 40 per cent of all Japan's resource imports, exclusive of oil, pass through the Malacca Straits. Vessels bringing iron ore and other minerals from Australia must also pass through Indonesian waters and across the South China Sea.

The ASEAN countries, moreover, represent votes in United Nations and a variety of other international forums. It can be assumed that the strengthening of Japan's economic, political and cultural ties with ASEAN has been seen by many groups in Tokyo not only as a means of facilitating access to the resources, markets and inexpensive labour of the region, and thus of consolidating Japan's economic and military security, but also as a way to improve Japan's long term bargaining positions vis-à-vis the other advanced industrial powers. It is probably hoped that the economic links between Japan and the countries of the region, together with the flow of aid, cultural interchange and so on, will not only discourage the ASEAN powers from adopting anti-Japanese policies and help preserve a regional status quo favourable to the interests of the contemporary Japanese establishment but may also, when necessary, incline the ASEAN countries to support Japan against its industrial rivals.
Japan, the United States, Oceania and ASEAN in the Late 1970s

In January 1981, the Japanese Prime Minister Mr Suzuki Zenkō broke with long established tradition by visiting the ASEAN countries before making the annual pilgrimage to the United States. This event symbolised the subtle reorientation of priorities that has been taking place for sometime.

Just prior to the first ASEAN Prime Ministers' conference in Bali (February 1976) the then Japanese Prime Minister Mr Miki Takeo discreetly suggested that a meeting of Japanese and ASEAN leaders be arranged after the summit. At this time the ASEAN leaders turned down the request as "premature". The question of ASEAN was taken up at the Fukuda-Carter talks in March 1977. Both the Japanese and the American leadership expressed support for the organisation and its objectives. There were indications, however, that the Japanese interest was considerably stronger than the American. Southeast Asia was low on President Carter's list of international priorities. Some groups in the United States saw the organisation as an emerging economic block that might eventually act in ways contrary to America's perceived interests.

The second ASEAN leaders' meeting, held in Kuala Lumpur in August 1977 was attended by Prime Minister Fukuda and by the Prime Ministers of Australia and New Zealand. At the Kuala Lumpur conference Mr Fukuda, stressing Japan's "special and extremely close ties with ASEAN" and the need for a "heart to heart dialogue", committed Japan to acting as "an equal partner" in the region's development.

Specifically, he held out the prospect of Japanese participation in five major ASEAN projects, of doubling Japan's aid to all developing countries over a period of five years and of giving ASEAN special priority in this regard. Japan would also co-operate with ASEAN in finding ways to increase access to Japanese markets for the region's exports. Japanese support for increased cultural exchanges, both between Japan and ASEAN and within ASEAN itself was also promised.

Mr Fukuda stressed Japan's total lack of interest in a role as a regional military power. This was intended both to assure Southeast
Asian countries that Japan posed no military threat to their interests and also to remind them that Japan did not consider itself responsible for maintaining the regional status quo.

It was also intended to convey the same message to Washington.

Japanese interest in a continued American military presence in the Southeast Asian area was reaffirmed at the Fukuda-Carter talks in May 1978.216

Japan consulted closely with the ASEAN powers, along with the United States, China and Australia, at the time of the 1978 Cambodian crisis and the 1979 Sino-Vietnamese War. While the facts are by no means clear, it seems possible that Japan's attitude to the problems of Indochina, especially her hostility to Vietnam, support for the Pol Pot régime and subsequent interest in schemes for a "third force" in Cambodia, have been influenced at least as much by some of the ASEAN countries as by China, the United States and Australia.

The political, economic, strategic and moral issues involved in Japan's co-operation with ASEAN countries are just as complex as those involved in the Japanese-South Korean relationship.

Yet while the Korean issue has been, for many years, the focus of an intense national debate, there has been little inclination to question the wisdom of too intimate an association with the almost equally totalitarian, equally fragile and unstable régimes of Southeast Asia, little inclination to discover whether the Japanese-ASEAN relationship, as it actually operates, is a genuinely mutually advantageous one. There has been little sophisticated examination of alternative regional strategies.

To sum up, the Southeast Asian region is very great importance to Japan. The Japanese association with ASEAN has grown out of the San Francisco system and the Cold War. It is, at the moment, complementary with the American alliance. Yet, like the Sino-Japanese relationship, it has the potential to evolve into an autonomous arrangement, with a momentum and direction of its own. It also contains serious internal contradictions. These could, in particular circumstances, have serious and far reaching repercussions.
Japan and Indochina

In the period immediately after the end of the Indochina war, Japan made considerable efforts to place her relations with Vietnam on a sound footing. The Vietnamese, too, appeared interested in establishing good relations with Japan, with Australia and with potentially sympathetic European countries such as France and Sweden.

Japanese policy rested on the assumption that the United States would continue to pursue a policy of equidistance between Moscow and Peking, that American interest in Southeast Asia would further decline, that the region would probably not become a major theatre of Sino-Soviet conflict, that Sino-Vietnamese relations would remain stable and that Japan's own relations with China would show steady, but perhaps not dramatic, improvement. The end of the Vietnam war was believed to have ushered in an era of increased stability in continental Southeast Asia. It was considered that while Vietnam had legitimate security interests, which had to be taken into account, the leadership in Hanoi was chiefly interested in internal reconstruction. Japan, it was thought, could play an important and highly profitable role in this area. The maintenance of good relations between Vietnam and the ASEAN powers was also judged to be a vital Japanese interest. It was also thought to be important for Japan to provide Vietnam with alternatives to the Soviet Union and China in the field of trade and development assistance.

Both the Japanese government and the economic establishment showed a lively appreciation of Vietnam's future potential, both as a political influence in Southeast Asia, as a market for Japanese plant and equipment and as a source of raw materials.217

In the years after the war, Japan-Vietnam trade, although small in volume, expanded steadily. In 1976 the total volume of two way trade was US $216.5 million. In 1977 it had grown to US $242 million. Japan's trade with the Socialist Republic of Vietnam, while in no way comparable to her trade with any of the ASEAN countries, was approximately the same value as her trade with Austria, Finland or North
Korea, and rather more significant than her trade with Bulgaria, Czechoslovakia, East Germany and Hungary. It clearly had considerable capacity for growth. In 1975-76, Japan also extended some US $25 million in aid to Vietnam. So promising did the future of Japanese relations with Vietnam appear that in 1976 Prime Minister Fukuda was obliged to assure ASEAN leaders that Japan's ties with Hanoi would in no way alter her attitude to ASEAN.

By the end of 1977, the situation in Southeast Asia appeared to be developing in a direction generally favourable to Japanese perceptions of their interests in the area. Neither of the superpowers appeared overly active in the region. While these were signs of increasing Sino-Vietnamese tension, culminating in China's total suspension of aid to Hanoi and the massive exodus of ethnic Chinese from Vietnam, Vietnam's relations with the ASEAN powers improved steadily. Between 28 December 1977 and 12 January 1978 the Vietnamese Deputy Prime Minister and Foreign Minister Mr Nguyen Duy Chin visited all the ASEAN countries except Singapore to discuss trade and regional security problems. The visit, which was welcomed in Japan, appeared eminently successful. The communiqué issued after the visit to Thailand spoke eloquently of the progress of mutually advantageous relations, of the contribution both countries could make to the cause of peace, independence and neutrality in Southeast Asia. During the course of 1978, against a background of worsening relations between Hanoi and Peking and border clashes on the Vietnamese-Cambodian border, the rapprochement between Vietnam and ASEAN continued to develop.

The prospects for improved Japanese-Vietnamese ties and for better relations between ASEAN and the Indochina states were, however, destroyed by the major changes that took place in the structure of world politics during the course of 1978. The Carter administration began to think in terms of a Washington-Tokyo-Peking entente cordiale, linked up with NATO, ASEAN. Australia and New Zealand. Sino-American relations improved rapidly. The dominant groups in the Peking leadership moved quickly to conclude the Treaty of Peace, Friendship and Mutual Co-operation with Japan. Chinese leaders made a series of visits to Burma, Nepal, the Philippines, Bangladesh, North Korea and
Cambodia, stressing the imminence of the Soviet threat and Vietnam's alleged role as Moscow's Southeast Asian surrogate. Sino-Vietnamese relations deteriorated rapidly. China gave increasing military support to the Pol Pot régime in Cambodia. All of this left the Vietnamese with no alternative but to strengthen their ties with the Soviet Union.

While not a few Japanese political leaders and officials were convinced that American and Chinese hostility to Vietnam was both groundless and counterproductive, the immediate advantages to be derived from attempts to improve relations with Vietnam in the teeth of American and Chinese opposition seemed minimal. In late 1978-79, the prospects for economic co-operatives with China, in particular, appeared boundless. Thus, at the time of the Sino-Vietnamese war, Japan, despite misgivings about the direction of Chinese policy, and after some attempts at mediation, gradually drifted into a position hostile to Vietnam. Since the Sino-Vietnamese War, Japan has been very active in its opposition to Hanoi, particularly to the Vietnamese presence in Laos and Cambodia.

That Japan's attitude is not based on general support for the principles of self-determination and non-aggression is evident from her indulgent policies towards Indonesia before and after the invasion of East Timor.

Japanese Relations with Australia

Since the 1960s, Japan's relations with Australia, previously one of her most intransigent and suspicious opponents, have developed to a remarkable degree.

The relationship has been, until very recently, largely an economic one, despite the close ties of both countries with the United States and the importance of their bilateral trade to Washington's global strategies.

Prewar Japan did not attach much importance to Australia, either in political or economic terms. Australia was regarded, quite correctly, as a remote outpost of British imperial power. The Pacific War did little to change these perceptions. The 1957 Japanese-Australian agreement on commerce went largely unnoticed in Tokyo. In Australia,
despite the fact that its potential advantages were appreciated by both government and opposition, the agreement was greeted with considerable scepticism by wide sectors of public opinion.

Japan's imports from Australia, chiefly wool, grains and other agricultural commodities, increased steadily throughout the 1950s.

During the 1960s, an extraordinary expansion of bilateral trade took place. The character of Japan's economic relations with Australia also began to change. The growth of the Japanese economy, and, in particular, of the Japanese steel industry, coincided with the discovery of massive iron ore, coking coal and other mineral deposits in Australia. It also coincided with Great Britain's continued decline as a world power, her entry into the EEC, the consequent loss of many of Australia's traditional markets and an intensified American interest in preventing Japanese rapprochement with China and the Soviet Union.

The demands of a rapidly expanding economy, the difficulty of establishing truly complementary relationships with the Peoples' Republic of China or the Soviet Union, the heavy pressure on Japan's traditional suppliers of iron ore such as India and Malaysia, combined with the high cost efficiency of the Australian product combined to turn Japanese interests increasingly towards Australia.

By the mid-1970s, Japan was dependent on Australia for some 44 per cent of her imported iron ore, 38 per cent of her imported coal, 38 per cent of her bauxite, 82 per cent of her wool and 16 per cent of her wheat supplies. The Japanese-Australian trading relationship had become the seventh largest in the world.

In the late 1970s, under the impact of the continuing global energy crisis, Japanese industry began to view Australia as an important partner in the field of energy development. Australia seemed likely to emerge as one of Japan's principal suppliers of uranium ore. Japan was also expected to import some 40-50 per cent of her steaming coal needs from Australia. At the time of writing (May 1981) Japanese-Australian negotiations on the Northwest Shelf LNG
project, one of the world's largest energy ventures, appeared to be entering a new stage. Japan has also demonstrated considerable interests in oil shale exploitation ventures and in brown coal liquafaction.

Japan's political relations with Australia have been completely overshadowed by economic issues. As far as can be discerned from the public record, any parallels in Japanese and Australian foreign policy can be attributed to the common American connections rather than to mutual consultation. Japanese attitudes to the American alliance, to the Soviet Union, the Peoples' Republic of China, the Korean peninsula and the Middle East have never been influenced by Australia. Japan is unlikely to feel impelled to consult Australia overmuch about these matters. Japan does seem, however, to have been anxious to obtain some degree of Australian understanding towards her Southeast Asian policies. The two nations appear to have co-operated, to some extent at least, in formulating economic policies towards Papua New Guinea and the South West Pacific.

Japan's relationship with Australia is only one of a number of similar relationships with resource and energy rich countries. The relationships with Saudi Arabia and the Persian Gulf states are in every way as crucial to the survival of the Japanese economy in its present form. The ties with the ASEAN states are no less so. Japan's relations with China, the Soviet Union, Brazil, Mexico or Southern Africa might eventually achieve a similar order of importance. The Japanese-Iranian relationship might, in time, recover the status it enjoyed during the time of the Shah. Japan's resources and energy policies, as they have evolved under the impact of the successive crises of the 1960s and the 1970s, have, very properly, been directed towards diversifying sources of supply as far as possible.

From Japan's point of view, however, the relationship with Australia has some advantages that are less apparent in her dealings with other comparable countries.

First, abundance of supplies, low domestic demand, highly mechanised
operations and the development of sophisticated, inexpensive ocean transport facilities have made the Australian minerals and energy industry one of the most cost efficient in the world.

Second, Australia is both an extremely stable and an extremely conservative society. The great struggles for democracy and social justice, which continue to rage in many parts of Southeast Asia, the Middle East, Africa and Latin America, were fought out in Australia, in comparative tranquility, many decades ago. Labour relations in Australia, it is true, leave much to be desired. Yet the strikes which disrupt Australian industry are part of a continuing process of adjustment in a comparatively democratic and egalitarian society. They are indicative of an underlying strength, not of weakness. Japan's political and business leaders, therefore, can feel assured that, whatever minor inconveniences they have to suffer, their Australian operations are unlikely to be affected by the massive social and political upheavals that are all but inevitable in Saudi Arabia, the Gulf States, some of the ASEAN powers, Brazil or South Africa.

Third, Australia is a small and relatively prosperous country, with a somewhat nebulous sense of nationalism, few grandiose aspirations and a long history of political, economic, cultural and psychological dependence on larger metropolitan powers.

The Australian economy is as heavily dependent on that of Japan as it once was on that of Great Britain. Nevertheless, the Australian-Japanese relationship appears to have been so far, relatively free of identifiable neo-colonialist attributes. Australian defence planners, it is true, continue to regard Japan as the country's least improbable hypothetical antagonist and consider that Australia's position as a resource supplier increases the dangers to which it is exposed. Yet there is a general conviction that Australian prosperity is inextricably linked to that of Japan. Neither the Australian government, nor the Australian people, evince much resistance to dependence on the Japanese market. There is little opposition, either at the official or the popular level, to foreign control of important sections of the economy. There is an almost universal assumption that foreign capital essential for "development" and that "development" is a desirable national goal.
National sentiment, while strong in some quarters, has always been subordinate to world views which see Australia as part of some wider commonwealth. It has already been noted that for the overwhelming majority of Australians, loyalty to the British Empire, centred in London, has been replaced by loyalty to the "Free World" centred in Washington.

Japan, allied, like Australia, to the United States, is seen as an integral part of the "Free World". The Australian government and the Australian people appear persuaded that by satisfying Japan's economic requirements, even at an occasional small sacrifice, they are strengthening the "Free World" against its enemies, helping keep Japan in the American camp, preventing the revival of Japan as an independent and potentially dangerous non-Anglo-Saxon power and, at the same time, contributing to their own prosperity.
GREAT POWER POLITICS AND THE FUTURE
OF THE ASIAN-PACIFIC REGION

PART II

POSSIBILITIES
(i) The possibility that two or more of the great powers in the region might attempt to resolve their conflicts through resort to war.
THE POSSIBILITY THAT TWO OR MORE OF THE GREAT POWERS IN THE REGION MIGHT ATTEMPT TO RESOLVE THEIR CONFLICTS THROUGH RESORT TO WAR

In the immediate future the global rivalry between the United States and the Soviet Union, together with the interlocking Sino-Soviet conflict, are likely to constitute the principal axes of tension in Asia.

A renewal of Sino-American hostility is always possible. China and Japan could, in certain circumstances, come into conflict over Korea, Taiwan or the Senkaku Islands.

A clash between Japan and the Soviet Union is improbable outside the context of a general war in the Far East. Neither Japan nor the Soviet Union are likely to use military force to settle purely bilateral issues.

Japanese-American economic friction could result in the erosion and eventual collapse of the San Francisco system. In the medium to long term future, however, military rivalry between the United States and Japan, while not entirely unthinkable, is one of the less likely possibilities on the international horizon.

A Soviet-American War

Unless unexpected technological developments, insanity in the leadership, mass hysteria, or a combination of all these elements appears to give either the United States or the Soviet Union some hope of rapid victory over its opponent, direct Soviet-American military conflict seems improbable.

Accidental outbreak of war is, of course, always possible.

Soviet-American hostility is likely to continue indefinitely, although as yet unforeseeable developments, such as the emergence of a nuclear armed, united and revivalist Islamic commonwealth, or a Sino-Japanese alliance, could perhaps bring about some degree of rapprochement.
A Sino-Soviet War

What is the likelihood of a Sino-Soviet War?

In the present international environment, four broad possibilities can be identified.

(i) a purely bilateral Sino-Soviet conflict initiated by either side to settle purely bilateral issues,

(ii) a Soviet invasion of China to prevent China's incorporation into a global anti-Soviet alliance system,

(iii) a Sino-Soviet clash arising out of a super-power conflicts in Europe or the Middle East,

(iv) Soviet and Chinese involvement, through diplomatic support, military and economic assistance, on opposite sides in a variety of Third World conflicts.

(i) A purely bilateral Sino-Soviet conflict would seem unlikely.

It is not impossible since men do not always perceive reality as it is and sometimes do not act according to their interests even if they do.

However, long term political and strategic considerations should incline a rational leadership in both Moscow and Peking to avoid any major direct clash.

The Soviet Union enjoys overwhelming nuclear superiority. It also disposes of considerable conventional advantages in Central Asia. It will retain these advantages for many decades - if not permanently.

Nevertheless, a Soviet nuclear attack on China, however limited, whatever its justification, would make the Sino-Soviet conflict virtually irreparable. It would also undermine Soviet diplomacy throughout Europe, Asia, Africa and Latin America. Even among those Third World powers favourably disposed towards it the Soviet Union would be viewed
as a ruthless western nation prepared, like its rival the United States, to employ every weapon in its arsenal against Asian peoples in defence of its own imperial interests.

The Russians would also run the risk of provoking American nuclear retaliation, although this risk would be, in the view of the present writer, a relatively minor one.

The Soviet Union is not in a position to invade China proper with its conventional forces, destroy the apparatus of the Chinese state and establish a government of its own choosing, as the United States was able to do in Japan in 1945. The operation would be too vast, too complex and too dangerous to contemplate. It would have serious implications for the Soviet position vis-à-vis the United States, Western Europe and Japan and, again, for the future of Soviet diplomacy in the Third World.

Nevertheless, Soviet conventional superiority in Central Asia, together with the fact that the high plateaux, deserts and steppes of Tibet, Sinkiang and Mongolia are inhabited by non-Chinese peoples, some of whom have maintained, even in the post-revolutionary era, vigorous traditions of resistance to Peking, do provide Moscow with a number of alternative military-political options.

International reaction to the 1979 Chinese attack on Vietnam, together with the diversity of world response to Soviet actions in Afghanistan, make it possible that Moscow might, in certain circumstances, be more inclined to consider exercising some of these options than it has hitherto been.

In the case of another Sino-Vietnamese war, for example, the Soviet Union could launch a limited conventional operation against Sinkiang, detach the province from China, establish a Soviet backed Uigher Democratic Peoples' Republic, based on anti-Han elements in the area and Uigher dissidents now resident in the Soviet Union, then sign a series of economic, political and military agreements with the new régime.
Alternatively, or, perhaps, simultaneously, Moscow could support a drive by the Mongolian People's Republic to unify all Mongol speaking peoples. It will be recalled that the Mongolian armed forces apparently went on a low level alert at the time of the 1979 Sino-Vietnamese war.

Again, the Soviet Union, perhaps with the co-operation of its Indian allies, could work to destabilise the situation in Tibet.

In the context of another Sino-Vietnamese War, Chinese claims to be the injured party might receive something less than overwhelming global support.

The Soviet Union, however, is unlikely to initiate such actions unless its own vital security interests, or those of its allies, are at stake.

The Chinese, for their part, would almost certainly be reluctant to initiate hostilities with the Soviet Union.

Whatever prior commitments had been made, Peking would know that American nuclear support would be at best uncertain. China's small nuclear force cannot provide a credible deterrent against either of the superpowers. Chinese guerilla units could post a threat to Soviet communications facilities and installations in Siberia and, perhaps, parts of Central Asia. Yet China is, at the present time, quite unable to mount an effective, large scale, conventional invasion of the Soviet Union. In any big conflict in the Central Asian borderlands, the highly mechanised forces of the Soviet Union would have every advantage, despite the immense distances separating them from the Soviet heartland. A Sino-Soviet clash in Mongolia or the Turkestan would be the Battle of Nomonohan on an enormous scale.

(ii) The entry of a successfully modernizing Peoples' Republic into a military alliance with the United States and its NATO allies, Japan, ASEAN and Australia might perhaps tempt Soviet leaders to launch an invasion of China, either with the object of toppling the Peking government or precipitating the break-up of the Chinese state.
The question of possible Soviet responses to a grand anti-Soviet coalition, incorporating China, will be discussed later.

Suffice it to remark that invasion of Chinese territory, while always conceivable, would be the most dangerous, and, in all probability, least effective Soviet response to the emergence of a new Holy Alliance.

It is probable, however, that if the degree of tacit diplomatic and military co-operation among the United States, NATO, ASEAN, Japan, Australia and China continues to increase, Soviet advocates of a cautious and subtle diplomatic response will find themselves hard pressed by exponents of more forceful solutions.

(iii) The eruption of a Soviet-American conflict in Europe or the Middle East would intensify Sino-Soviet hostility in Asia.

In any war with the United States, the Soviet Union would probably wish to concentrate its main forces in Europe and the Middle East, maintaining a relatively defensive posture in Inner Asia, Siberia and the Far East.

Any agreements among Washington, its NATO allies, Japan and China on grand strategy would presumably include provisions for Chinese military action against Soviet territories in the Far East and Central Asia. Chinese action against Mongolia, Vietnam or India would also be conceivable, depending on the circumstances and character of the wider global conflict.

The outbreak of a major conflict in Europe or the Middle East, therefore, could be expected to produce one of two Soviet responses.

If Moscow judged China's alliance with the United States, NATO and Japan to be a firm one, the Soviet Union might deliver a series of lightening strikes on Chinese military installations, communications networks and industrial facilities, then withdraw to a defensive
position along its Inner Asian and Siberian borderlands, striking out again as necessity seemed to demand.

If the Russians judged that the Chinese were vacillating in their alliance with the United States, Moscow might content itself merely with preserving the security of its borders. In the initial stages of any conflict among the superpowers, Chinese neutrality would be, in the view of the present writer, a very real possibility. If a Soviet-American war stopped short of the apocalypse, the Chinese attitude would be determined both by the outcome of domestic factional struggles and by the leadership's judgement about the likely outcome of the superpower conflict.

(iv) If direct Sino-Soviet conflict appears improbable, indirect confrontation through involvement in Third World struggles is likely to continue.

In this exercise the Soviet Union, because of its ability to supply greater economic and military aid, its better intelligence system, its more sophisticated strategic analysis and its lack of association with the United States, is likely to be, in the long run, more successful.

Sino-Soviet Reconciliation

As already noted, it would be a mistake to believe that Sino-Soviet tension will be a permanent feature of international politics, despite the assertions of some commentators that the cultural gap between the two societies is unbridgeable and that their interests are totally irreconcilable.

Until the restructuring of American global strategies in the 1970's, and the internal changes in China after the end of the Cultural Revolution, there was, after all, an almost universal belief that Sino-American hostility was irreconcilable.
The Soviet leadership, for reasons already outlined, must think in terms of eventually normalising its relations with Peking and encouraging China either to return to the Socialist camp, this time as an equal partner, or at least to adopt an attitude of neutrality in world affairs.

The Peoples' Republic, too, after an infusion of Western technology has helped strengthen its economy and modernise its armed forces (if, indeed, it achieves these objectives) may well find good strategic and political reasons for contemplating an accommodation with the Soviet Union.

The Soviet Union and China still maintain formal diplomatic relations. Despite occasional border clashes they have not yet been to war. They continue to trade with each other. The Soviet Union, it is to be noted, has recently been redefined by Peking as a socialist country. All this contrasts markedly with the atmosphere of Sino-American relations in the 1950s and the 1960s.
(ii) The likelihood that long term stability and peace could be maintained through a partial restoration of the status quo of the old Cold War, that is, through a return to generalised ideological anti-communism in Washington, renewed American confrontation of both Moscow and Peking and a reassertion of United States military links with Japan, South Korea, Taiwan, the Philippines, Thailand, Australia, and New Zealand, or through conclusion of a new militant alliance between the Soviet Union and the Peoples' Republic of China.
(2) THE LIKELIHOOD THAT LONG TERM STABILITY AND PEACE COULD
BE MAINTAINED THROUGH A PARTIAL RESTORATION OF THE STATUS
QUO OF THE OLD COLD WAR, THAT IS, THROUGH A RETURN TO
GENERALISED ANTI-COMMUNISM IN WASHINGTON, RENEWED AMERICAN
CONFRONTATION OF BOTH MOSCOW AND PEKING AND A REASSERTION
OF UNITED STATES MILITARY LINKS WITH JAPAN, SOUTH KOREA,
TAIWAN, THE PHILIPPINES, THAILAND, AUSTRALIA AND NEW
ZEALAND, OR THROUGH THE CONCLUSION OF A NEW ALLIANCE BETWEEN
THE SOVIET UNION AND THE PEOPLES' REPUBLIC OF CHINA.

(i) A Return to Generalised Anti-Communism in Washington

Throughout the course of the 1980 presidential elections Mr. Ronald
Reagan presented the United States electorate with a vision of an
America restored to the immensely powerful position it had occupied in
the 1940s and the 1950s.

There can be little doubt that Mr. Reagan's vision of the United
States as the world's mightiest military and economic power, the
undisputed leader of a vast alliance system, confronting the forces
of communism in every quarter of the globe, has considerable appeal
to the American people. His promises to check the perceived expansion
of Soviet influence have been extremely popular. His advocacy of a
restoration of ties with Taiwan and a less intimate relationship with
Peking also seems to enjoy considerable support in some quarters.
So too does his emphasis on consolidating political and military ties
with "traditional" American allies such as the NATO powers, Japan,
South Korea, the Philippines, Thailand, Israel, Australia and New
Zealand, his insistence that these allies contribute their fair share
to the defence of the Free World.

The policies of Mr. Reagan the President have been somewhat different
from the attitudes of Mr. Reagan the candidate. The United States has
not yet returned to the generalised anti-communism of the 1950s.
Soviet-American hostility has continued to escalate. Yet while
Sino-American relations have cooled, Washington and Peking have, so
far, continued tacit co-operation against Moscow and its allies in South-East Asia, Africa and the Middle East.

These policies, however, appear to sit rather uncomfortably with some sections of the Reagan administration. They are unpopular with many of its supporters. It is by no means impossible that the President's own inclinations, pressure from within the administration or the sheer weight of public opinion might eventually force the United States along the path advocated by Mr. Reagan during his election campaign.

What would be the probable consequences of a revival of anti-communist fundamentalism as the principal determinant of United States foreign policy?

The Reagan administration's attitude towards the Soviet Union has already caused considerable disquiet among the NATO allies, in particular West Germany, in France and in Japan. The German leadership has openly dissociated itself from Mr. Reagan's interpretation of world events. Despite his suspicions of Moscow, M. Mitterrand has not departed radically from Gaullist policies towards the United States and the Soviet Union. The breach between the United States and Western Europe has, in fact, widened and deepened. The Japanese Government, too, while superficially agreeing with Washington on the character of the Soviet threat, has declined to commit itself to any concrete actions to check Moscow's alleged expansionism. Mr. Reagan's talks with Mr. Suzuki Zenkō (May 1981) failed to produce any new Japanese commitments to substantially strengthen existing forces or widen spheres of responsibility. Continued American pressure on the defence question, coupled with disagreements between Washington and Tokyo on economic matters, will almost inevitably push the two Pacific allies further apart.

A United States rapprochement with Taipei would, needless to say, place almost unbearable strains on Washington's relations with the
Peoples' Republic. The present Chinese leadership, preoccupied with
the perceived Soviet threat, has gone to considerable lengths to
accommodate American sensibilities over Taiwan. There are, however,
limits. American re-recognition of Taiwan, were it ever to take place,
would thoroughly discredit the present leadership in Peking. A new
political upheaval in China, the disgrace of the "gang of one",
return to the Maoist policies of self reliant, passive confrontation
of both superpowers, with a concomitant renewal of tension in Korea
and the Taiwan straits, or, perhaps, an interest in rapprochement
with the socialist camp or in the forging of a special relationship
with Japan would be the most likely outcomes.

It could, of course, be argued that a carefully managed restoration
of the Sino-American Cold War might save the San Francisco system
and forestall the dangers of an eventual Japanese-American confrontation.

A breakdown in Japanese-American relations, it might be contended,
would have far more serious consequences for regional peace and
security than a new Sino-American Cold War.

In the view of the present writer, however, renewed Sino-American
tension, far from bringing Japan into closer alliance with the United
States, would increase the already existing tensions within the San
Francisco system.

Some Japanese would undoubtedly be pleased to see Taiwan recognised
as an independent nation. Many would be delighted to see an
unequivocal reaffirmation of American commitments to South Korea.
There would be strong pressures, in the event of a renewed Sino-
American confrontation, for Japan to realign itself more decisively
with the United States.

Yet the general climate of both Japanese-American and Sino-Japanese
relations has changed radically in the past decade. Japan, weakened
by the defeat, overshadowed by its mighty trans-Pacific conqueror
and protector, was drawn into the old Sino-American Cold War very
much against her own inclinations. She will be unlikely to waltz
lightly into a new one, not only because of her own immensely
strengthened position in world affairs, but because the political
and economic groups with a stake in the China relationship, however
uncertain its future may sometimes appear, are now stronger than they
have ever been at any time since 1945. In any case, a resurrection
of the San Francisco system amid the flags and trumpet blasts of a
new Sino-American Cold War would do little to solve the economic
problems that currently plague Washington's relations with Japan.
In short, renewed Sino-American confrontation could force the
Japanese government, however reluctantly, to break decisively with
United States policy.

It is difficult to know how the United States might respond to such a
move. A hostile response could touch off a Japanese drive to
military Great Power status or efforts to conclude an alliance with
some other power or group of powers. This would inevitably have a
profound impact throughout the Asian-Pacific region.

(ii) A Restoration of the Sino-Soviet Alliance

A restoration of the Sino-Soviet alliance of the early 1950s (as
opposed to a relaxation of Sino-Soviet tensions) would tilt the
global power balance heavily against the United States and its
allies.

If the new Sino-Soviet alliance adopted an openly confrontationist
attitude towards the non-communist world, fissiparous tendencies
in NATO could be expected to diminish. The United States and its
West European allies would act vigorously to redress the strategic
balance, dramatically increasing their military spending (and
correspondingly weakening their economies), intervening politically,
economically and militarily, to protect their perceived interests
in the Middle East, Southeast Asia, Africa and other parts of the
world.

Japan, depending on the outcome of domestic political struggles,
perceptions of national interest and the trend of global politics
could either move to consolidate its ties with the United States, adopt a position of neutrality or negotiate some kind of entente with the Communist powers on the mainland.

In general, the non-communist nations of Southeast Asia, along with Australia and New Zealand, could be expected to strengthen their relations with Washington.

India and Vietnam, however, judging that the Soviet Union might perhaps attach more value to its ties with Peking than to its relations with its other Asian allies, might well decide to re-orientate their foreign policies. This might, perhaps, give the United States some opportunity to improve its position in the Indian-Pacific Ocean area.

Generally speaking a restoration of the Sino-Soviet alliance would create a highly fluid, unstable and dangerous situation in world politics.
(iii) THE POSSIBILITY THAT DISINTERESTED AMERICAN NEUTRALITY IN THE SINO-SOVIET CONFLICT, STRATEGIC WITHDRAWAL TO AN ENTIRELY OFFSHORE POSITION IN ASIA, COUPLED WITH CONSOLIDATION OF EXISTING MILITARY, POLITICAL AND ECONOMIC TIES WITH JAPAN, THE ASEAN COUNTRIES, AUSTRALIA AND NEW ZEALAND WOULD CONTRIBUTE TO THE EMERGENCE OF A MORE PEACEFUL REGIONAL ORDER.
(3) THE POSSIBILITY THAT AMERICAN NEUTRALITY IN THE SINO-SOVIET CONFLICT, STRATEGIC WITHDRAWAL TO AN ENTIRELY OFFSHORE POSITION IN THE WESTERN PACIFIC, COUPLED WITH CONSOLIDATION OF EXISTING POLITICAL, MILITARY AND ECONOMIC TIES WITH JAPAN, SOME OF THE ASEAN COUNTRIES, AUSTRALIA AND NEW ZEALAND WOULD CONTRIBUTE TO THE EMERGENCE OF A MORE PEACEFUL REGIONAL ORDER

During the Nixon, Ford and early Carter administrations, the United States appeared to be edging towards a policy of relative equidistance in its relations with Moscow and Peking. There were also indications (see Part I) that the United States was taking a hard look at its relations with South Korea and Thailand, its last remaining allies on the mainland of East and Southeast Asia.

The concept of American equidistance in relations with the Soviet Union and China, coupled with withdrawal to an entirely offshore position in the Western Pacific, was never, as far as the present writer is aware, officially presented as a viable strategic option. The drift of United States foreign policy during the first half of the 1970s, however, suggests that the equidistance-offshore strategy was regarded, in some quarters in Washington, with considerable interest.

Its exponents could have argued that neutrality between Moscow and Peking, coupled with freedom from dangerous continental Asian commitments could neither undermine the structure of deterrence nor detract from America's ability to defend the North American continent.

An equidistant, offshore strategy would, at the same time, enable the United States to cultivate those relationships which are really essential to its interests.

In the West, it might have been argued, the most important American relationships are those with non-communist Europe and the oil
producing states of the Islamic world.

In the Asian-Pacific region, it might have been contended, America's most vital relationships are those with Japan, the Philippines, Indonesia, Malaysia, Singapore, Australia, New Zealand and the Pacific islands. The economies of these countries are closely interconnected. Japan is heavily dependent on Middle Eastern oil and resources from Southeast Asia and Australia. Both Australia and Japan have a growing trade with the Middle East.

America's nuclear power, her naval and air strength, together with those of her allies could, it might have been argued, more than adequately provide for the defence of this vast area of the globe. Militarily strong, supported by loyal and defensible allies, eschewing involvement in foolish adventures, not threatening any vital Soviet or Chinese interest, the United States could then have realistically sought new agreements on détente and arms limitation with its rivals.

After the inevitable readjustments in local balances had taken place, the equidistance-offshore strategy might in itself have begun to promote a general relaxation of tensions. It might, on the other hand, have exacerbated the Sino-Soviet conflict. Yet whatever happened, the real interests of America and her allies would have in no way been affected.

In the view of the present writer, American attempts to pursue a policy of equidistance between Moscow and Peking collapsed largely because powerful interests in the United States did not understand that the defeat in Indochina, the disintegration of the Portuguese empire, strains in the Atlantic alliance and in the San Francisco system, the rise of Eurocommunism and the appearance of Soviet, East German and Cuban military advisers in parts of Africa and the Middle East had not tilted the global power balance decisively in favour of the Soviet Union. Similarly, powerful groups as the Soviet Union could not believe that American and Japanese interest in normalising ties with China (as distinct from concluding a de facto
military alliance with that country) would leave Soviet interests unaffected.

Fears of possible Soviet gains, pressure from important allies such as Japan, anxieties about South Korea's nuclear intentions and the established momentum of existing relationships combined to prevent a complete American withdrawal from continental Asia.

The strongest arguments in favour of the equidistance-offshore option derive from the dangers inherent in the Carter-Brzezinsky strategy of tacit alignment with Peking against Moscow and President Reagan's policy of renewed emphasis on relations with Seoul, Taipei and Bangkok.

(a) American support for the Peoples' Republic of China does not "balance" the Soviet Union by placing checks on its activities in Europe, the Middle East, South and Southeast Asia. It merely impels Soviet policy makers into intensified diplomatic and military efforts to break out of their perceived encirclement. The Soviet Union has available to it several options for countering American and Chinese strategies. If implemented, some of these could be extremely detrimental to the interests of the United States, Western Europe, Japan, Australia and New Zealand (see (v) below.)

(b) United States involvement with the Peoples' Republic increases the likelihood that Washington's policy makers will be, as they have been several times in the recent past, dangerously manipulated by the ruling establishment of a particularly unstable and unpredictable ally. During the Korean War, the United States, as the late President Truman so accurately perceived, was dragged willy nilly towards the apocalypse by Chiang Kai-shek and his American supporters.223 Soviet experience with the Peoples' Republic in the 1950s and the 1960s appears to have been somewhat similar, except that Khruschev's understanding of when and where to stop came rather earlier than Truman's.224
The Korean War occurred at a time when American global influence was at its height. The present era is one of relative American decline. The Peoples' Republic, far more powerful than Chiang Kai-shek's China, yet every bit as diverse, torn by factional strife, a prey to latent regionalism and fissiparous tendencies of all kinds, is much less malleable an ally than Japan, Taiwan, Ngo Dinh Diem's Vietnam, Chun Du Hwan's Korea or the Shah's Iran.

(c) South Korea has always been, and remains, a volatile and unpredictable ally. Any conflict in the Korean peninsula could rapidly escalate into a superpower confrontation. For much of the postwar period Washington has been able to exert a restraining influence on Seoul. During the course of the 1970s, however, this influence has been declining (see Part I). Seoul's refusal to give the régime a democratic face-lift, uncertainties about the Korean nuclear programme, the assassination of President Pak Chung Hi and the military anarchy that ensued have all been—and with good reason—deeply disturbing to many American policy makers. American inability to control the armed forces during the most recent series of crises has revealed the extent to which Washington can be hostage to the vagaries of South Korean military factional politics.

Despite all the humbug that was written during the 1950s and the 1960s, South Korea is essential neither for the defence of the United States nor the defence of Japan. \textsuperscript{225} Whatever its ideological orientation, a reunified Korea would be, in all probability, a well armed neutral state. Yet even if the entire peninsular became a Soviet federated republic Moscow would be able to do little either to the United States or Japan that she cannot do at present. Chinese preponderance in Korea would not improve China's position \textit{vis-à-vis} either the United States or Japan. It might, however, give Moscow some cause for alarm.

(d) Taiwan, too, is of little strategic value to the United States and is only marginally relevant to the defence of Japan. \textsuperscript{226} Continued American support for the régime on Taiwan, by making the long term development of full and equal relations with Peking difficult, would be incompatible with an equidistance strategy.
Taiwan's insularity makes it easier for the United States to defend than, say, the former Republic of Vietnam, the Shah's Iran or the Republic of Korea. Yet Taiwan is, by any ethnic, historical or legal test, undoubtedly Chinese territory. For equidistance diplomacy to be successful the United States would have no alternative but to continue efforts to extricate itself, as graciously as possible, from what was originally an unwise and unnecessary commitment. This would leave Peking and the Kuomintang to sort out their relations among themselves. Undoubtedly, many conservative Japanese would be shocked if the United States totally abandoned Taiwan. In general, however, the character of the final settlement between Peking and Taipei would be taken by the world as a judgement on the quality of Chinese civilization rather than on the efficacy of American promises.

(e) It would be difficult to argue that developments in Thailand have a direct impact on the security of either the United States or any of its major allies.

In any case, while Thailand does have serious internal problems and may well, in the not too distant future, experience revolutionary upheavals of considerable magnitude, the country's existence as an independent state is at present in no way threatened.

The emergence of a pro-Soviet government in Thailand might perhaps strengthen the Russian position against the Peoples' Republic. It would not greatly strengthen the Soviet position against the United States, Japan, the remaining ASEAN countries, Australia and New Zealand.

Access to naval and air facilities in Vietnam has already given the Soviet Union some ability to exert additional pressure on vital Japanese trade routes in time of crisis. Access to bases in Thailand would not further improve the Soviet position.

The establishment of a more decidedly pro-Chinese government in Thailand would cause in Hanoi, Pnom Penh and Vientiane. Vietnam could be expected to respond by redoubling its defence efforts and
consolidating its relations with the Soviet Union. The emergence of a pro-Chinese government in Bangkok would not, however, radically improve China's strategic position vis-à-vis the other Great Powers.

The appearance of either a pro-Soviet or a pro-Chinese government in Bangkok would, of course, deliver a terrible psychological blow to ASEAN. The possible withdrawal of Thailand from the organisation might cause a great deal of wailing and gnashing of teeth. Yet after the fracas had died down it might become apparent that an ASEAN centered around the Malay States, diverse as they are, was a much more stable and homogenous organisation than one which incorporated Thailand.

In the meantime, however, continued American and Chinese support for Thailand not only brings with it the risk of United States involvement in yet another disastrous conflict on the Asian mainland, but also encourages the most hawkish elements in Bangkok to reject the self evident proposition that no settlement to the problems of Southeast Asia is possible unless Vietnam's legitimate security interests are taken into consideration.

The equidistance-offshore strategy in Asia and the Pacific has, on the surface of things, a certain compelling reasonableness.

Its principal difficulties, apart from the problem of effecting American disengagements from Korea, Taiwan and Thailand that did not touch off new conflicts, are that

(a) it would do nothing to resolve American-Japanese economic friction;

(b) it would not solve the problems arising from despotism, class conflict, underdevelopment and dependence in Southeast Asia and the Middle East.

The second set of problems might well prove less intractible than the first.
If America's implementation of an equidistance-offshore strategy were to be accompanied by a general détente, Japanese-American-European economic relations could well deteriorate and, in the absence of an external threat, their disputes spill over into the political and strategic fields. If this situation were to occur - and it is, of course, by no means inevitable - Japan's weakness vis-à-vis all the Great Powers would incline any Japanese government to seek mutually acceptable compromises. There are, however, limits beyond which Japan cannot be pushed.

American withdrawal from South Korea, reunification of the peninsula, the final incorporation of Taiwan into the Peoples' Republic and complete disengagement of the United States from continental Southeast Asia would be welcomed by many elements in Japan.

Other groups would take these developments as further evidence that the American alliance was unreliable, that regardless of its strategic fragility Japan would have no alternative but to embark on a large scale military build-up, backed, perhaps, by an independent nuclear deterrent.

Once again, recognition of Japan's strategic fragility would probably incline most Japanese governments to caution.

Neither a Gaullist interpretation nor a Gaullist response would be inevitable.

If Japan did decide to tread the road to independent military Great Power status the repercussions throughout the Asian-Pacific area would be immense.

The lynch pin of American offshore strategy would vanish overnight.
(iv) THE PROBABLE POLITICAL AND STRATEGIC CONSEQUENCES OF MOVES TO ESTABLISH A PACIFIC BASIN ECONOMY, CENTERING ON JAPAN AND THE UNITED STATES, AND FOUNDED ON INTERNATIONAL DIVISION OF LABOUR PRINCIPLES.
(4) THE PROBABLE POLITICAL AND STRATEGIC CONSEQUENCES
OF MOVES TO ESTABLISH A PACIFIC BASIN ECONOMY,
CENTERING ON THE UNITED STATES AND JAPAN, AND
FOUNDED ON INTERNATIONAL DIVISION OF LABOUR PHILOSOPHIES

Since the late 1960s, government officials, businessmen and scholars
in a number of countries have advanced proposals for some kind of
Asian-Pacific economic organisation. The concept was first mooted
by the then Japanese Foreign Minister Mr. Miki Takeo in 1967. It has
subsequently aroused much interest in Japan, the United States,
Australia and South Korea.

In Japan, at the official and semi-official level, thinking about an
Asian-Pacific organisation has advanced in several directions.

The dominant groups in the government, the bureaucracy and the business
community appear wedded to the concept of an organisation which would
incorporate both Japan and the United States.

A somewhat less influential stream of thinking would appear willing to
contemplate an organisation centered exclusively around Japan and a
number of other Western Pacific countries.

Virtually all American and Australian exponents of Pacific rim theories
see the United States as playing the central leadership role.

Three proposals, in particular, seem worthy of special mention.

(a) The "Pacific Community" proposed by Mr. Tokuyama Jirō of the
Nomura Research Institute. 227

(b) The Organisation for Pacific Trade and Development proposed by
Dr. Peter Drysdale, of the Australian National University, and
Professor Hugh Patrick, of Yale University, and endorsed by Sir John
Crawford and Dr Okita Saburo in their report to the Australian and
Japanese governments entitled Australia, Japan and Western Pacific
Economic Relations. 228
(c) The proposals on Pacific Basin co-operation put forward by the Pacific Basin Co-operation Study Group, established as a private consultative body to the Japanese Prime Minister in 1979, and from which the late Prime Minister Ōhira Masayoshi's concept of a Pacific community appears to have emerged.229

The three proposals cover much common ground. Indeed, many of the differences among them appear to be no more than differences in nuance, emphasis and timetabling. Yet there do appear to be other differences of a more fundamental nature.

(a) Mr Tokuyama Jirō, analysing the history of the past several decades, the present global balance of strategic, political and economic forces and the likely trend of future events, predicts the emergence of a gigantic politico-economic community in the Pacific, centered on the United States and Japan, and incorporating the rimland countries from Alaska to Cape Horn in the East, from Korea, through Southeast Asia to Australia and New Zealand in the West.

The dynamism of the region's free enterprise economies, the immensity of its natural and human resources, the unparalleled size of its markets, both actual and potential, the shrinkage of distance brought about by the revolutions in maritime transport and satellite communications all make the Asian-Pacific region, Mr. Tokuyama feels, a natural theatre for such a development.

The United States, as the leader of the Free World, will inevitably be the senior partner in any Pacific community.

Japan will adopt a somewhat less central role.

There will be a natural divisions of labour between the two.

"The United States banking business is strong internationally and the US leads the world in such knowledge intensive industries as aerospace, communications and research as well as in resource related industries, including agriculture, oil and
natural gas. On the other hand, the bulk of Japan's industrial strength lies in the industries built on intermediate level technology, such as automobiles, household appliances, steel and chemicals. American and Japanese industries can thus complement each other in raising the economic levels of the entire region.  

Labour intensive light industrial products will be supplied by low cost countries such as South Korea, Taiwan and some of the ASEAN nations. Competition from these countries will ceaselessly force the United States and Japan to make structural adjustments in their economies, leading them on to greater efficiency and sophistication.

The ASEAN countries, Australia and New Zealand, along with the Latin American countries and the United States itself, will supply the industrial societies with agricultural products and raw materials.

Mr Tokuyama envisages, in fact, a division of labour across the Pacific on a scale never before achieved, or attempted, in the history of mankind.

Tokuyama's vision of the Asian-Pacific community is essentially a businessman's vision. He does not appear to view the organisation as a military alliance. If it has any strategic purpose it is to reduce the possibility of conflict between the United States and Japan.

China is not seen as an integral member of the community. Nevertheless, Mr. Tokuyama considers that a China locked in conflict with the Soviet Union and committed to modernisation under "pragmatic leadership" will play an important role in the community's development.

"Moreover, since none of the Chinese leaders who have moved into the vacuum created by the death of Chou En-lai and Mao Tse-tung has personal charisma and no such figures appear to be on the horizon, it seems inevitable that China's military leaders will acquire increased importance. And since the Chinese military want modern weapons above all else, they will almost certainly mount a drive to promote the development of heavy industries, especially steel. They will also presumably strive for the improvement of transport and communications and the development of space technology, all of which will require not only the importation of foreign technology but the co-operation of Japanese, American and Western European industry." 231
(b) Dr Peter Drysdale, Professor Patrick, Sir John Crawford and Dr Okita Saburo also see the emergence of an immense and interdependent Pacific community, centered around the United States, Japan, Canada, Australia, New Zealand, the newly industrialising countries of East Asia, the ASEAN nations and the Pacific islands.

"The new economic power structure and strong interdependence in the Pacific region suggests the need for new regional reference point within the framework of the multilateral trading system to facilitate the pursuit of common and conflicting trade and development objectives on both sides of the Pacific. An appropriate response by the United States to the management of growing economic interdependence in the Pacific region might be to support the creation of a new institution for Asia and the Pacific modelled after the OECD in Europe, but with an explicit focus on trade and development interests and without the large bureaucratic infrastructure that characterises the OECD. In brief, such an organisation would raise regional consciousness and thereby make clearer the feedback links and interactions between national and regional economic events and policies, both of which are consequences of closer economic consultation policy within the Pacific and lead to better economic results and higher levels of welfare at home and abroad. Such a regional approach - broader than the traditional bilateral approach of the United States to the other Asian-Pacific states, and narrower than the global mechanisms which have in practice been so orientated towards industrial countries in general and Western Europe in particular - offers one practical and feasible way to proceed if done well. As should be clear from the above discussion, the purpose of a regional approach is to achieve multilateral objectives that may not be easy to implement globally, while enhancing understanding of specific problems and opportunities that have not been fully recognised." 232

The Organisation for Pacific Trade and Development (OPTAD) which they advocate does not appear to be chiefly concerned, in the short term at least, with promoting the vast international division of labour envisaged by Mr Tokuyama Jirō. The various OPTAD task forces are to be concerned, essentially, with developing codes of business conduct and mechanisms for their enforcement, with energy and resources security, and with the development of policies, rules and mechanisms for trade with Asian communist states.
On the question of a regional division of labour, Dr Drysdale and Professor Patrick recommend creation of an OPTAD task force which would

"in the light of evolving industrial comparative advantage, competitiveness and specialisation among the nations of the region, ... develop mechanisms which safeguard and promote market access, and facilitate the adjustment process while reducing the social costs of change in those sectors losing competitive power. These could well involve concern with the issues of relocation of resources and energy - using industries, and would apply market access and adjustment concerns in developing as well as advanced economy members." 233

OPTAD is envisaged as operating under the leadership of the United States and Japan and incorporating Australia, South Korea, the ASEAN countries and as many of the regional market economies as care to join, with the exception of Taiwan, whose membership would complicate relations with the Peoples' Republic of China. 234

Dr Drysdale and Professor Patrick are inclined to believe that the mutually hostile relationships among the Soviet Union, China, the Indochinese states and North Korea, along with their different approaches to economic development and foreign trade, would make it difficult to incorporate any of the socialist economies in OPTAD. 235

Sir John Crawford, on the other hand, considers that China might eventually wish to participate and should be given the opportunity to do so. 236

There appears to be a consensus that the Latin American and South Asian nations, because of their history, consciousness, trade patterns or peculiar developmental problems, should not be considered eligible for membership. 237

The eligibility of the Middle Eastern nations does not appear to have been considered.

Dr Drysdale and Professor Patrick, it should be noted, attach very great importance to the central leadership role of the United States.
Like Mr Tokuyama, they see America as the senior and indispensable partner in the organisation.

"OPTAD could be a useful vehicle for the effective revitalisation of the United States economic leadership in the Asian-Pacific region. In asserting its commitment to the trade and development objectives of Asian-Pacific countries, the United States could insert its own conception of Pacific needs and interests alongside those of the Western Pacific countries. There is some evidence that Japan, and other Western Pacific countries, would welcome American active participation, and that the bilateral relationship with Japan would be strengthened rather than weakened. It seems possible that Japan and Australia, together with the ASEAN nations at least, may decide in the future to move ahead on their own if the United States is not prepared to become involved. Such an action would further undermine United States influence and leadership in the region." 238

(c) The Interim Report on Pacific Basin Co-operation presented to the Ohira cabinet by the Pacific Basin Co-operation Study Group on 14 November 1979 also envisages the eventual formation of a Pacific Basin political, economic and cultural community. The membership details of the proposed community are vague. It appears however, that the Pacific Basin Co-operation Study Group has in mind an organisation incorporating the United States and Japan, on an equal footing, South Korea, the ASEAN nations, Australia and New Zealand. 239 Yet it is very probable that important forces in Japan remain convinced that the organisation should be more exclusively Western Pacific in its orientation. 240 The role to be played by China and the other socialist countries is also not clarified.

Economically, the organisation is to be concerned with promoting free trade and capital transfer throughout the region, providing effective machinery for solutions to monetary problems, facilitating exploitation and conservation of the resources of the sea, tackling common problems of energy, food, raw materials and so on.
Positive and effective steps towards the creation of a Pacific international division of labour, such as that proposed by Tokuyama, are envisaged.

"In this sense, it is extremely significant that the Pacific countries should conduct periodic joint reviews of their changing industrial structures to identify possibilities for more effective and concrete co-operation. It is expected that through periodic consultations the international division of labour in the Pacific Basin region be further stepped up, private sector investment activated, technology developed and spread, and overall economic vitality enhanced ... It is true that industrial structural adjustment is closely linked with employment and other difficult domestic policy issues, but such adjustment is an essential element in advancing economic collaboration among the countries of the Pacific Basin region, and strenuous efforts must thus be continued for such adjustment." 241

The present writer is in no position to discuss the economics of the Pacific Basin concept.

It should be remarked in passing, however, that the boundaries of the community appear to be rather arbitrarily defined. Since the criteria for membership appear to be economic, rather than historical, cultural or even strictly geographical, Saudi Arabia, the Gulf States and Iran would appear to have as much place in the community as the United States, Australia or New Zealand.

However this may be, a number of observations about the likely political impact and strategic implications of the three concepts outlined above can be made.

(i) Both the Tokuyama proposals and the Drysdale-Patrick recommendations envisage a Pacific Community in which the United States is the dominant partner. The report of the Pacific Basin Co-operation Study Group, while rather vague, does not necessarily see the arrangement in this way.
The international division of labour advocated by Tokuyama would serve to reassert and consolidate American hegemony over Japan. The Drysdale-Patrick approach to international labour division appears, on the surface of things, to be more tentative and flexible.

In the view of the present writer any Pacific Community in which Japan was not very clearly an equal partner with the United States, any international division of labour which placed Japan at a very obvious disadvantage \textit{vis-a-vis} its great trans-Pacific partner would be, in the long term, like the Washington naval agreements, and for much the same reasons, a highly unstable arrangement, even assuming it could be negotiated in the first place.

The political obstacles to negotiation of a trans-Pacific international division of labour are formidable.

Neither the Japanese government nor the Japanese business community would be, for obvious reasons, likely to wish to abandon the development of sophisticated aerospace, nuclear and computer technologies. Japan has already made extraordinary advances in some of these areas. Nor will Japan wish to abandon her highly protected agriculture to rely entirely on imports from the United States, Australia, New Zealand and Southeast Asia. To do so would be political suicide for the Japanese government that attempted it. It would also be strategic folly of the highest order. Near total reliance on overseas sources of food is every bit as dangerous as near total reliance on overseas sources of fuel. The United States government and the American business community are, very clearly, not prepared to abandon the production of steel, automobiles and electronic equipment.

All nations in the Asian-Pacific area have an interest in ensuring that Japanese-American economic friction does not develop into uncontrollable political and strategic conflict.

A multilateral Asian Pacific organisation of the type envisaged by Drysdale and Patrick might provide an excellent forum for the airing of grievances, the analyses of problems and the search for solutions.
Any trans-Pacific division of labour, however, will have to be much more piecemeal than that proposed by Mr Tokuyama.

(ii) Even if it were successful in providing a temporary solution for bilateral Japanese-American economic problems, a Pacific Community of the type proposed by Mr Tokuyama could have a serious and, ultimately, destabilising impact on many other countries in the region.

The prospect of joint Japanese-American neo-colonialist exploitation of the ASEAN countries, Korea and the newly industrialising nations of the Western Pacific, leading to distorted economic structures, heightened domestic unrest, revolutions, coups and counter-coups, subversion and foreign intervention on the Latin American model, is not the only thing to be feared.

The future of relatively wealthy, resource rich countries like Australia, which have traditionally enjoyed high material standards of living, could be anything but rosy. Australia, for example, tends to be seen by Pacific rim strategists essentially as a supplier of raw materials and agricultural products. In these areas Australia is undoubtedly one of the world's most cost efficient producers and, as such, is bound to play an important role in any kind of Asian-Pacific community. The scale of production is vast, operations are highly mechanised, labour costs are correspondingly small, shipping to markets in Japan and other parts of the world is rapid and relatively inexpensive.

Mining and agriculture, however, employ only a small fraction of the Australian work force. They can never provide employment for anything but a small fraction.

The overwhelming majority of the Australian people are employed in the highly protected, low cost efficient secondary and tertiary sectors, catering largely for the domestic market, that grew up, like most of Australia's institutions and attitudes, during the British Empire
period. Australia's domestic industry, financed by both British and local capital, and constituting the economic basis for both the indigenous middle class and the indigenous working class, was protected not simply by high tariff barriers and the absence of other industrialised countries in the Asian-Pacific region. Homogeneity of race and culture with the metropolitan were vitally important factors. So too were Australia's strategic value to the Empire and her role as a recruiting ground for tough and courageous soldiers.

The Asian-Pacific region in the latter half of the twentieth century is not the British Empire in the first half of the century. It is most unlikely that Australia will be able to establish with either the United States or Japan the kind of relationship she once had with Great Britain. Mr Tokuyama's Pacific Community, with its international division of labour, would seem to have little place for Australia's industry and, therefore, for Australia's indigenous middle and working classes. The Pacific Basin Co-operation Study Group's report, too, while vague on the specifics of the international division of labour, would appear to have little understanding of Australia's peculiar conditions. Australia is not in a position to gate crash into the high technology aerospace and computer industries. Nor is it likely to emerge as a high cost efficient producer of automobiles, electronics and domestic appliances. Australia's labour intensive industries cannot compete, in cost, if not in quality, with those of South Korea, Hong Kong, Taiwan and the ASEAN countries. Movement into the minerals reprocessing field could only absorb a small proportion of the work force made redundant by restructuring the Australian economy along the lines implicit in the Tokuyama thesis.

In short, the impact of participation in the Tokuyama Pacific Community on the Australian economy, the structure of Australian society and on the living standards of the Australian people could be profound, deleterious and highly destabilising. Unemployment, industrial unrest, popular frustration and bitterness could be expected to mount, with predictable social and political effects.
It has also been argued that American and Japanese involvement in the minerals rich, peripheral states of Queensland, Western Australia and Tasmania, the tensions between the regional, extractive, free enterprise economies of these areas and the protectionist, welfare orientated industrial heartland of the south could well bring about the disintegration of the Australian Commonwealth. 243

However this may be, the path to a fundamental restructuring of the Australian economy, even if it is ever embarked upon by the Australian government and people, will not be an easy one. The hesitancy of the Australian government, at the present time of high unemployment, to placate ASEAN by means of a limited industrial restructuring suggests that it would be even more reluctant to contemplate the grandiose reorganization required for participation in Tokuyama's Pacific Community.

The Australian government is not unique in its attitude. The virtual impossibility and, in all truth, the undesirability, on a number of grounds, of dismantelling the protective barriers built around the Japanese agricultural sector have already been referred to.

The OPTAD concept, however, could provide a useful regional forum for discussion of these problems and for careful examination of what can and cannot realistically be achieved.

(iii) A purely economic association among the market economies of the Asian-Pacific world would not affect any vital Soviet interest. Although the Soviet Union might observe its evolution with vigilant suspicion, Moscow would have no grounds for complaining that the organisation represented yet another American attempt to encircle the Soviet homeland, limit its international influence and destabilise the global balance of power.

Nevertheless, any special relationship between an Asian-Pacific Community, however constituted, and the People's Republic of China, above all any underwriting of Peking's military modernisation campaign
(such as is apparently envisaged by Tokuyama) would almost certainly draw the Community into overt conflict with the Soviet Union. The possible consequences of a United States, Japanese, Chinese, ASEAN and Australian alliance against the Soviet Union will be considered in the next section. Suffice is to remark here that an Asian-Pacific Community, if it is to contribute to regional peace and stability, should either include all the Communist states in the region on an equal footing or exclude them all on an equal footing.

(iv) Inclusion of the Republic of Korea in any Asian-Pacific economic association would harden divisions in the Korean peninsula and, imperceptibly perhaps, tend to draw the other members of the community into a military commitment to the maintenance of the political status quo in the southern part of the peninsula. The repressive, highly factionalised nature of the South Korean state, the deep and growing fissures in Korean society, would seem to make this an extremely unwise course.

If a Pacific Community, of whatever character, emerges, South Korea should not be included until a wider settlement of the Korean problem is achieved. Any other course would quickly turn the economic organisation into a military alliance.
(v) The feasibility and probable con-
sequences of an anti-Soviet American-
Japanese-Chinese strategic association,
linked with NATO in the West and the
ASEAN and ANZUS powers in the South.
The concept of a Washington-Tokyo-Peking axis, linked with NATO in the West and with ASEAN, Australia and New Zealand in the South was first proposed by the Australian Prime Minister, Mr Malcolm Fraser during his visit to China in 1976. Mr Fraser's ideas closely paralleled the evolution of strategic thinking in Peking after the deaths of Mao Tse-tung and Chou En-lai. They also attracted considerable attention in Washington. During the last two years of the Carter Administration the United States, as already noted, moved towards a position where the People's Republic of China was seen, alongside Japan, as America's most important Far Eastern ally, and where South Korea, the ASEAN nations, Australia and New Zealand were viewed as partners in the struggle against Soviet influence, both regional and global. Despite the cooling in Sino-American relations under the Reagan Administration, the concept of a Washington, Tokyo, Peking axis, linked up with NATO, ASEAN and ANZUS is far from dead.

Full incorporation of China into the United States global alliance system would confront the Soviet Union with potentially the most disadvantageous international situation it has encountered since the Revolution of 1917.

Nevertheless, if the Russians chose their options carefully, they would probably be able, within five to ten years, to break up the coalition and shift the global balance back to a position somewhat more commensurate with their own interests.

The emergence of a Washington-Tokyo-Peking-NATO-ASEAN-ANZUS nexus, at a time when the Soviet leadership is on the verge of far
reaching changes, would almost inevitably strengthen the position of the Kremlin hardliners. The Soviet hawks, like their American counterparts, would have abundant evidence to support the contention that détente has been a one way street to nowhere. The circumstances and timing of the Afghanistan intervention would, perhaps, suggest that a movement towards tougher policies has already been taking place.

Dominance of hard line elements in the government, the party and the armed forces, accompanied by a massive metamorphosis of doves into hawks, could, it might be argued, lead the Soviet Union either

(i) to unleash a general global war before the strategic balance tilted irrevocably against its interests,

or

(ii) to launch a preventative strike against China, which might be regarded in Moscow both as the most dangerous partner in the emerging coalition, and also the one least likely to be supported by the others in time of crisis.

If the Soviet judgement on this latter point proved erroneous, exercise of the second option would produce the same results as exercise of the first.

(i) The Soviet Union would be unlikely to provoke a global war. Nothing could be gained by it. It would be inconsistent with past Soviet practice and with the theories on which that practice appears to be based. There are also other attractive courses of action available.

(ii) The likelihood of a strike against China increases as China's ties with the United States become more intimate - at least up to the point where Washington makes a public commitment to China's defence. Nevertheless, the Soviet Union is unlikely, if recent history offers any guide, to take direct military action against
China, whatever its estimation of the reliability of America's security guarantees to Peking, unless its own territory is invaded or one of its allies is subjected to irresistible Chinese military pressure. It has already been pointed out that long term strategic considerations should incline the Soviet Union to think in terms of an eventual accommodation with Peking.

In the view of the present writer, the Soviet Union would probably respond to the emergence of a Washington-Tokyo-Peking-NATO-ASEAN-ANZUS coalition with a complex, subtle and long range strategy.

If it were to do so, and if its efforts were to prove successful, it could well turn the tables on the United States and its allies.

On the one hand, the Soviet Union would continue to update and, where necessary, expand its military forces. Its military planners would continue to believe, as they do now, that they had no alternative but to prepare for a war with NATO in the West and with Japan and China, backed by the United States, in the East. The Russians would attempt to consolidate their position in potentially unstable border regions. Relations with Mongolia would be strengthened. Efforts to woo North Korea would intensify. The pro-Russian government in Afghanistan would continue to be defended, by overwhelming military force if necessary. Attempts might be made to improve relations with Iran, although Soviet policy in this area faces at least as many contradictions as American. Overtures might be made to Saudi Arabia and the Persian Gulf states. At the same time, the Soviet Union would probably pay even more attention than it does at present to the development of its naval power. The emergence of an even more formidable Soviet navy would strengthen Moscow's position vis-à-vis, the United States, offer protection to distant allies (such as Vietnam) and impress Russia's more vulnerable opponents (such as Japan) with the folly of taking her power too lightly.

While consolidating its own military position, the Soviet Union could be expected to attempt to break up the hostile coalition by
exploiting contradictions among its members.

Indeed, it might even prove possible for the Russians to stand aside and allow the coalition to collapse under the weight of its own inherent problems.

In the United States, on the right and in the political centre, many groups remain wary of political and military co-operation with China. These groups clearly have somewhat more influence in the Reagan administration than they did in the Carter White House. It can be assumed that many elements in China are hostile to the current policies of alignment with the United States, Japan and Western Europe.

A grand anti-Soviet coalition would probably do little to reduce economic friction between the United States and its major non-communist allies, especially Japan. In the Far East, indeed, inter-allied tensions could well be exacerbated if the United States, Japan and the West European countries begin to compete for participation in China's modernisation programme.

In planning its counter-strategy, the Kremlin could not fail to take cognisance of the fact that Japan, because of its extreme vulnerability, its reliance on overseas sources of raw materials, its complex political situation and the solidity of its pacifist public opinion, would be by far the weakest partner in the Grand Alliance. It has already been suggested (see Part I) that America's relationship with China, if it continues to develop, could weaken Japan's position in a wide range of economic and other negotiations with the United States. The Japanese government, partly out of recognition of objective strategic realities, partly so as not to reduce its bargaining power vis-à-vis the United States, has so far resisted pressures from Washington and Peking to associate itself actively and unequivocally with any anti-Soviet coalition. This resistance can be expected to continue. The Soviet Union, while refusing to make concessions on the northern islands question, can
be expected to continue to hold out prospects for large scale economic co-operation with Japan. It will step up its public relations efforts in Tokyo. At the same time it will lose no opportunity to remind Japan of the implications of Soviet military power in the Far East.

In similar fashion, Moscow will attempt to encourage the differences between the United States and its European allies. These efforts are likely to meet with some success, if only because the differences between Washington and some of its major allies are real, quite independent of Soviet policy and, apparently, growing.

The United States, along with those in Japan, Western Europe, China, the ASEAN nations, Australia and New Zealand who share its vision of the world, will respond by launching a major drive for Western unity. Anglo-American reaction to the Afghanistan crisis suggests that this process has already begun. The failure of the Olympic games boycott and the collapse of the economic sanctions imposed on the Soviet Union by the Carter administration suggests that it is unlikely, in the long term, to end in success.

Confronted by a hostile coalition in the Pacific, the Soviet Union could also be expected to strengthen its ties with important South and Southeast Asian allies, notably India and the Indochinese states, to consolidate its political and military position in southern Arabia, in the Horn of Africa and around the Persian Gulf, to encourage divisions among the ASEAN powers, attempt to influence Australian and New Zealand policies in directions compatible with its interests and generally promote neutralist causes throughout the region.

In this context the Indian Ocean area and the Indo-chinese states would become even more important to the Soviet Union than they are at present. Some of the major regional powers share many of Russia's strategic perceptions. Neutralist traditions are strong.
Major contradictions exist in some of the remaining American oriented alliances. Middle Eastern oil and the trade routes across which it is carried to Europe and Japan suggest various possibilities for placing checks on the growth of anti-Soviet coalitions.

The emergence of a Washington-Tokyo-Peking-ASEAN-ANZUS axis would very probably lead to increasingly intimate political and military ties between Moscow and New Delhi. The Indian government has declared, on a number of occasions, that a China backed by the United States and linked with Pakistan, would pose a serious threat to India's vital security interests.

Vietnam, Laos and Cambodia would certainly align themselves more closely with the Soviet Union.

The Soviet Union and its regional allies would intensify their diplomacy towards the ASEAN powers, endeavouring to persuade them that mutually beneficial relations were by no means impossible and that alignment with an anti-Soviet coalition would not be in their best interests.

Despite a facade of unanimous public opposition to Vietnam, the ASEAN countries are far from universally convinced that all virtue lies with China and the forces opposed to Heng Samrin. They are, in fact, profoundly divided on the question of their future relations with China and Vietnam. The Thai and Singaporean governments appear convinced that Vietnam poses a real threat to their security. Thailand has concluded a de facto alliance with Peking, has permitted the Khymer Rouge to operate from bases on its territory and has facilitated the passage of Chinese arms and equipment to anti-Heng Samrin rebel forces inside Cambodia. The Singaporeans, too, would prefer to see a pro-Chinese government in Cambodia. In Indonesia and Malaysia, on the other hand, suspicions of China run deep. Djakarta and Kuala Lumpur are inclined to view Vietnam as an indispensable buffer against Chinese southwards expansion. For them, Vietnamese preponderant influence in Cambodia would probably be preferable to an enhanced
Chinese position in the area. Both Indonesia and Malaysia showed considerable sympathy for Vietnam's expulsion of the overseas Chinese. Refugees from Vietnam have received a hostile reception in both countries. Since mid-1980, Djakarta and Kuala Lumpur have become apprehensive about the strategic implications of support for Thailand against Vietnam. They have continued to support Bankgok only because they fear that lack of support could destroy ASEAN, to which they are deeply committed, and push the Thais further towards China, with serious implications for the security of the region as a whole, as they see it.

Soviet relations with Indonesia are unlikely to return to the palmy days of the Sukarno era. The Soviet action in Afghanistan has probably weakened Moscow's potential influence in both Indonesia and Malaysia for some time. The Vietnamese, however, despite their alliance with Moscow, could develop very cordial relations with Djakarta and Kuala Lumpur. It is distinctly possible that the emergence of a Washington-Tokyo-Peking axis in the North Pacific, followed by a consolidation of Soviet ties with India, Ethiopia, South Yemen, Afghanistan, Vietnam, Cambodia and Laos, a Thai drift towards Peking and a vigorous Soviet-Indian-Vietnamese diplomatic offensive in Southeast Asia, could persuade Indonesia and Malaysia to attempt to move ASEAN, or their own positions within it, towards a more decidedly neutral stance in world affairs. This could have considerable influence on Japanese policies, reinforcing the probable inclinations of powerful groups within the Japanese political and economic establishment.

The central importance of the American alliance to Australian thinking about foreign and defence policy has already been discussed. Within the Australian political, military, business and intellectual élite, if not among the general public, there has been, however, much division of opinion about the wisdom of too uncompromising an anti-Soviet stance in world affairs.

The present Prime Minister, Mr Malcolm Fraser, has made opposition to Soviet "expansionism" the central feature of his foreign policy.
The Chiefs of Staff and the Defence Department do not consider that the Soviet Union poses a threat to Australia. Japan, it is apparently believed in these circles, is the "least unlikely" future threat. The United States alliance is not seen as reliable. The Soviet Union, on the other hand, might possibly, it is thought, have some interest in denying Australia to Japan in any future conflict.244

The idea of a Russian alliance against a potentially aggressive Japan has a long history in Australia. The alliance has never materialised only because other, more attractive options have been available. In the 1960s, however, at times when the long term credibility of the ANZUS pact appeared doubtful, Australian Liberal-Country Party governments apparently initiated at least two attempts to establish some kind of entente cordiale stratégique with the Soviet Union.245

Mr. Fraser's strident anti-Sovietism has not been shared by all his cabinet colleagues. The National-Country Party, without whose support the present coalition could not maintain office, has been anxious to expand Australia's growing grain and wool trade with the Soviet Union. National-Country Party opposition to Mr. Fraser has made genuine Australian participation in American sponsored food boycotts of both the Soviet Union and Iran impossible. Within the Liberal Party, too, many senior figures, including the former Foreign Minister Mr. Andrew Peacock, have appeared to incline towards a less virulently anti-Soviet position. At least one fiercely anti-Communist state premier would appear to lean marginally towards Moscow in the Sino-Soviet dispute.

Generally speaking, the Australian Labor Party and the trade union movement would appear to favour less uncompromisingly anti-Soviet policies. A Labor government would probably resist association with any Washington-Tokyo-Peking axis, attempt to improve relations with Moscow and Vietnam, normalise ties with the present régime in Cambodia and take somewhat more account of India's attitudes to regional security issues. In the view of the present writer, an Australian Labor government would not be able to do these things if Washington put up determined resistance.
Nevertheless there are plenty of contradictions lying around in the Australian body politic for enterprising Soviet diplomats to exploit should the Grand Pacific Alliance ever materialise.

There would be even more if the alliance emerged at the same time as a Pacific Community with an international division of labour on the Tokuyama model.
(vi) The feasibility and probable consequences of an anti-Soviet Sino-American strategic association which excluded Japan or from which Japan chose to remain aloof.
(6) **THE FEASIBILITY AND PROBABLE CONSEQUENCES OF AN ANTI-SOVET SINO-AMERICAN COALITION WHICH EXCLUDED JAPAN, OR FROM WHICH JAPAN CHOSE TO REMAIN ALOOF**

Despite the Carter administration's interest in a broadly based anti-Soviet coalition incorporating both Japan and China, it is possible that Japan's strategic fragility, her reluctance to play an active military role in containment strategies, together with the persistence of Japanese-American economic friction might incline some future American president to return decisively to the pre-war Sino-centric view of East Asian affairs, at least so long as the Peoples' Republic of China continues to pursue its present policies. It has already been suggested that the restructuring of American foreign policy begun by Nixon and Kissinger, both the moves to normalise ties with China and the 10 per cent import surcharge, were intended not merely to compensate for Soviet-American strategic parity and revitalise the United States economy but also to place checks on the growth of Japanese influence.

The emergence of a Sino-American partnership in Asia would eventually confront Japan with three choices.

(a) The Japanese government could decide, perhaps against its better judgement, to join the coalition, accepting the role of a junior partner. If it did so, it could expect pressure from both Washington and Peking to play a more active role in containment of the Soviet Union. Because of its reduced strategic value to the United States it would also find itself in a disadvantageous position in economic negotiations with Washington. It might find that it could strengthen its position in the latter area only by adopting a more compliant attitude on strategic matters. This would have serious implications for Japan's overall security. As the weakest partner in the grand coalition she would have to bear the brunt of the Soviet counter strategy discussed in the previous section.

(b) On the other hand, Japan could decide that the Sino-American relationship had upset the global balance of power, that this was now
evolving in a direction inimical to her perceived interests, that she was totally unable to guarantee her own security and had, therefore, no alternative but to conclude an understanding with the Soviet Union.

Despite the manifold problems that currently plague relations between the two countries, the concept of a Japanese-Soviet partnership is no more incongruous than that of an *entente* between the Peoples' Republic of China and the United States. As we have already seen, several times this century, Japanese governments have concluded, or have considered concluding, alliances, understandings or agreements with both Imperial Russia and the Soviet Union. Almost invariably these arrangements have been viewed as alternatives to Japan's relations with the British Empire, as reinsurance against United States manoeuvres in the Far East or as means of advancing both Japanese and Russian interests in China.

Other considerations apart, the Soviet Union, as a nuclear superpower with substantial naval and air forces in the Far East, could offer Japan much the same kind of protection as she now receives from the United States. The partial reorientation of Japan's raw material supplies away from the Middle East and Southeast Asia that might be expected to follow the conclusion of a Japanese-Soviet *entente* could, indeed, make joint Japanese-Soviet defence of the archipelago and its vital sea lanes a much simpler task than joint Japanese-American defence of the area is at the present time. Japanese participation in Siberian development, coupled with appropriate structural changes in the Japanese economy, might well compensate for any anticipated loss of markets and raw material supplies in North America, non-Communist Southeast Asia and Oceania. Japan could also expect to play a major role in the development of Indochina.

All this, however, would not alter the fact that Japan's position under the Soviet protective umbrella would be no less subordinate than it has been within the San Francisco system or than it would be within a Pacific Tripartate Pact.
India has been able to maintain virtually complete independence vis-à-vis its Soviet ally because its territory and resources give it a certain strategic resilience, because its chief antagonists have been China and Pakistan, rather than the United States and because it does not need to have Soviet bases on its territory. It has also developed, over the years, an important position in the Third World.

A Japan allied to the Soviet Union would probably not be in this happy situation. Indeed, she might need to establish the closest links with Moscow in order to protect herself from American and Chinese wrath. And however economically powerful Japan might be, she is in no position to deal with the Soviet Union on equal terms. A Japan allied to the Soviet Union could also expect, sooner or later, strong pressure from Moscow to participate more actively in the containment of the United States and China.

From the Soviet point of view a special relationship with Japan might appear to have much to offer. This would be true whether Japan were governed by the Liberal Democrats, by the Socialist Party, the Komeitō, the Communists or some form of coalition.

The third largest economy in the world would add its weight to the socialist camp. Despite serious problems of adjustment, the economic and technological benefits that could be expected to flow to the Soviet Union and its allies would be considerable. Japanese capital, technology and expertise would contribute immensely to the development of Siberia, to the reconstruction of Indochina and the progress of Soviet allies beyond the Far East. Indirectly, this would strengthen the Russian position vis-à-vis the United States and China, just as Japanese economic co-operation with Taiwan, Soviet Korea and non-communist Southeast Asia strengthened the American position against the socialist powers in the 1960s.

In the long term, however, it might be difficult, at least without careful planning, for the two countries to avoid the kind of economic friction that has come to plague Japanese relations with
the United States.

A Soviet-Japanese alliance, if it could be negotiated, would restrict America's ability to contain the Russian Pacific fleet in time of war. Despite the general decline in the peace-time importance of naval power this would certainly give the Soviet Union considerable advantage in the case of either a limited, conventional conflict with the United States or an outbreak of hostilities with China.

Nevertheless, the blow to America's global position would perhaps not be as great as that sustained by the Soviet Union when China defected from the socialist camp. Indeed, sober minded American strategists might be at a loss how to evaluate the situation, concluding, perhaps, that while the Soviet Union had gained much, the United States had lost little.

While Japan would be the most important Soviet ally in the Far East, its strategic weakness would render it incapable of challenging Russian leadership of the socialist bloc in the case that a Communist government eventually came to power in Tokyo. In this respect a Japanese alliance might be, from the Soviet point of view, preferable to a Chinese connection.

Nevertheless, as we have seen, Moscow must eventually think in terms of normalising its ties with China. At some time in the future, therefore, it might be obliged to consider either downgrading its relations with Japan or setting up its own version of a Pacific Grand Alliance, incorporating both Tokyo and Peking. These developments would touch off another vast realignment among the constellations of power in East and Southeast Asia. In the interim, the Soviet Union, like the United States, could expect to encounter strong and continuing opposition from its Japanese ally to any suggestion of direct military participation in Russian Far Eastern strategy. Within a short time after the conclusion of a Russo-Japanese alliance, the Kremlin leaders would have a thorough understanding of Mr John Foster Dulles' frustrating experiences of the 1950s.
The United States, the People's Republic of China, Australia, New Zealand and some of the ASEAN countries could be expected to do everything possible to dissuade the Japanese government from gravitating towards the Soviet Union. If their efforts proved ineffective, attempts to destabilise the Japanese economy could be expected. A coup d'état sponsored by the agencies of a foreign power or group of powers would be by no means beyond the bounds of possibility. Foreign intervention would be facilitated by the fact that a Soviet alliance would undoubtedly be unpopular with broad sections of Japanese opinion, both on the right and on the left. Japanese views about the Russians might change - just as opinions about the Americans changed in 1945. Nevertheless, anti-Soviet feeling is something that any future Japanese government contemplating and entente with the Soviet Union would have to take into consideration. No Japanese government, moreover, could afford to ignore the large reservoir of interest in and sympathy for the Chinese cause which exists in Japan. Public opinion, as well as strategic wisdom, placed strict limits on the degree of Japanese co-operation with the United States during the Sino-American Cold War. It would probably exert a strong influence on Japan's orientation within any pro-Soviet alliance system.

Even if the Japanese government managed to overcome these difficulties and concluded a Soviet alliance it could not be sure that the Kremlin, apprehensive of Japanese political instability, might not attempt its own coup in order to install a more earnestly pro-Soviet régime.

(c) The third option open to Japan and, in the view of the present writer, the one she would be most likely to adopt, would be to declare her neutrality. The question of Japanese neutrality is examined in (xi) and (xii).
(vii) The possibility that a Soviet alliance system to contain China would contribute to regional peace.
(7) THE POSSIBILITY THAT A SOVIET ALLIANCE SYSTEM TO CONTAIN CHINA WOULD CONTRIBUTE TO REGIONAL PEACE

The existing Soviet alliance system in Asia is the natural outcome of the Soviet Union's enhanced strategic capability, of the emergence of societies sharing broadly compatible political outlooks and of Moscow's failure to establish and maintain a workable relationship with China. The Soviet ties with India, Vietnam, Laos, Cambodia and Mongolia might well have assumed their present intimacy without the Sino-Soviet dispute. Moscow's estrangement from Peking has, however, given these relationships an entirely different character.

The Soviet association with India, like the Japanese-American alliance in the 1950s, has probably had a stabilising influence on regional politics, albeit for somewhat different reasons.

The Russians have not attempted to make Mrs Gandhi's India into the political, military and economic focus of their regional influence, in the way the United States tried to do, unsuccessfully, in the Shah's Iran. They have not encouraged adventurism on the part of their Indian allies. India is not a Soviet client state. The Russians clearly recognise New Delhi as an important and independent strategic partner. They have never become so committed to any Indian cause that the peace of the world has been placed in jeopardy. It is, of course, always possible that Moscow might one day become involved in efforts to preserve Indian unity or to bolster a particular Indian government. Such action would open a Pandora's box of dangerous possibilities. Yet, generally speaking, the Soviet Union has, to date, shown itself to be adept at identifying hopeless causes and at cutting its losses.

The Soviet alliance has given New Delhi a stronger hand in its dealings with China, Pakistan and the Anglo-American powers. On the whole, the Indians have used their strengthened position in the cause of moderation. The Soviet-Indian alliance has not posed
any threat to the legitimate interests of the Peoples' Republic. It has not been used by India to establish hegemony over the Himalayan kingdoms and Sri Lanka. It was not, in itself, responsible for the dismemberment of Pakistan.

The Soviet alliance with Vietnam, too, has had a stabilising effect in Southeast Asia, despite the fact that other arrangements may well have been possible.

It has helped a Vietnam devastated by decades of continuous warfare to maintain its independence against an unpredictable northern neighbour, strengthened by new associations with the United States, Western Europe and Japan. Russia's decision to come to Vietnam's assistance in 1978 was as courageous and, from its own viewpoint, as strategically sound, as America's decision to aid Yugoslavia in the 1950s. Whatever the leadership in Peking might currently claim, the Socialist Republic of Vietnam has no more interest in threatening China than Yugoslavia has in attempting to intimidate the forces of the Warsaw pact.

The Soviet-Vietnamese association does not threaten the countries of non-communist Southeast Asia. While the ASEAN nations would certainly feel more secure if it did not exist, it is interesting to speculate about what might have happened had Chinese, rather than Soviet, influence come to predominate in Hanoi after the fall of Saigon. China is certainly no more satanic than any other Great Power. Nevertheless, a strong and independent Vietnam allied to Moscow is probably regarded, in Djakarta and Kuala Lumpur at least, as preferable to a Vietnam dominated by China. Naturally, a neutral Vietnam would be seen as preferable to either of these alternatives. A Sino-Vietnamese alliance would almost inevitably cause unprecedented alarm throughout non-Communist Southeast Asia. This would probably have serious implications for the lives, security and property of overseas Chinese in all parts of the region.
The Soviet alliance with Vietnam has also facilitated the creation of a de facto Indochina Federation. Two or three decades from now this may well be regarded by historians as one of the most positive developments in Southeast Asia in the latter part of the twentieth century.

The long standing Soviet alliance with Mongolia, too, has probably had a stabilising influence on Northeast Asia. The same could be said of the Soviet relationships with the Democratic Peoples' Republic of Korea.

Moscow's probable response to the emergence of a grand anti-Soviet coalition has already been examined.

Even if a Washington-Tokyo-Peking-NATO-ASEAN-ANZUS nexus, or a Washington-Peking alliance, did not emerge, it is still possible that the Soviet Union, like the United States in the 1950s, might attempt to consolidate and extend its existing Asian alliance system with a view to more effectively isolating, encircling and containing the Peoples' Republic. The Soviet Union might attempt to give a more forcefully anti-Chinese character to its alliance with India, encourage the Indians to play a greater regional military role, seek to increase their joint influence among the Himalayan border kingdoms, destroy what remains of Pakistan, destabilise the situation in Tibet and prise Burma away from its neutrality. It might attempt to set up a highly militarised SEATO type organisation in Southeast Asia, centering on Indochina and the anti-Chinese Malay states, make overtures, perhaps, to Taiwan and endeavour to interest countries such as Japan and Australia in the anti-Chinese coalition. At the same time it might try to gain paramount influence in Pyongyang.

Some of these projects would fail miserably. Others might achieve a certain amount of success.

The Chinese, faced with a genuine threat of Soviet encirclement, made even more serious by Russia's geographical propinquity, could be expected to respond by
(i) attempting to forge an alliance with the United States, the NATO countries, Japan, ASIAN and Australia and, if this failed, by

(ii) endeavouring to destabilise the Soviet alliance system, just as they tried to destabilise the American alliance system in the 1950s and the 1960s.

The inevitable outcome would be heightened international tension, intensified Great Power rivalry, an accelerated arms race and an almost continuous state of local warfare somewhere in the region. A Soviet sponsored anti-Chinese coalition would make no more contribution to regional peace and security than similar American projects in the 1950s and the 1960s.
(viii) THE FEASIBILITY AND PROBABLE CONSEQUENCES OF A CLOSE SINO-JAPANESE PARTNERSHIP.
(8) THE FEASIBILITY AND PROBABLE CONSEQUENCES OF A CLOSE
SINO-JAPANESE PARTNERSHIP

Since the Meiji era Japanese leaders of various persuasions have been fascinated by the possibilities of a special relationship with China. In the late 19th and early 20th centuries, important groups within the Japanese oligarchy, not to mention dissident elements of one sort or another, struggled to build a Sino-Japanese alliance against the inroads of the imperial west. The Twenty One Demands crisis occurred in the context of attempts to establish a conservative Tokyo-Peking axis. The Greater East Asia Coprosperity Sphere envisaged an East Asian order based, essentially, on a conservative Sino-Japanese alliance to resist the United States and the Soviet Union and crush the Kuomintang and the Chinese Communists, forces which were viewed in Tokyo as the surrogates of these two Western powers.246

The idea of a special Japanese relationship with China did not die with the collapse of the Empire. It has already been noted that former Prime Minister Yoshida Shigeru saw the long term future in terms of a Sino-Japanese association. Postwar Japan's only Socialist Prime Minister, Mr Katayama Tetsu, inclined towards the concept of a Sino-Japanese special relationship, provided always that it did not precipitate conflicts with other countries.247 Important groups in the Socialist Party have always been sympathetic to this position. During the 1950s and the 1960s the dominant groups in the Liberal Democratic Party, overawed by American global power, convinced of the efficacy of the Security Treaty and increasingly involved with Taiwan, South Korea and the anti-Communist countries of Southeast Asia, made little secret of their hostility to Peking. Important dissident elements among the conservatives, on the other hand, urged the wisdom of rapprochement with the Peoples' Republic. Japanese-American economic friction, Japanese reaction to the Indochina war, the decline of the Liberal Democratic Party, the changing factional balance within it, then the impact of the Sino-American détente
combined to enable these groups to reassert their position. Since the normalisation of Sino-Japanese relations in 1972 and, in particular, since the signing of the Treaty of Peace, Friendship and Mutual Co-operation in 1978 there has been a re-emergence of the view that Japan's destiny is linked to Asia and, above all, to China.

This view, like its antecedents in prewar Japan, has complex roots. The sense of cultural identification with the old Confucian Commonwealth is still, in the view of the present writer, a factor of major importance. The anti-Soviet and anti-American sentiments of some Chinese leaders have a strong appeal to a certain kind of Japanese conservative. The Chinese road to socialism is still admired by a number of factions on the left. There has always been a belief that a special relationship with China would enhance Japan's resource security. The vision of a China modernising (and become more conservative) with the aid of Japanese capital and technology has been especially alluring to sections of the business community.

The development of Sino-Japanese political and economic relations in the 1970s has already been discussed.

Despite the current difficulties, the eventual emergence of a special Sino-Japanese relationship is, in the view of the present writer, by no means impossible.

From the viewpoint of the present Chinese leadership, Japan, because of its rare combination of high level economic development, strategic fragility, uncertain future relations with the other major non-communist powers and considerable degree of cultural propinquity, might appear to be an ideal partner. Japan, unlike the United States and the Soviet Union, is no longer in any position to threaten China militarily. China may be economically backward and politically factionalised, yet, in the foreseeable future, the Communist Party, the Peoples Liberation Army and the
bureaucracy will be in a better position than the prewar Kuomintang to prevent the emergence of a dependent, neo-colonialist relationship with Japan.

For Japan, a long term, special relationship with a politically stable, modernising China, whatever its social system, could prove a godsend in an increasingly protectionist world. It may be possible to reconcile Japan's desire for access to China's resources and markets with China's aspirations for development. The basic arithmetic remains to be worked out.

If China were able to give Japan watertight guarantees regarding access to resources and markets - and the events of 1980 and 1981 would seem to make this, as an immediate prospect, highly unlikely - the problem of the declining effectiveness of American naval power would be solved. China's resources and markets are immense, varied and close. If necessary, Japan could certainly construct a naval force large enough to counter any threat to shipping the East China Sea.

Japan and China might be able to work out a mutually acceptable formula for a settlement in Korea. They might also take it upon themselves to negotiate mutually advantageous arrangements concerning the future of Southeast Asia.

From Japan's point of view, however, the basic problem, at the present time, is that China is not a superpower like the United States and the Soviet Union. Nor is China particularly stable. An alliance with China would not afford Japan the kind of protection she currently obtains from the United States or which she could conceivably obtain from the Soviet Union. The efficacy of China's "nuclear umbrella" against possible threats from either of the two superpowers would be doubtful. Association with Deng Xiao-ping's China might be more likely to lead Japan into unwanted confrontation with the Soviet Union than alliance with Ronald Reagan's America. In its domestic and foreign policies China is
at least as volatile and unpredictable as the United States. A change of leadership in Peking could bring on another period of isolation. Anti-Japanese sentiment could once again come to the fore. It was, after all, only a decade ago that the leadership of the Peoples' Republic saw "the revival of Japanese militarism" as a danger as pressing as "Soviet Social Imperialism". A Sino-Japanese relationship could run aground on a massive Chinese popular rejection of the modernisation policies of the present régime, on a balance of payments problem, or on a Chinese discovery that the bulk of the nation's resources were, after all, needed for domestic industrial programmes. It is also possible that cultural and personality conflicts might cause problems, as they did in the Sino-Soviet and Franco-American relationships.

Yet if it emerged, and if it survived, a Sino-Japanese alliance would undoubtedly transform the face of world politics. It might, as the Japanese pan-Asianists have always hoped, constitute the powerhouse of a mighty East Asian Commonwealth, a new superpower, equal to the United States and the Soviet Union, more secure than Europe, finally close the era of European world domination and provide the material basis for a rich, varied and immensely creative Asian renaissance. Economically strong with abundant and varied natural resources, populous, well able to defend itself, the Sino-Japanese coalition might be able to insulate itself, its allies and associates from the vicissitudes of global politics.

It would, however, encounter formidable obstacles.

The United States has traditionally opposed the domination of Asia by a single power or group of powers.

That the United States, in World War II, found itself opposed to Japanese attempts to absorb China by force does not mean that it would necessarily accept an East Asian unity achieved by peaceful means.
It has been East Asian unity itself, the possible exclusion of the United States from vast, untapped markets by a potentially hostile Asian power, not the use of force, that Washington has always found disturbing.

The Soviet Union would also feel it had cause for alarm.

Both Washington and Moscow, of course, might vie for the attentions of the new world power.

Yet it is by no means unthinkable that a Sino-Japanese alliance could precipitate a Soviet-American rapprochement.

The Soviet Union, faced with a powerful coalition along its eastern frontiers, and the United States, uneasy about its future in the Pacific, might suddenly discover that they are both, albeit in different ways, heirs to those noblest traditions of European civilization, the search for liberty and the pursuit of social justice. They might recall the parallelism of their respective revolutions and civil wars, the universality of their social ideals and the fact that they alone, among all the major powers of European culture, have never once engaged in mutual hostilities, despite prolonged periods of tension. The exploits of John Paul Jones, the hero of America's revolutionary navy, who later became a Russian Rear Admiral and fought in the wars against the Turks, might achieve the same symbolic importance as those of Lafayette. John Reed would be totally rehabilitated.

If a Soviet-American entente cordiale did emerge, Moscow and Washington could be expected to devote considerable efforts to containment of the East Asian Commonwealth. This would, needless to say, create entirely new structures of tension and conflict, providing abundant scope for several new rounds of the arms race, Great Power involvement in civil wars, coups d'état and so on.

In Southeast Asia and the Pacific, the nations of Indochina, some of the ASEAN powers, Australia and New Zealand could be expected
to be uneasy about the development of a Sino-Japanese special relationship.

The Indochinese states would probably strengthen their ties with the Soviet Union, attempt to normalise their relations with Washington, broaden their contacts with Europe, Southeast Asia and Oceania. They would see themselves, and be seen elsewhere, as constituting a bulwark against Sino-Japanese southwards expansion.

The ASEAN nations, Australia and New Zealand, could be expected, for some time, however, to adopt ambivalent policies towards the new coalition.

Indonesia and Malaysia would almost certainly regard the prospect of Sino-Japanese joint regional hegemony, with all its implications both for the future of their economies and for the racial balance within their societies, with considerable apprehension.

The position of the Philippines would probably be uncertain.

Thailand and Singapore, for strategic, economic and cultural reasons, might see virtue in association with the Tokyo-Peking axis.

If the Sino-Japanese coalition did not adversely affect Australia's economic ties with Japan, opinion in Canberra would probably oscillate uneasily between traditional cultural loyalties and the demands of the current material interests. The nature of Australia's internal contradictions could, indeed, enable it to play a very useful mediating role in any conflicts among China, Japan and the United States. Yet if the Sino-Japanese relationship adversely affected Australian profits and Australian jobs, Canberra could be expected to lend a more ready ear to the promptings of opponents of the new East Asian Commonwealth.
(ix) THE FEASIBILITY AND PROBABLE CONSEQUENCES OF A JAPANESE STRATEGIC ASSOCIATION WITH SOUTH KOREA AND TAIWAN.
THE FEASIBILITY AND PROBABLE CONSEQUENCES OF A
JAPANESE STRATEGIC ASSOCIATION WITH SOUTH KOREA
AND TAIWAN

An alliance with South Korea and Taiwan, with or without United
States backing, is currently advocated by a small number of Japanese
conservative politicians, industrialists, military men and right
wing pressure groups. The concept of a Northeast Asian anti-
Communist alliance has also had a certain amount of support in
Washington, Seoul and Taipei. The mainstream of the Japanese
political and business establishment, however, while anxious to
maintain the status quo in both the Korean peninsular and the
Taiwan Straits has never looked favourably on the idea of Japanese
military backing for either Seoul or Taipei. Nevertheless,
within the context of the Security Treaty system, important indirect
Japanese military links with the Republic of Korea have been built
up. The potential significance of these links has been emphasised
on many occasions, from the time of the Three Arrows exercises
in the 1960s to the visit by the (then) Director General of the

The emergence of a Japanese-South Korean-Taiwanese alliance is,
in the view of the present writer, highly improbable. Such an
association, whether it developed within the framework of the San
Francisco system or outside it, could only serve to increase
regional instability. It would do nothing to enhance the security
of Japan.

Japanese military backing for the Chinese Nationalists on Taiwan
would make a Sino-Japanese confrontation virtually inevitable.
Japanese military support for South Korea would have, sooner or
later, exactly the same effect.

Japanese involvement with Taiwan and the Republic of Korea would
be much more dangerous than American involvement in these areas
has hitherto been. In Tokyo, the conclusion of a Northeast Asian
anti-Communist alliance would touch off the most profound reactions, on both the left and the right. The Korean and Taiwanese régimes are repressive and unstable. In Korea, especially, on both sides of the 38th parallel, there is bitter hostility towards Japan. Japan, unlike the United States, is strategically weak. Her cities, railways, airports and nuclear power installations are vulnerable to terrorist attack. The conclusion of an alliance with South Korea and Taiwan would probably be followed, sooner or later, by violent disturbances in Tokyo, Seoul and Taipei, by a significant breakdown in domestic order in all three capitals, the possible collapse of Japan's postwar democratic order under the multiple impact of popular demonstrations, terrorism and resurgent militarism, armed Japanese intervention to support the sagging political structures of its new allies, leading, ultimately, if historical precedent to any guide, to a direct Sino-Japanese confrontation.

A Japanese alliance with South Korea and Taiwan would do nothing to enhance the security of Japan's resource supplies. It would not guarantee Japan access to the kinds of markets she needs if her economy is to survive in its present form. The ability of Japanese industry to operate, unrestricted, in political systems guaranteeing minimum wages and maximum profits might at first appear to be an advantage, at least from a narrowly economic point of view. Yet if these strategies were to be, for a time, successful, Japan's economic problems with the United States and the EEC would only be compounded. If the character of Japanese economic involvement with her new allies eventually provoked resistance, the ensuing upheaval could well bring Japan to her knees.

The reemergence of Sino-Japanese tension might appear, on the surface of things, to offer some consolations to the Soviet Union, to Vietnam, to some of the ASEAN nations and to those elements in Australia who fear the long term implications of a Japanese partnership with China. China would once again be
forced, as the Soviet Union is at present, to plan for a war on several fronts. This would oblige the Peoples' Republic either to bury the hatchet with Moscow and Hanoi, to weaken its defence posture in Central Asia, Tibet and Manchuria, or to embark on a military build up on a scale that could undermine its economy and promote domestic instability. If the Tokyo-Seoul-Taipei axis developed outside the context of the San Francisco system it is always possible that the Chinese might attempt to counter encirclement by the Soviet Union, Mongolia, India and Vietnam on the one hand, and by Japan, South Korea and Taiwan on the other, by further consolidating their ties with Washington.

In reality, however, none of the powers would profit from a breakdown of Sino-Japanese relations. The Soviet Union, it is true, might not have much to fear from a Japanese alliance with South Korea and Taiwan. Still, Sino-Japanese tension would probably increase Russian fears about the security of their merchant shipping in Far Eastern Waters. Moscow would probably respond by further strengthening its own naval forces in the area. This would almost certainly exacerbate regional tensions. Even Vietnam, with which an anti-Chinese Japan might be anxious to co-operate politically and militarily, could eventually find Japanese attentions and Chinese responses somewhat oppressive. Australia, with its close relationship with Japan and rapidly developing ties with China, would be seriously embarrassed by renewed Sino-Japanese tension. Sino-Japanese competition for the favours of the ASEAN countries could cause difficult problems, both domestically and internationally, for these fragile societies. The position of the Overseas Chinese in almost all the ASEAN countries would render these problems especially complex and difficult.
(x) THE FEALIBILITY AND PROBABLE CONSEQUENCES OF A JAPANESE-AUSTRIALIAN MILITARY ALLIANCE.
THE FEASIBILITY AND PROBABLY CONSEQUENCES OF A
JAPANESE AUSTRALIAN MILITARY ALLIANCE

China, Korea, the countries of Southeast Asia, the United States and
the Soviet Union all occupy a special place in Japanese views
of the world. Australia does not. There has never been, and there
is not now, any large body of opinion, official or popular,
which sees the future exclusively in terms of a special relation-
ship with Australia.

Nevertheless, in the early 1970s, Professor Momoi Makoto, of the Japanese
National Defence College, did come forward with a concrete proposal
for an Australian-Japanese military alliance. Noting the decline
of the United States as a major influence in Asia, the strains in
the Japanese-American Security Treaty system, the close economic
interdependence between Tokyo and Canberra and the remarkable stability of
Australian society, Momoi suggested, as a private opinion, that
future military co-operation between Japan and Australia was
desirable.

Such co-operation could take one of several forms, depending on the
time and circumstances.

Specifically, Momoi suggested that:

(i) if American influence was further eclipsed, and Washington's
commitment to its Pacific allies wavered, but still retained some
credibility, Japan and Australia could consider formation of a
bilateral naval defence system to protect merchant shipping moving
between the two countries. This system would supplement the
reduced American naval presence in the Pacific. Professor Momoi
argued that, for a variety of reasons, Japan's direct military
contribution would necessarily be a limited one. He envisaged a
greatly expanded Australian navy bearing the brunt of the military
burden. Japan would assist the Australian navy with finance, vessels,
equipment and so on. This Japanese-Australian naval alliance could
perhaps be further cemented by special trade terms designed to augment Australia's foreign exchange reserves, thus increasing her military potential.

(ii) if the United States went into full decline, its nuclear deterrent lost much of its credibility, and if Washington moved to abandon its Asian-Pacific allies, Australia and Japan could take the lead in organising a collective security system. Depending on the circumstances, this system could be either nuclear or conventional, bilateral or multilateral. Japan and Australia, Momoi suggested, while relying on America's residual deterrent power for protection against nuclear blackmail, could jointly build up their naval and air capabilities to replace the Seventh Fleet.

This arrangement would, of course, present difficulties.

"If the deterrent failed", Momoi observed,"and if one of the non-nuclear partners was attacked, it might become difficult for all the partners to identify the attack as one directed against the group as a whole."

The basic problem, according to Momoi, lies in the absence of an "economic-geopolitical identity such as that which exists in Europe."

There would be fewer difficulties, he argued, if Japan and Australia promoted the formation of a multilateral Asian security system, concerning itself essentially with naval policing operations in sensitive areas such as the Malacca Straits.

In such a system, Professor Momoi contended, "Australia and Japan would confine themselves solely to a logistical role, with Asian members playing operational parts."

Such an arrangement would not be a full scale collective security system. It could, however, eventually become one.
(iii) if the United States nuclear deterrent should totally lose its credibility, or be declared no longer applicable to the Asian-Pacific area, Australia could develop a nuclear strike force and extend more measure of protection to Japan. The two nations could then co-operate to develop a new bilateral security arrangement or an Asian multilateral force.

Professor Momoi argued that Australian military nuclear development would be preferable to Japanese. A nuclear Australia, he felt, "might be less provocative to others than a nuclear Japan which has a past record of militarism."

If, however, Japan were to develop nuclear weapons, co-operation with Australia would be essential, "if only for obtaining a testing area, which does not exist in Japan."

Momoi concluded that "the two nations are and will be largely interdependent. Their co-operation will thus be the case of peace keeping in Asia, with or without an actual US military presence."

Professor Momoi's proposals deserve to be examined in some detail.

(i) The bilateral naval defence system would presumably be intended to protect trade routes vital to the two countries from

(a) the navies of potentially hostile Great Powers, such as the Soviet Union

(b) the navies of potentially hostile medium and small powers

(c) piracy and terrorism.

Australia, it will be recalled, is to bear the greater part of the military burden. Yet whatever generous financial backing was provided
by Japan, it would simply not be possible for Australia to construct, maintain and man a naval force sufficient to protect merchant shipping in the Western Pacific, the South China Sea, in Indonesian waters and in the Indian Ocean from the activities of the Soviet Far Eastern fleet in times of war. There are, it is true, serious limitations on the mobility and effectiveness of the Soviet navy. These place it at some disadvantage vis-à-vis the Seventh Fleet. Yet Australia is not a Great Power. It is unlikely to become a Great Power. Its natural resources are abundant. Its human resources are limited. The Western Pacific, the South China Sea and the Indian Ocean are vast bodies of water. Professor Momoi rules out the construction of a large Japanese navy on the grounds of manpower shortage (the declining number of 18 year old youths) and the combined demands of higher education and industry. The situation is no less serious in Australia - unless, of course, we are to suppose that large scale militarisation, partly financed by a foreign power, is an acceptable solution to the problems posed by technological innovation and the redundancy of the work force in an economy dominated by capital intensive extractive industries and mechanised agriculture. The Australians, with their warlike traditions, comparatively rich but unemployed, might, perhaps, become the Swiss mercenaries of the Far East, serving the industrial princes and merchant prelates of the Japanese superstate. Yet it is doubtful whether such a solution would be, in the long term, acceptable to the Australian people, even if it were presented in terms agreeable to their prejudices.

Even if its construction were economically feasible and its manning demographically possible, the emergence of a great Australian naval force, partially financed by Japan, would probably have a disturbing effect on medium and small powers in the region. Much would depend, of course, on the international power balance at the time, and how it was perceived in various capitals. Nevertheless, India, Indonesia, Vietnam, the Philippines, Papua New-Guinea and some of the small Pacific island nations might be reluctant to accept the view that the sea lanes were, in fact, endangered, or that the intentions of either Australia or Japan were entirely innocent.
(ii) Momoi's idea of an international force to check piracy, terrorism and other undesirable activities in the South China Sea, the Gulf of Siam and around the Straits of Malacca is a good one. As far as the present writer is aware, however, shipping between Australia and Japan has never yet been affected by piracy or terrorism. In the view of the present writer an international anti-piracy force, while excluding contingents from both superpowers and from China, should certainly encourage participation by all regional states with an interest in the matter. This includes the Socialist Republic of Vietnam and its Cambodian ally.

(iii) It would not be possible for Australia to develop military nuclear capability on a scale sufficient both to deter superpower threats to itself and to contribute to the security of Japan.\textsuperscript{252}

The development of a credible second strike capability against either of the nuclear superpowers would be beyond Australia's economic and technological capacity. Even if it were not, considerable, albeit by no means insurmountable, domestic opposition could be expected if any Australian government decided to acquire a nuclear strike force. Development of an Australian \textit{force de frappe} would almost certainly touch off a miniature nuclear arms race in Southeast Asia. Japanese involvement in Australian military nuclear programmes would compromise Australia's independence in the eyes of its neighbours. Australia would be viewed as a Japanese client state. Japanese involvement in Australian defense policy would also create deep divisions among the Australian people.

The development of a Japanese nuclear strike force in Australia might also prove difficult. The testing, as Professor Momoi suggests, would have to be done in Australia. This would create major political problems for any Australian government. It is doubtful whether contemporary Australian public opinion would countenance British or American nuclear testing on Australian soil.\textsuperscript{253}
Difficulties would also arise with the siting of the Japanese deterrent once it was developed. Unless Japan were to decide on an entirely submarine based deterrent system, it is most likely that the hard facts of geology and geopolitics, as well as domestic political considerations, would impel the Japanese government to view Australia as the most convenient launching pad.

The development, testing and siting of a Japanese nuclear strike force in Australia, with all the dangers it would entail, would almost certainly be unacceptable to the Australian people. They would see that a Japanese nuclear strike force, while useless as a deterrent against the Soviet Union, the United States and the Peoples' Republic, could be regarded by Southeast Asian countries, Communist and non-Communist alike, as a potential threat. They would also see that association with a strategically weak, nuclear armed Japan increased the possibility of a preventative or retaliatory nuclear strike against Australia. They would vote out of office any government thought to be contemplating such follies.

In general, therefore, Professor Momoi's concept of an Australian-Japanese military alliance as a replacement for the Japanese-American Security Treaty system would not appear to have much to recommend it.
(xi) THE FEASIBILITY AND PROBABLE CONSEQUENCES OF ATTEMPTS BY PARTICULAR, INDIVIDUAL NATIONS, NOTABLY AUSTRALIA, JAPAN, THE VARIOUS ASEAN POWERS, THE INDOCHINESE STATES AND THE TWO KOREAS TO ESTABLISH THEIR NEUTRALITY IN WORLD AFFAIRS.
(11) THE FEASIBILITY AND PROBABLE CONSEQUENCES OF
ATTEMPTS BY PARTICULAR, INDIVIDUAL NATIONS,
NOTABLY JAPAN, AUSTRALIA, THE VARIOUS ASEAN
POWERS, THE INDOCHINESE STATES AND THE TWO
KOREAS TO ESTABLISH THEIR NEUTRALITY IN
WORLD AFFAIRS

(a) Japanese Neutrality

General Douglas MacArthur's vision of Japan as the 'Switzerland'
of the Far East has inspired two generations of Japanese neutralists.
Throughout the postwar period the appeal of neutrality has been
strong in Japan. While the Liberal Democratic Party has made the
Security Treaty the basis of its foreign policy, many prominent
conservatives have manifested more than a passing interest in the
neutralist alternative. The Socialist Party has been, since its
inception, committed to a policy of unarmed neutrality. The
Communist Party advocates armed neutrality. The foreign policies
of the Kōmeitō and the Democratic Socialist Party, like those of
the New Liberal Club, have, at various times, inclined towards a
neutralist position. Neutrality has much support among sections
of the academic and cultural community, among strategic studies
specialists and scholars of international relations. It also has
considerable support among the public at large.

Japan's postwar neutralists have, with a few exceptions on the
right and on the left, also advocated pacifism and disarmament.
The long debate on neutralism and the American alliance was
recently given something of a new direction by the publication of
an article by Professor Shimizu Ikutaro advocating an essentially
Gaullist course for Japan. In Professor Shimizu's view, Japan,
while maintaining amicable relations with the United States,
should abandon the American alliance, which has become ineffective,
unnecessary and dangerous, revise the Constitution and jettison
the Three Non-Nuclear Principles. She should build up a military
capacity both to deter and to repel attack. She should not baulk
at offensive weapons. By way of concrete proposals, Shimizu recommends a military expenditure of some US $120 billion over a ten year period. This would raise Japan's annual defence expenditure from 1 per cent of GNP to 3 per cent of GNP. Japan should embark on construction of two aircraft carrier task forces, each about the size of the United States Seventh Fleet. Seventeen aircraft carriers, thirty four anti-aircraft destroyers and eighty five multi-purpose destroyers would be needed. Japan should also purchase 350 F-15 'Eagle' interceptors. (The Self Defence Forces currently plan to acquire 100 over ten years). In the Ground Self Defence Forces, the number of armoured fighting vehicles per division should be increased from 48 to 200-300. If all this could be accomplished, Shimizu believes, Japan could face the Great Powers on its own.

The problems within the Japanese-American alliance have already been discussed.

Japanese opponents of neutrality have traditionally argued that the global balance of power and the country's peculiar strategic circumstances leave it with no choice but alignment with the United States. The Japanese-American Security Treaty system, they maintain, has become an essential element in the structure of Soviet-American mutual deterrence. Mutual deterrence provides the only basis for détente, the only sure foundation for the development of some measure of world peace. The United States may be declining as a Great Power. Japanese-American economic friction may have become serious. Yet Japanese neutrality, by weakening the American strategic posture throughout the world and by raising new expectations in Moscow and Peking, would increase the risk of invasion from one or other of the continental Communist powers. At the same time, since Japanese neutralism would also be unacceptable to the United States, it would bring with it the possibility of American retaliation against Japan. The wisest course for Japan, therefore, is to continue co-operating with the United States, even if such co-operation involves considerable
sacrifice. In any case, they maintain, Japan's geography, economic structure, population distribution, paucity of natural resources and trading patterns, would make the defence of neutralism impossible.

Arguments based on an examination of comparable cases cannot, of course, be conclusive. Nevertheless, one or two observations can be made.

The French Republic, because of its population, its economic and military power, its global political and cultural influence, has been, and remains, at least as important an international actor as Japan is. De Gaulle's break with the United States, his withdrawal from NATO and France's emergence as a de facto neutral did not bring about the apocalypse. The basic structure of Soviet-American deterrence did not collapse. Russian troops did not march across Germany to batter at the gates of Paris. The United States, albeit reluctantly, came to accept France's new orientation.

French withdrawal from the American alliance system did not merely fail to bring the world to an end. Throughout the 1960s, despite considerable Anglo-Saxon scepticism, de Gaulle's France played an important, indeed, central role in promoting a realistic East-West détente, both in Europe and in Asia. French withdrawal from NATO began the erosion of those inflexible and highly dangerous Cold War structures created by Stalin and John Foster Dulles. It paved the way for a greater measure of independence in both Western and Eastern Europe. Without the example of de Gaulle's France both to reassure the Russians and to inspire the others, Ceaucescau would probably have been inconceivable, Dubcek, despite his failure, might never have been heard of and the Poles might not have been in a position to do what they now appear to be doing. The Franco-Soviet dialogue, French recognition of the Peoples' Republic, de Gaulle's opposition to the Vietnam war, French policy towards the Arab states all promoted a new and more positive climate in world affairs.
France is not Japan. Europe is not Asia. The point is, however, that it has been possible, in recent years, for a middle ranking power roughly comparable to Japan, previously allied to the United States, to move out of the alliance system without endangering its own security and without precipitating armageddon.

The argument that geography and economics would make the defence of Japanese neutralism impossible can be countered by the observation that Japan's geopolitical situation is, in many respects, similar to that of Sweden. The fact that Japan is an archipelago while Sweden occupies the eastern part of a large peninsula is not of overriding importance. Both countries are located in strategically important 'troughs' between rival superpowers - the NATO block and the Warsaw pact in the case of Sweden; the United States, the Soviet Union and China in the case of Japan. Both countries share with another small power the doubtful privilege of commanding the exit to a strategically vital waterway. The Soviet Baltic fleet can only move into the North Sea, and thence into the Atlantic, through the Sound between Sweden and Denmark. The Soviet Far Eastern fleet at Vladivostok can most conveniently break out of the Sea of Japan into the Pacific through the Tsushima Straits, between Japan and South Korea, through the Tsugaru Straits, between Honshu and Hokkaidō, or the Soya Straits, between Hokkaidō and the island of Sakhalin. Conversely, control of these straits would give the enemies of the Soviet Union access to the Baltic and the Sea of Japan. Access to Japanese bases and communications facilities has been useful to the United States in the Far East. Access to similar facilities in Sweden would have assisted United States policies in Europe. Both Japan and Sweden, moreover, are surrounded by smaller, more vulnerable countries with which they are connected by complex historical, cultural and economic ties - Norway, Denmark and Finland in the case of Sweden, the two Koreas and the island of Taiwan in the case of Japan.

The land area, terrain, population distribution, industrial structure and trading patterns of the two countries are also roughly comparable, despite the vast disparities in population
and overall weight in the world economy. Japan and Sweden are approximately the same size. Both countries are covered with extensive areas of mountain and forest — over 50 per cent of total land area in the case of Sweden, 60 per cent in the case of Japan. The population of both countries is heavily concentrated in a few vulnerable urban and semi-urban areas. More than 90 per cent of the Swedish population lives in the southern part of the country. Japan's industrial base and urban population is concentrated in a great megalopolis extending from Tokyo in the east, along the shores of the inland sea, through Ōsaka and Kobe to Kita-Kyūshū in the west. Both countries have highly sophisticated modern economies. Both have considerable potential for agricultural self-sufficiency in time of crisis. While Sweden is rather more rich in non-renewable resources than is Japan, both countries depend heavily on the import of raw materials and the export of finished products. Sweden is, in this sense, just as much a vulnerable 'maritime nation' as Japan is. Approximately 70 per cent of Sweden's energy needs are met by Middle Eastern oil. Japan depends on Middle Eastern oil for some 74 per cent of its energy requirements. Both countries trade extensively with nations which are not neutral. Indeed, Japan's trade structure is, in this respect, rather more diversified and, therefore, rather more amenable to neutralist policies than is Sweden's.  

Neither Japan nor Sweden could possibly build up naval forces able to protect all the trade routes vital to their interests without seriously distorting their economies.

Swedish neutrality, of course, has been an established fact in Europe for two hundred years. Swedish foreign and domestic policy has been geared specifically to the preservation of that neutrality. Sweden's neutrality, it should be remarked in passing, has never been inconsistent with the development of a realistic defence policy based on a continuing reassessment of possible threats and preparations for various contingencies. Yet the Swedes have been confident that they can realise their objectives without
threatening their neighbours. The surrounding Great Powers appear convinced that the struggle necessary to subdue Sweden would not be worth the effort.

The geopolitical parallels between the Japanese archipelago and the Scandinavian peninsula do not mean that policies which have served well in one area would be automatically applicable in the other.

The point is, however, that it is possible for a geographically small state, with an industrial economy, heavily dependent on overseas raw materials and markets, wedged between mutually hostile Great Power alliance systems, to successfully pursue a policy of non-alignment.

De Gaulle considered an independent role in world affairs impossible without a force de frappe. France has also pursued, where it has felt its interests have been involved, an actively interventionist foreign policy. Sweden has not exercised a nuclear option. While its military forces are formidable, it has adopted a policy of complete non-intervention in other countries' affairs.

In the view of the present writer, a decision on the part of some future Japanese government to protect its neutrality by means of a nuclear strike force could have a very destabilising effect on Asian-Pacific politics. So too could a Japanese decision to construct a naval force of the type apparently envisaged by Professor Shimizu Ikutarō. In the view of the present writer, a neutral Japan could most effectively defend its sovereignty and territorial integrity, and, at the same time, reassure its neighbours, by adopting the Swedish rather than the French approach to self-reliance. The present Ground Self Defence Forces could be remodelled, a Home Guard created, the basis for a substantial defensive army laid through introduction of a universal training scheme, a civil defence network established. The Air and Maritime Self Defence Forces could also be recast in such a way as to make them, as far as is possible within the limits of contemporary military technology, defensive in nature.
Japan would also need to establish, like France and Sweden, a substantial, independent domestic arms industry. Continued reliance on American military technology would not be a convincing demonstration of neutrality. Because of the peculiar sensitivity of Japan's international position, however, it would probably be wise to adopt the Swedish policy of extreme caution in foreign arms sales, rather than the more indiscriminate French approach.

In the view of the present writer, a strong, cohesive Japanese government, supported by a substantial majority of the public, might be able to abrogate the Security Treaty and adopt a policy of armed neutrality. Such a government, in such a climate of opinion, might also be able to cope with a hypothetical American decision to abandon its military links with Japan.

Japanese neutrality, once firmly established, would probably prove as enduring as that of Sweden, Switzerland or Austria. It would probably also be, as General MacArthur maintained, in the long term interests both of Japan herself, of the surrounding Great Powers and of Japan's smaller neighbours in the Korean peninsula, Southeast Asia and Oceania.  

The real difficulties would lie not so much in maintaining neutralist policies once they were firmly established, but in managing the hazardous transition period after abandonment of the Security Treaty. During this transition period, which could last for several years, Japan's neutrality could expect to face serious challenges from a number of directions. There would be no guarantee that it could survive these challenges.

Despite the current difficulties in American-Japanese relations, and the opportunities created by the Sino-American entente cordial, it is difficult to know what attitude the United States might adopt towards a Japanese declaration of neutrality. It is possible to
imagine circumstances in which the United States might welcome the emergence of a neutral Japan, or might not be especially disturbed by the prospect. At the present time, direct American military intervention against any neutralist Japanese Government would probably be no more, and no less, likely than Soviet intervention in Yugoslavia, Romania, or, perhaps, Poland. The present Japanese-American Security Treaty would provide some legal grounds for intervention. Yet direct American military intervention, even if it were successful, would alienate large sections of the Japanese people and make the future operation of the Security Treaty difficult. The international repercussions would also be serious—not least for America's position vis-à-vis her European allies.

A hawkish American government, encouraged, perhaps, by China, South Korea and some other Asian-Pacific allies, supported by hitherto influential anti-neutralist elements in Japan, might conceivably attempt to orchestrate a coup d'état to restore the alliance. Political factionalism in Japan might make this a particularly attractive option. A neutralist Japanese government, like the French governments of the 1960s, would need to ensure that it retained its cohesion and unity, cultivated the loyalty of its armed forces, that its policies were explained to, and accepted by, the overwhelming majority of the people, that its trade patterns were sufficiently diversified to make embargos and blockades difficult and that it made strenuous efforts to ensure that its position was correctly understood in Washington. Rampant factionalism in the government, insurrection in the armed forces, confusion among the Japanese people or a belief in Washington that the Japanese neutrals were Soviet agents could rapidly bring the experiment to an end.

Apart from the United States, the Soviet Union is the only power with a capacity to invade and occupy the Japanese archipelago.

A Japanese declaration of neutrality would be unlikely to provoke a hostile Soviet reaction. The Russians would be unlikely to encourage
renewed American interest in the area, and to risk a global conflict, by attempting to extract concessions from Japan through crude military pressure. Japan, after all, is not Afghanistan. It does not border directly onto the Soviet Union. Its fate is also crucial to the global power balance. While many in Washington could, perhaps, be persuaded that a neutral Japan was not so incompatible with American interests that military action was necessary to prevent its emergence, they could hardly sit idly by while a neutral Japan was forcibly absorbed by the Soviet Union, unless, of course, the evolution of Sino-American relations had already given Washington compensatory advantages.

A rationale for Soviet military action against a genuinely non-aligned Japan is difficult to imagine. Nevertheless, a neutralist Japanese government would need to ensure that Moscow had no opportunity to exploit factional strife to bring about a more pro-Soviet Japanese orientation. Japan's last defence against this kind of interference, from any outside power, would be a strong and popular government, a well informed public opinion committed to neutrality, loyal armed forces, and a sophisticated diplomatic corps. Japanese suspicion of the Soviet Union would make it difficult for the Russians to manipulate political factionalism to their own advantage. In any case, it can be assumed that many in Moscow would consider a neutral Japan, of whatever political complexion, to be a vital Soviet interest. This being so, other, wider objectives would be set aside, as they clearly have been in the case of Sweden, Austria, Finland, France and so on.

At the present time, it could be expected that Chinese attitudes to Japanese neutrality would be ambivalent. The prospects for a grand anti-Soviet coalition would be dimmed. At the same time, the possibilities of exploiting Japanese and American differences to China's advantage might perhaps increase. The present Chinese leadership could be expected to apply diplomatic and, if need be, economic pressure to keep Japan in the anti-Soviet camp. Resort to military persuasion would be unlikely. Japan, unlike Vietnam, is removed from China's direct reach. China does, however, have the power to threaten Japanese cities with nuclear missile strikes.
It could also apply limited pressure to Japanese trade routes. The activities of armed Chinese fishing junks around the Senkaku islands in 1978 will be recalled. The long term prospects for Sino-Japanese economic co-operation, together with Japan's importance in the global balance of power, would, however, be likely to persuade Peking that nothing could be gained from 'teaching Japan a lesson.'

The Democratic Peoples' Republic of Korea could be expected to welcome the emergence of a neutralist Japan. The Republic of Korea, as it is presently constituted, would not rejoice at the prospect of Japanese neutrality. Seoul is in a much better position to apply economic, political and military pressure on Japan than Pyongyang is. Yet it would probably be deterred from extreme actions both by the fear of possible international repercussions and the likelihood of weakening its position vis-à-vis the North.

A neutral Japan could develop its interests in the area, and avoid potentially dangerous confrontations, by adopting a policy of strict equidistance between both Koreas and working quietly, but purposefully, for North-South détente and some kind of eventual peaceful reunification.

The ASEAN countries, themselves committed to the concept of a zone of peace, freedom and neutrality in Southeast Asia, could scarcely be expected to object to the emergence of a non-provocative, neutralist Japan. Nor could the nations of Indochina. Nor could India. Nor could already established neutral countries like Burma and Sri Lanka. Nor could the OPEC countries.

Australia and New Zealand, however, might be expected to maintain an attitude of reserve, at least so long as loyalty to the United States remains the lynch pin of their foreign and defence policies. If the United States opposed Japanese neutrality, both could expect requests from Washington to use their economic links with Japan to bring that country back into the fold. Complex struggles between competing interest groups would ensue. Australia would be
torn between its cultural and political loyalty to the United States and its economic interests in Japan. It would be difficult to predict the outcome of such conflicts. Yet if Australian responses to American requests for economic sanctions against China, the Soviet Union and Iran are any guide, economic self interest would achieve a striking victory.

(b) **Australian Neutrality**

Despite its emotional attachment to the Anglo-American world Australia would theoretically be in a good position to adopt a policy of armed neutrality.

The Australian continent is geographically remote from all the Great Powers. It is more removed from the major centres of world conflict than any other country except New Zealand, the Kingdom of Tonga, the Kingdom of Samoa, Fiji and the Republic of Nauru. It is protected from foreign invasion both by its insularity and by the nature of its terrain. An expeditionary force dispatched by any of the Great Powers would have to approach Australia across vast oceans. To attack the centres of population in the South-east it would be obliged to maintain long, difficult and very vulnerable lines of communication. Any attempt to launch an invasion of Australia from operational bases on the exposed and underpopulated Northwest coast would be, because of the immense expanses of desert, semi-arid land and savannah to be traversed, an extremely difficult undertaking, comparable, in some ways at least, to the attempts of Napoleon and Hitler to invade Russia. Much of the Australian countryside is admirably suited to guerilla warfare - as the Japanese army command pointed out to naval exponents of an invasion of Australia in 1943.

Australia's natural resources are almost unlimited. It has a substantial industrial base and high level of science and technology. Given appropriate planning it would be in a better position than France, Sweden, Japan or Israel to develop a relatively self contained domestic armaments industry. A high level of domestic
oil production, abundant reserves of coal and natural gas make Australia, potentially at least, immune from the impact of instability in the Middle East. The scope for development of alternative energy resources is considerable. The country is more than self sufficient in foodstuffs. A blockade could not starve its people into submission.

Moreover, despite all the nonsense talked in the 1950s, the 1960s and the 1970s, Australia, unlike Japan, has no vital interests beyond her shores.

As the distinguished military historian L.C.F. Turner pointed out to the Australian Senate Standing Committee on Foreign Affairs and Defence some years ago:

"Even a collapse of all non-Communist governments in South-East Asia, including Malaysia and Singapore, would not threaten Australia directly. A change of régime in Indonesia and a strengthening of the Indonesian Navy by Soviet warships would raise dangerous possibilities, but any attempt by Russian units to support landings in Australia would probably lead to a clash with the United States." 261

Professor Turner considered that the possibility of Soviet-Indonesian collaboration, among other things, was sufficient to warrant continued Australian adherence to the American alliance.

In the view of the present writer, the existing global strategic balance, the declining prestige of the United States, the Soviet Union and the Peoples' Republic of China, the limited possibilities open to Japan, the improbability of direct military confrontation among the Great Powers, the increasing restraints on their involvement beyond certain loosely defined spheres of influence all combine to make Great Power invasion of Australia, aligned or neutral, extremely unlikely outside the context of a global war. Global war is a contingency over which Australia, aligned or neutral, has no control, against which is has no protection, the outcome of which it can in no
way influence.

Australia's importance as a major supplier of agricultural commodities and raw materials, and as a small industrial power could, if its markets were carefully diversified, give all the Great Powers, along with a number of smaller states, some interest in preserving its independence. In this connection, Australia's place as a vital source of raw materials for Japan and as a substantial exporter of grains both to China and to the Soviet Union deserve special mention.

Australia's immediate neighbours * in Southeast Asia, both communist and non-communist have been preoccupied with forging national unity, protecting their independence from Great Power interference, with carrying out social revolution, reconstruction and national development. While Indonesia has, at times, put pressure on territories regarded by Australia as vital to her own security, no Southeast Asian power has demonstrated an interest in invading Australia. No Southeast Asian power has the capacity to mount such an invasion. The massive naval and air forces necessary to launch a successful invasion of the Australian continent could not be built up in the twinkling of an eye. Australia would have more than adequate time to prepare, diplomatically, politically and militarily, for the anticipated onslaught.

Dissolution of the ANZUS pact would be a necessary precondition of Australian neutrality. A neutral Australia might also find it advisable to renounce her last military commitments in Southeast Asia and the Pacific. Against a background of developing

* When speaking of immediate neighbours it is necessary to maintain some sense of proportion. The distance from Darwin to Djakarta is almost the same as the distance between London and Moscow. The distance from Darwin to Hanoi is more than twice that separating the British from the Soviet capital.
international understanding of its neutralist policies Australia would then need to cultivate sound working relationships with the United States and the Soviet Union, the Peoples' Republic of China and Japan. Relations with three of these countries are already well developed. Neutrality, it is true, would change the character of existing ties. Yet it should not necessarily cause them to deteriorate. A neutral Australia would need to pay even more attention than it does now to its relations with Southeast Asia and the Pacific islands. It would need to consolidate its reputation as a socially, economically and technologically advanced society, generous, tolerant and humane, genuinely interested in regional development and in regional stability, but aware that no social system can outlive its usefulness, that neighbouring governments must stand before their own people on their own merits and that foreign intervention, direct or indirect, however well meaning, can solve no problems permanently. Australian diplomacy would also find it advisable to pay more attention to South and Central Asia, to the Middle East and Africa.

A neutralist Australian government, whether it was committed to the free enterprise system or to some kind of socialism, would be obliged to assert a higher degree of Australian control over the economy. It would be necessary to make a concerted effort to repurchase foreign dominated enterprises, to insist on a substantial level of Australian equity in new development projects and, perhaps, to encourage trade union investment in mining, agriculture and manufacturing. The latter policy might have a salutary effect on Australia's industrial relations. Australia's peculiar circumstances would also make it necessary to promote both a greater level of national consciousness and a higher degree of international awareness.

Australia's neutrality could be defended by the development of a reasonably small, self reliant military capability to protect the country's continental and immediate offshore interests. The emphasis would be on high mobility, technological sophistication, operational flexibility and professionalism. For obvious reasons
particular attention would need to be paid to air and naval power.

The professional armed forces, recruited voluntarily, could be supplemented by a substantial Home Guard. A universal training scheme on the Swedish model could be introduced. This would enable the country's armed forces to be expanded rapidly in time of crisis. Knowledge that the government was committed to neutralist policies and that overseas service was out of the question would minimise opposition to compulsory training.

Possession of nuclear weapons would not enhance the security of a neutralist Australia. The emergence of a nuclear Australia would only accelerate tendencies to proliferation throughout the region. Nevertheless, the restructured Australian forces would need to be backed up by an expanded, technologically sophisticated Australian defence industry.

At the same time, a neutral Australia would need to invest heavily in the development of an independent intelligence gathering network and in facilities for data analysis. It would be essential to prevent the Australian intelligence system from being drawn into the orbit of Great Power intelligence agencies. This would necessitate, among other things, the development of a vigorous, indigenous tradition of scholarship in international politics, strategic studies, Asian, African, Middle Eastern, Soviet and North American affairs. It would also be imperative to ensure that the Australian intelligence service confined its activities strictly to the collection and analysis of information vital to the country's defence and diplomacy.

The emergence of a neutral Australia would not cause the world to collapse. It would not deliver a fatal blow to the structure of deterrence.

Access to Australian bases has been useful to the United States. Yet Australian bases are far from irreplaceable.
A neutral Australia could, nevertheless, be expected to encounter hostility in some quarters in Washington. A non-aligned Australian government could probably anticipate American attempts to undermine its position. It would be vital for the Australian government to defend itself against such attempts, endeavouring, at the same time, to explain its position to Washington and to ensure that mutually beneficial political, economic and cultural ties were in no way impaired.

Australian neutrality would undoubtedly elicit a favourable response from the Soviet Union, India, Vietnam, some of the ASEAN nations and a few South Pacific societies. In the present circumstances it might cause some alarm in Peking. It might also give rise to concern in some quarters in Tokyo. Many Japanese, however, would follow the Australian experiment in neutrality with deep and sympathetic interest.

Whatever the long term future may hold, Australian neutrality is, in the short to medium term, unlikely. Despite the appeal of neutralist and quasi-neutralist policies in some sections of the labour movement, in the trade unions, the academic world, the public service and among students, the present conservative government, supported by a substantial majority of the Australian people, continue to see Australia's best interests as lying in partnership with the United States. As already suggested, Australia's policies are based on historically developed cultural preferences rather than logical assessment of the national interest. Their roots are thus deep. They will not be changed easily.

(c) Indochina, ASEAN and the two Koreas

Burma has followed neutralist policies ever since it reemerged from British tutelage as an independent nation. Vietnam's leadership in Indochina, her possible interest in neutrality and some of the circumstances that might lead to its realisation have already been touched upon.
The ASEAN powers are already committed to the concept of establishing a zone of peace, freedom and neutrality in Southeast Asia. The process of neutralisation is, however, far from complete. The Philippines and Thailand maintain the closest alliance with the United States. The vast American military facilities in the Philippines play a central role not only in Washington's East and Southeast Asian policies but also in the Indian Ocean and the Persian Gulf. Singapore, too, had adopted a staunchly pro-American attitude. Indonesia, on the other hand, despite the radical change of government and the massive social upheaval of 1965, has never deviated from the neutralist policies established after independence. Malaysia, once the lynchpin of Anglo-American regional policy, is now one of the foremost exponents of neutrality.

Great power intervention or renewed domestic instability could easily interrupt the regional drift towards neutralism. So could friction with the nations of Indochina. Yet if the ASEAN countries succeed in establishing reasonably prosperous and stable societies, built on strong economic foundations, it is probable that forces inclined towards neutrality will grow in strength. The geographical location of both the ASEAN countries and the states of Indochina in an area of great importance to China, Japan, the Soviet Union and the United States, as well as the precarious racial balance in some of these Southeast Asian societies, would seem to make non-alignment the only rational long term foreign policy choice.

The Democratic Peoples' Republic of Korea, as we have already noted, has attempted, for some years, to steer and equidistant path between Moscow and Peking. It has also endeavoured, and with some success, to establish its position in the non-aligned movement. Its reunification proposals clearly envisage neutralisation of the peninsula.

South Korea, however, has struck steadfastly to its alliance with the United States.
Although a unified, stable, strong and neutral Korea would be consistent with the interests of all the surrounding Great Powers, an indispensable condition for the long term peace and security of the Asian-Pacific region and a boon for the Korean people themselves, its emergence seems at present unlikely.

The key to the Korean question lies in neither Pyongyang nor Seoul but in Washington. It is always possible that a combination of United States budgetary restraint, new developments in military technology and instability in Seoul could cause a radical change in American policy, paving the way for peaceful reunification and eventual neutralisation of the peninsula.
(xii) THE POSSIBILITY OF FORMING A BELT OF NEUTRAL ASIAN NATIONS, EXTENDING FROM JAPAN AND THE KOREAN PENINSULA IN THE NORTH, THROUGH ASEAN AND THE INDO-CHINESE COUNTRIES, TO AUSTRALIA AND NEW ZEALAND IN THE SOUTH.
The possibility of forming a neutral belt of Asian-Pacific nations, extending from Japan and the Korean Peninsula in the north, through ASEAN and the Indochinese countries, to Australia and New Zealand in the south

Theoretically speaking, both Australia and Japan would be in an excellent position to adopt policies of non-nuclear, armed neutrality. If they did so, both would be, like Sweden or Switzerland, able to look after their own security interests by themselves, at least insofar as it is possible for any nation to do so in the contemporary world. Neutrality could enable both countries to play a rather more creative role in world affairs than they play at present.

The appearance of a neutral Japan could well exert a strong gravitational pull on Australia. The emergence of a non-aligned Australia, especially if it was to coincide with the final realisation of ASEAN's plans for creation of a zone of peace, freedom and neutrality in Southeast Asia, might not be without its impact on Japan.

If Australia, or Japan, or both, decided, or felt compelled, to pursue neutralist policies, they would probably find that their strategic environment would be improved both by consolidating aspects of their existing bilateral relationship and by co-operating closely with regional powers either actively pursuing neutralist policies and objectives, such as ASEAN nations and Burma, or potentially interested in reducing the level of their involvement with the Great Powers, such as Vietnam, Laos, Cambodia and the Koreas.

The present economic and political links among Japan, the five ASEAN powers and Australia, the emergence of what is, in effect, one of the world's major trading areas in the Western Pacific, suggests that it might be possible to work towards the creation of an extensive zone of peace and neutrality extending from Hokkaidō to Tasmania.
It must be stressed, however, that creation of such a zone would not be an essential precondition for either Japanese or Australian neutrality.

Broadly speaking, two kinds of Western Pacific neutralist community are conceivable. It is, on the one hand, possible to imagine a tightly organised West Pacific political, military and economic alliance, modelled to some extent on the EEC and NATO, centering on Japan, the ASEAN countries, Australia and New Zealand and possibly incorporating other free enterprise economies, such as South Korea and Taiwan. On the other hand, it is possible to imagine a more loosely organised, open ended political and economic association, resembling, perhaps, the British Commonwealth, incorporating states with various social systems and encouraging a high level of local autonomy. This group might initially be based on Japan, the ASEAN powers, Australia and New Zealand. Its character might, however, eventually interest other states, such as Burma, Vietnam, Laos and Cambodia, in its proceedings. It might also be in a position to take some of the international initiatives necessary to bring about détente on the Korean peninsular. The association would, where possible, co-ordinate approaches to international or regional problems. Individual members would be encouraged to maintain an adequate level of military preparedness. There would not be, however, an extensive regional co-ordination of military strategy. The organisation would not be an overt military alliance, at least in times of peace.

Various types of organisation lying between these two extremes are, of course, conceivable. Let us examine, however, the implications of the two extremes.

(i) Establishment of a West Pacific neutralist alliance around the existing free enterprise economies of the region would encounter, albeit in a somewhat diminished form, many of the same sorts of problems as would beset the wider Japanese-American dominated Pacific Community advocated by Mr. Tokuyama Jirō. One set of problems
would derive from the nature of the organisation itself. Another set would derive from its membership.

Japan is the only major industrial power in the region. Unless the Japanese government adopted the extraordinarily idealistic, generous and humane approach to the Third World advocated by old style conservative Pan-Asianists such as Mr. Kajima Morinosuke, Japan, whatever the intentions of the founders of the alliance, would rapidly establish herself as the undisputed political, economic and cultural metropolis of the region. The ASEAN countries, Australia, New Zealand and the other members of the association could be expected to assume an increasingly dependent, satellite status, exporting raw materials to Japan, importing finished industrial products, acting as host countries for labour intensive and heavily polluting Japanese industries. Their own manufacturing industries would either be destroyed, deliberately stunted or locked in, in a subordinate fashion, to the Japanese economy. Japanese industry could be expected to consolidate its already highly developed alliance with comprador business interests (especially overseas Chinese capital) throughout the region. The Australian manufacturing industry and, with it, the greater part of the Australian workforce, would become redundant. The situation would resemble not so much the relationship among the various powers of the EEC as the relations between the EEC and parts of Africa, or the United States and Latin America.

Whatever the interests of particular élites, it might be expected that this situation would prove, in the long term, intolerable to the peoples of most countries in the region.

In Indonesia and the Malay world, and perhaps in Thailand, popular opposition to a Japanese orientated politico-economic order managed locally by overseas Chinese business interests could be expected to grow. Sections of the traditional indigenous leadership, Islamic groups, the armed forces, peasants, students and the urban working class could be expected to provide likely centres of opposition. The interests of the coalitions opposed to the alliance would be diverse,
the conflicts among its component parts manifold. They might well be isolated and crushed by elements favouring integration with the Western Pacific community. Yet China's emergence as a status quo power, by shattering the links between indigenous radicalism and possible extensions of Chinese influence, may well have improved the long term prospects for revolutionary upheaval in Southeast Asia. (Conversely, a resurgence of revolutionary zeal in China might make integration into a Japan centered West Pacific community more attractive to many Southeast Asians).

In Australia, too, the large scale unemployment and social disruption brought on by the country's integration into this type of West-Pacific basin economy could be expected to produce a resurgence of both the radical right and the radical left. The complex conflicts among the agricultural sector, mining interests, multinational corporations, the indigenous business community and the labour movement could be expected to intensify. Political instability would grow.

Japan itself would not be free from strife. In return for greater access to Australian and Southeast Asian markets the Japanese government could be expected to bow to external pressure and abandon agricultural protectionism and the goal of a high degree of agricultural self sufficiency. This would effectively destroy Japanese agriculture. The social and political consequences of such a step would be enormous.

Despite its latent structural problems, which might not, in any case, become critical for decades, an alliance of the offshore Western Pacific island chains, stretching from Japan, through the ASEAN states, to Australia and New Zealand, might be able to avoid dangerous continental entanglements.

An alliance which included Taiwan, or the southern half of a divided Korean peninsula would, of course, not be able to avoid such entanglements.

No Chinese government would, or should, abandon the view that Taiwan is an integral part of China. Incorporation of South Korea, by far the
most unstable and repressive state in the region, into a West Pacific community would make conflict with North Korea and, ultimately, perhaps, with one or both of the Asian Communist Great Powers, all but inevitable. The inclusion of Thailand and Malaysia would be less likely to pose problems of this sort. The present tension on the Thai-Vietnamese border seems more the result of Great Power rivalries than of local conflicts. Unless the West Pacific alliance adopted a hostile attitude to Vietnam, Thai-Vietnamese tension could be expected to diminish as Great Power influence receded and neutralist principles were firmly established.

If military co-operation in support of neutralist principles could be achieved (and this is highly debatable) the natural inclination of the alliance defence planners would be to concentrate on protection of the West Pacific sea lanes. Yet in view of the probable social and political repercussions of the alliance on its member states, large scale anti-insurgency operations might soon become necessary.

Various modes of military co-operation, ranging from fully integrated forces to close but separate strategic and tactical partnership are feasible. These options need not concern us here.

It is difficult to predict what impact the emergence of a Japan centred Western Pacific alliance, politically, economically and militarily integrated, dedicated to preservation of regional neutrality, might have on the surrounding Great Powers.

If the arrangement led to a further reduction of Japanese economic involvement with the United States, as it very probably would, much of the cause of the present Japanese-American friction would be removed. It would be replaced, as we have already suggested, by friction within the Western Pacific community itself.

Other problems affecting Japanese-American relations might, however, arise.
While Washington might, perhaps, bring itself to accept Japanese Gaulism or Swedish style Japanese neutrality, acceptance of a great, independent and potentially rival capitalist block in the Western Pacific would run counter to the most hallowed doctrines of traditional American East Asian policy.

The demands generated by America's declining position in the world might, of course, permit Washington to begin thinking the unthinkable. The participation of Australia and New Zealand, both of which could be expected to retain close links with the United States, might help allay Washington's apprehensions.

Chinese attitudes towards a Japan-centered Western Pacific neutralist alliance would be influenced by the character of the alliance itself and the perceptions of the currently dominant factional coalition in Peking. As already indicated, an alliance which included Taiwan or South Korea could not be neutralist and would find itself, sooner or later, embroiled in bitter disputes with Peking.

Generally speaking, however, there should be no particular geopolitical reason why China, as an essentially continental, socialist power, should come into conflict with a neutralist alliance directing its chief military efforts towards securing the West Pacific sea lanes. Still, indigenous reaction to overseas Chinese dominance of the ASEAN sector of the alliance, could have far reaching and unpredictable consequences. As the recent Sino-Vietnamese struggle has demonstrated, a less revolutionary leadership in Peking is likely to be much more concerned with the welfare of the overseas Chinese middle classes. As China gradually abandons the revolutionary principles of the Maoist era, and as Chinese military power grows, this concern may well increase.

The Soviet Union, as we have suggested, would probably react very energetically to the formation of a Pacific Tripartate Pact.

Moscow could be expected to view a neutralist Japan-centred Western Pacific community in a less unfavourable light. Unless the
West Pacific alliance began to exert undue pressure on important Soviet allies, such as Vietnam, it could do little to harm any vital Soviet interests. Moscow could be expected to derive some satisfaction from the break up of the San Francisco system. Unless special arrangements for a Pacific Zone of Peace and Neutrality were made, the break up of the Japanese American alliance would enable the Soviet fleet to operate as freely as the American in the Pacific. This would somewhat improve the Soviet position vis-à-vis the United States in time of war.

Whether the Soviet Union would derive any other benefits from the emergence of a Western Pacific block would depend on the social and political impact of regional economic integration.

If this proceeded smoothly, to the maximum advantage of all parties involved, neither the Soviet Union, nor any other Great Power, would find much opportunity to expand its influence. If, on the other hand, attempted economic integration produced immense, revolutionary upheaval throughout the region, as the present writer anticipates it would, then the Soviet Union might be presented with irresistible opportunities to extend its influence. Attempts by Peking to intervene on behalf of beleaguered overseas Chinese communities in the ASEAN region, might, indeed, make a Soviet presence seem welcome in Djakarta and Kuala Lumpur, and perhaps even in Bangkok and Manila.

(ii) It is also possible to envisage the creation of a more loosely organised, open ended association of West Pacific neutral states, both communist and non-communist, self reliant in defence, bound together chiefly by a desire to avoid Great Power penetration of the region and to protect their national independence. At some future time, Japan, the ASEAN nations, the Indochinese states, Australia, New Zealand and Burma could conceivably have an interest in such an association. Taiwan could not be included. Korea could only become eligible for membership after reunification had removed any possible cause of conflict with the Great Powers.
Respect for political independence, economic nationalism and cultural diversity would constitute the philosophical basis for this kind of Western Pacific community. Under the kind of arrangement envisaged, emphasis would be shifted from the question of political and economic integration of the region towards the establishment of highly resilient, potentially self-sufficient national economies able to sustain a high degree of military autonomy in time of crisis.

The scheme would envisage, in effect, a belt of Asian Swedens extending from Japan and, possibly, a united Korea, in the North, to Australia in the South, from Burma in the West, to the Philippines in the East. Trade in resources and manufactured goods, both within the region and outside it would, of course, continue to flourish. Yet economic arrangements which infringed national independence, or which undermined potential autonomy in time of crisis would be discouraged.

Implementation of these principles would demand substantial changes in some of the assumptions on which speculation about regional economic integration has hitherto proceeded. A major restructuring of all the economies in the region would be required. The changes demanded, however, might well solve a number of intractable problems. They might also prove extremely popular.

Japan would find herself obliged to place somewhat less emphasis on export orientated heavy industries, devoting more attention to public works, social overhead capital and domestic consumer interests. She would need to adopt economic policies favouring the interests of small and medium industries at the expense, if need be, of the great corporations that have traditionally dominated her economic and political life. These changes would need to be accompanied by a drastic overhaul of the national energy policy, with less emphasis being placed on imported oil, coal and uranium, more on the exploitation of cheap, renewable and clean energy resources, especially solar, tidal, wind and geothermal power. It would be especially necessary for Japan to revitalise its ailing agricultural
sector. A strong, indigenous defence industry would, of course, need to be created. All this would require significant changes in the present value system and life style of the Japanese people. The result would be a society somewhat less heavily industrialised, less polluting, less wasteful, more austere, more self contained, better able to defend itself and, on the whole, more in harmony with its own great historical traditions. Implementation of such a programme might well save the Japanese peasantry and the Japanese middle classes from extinction and preserve the Japanese masses from total cretinisation. It might also drastically reduce the areas of conflict, both actual and potential, with other industrial powers and with the countries of the Third World.

Nations like Australia, on the other hand, might find it advantageous to reduce their reliance on agriculture and extractive industries, investing, instead, in the building up of balanced, reasonably efficient and, if necessary, protected, secondary and tertiary sectors. The countries of Southeast Asia, too, might need to move away from dependence on the Japanese raw materials market towards creation of truly independent, balanced national economies.

Economic restructuring on the principle of the self reliant interdependence of sovereign national states would minimise the serious social and political problems that would be posed, in the present circumstances, by a West Pacific Union based on an international division of labour. Massive popular protest against overseas Chinese business interests in Southeast Asia, with all its horrifying potentialities, might be averted, or channelled into more constructive areas. The bulk of the Australian population would preserve its raison d'etre. Japanese agriculture would be salvaged. A balanced, integrated agricultural and industrial development might take place in the various countries of Southeast Asia, both non-communist and communist. All of this might bring closer the day when some kind of union based on mutual advantage rather than on the narrow interests of particular pressure groups, might be able to take place, if it were thought to be desirable.
Regional consciousness would be promoted by intensified political contacts, establishment of forums to examine various regional issues, by a wide ranging, multi-faceted cultural exchange programme and by economic interchanges, which would remain extensive, despite the major structural changes outlined above.

The Western Pacific states would co-ordinate, as far as possible, their stance on international and regional issues. The particular circumstances, problems and aspirations of each state would, however, be fully taken into account. Australia, with its traditional fear of Asia and intense pan-Anglo-Saxon sentiment, would be likely to place strong emphasis on its relations with the United States. Vietnam, if ever it decided to join the association, might wish, as a policy of reinsurance against the Peoples' Republic of China, to maintain friendly ties with the Soviet Union. A united Korea, if it were interested in the association, would be especially anxious to avoid offending China and the Soviet Union. All these particular interests would not be, however, incompatible with general dedication to regional neutrality.

All the participating states would maintain a low level of peace time military co-operation, based on the principle of absolute individual responsibility for national defence and internal security. The possibility of co-ordinated strategy in the face of Great Power aggression would not, however, be completely ruled out.

Great Power aggression against a community organised along these lines would be unlikely. Great Powers, like other states, are primarily concerned with their own security. The emergence of a Western Pacific belt of separate, vigorously independent national states, with healthy, balanced, autonomous national economies, would not threaten the vital interests of the United States, the Soviet Union or the Peoples' Republic of China. Once it were successfully established it would not provide them with many opportunities to extend their influence. Incorporation of Vietnam or a United Korea could conceivably carry the risk of friction with China. Yet in the view
of the present writer the dangers would be minimal so long as the
association was clearly and unequivocally committed to neutralist
principles and so long as its individual members were obviously able
to defend themselves.

The real problems would come from within the potentially neutralised
belt of states itself.

The emergence of a Japanese-American dominated Pacific Basin economy,
or of a West Pacific economy dominated by Japan, may well be a
recipe for disaster. Yet processes which could lead to the
realisation of either of these scenarios have already begun. They
will be difficult to reverse.

In Southeast Asia, and even in Australia, implementation of economic
policies designed to develop genuinely independent, balanced national
economies, even assuming that presently existing régimes had the
political will to follow them through, might well unleash radical
political and social change. The potential for revolutionary change
in some of the ASEAN countries is, in the view of the present writer,
considerable. Such change should be seen as part of a natural process
of adjustment. Nevertheless, political upheaval in Djakarta, Bangkok
or Manila could easily give rise, as it has in the past, to undue
fears, or unrealistic expectations, in one or other of the Great
Powers. It is less likely now than ten years ago to produce military
intervention. Yet the danger of Great Power intervention, especially
in the transition period, would remain considerable.

In these circumstances it would be vitally important for countries like Aus-
tralia and Japan to keep both themselves, and the Great Powers, constantly
informed of Asian realities. They would need to be careful not to identify
their interests, or the interests of the region, with the maintenance
of particular régimes or the survival of particular modes of
government. They would need to cultivate, through a variety of channels,
friendly relations with all manner of opposition and anti-establishment
movements as well as with governments. In this way, all forces
throughout the region could be persuaded of the dangers of Great Power
intervention and the importance of regional interdependence.

The emergence of strong, independent and reasonably well armed regional powers could well rekindle traditional fears and animosities. A stronger and more obviously independent Indonesia, for example, could cause considerable unease in Australia, Malaysia and Singapore. Thailand and Vietnam could become suspicious of each other's intentions. Malaysia and the Philippines could come into conflict over North Borneo and the Muslim question. Potential for conflict exists between Japan and Korea. Many of the problems could be solved by the deliberate construction of strictly defensive military forces. Once again, Sweden would probably serve as a good example. Still, intensive consultative efforts would be needed to overcome regional conflicts, some of which could become greater once the constraints of dependence on the United States and Japan were removed. It should be pointed out, however, that the dangers would be no more serious than those inherent in any of the other regional futures.
FOOTNOTES
1. The writer considers the concept of the balance of power has a central role to play in contemporary international politics. There have been, in the long course of human history, societies and ages when neither the reality nor the concept of the balance of power existed. There may come a time when the balance of power disappears and the concept itself is forgotten. However, at the moment, at least in times of general peace, something that can be broadly described as a balance of power does exist. It is also believed to exist. This balance of power does not operate in simple Newtonian terms. It cannot be measured just by comparing armies, navies, air forces, nuclear warheads and missiles, populations, resources and gross national products, significant as these things are. Cultural, psychological and other intangible considerations are of crucial importance. Careful assessment of the nature of this balance, together with calculated, rational control of its inevitable evolution are essential conditions for the preservation of peace, for the protection of national independence, for the effective operation of supranational organisations and for the workings of international law.

Needless to say, the absence of a deus ex machina in a world of competing national states, trans-national organisations and conflicting universal ideologies makes this process extremely difficult. It it not, however, impossible. There have been times when the Great Powers and their allies have acted in concert to control the evolution of the balance and contain undesirable conflicts of interest. When they have ceased to do so, or when one of their number has misread the trend of historical evolution, the results have been almost invariably disastrous.

Enlightened manipulation of the balance of power requires, among other things, multilateral self-denying ordinances on hegemonic aspirations and an ability to foresee the likely reactions of particular states to particular situations. The present writer believes that intelligent speculation about such matters is possible given adequate knowledge of the overall development of the international situation, the geographical circumstances, historical, political and cultural traditions of the societies in question, their economic conditions, the structures of their governments, and the composition of their leadships, the activities of pressure groups, the relations between the state and the people, the climate of public opinion and so on. It must be stressed, however, that such prognosis can only be tentative. Much vital information will always remain unknown. Neither the internationalsituation nor the state under scrutiny
are static entities. The irrational plays a by no means insignificant role in human affairs. It is, moreover, difficult for the observer to divorce himself from his own historical situation. Clouds of ephemeris caught in the eddies of a summer breeze might experience somewhat greater facility in predicting each others' movements. Yet, in general, speculation about the likely development of particular societies can be expected to become both more accurate and more useful as the tools of analysis become more precise and as the analysts learn to detach themselves from their own prejudices, fears and aspirations.

2. The present writer is sceptical of the view, advanced by Nye, Keohane and others (R.O. Keohane and J.S. Nye, "World Politics and the International Economic System", in C.F. Bergsten, (ed.) The Future of International Economic Order, Lexington, Mass., 1973) that the national state, as an institution, has entered a period of decline and that state centered realism no longer provides an adequate framework for international political analysis. Despite the postwar development of military nuclear technology, the complex, changing relationships between state and society, the apparent decline in national allegiances throughout much of the world, the appearance of new, transnational institutions and ideologies, the interpenetration of almost all non-Communist societies by multinational corporations, Great Power intelligence agencies and organised crime, the postwar establishment of a Soviet sphere of preponderant influence in Eastern Europe and the spectacular development of East-West trade over the past two decades, the national state and the multinational empire would still appear to be the most significant actors in the international stage.

The present writer believes, moreover, that the state, for all its shortcomings, still has a positive role to play in human affairs. The state, in its present form, once did not exist. No doubt, at some future time, it will be eclipsed by other types of human organisation. Yet history gives no reason for supposing that the hegemony of a universal empire, or the supremacy of a single religious doctrine, or the subordination of the state to transnational commercial interests, or its replacement by small self governing communities, would lead to a more creative society and more harmonious international order than exists at the moment.


10. Debate about the military capabilities of the two superpowers always has a certain air of unreality. The simple fact is that so long as the leadership in Moscow and Washington retains a degree of sanity, mutually assured nuclear destruction is sufficient to check global hegemonic ambitions, preserve national security and prevent the outbreak of a major war. As
the late Soviet Premier Mr Nikita S. Khruschev once remarked when informed of President Kennedy's claim that the United States had the nuclear capacity to wipe out the Soviet Union two times over, whereas the Soviet Union could only destroy the United States once, "We're satisfied to be able to finish off the US the first time around. Once is quite enough. What good does it do to annihilate a country twice? We're not a blood thirsty people." (Khruschev Remembers, Penguin Books, 1977, volume 2, p.598). Recent CIA estimates based on the dollar equivalent of Soviet military spending purport to demonstrate that the Russians spend considerably more on arms than the United States. Calculations based on the rouble equivalent of American spending, however, show exactly the opposite (Mary Kaldor, op.cit., p. 26). No doubt the Soviet Union is a much greater military power, in quantitative terms, than it was in the 1950s and the 1960s. So too is the United States. This does not make either of the two superpowers more effective international actors than they were twenty years ago. Changes in Soviet military spending must be analysed in the light of changing economic and technological conditions and in the context of the deteriorating Soviet strategic environment, especially in Eastern Asia.


14. An AP-NBC News poll conducted in March 1979 showed 58 per cent of Americans interviewed conceding that the United States had lost its global influence (25 per cent believed that the United States had not lost influence, 7 per cent were unsure); 71 per cent of respondents considered the United States should attempt to influence events in other countries if American interests were involved (21 per cent believed the US should not intervene in other countries, 8 per cent were uncertain). (New York Times, 29 March 1979, p. A1 and A21). A Gallup poll taken around the same time and published in the spring 1979 edition of Foreign Policy found a similar preoccupation with the decline of American global influence. The causes of America's decline were widely attributed to the Soviet military build up and the erosion of the dollar. The survey found widespread support for increased military spending (apparently to counter the Soviet threat) support for the NATO alliance and an increased belief that self interest should be the motivating force behind foreign and defence policies. The 1979 Gallup poll, however, did not show rising support for an overtly interventionist foreign policy. Other polls showed very strong support for the SALT Treaty. (New York Times, 29 March 1979, p. A1 and A21) (Japan Times, 13 February 1979). A survey conducted by the Washington Post (25 May 1979) showed, nevertheless, Americans voting by a 53 to 31 margin for a policy of "getting tougher" with the Soviets rather than trying to relax tensions.

16. See Roosevelt's remarks to Stalin at Teheran as quoted in United States State Department, Foreign Relations of the United States, Conferences at Cairo and Teheran, 1943, Government Printing Office, 1961, p. 532; his comments to Anthony Eden (March 1943) as quoted in Robert Sherwood, Roosevelt and Hopkins, (revised edition), New York, Harper, 1950, p. 718 ("China in any serious conflict with Russia, would undoubtedly line up on our side"). In general, however, while he did consider conflict with Moscow possible, Roosevelt believed that, after the war, China, under the Kuomintang, would "take the place of Japan as the leading oriental power, but a friendly one, collaborating with the US, UK and USSR for a better world." (John Patton Davis, "America and East Asia", Foreign Affairs, volume 55, no. 2, January 1977, p. 372).


22. Talk with Mr Sonoda Sunao, 14 March 1975.

23. Dr Henry Kissinger, during his years as presidential advisor on security matters, seems to have been the first high ranking American official to understand the role that an entente with the Peoples' Republic could play in United States global strategy. For Kissinger's own account see Henry Kissinger, White House Years, Little, Brown and Company, Boston, Mass. 1979. Both the Nixon and the Ford administrations, however, adopted a policy of equidistance between Moscow and Peking. The idea of a Sino-American strategic partnership was revived by President Carter's security adviser, Dr Zbigniew Brzezinsky, during a speech at the Japan Society in New York in April 1978, just before his first visit to Peking. (see The Japan Times, 29 April 1978). The idea of a broadly based Pacific anti-Soviet alliance was first floated by the Australian Prime Minister, Mr Malcolm Fraser, during his visit to Peking in 1976. The prospect was raised at the Carter-Fukuda talks in May 1978 and further developed by the then American Vice-President, Mr Walter Mondale, at a speech in Honolulu, after his return from a visit to the ASEAN nations, Australia and New Zealand in May 1978, and by Dr Brzezinsky, in his talks with Chinese leaders in Peking around the same time.


24. In the Joint Communique Between Prime Minister Zenko Suzuki and President Ronald Reagan, 8 May 1981, the Japanese Prime Minister stated "that Japan, on its own initiative and in accordance with its constitution and basic defence policy, will seek to make even greater efforts for improving its defence capabilities in Japanese territories and in its surrounding sea and air space, and for further alleviating the financial burden of US forces in Japan". Press Release, Embassy of Japan, Canberra, 13 May 1981, pp. 4-5. The public furor over the implications of this communique, the resignation of Foreign Minister Ito, his replacement by the former Foreign Minister Mr Sonoda, Mr Sonoda's statement that "Japan is neither pro-American nor pro-Soviet" and Japan's continued refusal either to consider military co-operation with South Korea or to substantially underwrite Seoul's defence budget underline the sensitivity of this issue in Japanese politics. The aftermath of the Suzuki-Reagan talks clarified, once again, that Japan's military co-operation with the United States and its allies has clear limits.

25. For an extremely interesting analysis of contemporary American-European relations, see Mary Kaldor, op.cit.

27. James C Abegglen and Thomas M. Hout, "Facing up to the Trade Gap with Japan", Foreign Affairs, Volume 57, Number 1, Fall, 1978, p. 159 ff.


29. The Teikoku Kokubō Hōshin (Statement on Imperial Defence Policy) submitted by the Chiefs of Staff and the Emperor and the Prime Minister on 28 February provides striking evidence of the importance of economic rivalry in China as a factor in generating Japanese-American tension in the prewar period. For a discussion of contemporary rivalries see Nakafuji Yūji, "Iyoio Homban Nichi-Bei-Ō Keizai Sensō", Chūō Kōron, October 1978.


31. This tendency was especially noticeable in the media coverage given to both China and Japan. In general, American media attitudes to China during this period were euphoric. Coverage of Japan focussed heavily on the Japanese economic challenge.

32. The Mainichi Shimbun, in a report from its Washington special correspondent Mr Arai, gives a full account of this speech. Mainichi Shimbun, 17 June 1978.
33. See the report of former Vice-President Walter Mondale's speech at Honolulu on 11 May 1978 after his return from the visit to the Philippines, Thailand, Indonesia, Australia and New Zealand, in The New York Times, 11 May 1978. Mr Mondale emphasised that the United States was inevitably a Pacific power, that a healthy balance in the Asian-Pacific area was important to all the maritime countries, that China should be viewed as a constructive force, that the Sino-American relationship contributed to regional stability and that the United States, China and Japan shared many interests and objectives. Zbigniew Brzezinsky, during his visit to Peking, was even more forthright, speaking of the urgent necessity for Sino-American co-operation against the Soviet Union. (see The New York Times, 9,19,21,22,23,24,26,28,29 May 1978).

34. Mainichi Shimbun, 4 May 1978. A thoughtful and carefully worded statement of what was probably the dominant Japanese view was given by Mr Miyazawa Kiichi, a former Foreign Minister, to The Japan Times, 28 January 1979.

35. Mainichi Shimbun, 11 July 1979. Mr Yamashita Ganri, Director General of the Japanese Defence Agency, told a press conference that the US national security adviser Mr. Zbigniew Brzezinsky had approached Japan about the possibility of co-operation with China in the field of military technology. Mr Yamashita explained that Japan's well established policies precluded such co-operation.

36. See the report of an article in the authoritative US journal Electronic Warfare reproduced in The National Times, 24 February 1979, p. 6.

37. The Sino-American joint communique issued after Mr Deng Xiaoping's to Washington stated, in part that "The two sides reviewed the international situation and agreed that in many areas they have common interests and share similar points of view ... they re-affirm that they are opposed to the efforts by any country or group of countries to establish hegemony or domination over others and that they are determined to make a contribution to the maintenance of international peace, security and national independence." (New York Times, 3 February 1979). During his American tour, Mr Deng repeatedly attacked the assistance given by Hanoi to the anti-Pol Pot forces in Cambodia, characterising it as an example of Soviet hegemonism. The day before the issue of the joint communique, the Chinese Vice-Premier officially disclosed that 100,000 Chinese troops were massed along the Vietnamese border.

39. U.S. Secretary for the Treasury, Mr. Michael Blumenthal, the first high ranking American official to visit Peking after the abortive invasion of Vietnam, announced that China's actions would in no way hinder the development of Sino-American ties. "We want to establish normal relations. I really don't think these two matters are related. We don't think that goal need be or will be affected by these other factors." (The Japan Times, 25 February 1979). The Chinese action against Vietnam did, however, strengthen the position of conservative congressmen opposed to the unilateral renunciation of the treaty with Taiwan.

40. On 1 March 1979 the American embassy in Peking was officially opened. The following day a Sino-American agreement settling U.S. $157 million in claims outstanding since the government of the People's Republic expropriated United States property in 1949 was concluded. Early in March U.S. Commerce Secretary Juanita Kreps visited Peking. Towards the end of March high ranking Chinese military officers suggested that the U.S. should arrange for visits to Chinese ports by American warships. Early in May Mrs Kreps, on another visit to Peking, concluded several Sino-American accords on scientific and technological exchange. By early July 1979 the Carter administration had decided to ask Congress to grant China most favoured nation status.

41. After the border conflict with Vietnam, China substantially reinforced its army on the southern frontiers. The People's Republic also continued to supply Cambodian guerillas loyal to Pol Pot, directly, through the water-ways and islands around the mouth of the Mekong, and indirectly, through the agency of sections of the Thai military. For details, see the report of the testimony of U.S. Assistant Secretary of State Mr. Richard Holbrooke to the Senate Subcommittee on East Asian and Pacific Affairs, and the report of his discussions with the Australian Foreign Minister Mr. Andrew Peacock, published in The Australian, 29 September 1979. See also the report on the situation along the Thai-Cambodian border from Richard Gill, in The Sunday Mail, 29 June 1980.

42. Both the United States and the People's Republic of China made it clear that they were prepared to take military action against Vietnam should Vietnamese forces enter Thailand (U.S. Assistant Secretary of State Richard Holbrooke's statement to the Senate Subcommittee on East Asian and Pacific Affairs, as reported in The Australian, 29 September 1979). The Carter administration took urgent measures to bolster Thailand's military capacity. (For details, see The Australian, 8 July 1980). At the same time, powerful groups within the Thai military government, encouraged by China, supplied the pro-Pol Pot forces in Cambodia with small arms and ammunition. Thai military commanders were in constant friendly contact with the Khmer Rouge operating in the rugged hill and jungle country south of the border village of Aranyaprathet. The Thais
permitted the Pol Pot forces operating inside Cambodia to cross freely over the frontier for rest and recreation at the Khymer Rouge "refugee camp" at Sra Keow, 50 kilometers inside Thai territory, then return to Cambodia to continue the struggle against Heng Samrin and his Vietnamese allies. During their sojourn at Sra Keow the Khymer Rouge were able to take advantage of United Nations, American and other international aid, returning to Cambodia fresh, well fed and better equipped. The Thai military also exchanged intelligence on Vietnamese troop movements with their Khymer Rouge colleagues. It is against this background that the 1979-80 Vietnamese strikes against "refugee camps" inside Thai territory must be understood. See Richard Gill (reporting from Kuala Lumpur after a visit to the Thai-Cambodian border) in The Sunday Mail, 29 June 1980. See also Newsweek, 7 July 1980.

43. The then U.S. Defence Secretary Mr. Harold Brown told the ABC's "Issues and Answers" programme in Tokyo on 13 January 1980 that during his visit to Peking earlier in the month Chinese leaders had not objected, either publically or privately, to the continued stationing of American troops in South Korea. See Chang-Yoon Choi, "The Sino-Soviet Conflict and its Impact on the Korean Peninsula", Korea And World Affairs, Volume 4, Number 2, p. 290.

44. Time, 21 January 1980.
45. Newsweek, 7 July 1980.
46. For details see The Australian, 7 July 1980 and 9 July 1980.
47. Mr. Reagan originally advocated the restoration of full government to government level relations with Taiwan. Later, in August 1980, after the visit of his running-mate Mr George Bush to Peking, the then presidential candidate declared that he would "eliminate petty practices of the Carter administration which are inappropriate and demeaning to Taiwan". Mr Carter, he said, had gone out of his way to "humiliate our friends in Taiwan". For details of the evolution of Mr Reagan's views on China see The Courier Mail, 1 July 1980; The Australian, 27 August 1980; The Courier Mail, 6 November 1980.

49. The Australian, 22 June 1981.
50. For a recent discussion see Kyong-Suh Park, "ROK-U.S. Relations in the 1980s", Korea and World Affairs, Volume 5, Number 1, Spring 1981, p. 5 ff.
51. Alexander Haig's assertion that "the basic motivation of the American presence in South Korea is the preservation of the vital interests of the United States and the American people" (Korea Herald, 10 October 1980) really clarifies nothing. His plea to the Senate that "it is awfully important that the Republic of Korea's defences are maintained at the highest peak of efficiency and technological capability because they are indeed facing a very crucial and clearly insatiable neighbouring regime that has not laid its willingness to cross the demarcation line to conduct subversive activities in the neighbouring southern area" (U.S. Congress, Senate, Committee on Foreign Relations, op. cit, p. 212) is hardly more specific. After all, if this principle were applied impartially on a global scale, the United States would be obliged to support Vietnam against China, Angola against South Africa and the Fretilin forces in East Timor against the armies of the Republic of Indonesia.


53. The North Korean proposals are quite specific on this point - the Democratic Confederated Republic of Koryo advocated by Pyongyang "should be a neutral country which does not participate in any political-military alliance or bloc". (Kim Il Sung, Report to the Sixth Congress of the Workers' Party of Korea on the Work of The Central Committee, Foreign Languages Publishing House, Pyongyang, Korea, 1980, p. 71-72. The official South Korean proposals, centering around cross recognition of both Koreas by the Great Powers, separate entry into the United Nations and so on have always envisaged retention of existing alliance systems. (For details of the latest South Korean reunification proposals, see Dong-Bok Lee, "Present and Future of Inter-Korean Relations", Korea and World Affairs, Volume 5, Number 1, Spring 1981, p. 36 ff. The kind of reunification envisaged by many prominent South Korean opposition figures, however, would seem to point in the direction of neutrality.


55. ibid. p. 396-7. See also Stephen Ambrose, op.cit., p. 293.


59. Beverly Smith, "Recent Political Developments in South Korea: A Preliminary Record Based on Foreign Sources," (a paper delivered at the Second National Symposium on Korea, Latrobe University, Melbourne, November 20-22, 1980), p. 10.

60. Since the late 1940s, indeed, there has been a continuing debate in Washington about the place of South Korea in American Far Eastern strategy. President Truman's original decision to intervene in the Korean Civil War was made, almost as a presidential whim, against the considered advice of the State Department, the Joint Chiefs of Staff and the National Security Council.

The State Department had consistently drawn attention to the follies of associating the United States with the ultrarightest, anti-democratic and repressive Syng Manh Rhee régime.

The Joint Chiefs of Staff, after some discussion of alternatives, had recommended that "From the strategic viewpoint, the position of the Joint Chiefs of Staff regarding Korea, summarised briefly, is that Korea is of little strategic value to the United States and that any commitment to United States use of military forces in Korea would be ill advised and impracticable in view of the potentialities of the overall world situation and our heavy international obligations as compared with our current military strength".

The National Security Council held the view that "The United States should not become so irrevocably involved in the Korean situation that an action taken by any faction in Korea or by any other power in Korea could be considered a "casus belli for the United States".

The decision to intervene having been made and the war having ended neither in victory nor in defeat, the Americans naturally enough chose to remain. To have returned to the position enunciated by the Joint Chiefs of Staff and the National Security Council might have been seen not as a rational strategic decision but as weakness in the face of Communist aggression. For a detailed analysis of these events see Ernest R. May, "Lessons of the Past, Oxford University Press, New York, 1973, p. 52 ff). The decisions of the Nixon administration to review the American's role in the area may perhaps be regarded as the first step towards a reassertion of strategic rationality. During the Carter years, the questioning of many conventional foreign policy axioms, the détente with China, the fact that North Korea was clearly not a Soviet satellite, increased access of concerned Christian groups to the White House, coupled with the necessity of rationalising military spending in the interests of budgetary restraint introduced new elements into the situation. The present writer would not be surprised if the continued revelation of "Koreagate" scandals was intended as part of a campaign to prepare American public opinion for a total withdrawal from the peninsula.
In the same way, the "accidental" release of State Department documents implicating Japan in cover-up operations following the KCIA's kidnapping of Mr Kim Dae Jung from his Tokyo hotel in 1973 can perhaps be seen as part of an American attempt to begin unravelling the Japanese-South Korean connections so assiduously cultivated in the 1960s. However this may be, intense pressures from sections of the Washington establishment, from Tokyo, Seoul, Canberra and, in all probability, Peking, together with claims that intelligence estimates of North Korean military power had been excessively conservative, obliged Carter to rethink his original policies. The Carter-Park Joint Communiqué (July 1979) represented, on the part of the American President, a total surrender to the view that a strong position in Korea is essential to United States policies in the area. This position was officially maintained after the assassination of President Park Chung Hi, the Kwangju uprising, the accession to power of Major-General Chun Du Hwan and the trial of Mr Kim Dae Jung and other opposition figures, despite the concern that these developments aroused in Washington.

61. For discussions of U.S. attitudes to the area during the Carter period see Alejandro Melchor, Jr., "United States Interests in Southeast Asia", and J.A.C. Mackie, "United States Interests in Southeast Asia", papers presented at the Seventh National Conference of the Australian Institute of International Affairs, 14-16 April, 1978.


64. If Pan-Anglo Saxon sentiment has formed the principal bulwark of Australian foreign and defence policy, a more generalised attachment to European civilization has not altogether been without influence. Since the Russo-Japanese war the concept of a Russian alliance supplementing Australia's traditional arrangements has been popular in some quarters. The Russian alliance must be viewed in the context of Australia's deep rooted fears of the strongest Asian power. In World War II, of course, such an alliance actually materialised. The early post war Labor governments viewed the future of the Pacific in terms of a security pact including the British Empire, the United States, the Soviet Union and China. Understandably, the Soviet-American Cold War made discussion of a Soviet connection difficult.
In 1964, however, after United States failure to support Australia against Indonesia over West Irian had somewhat shaken Australian confidence in the ANZUS Pact, the conservative Menzies government began to explore the possibilities of an anti-Chinese entente with Moscow. (Gregory Clark, "How Australia Influences the World", The National Times, 24 March 1979, p. 5). Later, when it became apparent that the American position in Southeast Asia was on the verge of collapse, the Gorton cabinet inclined to the view that the Soviet presence in the Indian Ocean was not a threat to Australia but, rather, contributed to regional stability. (Gordon Greenwood and Norman Harper, Australia in World Affairs, 1966-1970, Cheshire, 1974, pp. 65-66). More recently, a high level secret Defence Department study, while sceptical of the value of the American alliance, identified the U.S.S.R. as having a major interest in denying Australia to her "least unlikely major power opponent", Japan. (Brian Toohey, "Australia's Next War", The National Times, 22-28 March 1981, p. 10-11). The Chief of the Defence Force Staff, Admiral Sir Anthony Synnot, told the Senate Foreign Affairs and Defence Committee that talk of a Soviet threat to Australia was "ridiculous". (The Australian, 19 March 1981).

65. After the Viet Cong Tet offensive in 1968 the Liberal Prime Minister Mr John Grey Gorton became increasingly concerned both about the long term future of the United States as a Pacific power and about the value of the ANZUS pact to Australia. There was talk of a return to fortress Australia and of the creation of an Israeli-style defence force (Sydney Morning Herald, 8 May 1968). The former Labor Prime Minister Mr Gough Whitlam was anxious, while in office, to dissociate Australia from many aspects of American foreign policy and to increase Australia's autonomy within the alliance. (for an interesting and sympathetic study of Whitlam see Graham Freudenberg, A Certain Grandeur, Sun Books, Melbourne, 1977). Since his retirement from politics, Mr Whitlam has moved towards a more strongly neutralist position. See, for example, his remarks as reported in The Australian, 1 April 1980. (Australia has become an "American client", Prime Minister Fraser's first perceptions are "North American ones", Australia should exercise its influence as a regional power rather than turning towards the United States).

66. Especially, of course, the left wing of the Australian Labor Party.

67. Important groups within the Australian Department of Defence would appear to believe that the alliance has little value. A high level and, apparently, secret Defence Department study leaked to The National Times (22-28 March 1981) identified Japan and Indonesia as the "least unlikely future hypothetical antagonists. Regarding the American alliance, the report stated "given the uncertainty attaching to vital and long term US strategic interests, it is important to ensure that the primary justification for the investment of resources in any defence facility derives from the contribution that facility makes to Australia's defence of itself". The report apparently considered that the USSR might have an interest in deterring Japanese or Chinese attack on Australia.

69. A Gallup Poll taken in September 1980, after the Afghanistan affair and the Olympic Games boycott, but before the Iran-Iraq war, found 55 per cent of Australians (59 per cent of Liberal-National Country Party voters and 52 per cent of Labor voters) regarding the United States as Australia's "best friend". The next most frequently mentioned best friends were Great Britain (24 per cent), New Zealand (9 per cent) and Japan (4 per cent). Only 8 per cent of the Australians surveyed saw the United States as the greatest threat to world peace. (The Courier Mail, 4 October 1980).

70. The same Gallup Poll found 67 per cent of Australians (75 per cent of Liberal-National Country Party voters and 63 per cent of Labour Party voters) viewing the U.S.S.R. as the greatest threat to world peace. At the same time, 19 per cent of Australians hoped to improve relations with Russia. The anti-Soviet campaign conducted by the government and the press at the time of the Olympic Games boycott reached, at times, a level of near hysteria. It will be observed, however, that despite this campaign, Australia did in fact send a team to Moscow.

71. It is chiefly for this reason that the level of defence spending (rather than defence policy) has almost invariably been a central election issue in Australia.

72. This aspect of Australian history is examined in Humphrey McQueen, A New Britannia, Penguin Books, 1975.

73. The Australian conservative position is admirably portrayed by the former Prime Minister Sir Robert Gordon Menzies in his memoirs. See Sir Robert Menzies, The Measure of the Years, Cassel, London, 1970. Dr. H.V. Evatt, Foreign Minister under the wartime Labor government and in the years immediately after the war, considered Australia's "continued co-operation and comradeship, not only with the United Kingdom but also with the United States, as basic to the postwar security and welfare of all peoples in the Pacific". He viewed Australia as "in a very real sense a trustee of British and Western civilization in this part of the world". (The Rt. Hon. H.J. Evatt, M.P., Australia in World Affairs, Angus and Robertson, Sydney, 1946, p. 3).

74. In August 1971 an ANOP national opinion survey conducted for the Japanese embassy in Canberra revealed 42 per cent of Australians fearing an external threat within the next 15 years. In February 1974 this figure had fallen to 36 per cent. In March 1976 51 per cent of Australians believed attack was likely within 15 years. In September 1977 the figure had fallen slightly to 49 per cent. In August 1971 45 per cent of respondents did not believe a threat would materialise. By September 1977 this figure had dropped to 41 per cent. (ANOP Survey, successive issues).


77. The Australian, 22 October 1980.


82. Paul Kelly, "At The Brink - Australia's Role in World Crisis", *The National Times*, 4-10 May 1980.


85. See the speech made by the Australian Foreign Minister Mr Tony Street to the ASEAN Foreign Ministers' Conference in Manila in June 1981 (*The Courier Mail*, 22 June 1981).


90. In November 1978, in the wake of the Warsaw pact meeting, President Nicolae Ceausescu of Romania rejected Soviet demands for greater defence expenditure. He also refused to consider requests to integrate Romanian forces more fully into the alliance. His stand had strong support from Poland and tacit encouragement from several other eastern bloc countries. In January 1979 the Polish government announced that it would freeze its defence budget, despite Soviet requests for a substantial increase in military spending. Polish defence appropriations for 1979 showed a 2.6 per cent increase over the 1978 expenditure. Most of the increase was, however, consumed by inflation. The political and economic crises that have racked Poland in 1980 and 1981 have made substantial increases in the military budget impossible.


92. ibid. p. 771 - 772.

93. The American Ambassador to El Salvador, Mr Robert White, a Latin American specialist, was sacked by President Reagan for drawing attention to this very fact. For details, see The Australian, 4 February 1981.
94. In 1978, for example, according to figures released by the Soviet Union's Central Statistics Board, the Soviet economy grew overall by 4 per cent. This figure was slightly higher than had been anticipated. There appeared to be, however, problems in the areas of coal, oil, electric power and steel. The tenth five year plan required an annual average increase of 6.5 per cent in the production of electric power during the years 1978-80. The 1978 target figure was only 5 per cent. The actual increase achieved was only 4 per cent. Coal production increased only 0.2 per cent on the 1977 figures. Oil production fell slightly below expectations. Crude steel production had been planned to increase by 4 per cent. The actual increase was 3 per cent. Total production, however, increased by 4.8 per cent, slightly more than the 4.5 per cent originally planned. Agricultural production rose 4 per cent in 1978, largely as a result of an unusually good grain harvest. Serious problems remained in vegetable and meat production. (Mainichi Shimbun, 21 January 1979).

95. There is much dispute about the Soviet energy situation. The Russians themselves are confident of their position (Dr Pyotr Neporozhny, "Soviet Power Industry in the 1980s", Sputnik, August 1981), p. 4 ff. Their optimistic assessments are shared by Western experts such as Peter R. Odell (Oil and World Power, Penguin Books, 1975) who argues that the 1980s are "more likely than ever to see the Soviet Union ahead of the U.S.A. in oil and gas production, satisfying not only its national and its allies' demands, but also market openings for Soviet oil in many parts of the world"(p. 64).

96. The 1970 Soviet census showed that Russians made up some 53.4 per cent of the total population. The Russian birthrate has dropped continuously throughout the postwar period. The Uzbek, Kazak, Turkoman and Azerbaidjani populations are expected to double over the next two decades.

97. However valid their criticisms of the Stalinist terror, ultranationalist, conservative, religious romantics like Alexander Solzhenitsyn are unlikely to make much of an impression on the Soviet younger generation. Figures such as Sakharov and Medvedev, however, do pose a real and credible threat to established ideological orthodoxy.

98. For various estimates of Soviet military strength in the Far East, see The Military Balance (successive issues), The International Institute for Strategic Studies, London; Defence of Japan, 1979, Japan Defence Agency, Tokyo, 1979; Minakata Heiji and Sekino Hideo, Soren Gun, Kyōiku Sha, 1978 and Murakami Kaoru, Hachijū Nendai No Sekai Gunji Josei, Kyōiku Sha, 1978. The present writer has also found the following papers especially useful: Paul Dibb, "Balance of Power in Northeast Asia", Australia's Neighbours, Volume 53, Number 3, 1976; Paul Keal, "The International Relations of Northeast Asia: Some Enquiries", Department of International Relations, Research School of Pacific Studies, The Australian National University,
April 1981 (unpublished); Malcolm Mackintosh, "The North Asian-Pacific Region: Soviet Interests and Policies", (a paper given at the Conference on Soviet Policies East of Suez, organised by the Australian Institute of International Affairs, August 1976) (unpublished); Geoffrey Jukes, The Development of Soviet Strategic Thinking Since 1945, Canberra Papers on Strategy and Defence, Number 14, Strategic Studies and Defence Centre, Australian National University, Canberra, 1972; Geoffrey Jukes, "Trends in Soviet Strategy in 1974-75", in H.G. Gelber (ed.), The Strategic Nuclear Balance 1975, University of Tasmania Press, 1976; D.O. Verral, "Background Information on Soviet Naval Activity in the Indian and Pacific Oceans", (a paper presented at the Conference on Soviet Policies East of Suez, organised by the Australian Institute of International Affairs, August 1976. The writer is also particularly indebted to a number of discussions with Dr. Paul Keal, Research Fellow at the Strategic Studies and Defence Centre at the Australian National University. The views given on Soviet policies are, however, entirely his own.

99. In May the Soviet Union staged a landing exercise on Etorofu with about 2,000 troops. Towards the end of January 1979 the Japanese Defence Agency announced that the USSR had stationed some 5,000-6,000 men on Kunashiri and Etorofu, and had constructed a runway and barracks.

100. Geoffrey Jukes, for example, argues that the expansion of the Soviet navy in the 1970s was more apparent than real. The illusion of a decaying American navy confronted by an expanded and rapidly modernising Soviet fleet resulted largely from the differing patterns of Anglo-American and Soviet building programmes (Geoffrey Jukes, "Trends in Soviet Strategy in 1974-5", p. 24). Miyauchi Kuniko (a professor at the Japanese National Defence College) sees the Russian decision to opt for strategic parity as deriving from the lessons of the Cuban crisis and emergence of a hostile China. Oga Ryōhei, former Chief of Staff of the Japanese Maritime Self Defence Forces, has been extremely critical of what he describes as "exaggerated Russian threat scenarios" (Yomiuri Shimbun, 20 October 1980).


103. ibid. p. 288 ff.

104. For details of Stalin's shoddy treatment of Mao Ze-dong see Khruschev Remembers, Volume 2, p. 287 ff.


106. Eudin and North, op. cit., pp. 75-76; 182-83; 280-86; 342-43 and 391-92.


109. ibid. Article 9.


112. The Communist Party of India, should be noted, was the only group to support Mrs Gandhi's declaration of a state of emergency in 1975. The CPI, also endorsed the arbitrary and authoritarian constitutional amendments introduced by Mrs Gandhi later in the year.


114 ibid, p. 72-3.

115. The Joint Communiqué issued after Mr Kosygin's visit to India in March 1979 described the Chinese attack on Vietnam as "massive" and, without mentioning the question of Vietnamese troops in Cambodia, declared that "India and the Soviet Union demanded an immediate, unconditional and total withdrawal of Chinese troops from the territory of Vietnam". (The Japan Times, 16 March 1979).


118. Four years after the end of World War II American experts were predicting that Japan might eventually attain a standard of living similar to that enjoyed in 1930-34 if foreign financial assistance continued indefinitely. Otherwise, the best that could be expected was the achievement of bare subsistence level. (E.A. Ackerman, Japanese Natural Resources, G.H.Q., S.C.A.P., Tokyo, N.R.S., 1949).

119. For an allusion to this ancient strategic connection and the assumptions that underlay it, see Noguchi Sadao (trans.), Shiki, Volume 3, "Tai En Retsuden", Heibon Sha, 1972, p. 278 ff.

120. The United States has, from the beginning, refused to recognise commitments to aid the postwar reconstruction of Vietnam apparently given at the Paris peace talks. It has discouraged its allies from assisting the Vietnamese. It has refused to permit funds from the World Bank to be channeled into Indochinese reconstruction. In Vietnam itself, the political, economic and social problems encountered after the final collapse of the southern regime were compounded by unseasonal floods and droughts. Nevertheless, for some time after the fall of Saigon the Vietnamese, although disturbed by the implications of the Sino-American rapprochement, attempted to pursue an omnidirectional foreign policy, cultivating amicable ties not only with the Soviet Union and the Peoples' Republic of China, but also with Japan, Western Europe, Scandinavia, Canada, Australia, New Zealand and the ASEAN powers. In early 1977 fighting erupted along the Vietnamese-Cambodian border. In September 1977, just before Pol Pot's very successful visit to China, the Cambodians opened up a one hundred kilometre front along the Vietnamese frontier. The Vietnamese, concluding, quite correctly, that Pol Pot's forces were being encouraged by the Chinese, moved closer to Moscow. (Lowell Finley, "Raising the Stakes", Southeast Asia Chronicle, Issue Number 64, September - October 1978, p. 25). In December the Vietnamese counter attacked. China accused Vietnam of aggression. It also alleged that Vietnam was persecuting the overseas Chinese. Chinese aid to Vietnam (accounting for approximately one third of the country's foreign aid) was suspended, aid projects were cancelled, technicians were recalled. Once again, Vietnam moved closer to Moscow. On 29 June 1978 the Socialist Republic of Vietnam became the tenth member of the Council for Mutual
Economic Assistance. Four days later Peking cancelled all remaining aid to Vietnam. This led, inexorably, to Vietnam's further integration with CMEA. The Soviet-Vietnamese Treaty flowed inevitably from these events and from Vietnam's deteriorating security situation. Throughout, the Vietnamese government acted as any responsible government, faced with a similarly grave situation, would have acted.

121. Readers of N.S. Khruschev's memoirs will recall the great importance the former Soviet premier attached to relations with Indonesia (Khruschev Remembers, volume 2, p. 365 ff). Political and economic studies of all the ASEAN countries, as well as of Indochina and Burma, have recently been given considerable emphasis in Soviet institutions of higher learning.


123. Kissinger's memoirs make no reference to any such agreement. However, when viewed against the background of China's increasingly vigorous support for American policies, Carter's unilateral renunciation of America's treaty with Taiwan, the free hand given to Peking in Indochina, joint U.S.-Chinese declarations of support for Thailand and the fact that Washington apparently passed on the news of Pak Chung Hi's assassination to the Chinese before discussing the matter with Japan, do suggest some such understanding.


128. The present writer is deeply indebted to Mr Tagawa Seiichi, of the (Japanese) New Liberal Club, for discussions about these matters.

129. For details see The Military Balance (successive issues), The International Institute for Strategic Studies, London.

130. The Sydney Morning Herald, 8 August 1981.

131. Compare Deng Xiaoping's remarks to Oriana Fallaci on capitalism and co-operation with the capitalist world (The Courier Mail, 30 September 1980) with Khruschev's rather longer treatise Khruschev Remembers, Volume 2, p. 596 ff.

132. For details of the visit, the speeches of the two sides and the joint communiqué, see The Pyongyang Times, 9 - 13 May 1978.

133. The Pyongyang Times, 16 September 1978.

135. At the mass rally in Pyongyang prior to the departure of Chairman Hua Guo-feng, for example, President Kim Il Sung characterised the world as divided between "the revolutionary and counter-revolutionary forces". (The Pyongyang Times, 13 May 1978). This contrasted strikingly with the world view of the Peoples Republic. The socialist forces, Kim stated, were growing and "the struggle of the people for sovereignty, independence and the building of a new society is gathering force day by day". The Korean leader directed his principal criticism at American imperialism. He did not mention "hegemony" although he did refer vaguely to "dominationist forces".


137. ibid. p. 276.

138. Interview on ABC's "Issues and Answers" programme in Tokyo, 13 January 1980, as reported in Korea Herald, 14 January 1980.

139. The Chinese, unlike their Korean allies, do not necessarily seem to envisage the overthrow of the Chun Du Hwan régime as a precondition for talks on reunification.


143. Mainichi Shimbun, 18 February 1979.

144. Mainichi Shimbun, 2 March 1979.


146. Shimura Kaiichirō, Chūgoku No Shigen Enerugi Jijō, Kyōiku Sha, 1979, gives a good brief introduction to the negotiation and contents of these early agreements.


149. The Courier Mail, 3 March 1981.

151. See, for example, Malaysian Foreign Minister Tan Sri Ghazali Shafie's assertion that Southeast Asia was "more exposed to subversion by the Chinese than the Soviets". (The Courier Mail, 17 August 1981). In many circles in both Kuala Lumpur and Djakarta, Vietnam has been seen, unofficially, as providing a formidable and much needed barrier against Chinese southwards expansion.

152. Fears about the likely impact of the 1978 Sino-Japanese treaty on Japan's relations with ASEAN were voiced by the Indonesian Foreign Minister, Mr. Mochtar Kusumaatmadja, in an interview with a Kyōdō News correspondent, prior to his visit to Japan in 1979. (Mainichi Shimbun, 15 February 1979).

153. See footnote 64.

154. Many prominent personalities in the Labor movement, while extremely critical of the Soviet record on "human rights" issues, have also attacked the view that the Soviet Union constitutes the chief threat to world peace. Mr. Robert Hawke, then President of the Australian Council of Trade Unions and President of the Australian Labor Party, delivering the H.V. Evatt Inaugural Memorial Lecture in 1976, spoke strongly in support of continued détente. Pointing out that for much of the year the Indian Ocean "forms part of the only sea link between the western ports of the Soviet Union and the Soviet Far East", he criticised "the alarmist view of what is a modest Soviet naval presence in the region". Bob Hawke on Foreign Policy, H.V. Evatt Inaugural Memorial Lecture, Adelaide University Union Press, 1977, pp. 11-15.

155. It was interesting to note that while the Australian Chinese community is one of the country's smallest ethnic groups ( ), students of Chinese origin scored some 30 per cent of the top ten passes in the 1980 New South Wales Higher School Certificate examinations. If these figures represent a trend, the long term implications for the racial composition of Australia's business, professional and bureaucratic élite could be very interesting. (The Sydney Morning Herald, 16, January 1981).

156. For an examination of the influence of these conflicts on Japan's prewar policies, see Banno Junji, "Japan's foreign policy and attitudes to the outside world, 1868-1945", in Peter Drysdale and Hironobu Kitaoji (eds.), Japan and Australia, A.N.U. Press 1981. For an analysis of the postwar period, see J.B. Welfield, "Australia and Japan in the Cold War", in Peter Drysdale and Hironobu Kitaoji, op. cit. and John Welfield, "Japan, the United States and China in the last decade of the Cold War", in Peter Jones (ed.) The International Year Book of Foreign Policy Analysis, Volume II, Croom Helm, London 1976.
157. For the text of Mr Kishi's statement, see Bōei Nenkan, 1958, p. 174 and Bōei Nenkan, 1960, p. 132.


159. For statistics on the growth of the Japanese military budget along with the size and equipment of the Self Defence Forces, see Bōei-Chō, Bōei Nenkan, Asagumo Shuppan Sha (successive issues), Yano Tsuneta Kinenkai (ed.) Nihon Kokusei Zue, (successive issues), The Military Balance, The International Institute For Strategic Studies (successive issues) and Stockholm International Peace Research Institute, World Armament and Disarmament, SIPRI Yearbook, (successive issues), Taylor and Francis, London.


163. See, for example, Yoshida's draft treaty, drawn up in November 1950, envisaging demilitarisation and neutralisation of Japan and Korea, with security guarantees from the United States, the Soviet Union, China and Great Britain. The present writer was once inclined to believe this draft was a mere negotiating tactic. (J.B. Weifeld, Japanese Defence Policy, 1945-70, A.N.U. Doctoral Thesis (unpublished), Volume I, p. 18). Now he is not altogether sure.

164. Kōsaka Masataka, Saisho Yoshida Shigeru Ron, Chūo Kōron Sha, 1968, and Hayashi Fusao, Yoshida Shigeru To Senryō Kempo, Roman, 1974 provide two interesting analyses of Yoshida's views, character and political life. They do not, however, reveal much about Yoshida's complex attitudes to China. The present writer is indebted to Mr Yoshida's daughter, Mrs Aso Takakichi, for clarification of these matters.


166. The Statement on Imperial Defence presented to the Japanese Prime Minister by the Army Section of the General Staff on 4 April 1908 considered that Russia, humiliated by her defeat in 1905, was planning to reassert her position in the Far East and could therefore be regarded as "our most probable potential enemy in the short term". The Chiefs warned, however, that "as far as relations with the United States are concerned, despite the fact that it is a friendly country, and that this state of affairs should be preserved, there is no guarantee that a serious clash
will be avoided in the future, if we consider our relationship from a geographical, economic, religious and racial point of view". (Copy of document in possession of the present writer). The Imperial Japanese Navy, meanwhile, had decided in 1907 that the United States alone was the chief hypothetical enemy. (The United States had begun to view Japan in this light two years earlier). During World War I, the Twenty One Demands Crisis and the intensification of Japanese-American politico-economic rivalry in China inclined powerful elements in the Taishō establishment towards the concept of an alliance with the Russians. In July 1916 Tokyo and St. Petersberg concluded a secret agreement to come to each others' aid in case a third power attempted to gain supremacy in China. The Russian Revolution and Japan's participation in the interventionist force temporarily shattered hopes for a Russo-Japanese entente. Nevertheless, the Statement on Imperial Defence drawn up in 1923, which, despite the Washington Treaty, again characterised the United States as the chief hypothetical enemy, and recommended a policy of maintaining cordial relations with Russia, gives some support to the view that important groups in Japan may have hoped to reach some kind of political and strategic agreement with the new Soviet government. The talks between the Soviet representative Joffe and Japanese officials at Atami in 1923, however, proved abortive. The Soviet Union seemed convinced that its interests were best served by maintaining neutrality in the Japanese-American conflict (Karl Radek, Likvidatsiia Versalskogo mira, pp. 58-59, 62-64, quoted in Eudin and North, op. cit. p. 239-40) and building up relations with Sun Yat-sen's Kuomintang. Japan's absorption of Manchuria, the rapid economic and military recovery of the Soviet Union under Stalin, together with continuing Japanese-American conflict in the Pacific, led to the view, enshrined in the 1936 Statement on Imperial Defence, that both the U.S.S.R. and the U.S.A. had to be regarded as potential enemies. The Japanese navy, however, was still wedded to the view that the United States constituted the principal danger, that Japan's natural field of expansion was Southeast Asia and that conflict with the Soviet Union was unnecessary. The Japanese-Soviet Non-Aggression Pact of seemed to neutralise any Soviet threat. In the last stages of the Pacific War, the Chief of Staff General Umezu told the Emperor that "we must under no circumstances make peace with the United States. The Americans have a contempt not only for Japan as a state but for the Japanese as a race ....... The only people we can ask favours of now are the Russians ....... We have no alternative but to prepare for a decisive battle on the continent, with the Soviet Union at our rear". (Hayashi Fusao, Yoshida Shigeru. To Heiwa Kenpō, Roman, 1974, pp. 32-33).

167. Shimizu Hayao, Nihonjin Wa Naze Soren Ga Kirai Ka, Yamate Shobō, 1979, presents an interesting cultural and historical analysis of Japanese anti-Russian feeling. The present writer is, however, sceptical of some aspects of this study.


172. It is basically for this reason that successive Japanese cabinets have opposed requests from the Defence Agency for the construction of anti-submarine aircraft carriers. An example of the continued caution of official policy is to be found in the recent report of the General Security Policy Group organised by the late Prime Minister Ôhira Masayoshi. For a brief summary of this report, see Hisao Iwashima, "Japan's Defence Debate: Recent Developments and Future Course", a paper prepared for a symposium of "Japan in the 1980s", held at Sheffield University, September 1980.


175. The present writer is not aware of any opinion survey which would confirm or refute this observation. It is however, an impression derived from many conversations with politicians, bureaucrats and businessmen, as well as from magazine and newspaper comment. Some confirming evidence may be found in the article "Jones Report Considered Relatively Accurate", The Japan Times, 30 March 1979.

176. Polls released by the Prime Minister's Office on 17 December 1978 showed that, among all age groups, the number of respondents desiring continuity of the Security Treaty had increased dramatically since the late 1960's. In the mid-1960s, at the height of the Sino-American confrontation and the Vietnam War, some polls showed almost two-thirds of respondents favouring some form of neutrality (for details, see J.B. Welfield, op.cit. Volume 2, tables 5 (i), (ii)). The December 1978 Prime Minister's Office Poll showed 26 per cent of respondents (the largest individual group) declaring America to be their "favourite country" (compared with 19 per cent for China,
14 per cent for "all countries", 2 per cent for the USSR, 1 per cent for "Arab countries" and 1 per cent for South Korea", 84 per cent considering Japanese-American relations "important", 63 per cent believing that Japan was regarded as important by the United States, 68 per cent desiring continuation of the Security Treaty and only 6 per cent advocating its abrogation. Polls conducted by the Prime Minister's Office in 1969 showed 44 per cent desiring continuation of the treaty "for the time being" and 12 per cent urging immediate abrogation. Some 58 per cent of respondents in the 1978 poll, however, were convinced that the Japanese-American relationship was not an equal one. (Asahi Shimbun, 18 December 1978).


181. See footnote 142.

182. See footnote 143.

183. See footnote 144.


185. See footnote 145.

186. See, for example, the editorial in the Sankei Shimbun, 1 June 1979.

187. Robert Murphey, Diplomat Among Warriors, Collins, 1964, contains an interesting account of this former American ambassador's attempts to normalise relations between Tokyo and Seoul. The present writer is indebted to Mrs Aso Takakichi (Mr Yoshida's daughter), Mr Kitazawa Naokichi (Mr Yoshida's former private secretary and the late Mr Morita Hōfu, sometime Counsellor at the Japanese Embassy in Seoul) for clarification of the former Prime Minister's attitudes. Mr Yoshida's complex and secretive character help to explain some of the discrepancies in their accounts.


189. For the text of the treaty and related agreements, see Hōritsu Jihō, May 1964, p. 414 ff.

190. For details, see J.B. Welfield, op.cit., chapters 3, 5 and 8.

192. For detailed statistics, see Nikkan Kankei Kenkyū Kai (ed.), *op.cit.* and Nikkan Kankei O Kenkyū Suru Kai (ed.), *op.cit.*


196. *Nihon Kokusei Zue*, (successive issues).

197. For an excellent account of official and unofficial thinking about relations with Southeast Asia in the prewar period, see Yano Toru, 'Nanshin' No Keifu, *Chūō Kōron* Sha, 1975.


199. For details of these conflicts see John Welfield, "Japan, the United States and China in the Last Decade of the Cold War", in Peter Jones (ed.), *op.cit.*, p. 132-187.


201. For detailed statistics, see Ogiso Isao, op.cit., p. 95 ff.


203. For detailed statistics, see Matsui Yoshio, op.cit., pp. 13-42, Ogiso Isao, op.cit., p. 98 ff; Mari Pangestu, op.cit., especially tables 1,2,3,4 and 5.

205. Budhi Paramita, op.cit., p. 87.

206. Budhi Paramita, op.cit., p. 86.


209. Tsurimi Yoshi, op.cit., p. 168, 250.


211. Ingrid Palmer, op.cit., p. 167. See also Aempo, Volume 12, Number 4, 1980 (Special Issue on Japanese Transnational Enterprises in Indonesia), pp. 40-41.
212. Ogiso Isao, op.cit., p. 60.
213. ibid., p. 92.
214. Alejandro Melchor, Jr., op.cit., p. 5.
216. ibid., p. 124 ff.
217. These impressions have been derived from conversations with several Japanese politicians, diplomats, businessmen and journalists. They may or may not be confirmed by future release of documentation.
218. For details, see Nihon Kokusei Zue, (successive issues).
220. For details see Ogiso Isao, op.cit., p. 115 ff.
222. For an expression of popular American concern about a possible Islamic revival, see William Griffith, "Islam on the March", Readers Digest, July 1979. For Soviet worries see the report of an article by Major-General Ziya Yusuf-Zada, the chief of the KGB in Azerbaijan, in the communist party newspaper Bakinsky Rabochy as outlined in The Sydney Morning Herald, 27 December 1980.


226. The Peoples' Republic of China could apply military pressure on Japan just as easily from positions on the Chinese mainland as it could from Taiwan. The Soviet Union would not need bases in Taiwan to threaten Japanese military installations, trade routes and centres of population.

227. A succinct summary of Mr. Tokuyama's ideas is given in an article entitled "The Pacific Century", Newsweek, 21 March 1977.


230. Tokuyama Jiro, in Newsweek, op. cit.

231. ibid.


233. ibid. p. 37.

234. ibid. p. 33.


237. Peter Drysdale and Hugh Patrick, op. cit., p. 34.
238. ibid. p. 31.


242. For a discussion of Australia's possible fate see "The Balkanisation of Australia - A Theory, or Australia's Relations With Japan - Junior Partner or Colony", Dyson House Papers, July 1978.

243. ibid.

244. see footnotes 64 and 65.

245. see footnotes 64 and 65.

246. China, under Wang Ching-wei, was, of course, to occupy a rather subordinate position in the alliance system.

247. Talk with Mr Katayama Tetsu, 20 February 1977.

248. For details, see John Welfield, "Japan, the United States and China in the Last Decade of the Cold War", in Peter Jones (ed.), op.cit.


251. Makoto Momoi, "Australia and Japan", a paper in the possession of the present writer.

252. For an examination of the economics of an Australian military nuclear programme, see Ian Bellany, An Australian Nuclear Force, Strategic Studies and Defence Centre, Australian National University Press, Canberra, 1969.

253. Opposition to French testing of nuclear weapons in the Pacific was strong. Australians might, however, always make an exception for their traditional Anglo-Saxon allies.
254. Public opinion polls conducted by the Japanese Embassy in Australia show virtually no popular support for a Japanese military role in the Pacific. In 1976, 1 per cent of respondents hoped for such a role. Subsequent support for a Japanese military role has been negligible. Opponents of selling uranium to Japan have focussed on the nuclear weapons issues. ANOP, Australians View Japan - A National Attitude Study, (successive issues).

255. The late Kōno Ichirō, for example, who once rivalled Satō Eisaku for the Prime Ministrieship, inclined rather strongly towards neutralist policies.


259. (i) **Destinations of Japanese and Swedish Exports.**

<table>
<thead>
<tr>
<th>Japan, 1977</th>
<th>Sweden, 1978</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>United States of America 6.3%</td>
</tr>
<tr>
<td>United States of America</td>
<td>24.5%</td>
</tr>
<tr>
<td>European Economic Community</td>
<td>10.7%</td>
</tr>
<tr>
<td>EFTA</td>
<td>2.2%</td>
</tr>
<tr>
<td>COMECON</td>
<td>3.7%</td>
</tr>
<tr>
<td>China (PRC)</td>
<td>2.4%</td>
</tr>
<tr>
<td>China (Taiwan province)</td>
<td>3.2%</td>
</tr>
<tr>
<td>South Korea</td>
<td>5.1%</td>
</tr>
<tr>
<td>Liberia</td>
<td>3.1%</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>2.9%</td>
</tr>
<tr>
<td>Australia</td>
<td>2.9%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2.9%</td>
</tr>
<tr>
<td>Iran</td>
<td>2.4%</td>
</tr>
<tr>
<td>ASEAN countries</td>
<td>8.5%</td>
</tr>
<tr>
<td>Other</td>
<td>26.3%</td>
</tr>
<tr>
<td></td>
<td>European Economic Community 47.9%</td>
</tr>
<tr>
<td></td>
<td>EFTA 20.4%</td>
</tr>
<tr>
<td></td>
<td>COMECON 5.1%</td>
</tr>
<tr>
<td></td>
<td>Other Industrial Countries 7.2%</td>
</tr>
<tr>
<td></td>
<td>Developing Countries 13.1%</td>
</tr>
</tbody>
</table>


261. Commonwealth of Australia, Parliamentary Debates - Senate, Standing Committee on Foreign Affairs and Defence, (Reference: The Australian Army), 1973-74, Testimony of Professor Leonard Charles Frederick Turner, Professor of History, Royal Military College, Duntroon, p. 188.

The evidence presented by a variety of specialists before this committee provides a good overview of Australia's defence policy.