

*A Heritage Foundation Conference*

**U.S.-SOVIET GOALS IN THE ASIA-PACIFIC REGION:  
COINCIDENCE OR CONFRONTATION?**

*Edited by Roger A. Brooks*

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**Edwin J. Feulner, Jr.:** Good morning. I am Ed Feulner, President of The Heritage Foundation. It is my distinct pleasure to welcome you to our Asian Studies Center program examining the similarities and differences between American and Soviet foreign policy goals in Asia.

I am proud to note that since 1983 our Asian Studies Center has made a substantial contribution to the Washington policy debate on Asia, a region of great and growing importance to our nation. It seems that every day the headlines remind us about "trade friction." And it is still very sobering to hear our Secretary of Defense, Richard Cheney, say that the only place on the globe where he fears sudden war that would involve American troops is on the Korean Peninsula. Our Asian Studies Center will continue to follow all major issues critical to maintaining America's leadership position in Asia.

The Heritage Foundation has noted with great interest that under Mikhail Gorbachev, the Soviet Union has made a real and unprecedented effort to become peacefully engaged in Asia. I am perhaps most encouraged by Moscow's receptivity to Korean President Roh Tae-woo's "Northern Policy" of seeking closer relations with the Soviet bloc. It tells us that Moscow shares Washington's goal of preventing another Korean War and of expanding Soviet ties to the newly industrializing countries of Asia in a peaceful rather than in a threatening way.

However, there remain several areas in which American and Soviet goals conflict, and these differences should be well noted so as to avoid any misunderstanding. But I will not list these here, and instead, leave them to our moderator, the Director of our Asian Studies Center, Roger Brooks. Roger's involvement with Asian issues began with his military service in Thailand, and he has done an excellent job of leading our Asian Studies Center over the past two-and-one-half years.

Today, Roger Brooks has assembled a first-class panel of experts to examine the issue at hand. We are also very pleased that two Asia experts from the Soviet Embassy have agreed to join us. I hope that this program will identify other areas where two countries can reduce tensions. And, again, I welcome our panelists and guests to our program.

**Roger A. Brooks:** Good morning. I would like to reiterate Ed Feulner's welcome to all of you. We are particularly pleased to have our guests from the Soviet Union and from the many countries that are represented here in Washington who have an interest in the issue being discussed this morning. I would like to thank those who helped me organize this conference, particularly Betsy Hart and her staff of dedicated professionals in the Department of Lectures and Seminars at Heritage and, of course, my own first-rate staff in the Asian Studies Center. I would like to extend a particular thanks to Yevgeniy Afanasyev from the Soviet Embassy who sat down with me many months ago to discuss and plan this meeting which we are holding today.

The question that this conference raises, that is "U.S.-Soviet Goals in the Asia-Pacific Region: Coincidence or Confrontation?" is an appropriate one, given the changes that we have witnessed just in the last year: changes in the Soviet Union itself, changes in what we have come to know as the Soviet bloc; and, in many respects, even during the last several weeks, changes in the Soviet approach to the countries of East Asia.

I think that Americans in general have felt fairly good about these changes. American conservatives, in particular, believe that such changes represent a re-affirmation of their long-held conviction that people, given a choice, will opt for personal freedom, better living conditions, and democratically-elected governments.

What do these changes in the Soviet Union and in the Soviet approach to the Asia-Pacific region mean for U.S.-Soviet relations, and our perceptions of one another's goals in the Asia-Pacific region? Is the relationship to remain one of confrontation or at least of competition? *Are* there specific areas where our goals may coincide?

To address some of these questions, we are pleased to have Robert Manning from the Department of State's East Asia and Pacific Affairs Bureau with us today.

Bob is Special Advisor to Assistant Secretary of State Richard Solomon. He previously was an advisor to the Assistant Secretary of Defense for International Security Affairs (ISA) on Asian affairs and Soviet Asian policy. He is the author of a study of Asia policy under Gorbachev, entitled *Asia Policy: The New Soviet Challenge in the Pacific*, published by Unwin Hyman in 1988. Bob has asked to speak to us today in his personal capacity as a long-time "Asia Hand."

**Robert A. Manning:**<sup>1</sup> I am quite honored to be here and I would like to commend The Heritage Foundation for keeping a focus on Asia. I come here looking at the Soviet Union not as a Soviet specialist, but as someone who has followed Asia in various capacities for a long time. From this perspective, I have observed that, while many of the changes in the Soviet Union and Eastern Europe have riveted our attention, quite a lot also is happening in Asia. Perhaps the changes in Asia have been not quite as dramatic, but I think they are greatly significant in the long term.

I would like to begin by looking at Soviet strategy in Asia during the previous two decades. The strategic reality in Asia over the past twenty years has been dominated in large part by the decidedly un-Marxist specter of conflict between communist states. This began with the Sino-Soviet border clashes in 1969, leading to one of the great strategic shifts of the post-war era. This was followed a decade later by the Sino-Vietnamese War, the Vietnamese-Khmer conflict, and, most recently, ongoing fighting between Cambodian communist factions.

Soviet policy in Asia until the late 1970s was what I would call the "Brezhnev legacy." Brezhnev's hardline foreign policy approach was utterly counterproductive and helped generate anti-Soviet attitudes throughout the region. With the exception of China, Asia to Brezhnev was an afterthought. When Moscow did deal with Asia, it was in a totally military vein, with the economic dimension almost entirely absent.

At the same time that the Soviets were giving scant attention to Asia, Asia itself was turning into probably the most economically dynamic region in the world. In addition, Asia was fast becoming multi-polar, with the U.S., U.S.S.R., Japan, China, and India emerging as centers of power. This was in contrast to Europe, where two clearly divided blocs faced each

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<sup>1</sup> These comments reflect the personal views of Mr. Manning, not those of the State Department or any U.S. Government agency.

other on the continent. During the late 1970s, this bipolarity in Europe increased as super-power competition intensified, and was exported by Moscow to Asia as well.

Thus, when Gorbachev took office in 1985, he was confronted with tremendous economic dynamism and a multipolar security environment in Asia. Realizing the Brezhnev approach was inadequate, Gorbachev looked for a new strategy to deal with Asia. Though many foreign observers point to Gorbachev's July 1986 Vladivostok speech as the beginning of this new approach, it was actually foreshadowed on April 24, 1986, in a Soviet government statement on the Far East published in *Pravda*, which outlined Moscow's new Asian agenda.

In actuality, Gorbachev's "new thinking" on Asia is not quite as new as some would have us believe. Gorbachev has put forward two basic concepts. The first concept is an Asian version of the "European common home," an idea borrowed from Charles deGaulle. The second concept is one of mutual security where the theory of class struggle is no longer operative, having been superseded by the global perils of the nuclear era. This is borrowed from former Swedish Prime Minister Olof Palme and the Palme Commission. Gorbachev has emphasized this second concept at Vladivostok and elsewhere.

Given these two core concepts, what we have seen since Vladivostok in 1986 has been rapid change in Soviet foreign policy toward Asia. In the past, for example, the Soviet Union denounced Japan for its security alliance with the United States. At Vladivostok, however, Gorbachev described Japan as a front-ranking power. Where the Association of Southeast Asian Nations (ASEAN) often was denounced as an afterthought – as a latter-day Southeast Asian Treaty Organization (SEATO) – Gorbachev spotlighted ASEAN at Vladivostok. In general, Gorbachev is saying that the U.S.S.R. would like to improve relations across the board with all the countries in Asia.

This more benign Soviet approach toward Asia reflects two additional elements of current Soviet foreign policy. First, we can see a "de-ideologization" of Soviet policy. Second, I think that the Soviets have now given a much lower priority to the Third World in general, including Soviet clients.

In what ways are the Soviets implementing their new foreign policy approach in Asia? In many ways, I think that their rhetoric has outpaced reality to a large extent. One important factor has been a flood of arms control proposals. This began at Vladivostok and continued in the Indonesian *Merdeka* newspaper interview in 1987, which helped open the door to the INF accord in which Gorbachev adopted "the double zero option" on the SS-20 missile. Again, in the Krasnoyarsk speech of September 1988, there was a general recycling of various ideas for nuclear-free zones, curbing naval activity, and so on. Finally, Gorbachev's September 1988 United Nations speech, in addition to adopting a position of troop pullbacks in Europe, included an announcement for a 200,000-man troop reduction in Asia.

How has this new strategy played out? Setting aside the question of ultimate objectives, I think what we have seen is a whole set of new attitudes and tactics. One clear result has been an unprecedented amount of diplomatic exchanges. I think it is dramatized in a number of events. Virtually every ASEAN head of state has been or will be going to the U.S.S.R. Thai, Malaysian, and Indonesian leaders have all been to Moscow, and I believe that Corazon Aquino is expected there later this year. On the other side, Soviet Foreign Minister Shevardnadze visited Australia, Indonesia, and Thailand in 1987. Just recently, a principal Soviet government official, Nikolai Ryskov, visited Australia, Singapore, and

Thailand. All of this clearly underscores the new importance the Soviets have accorded the region. And this has provided a modicum of success in altering Moscow's image there.

In analyzing Soviet foreign policy in Asia, we should break the region into three areas. The first is Southeast Asia, including ASEAN and the Indochinese states. The second is Northeast Asia, including Japan and Korea. Finally, the centerpiece of Soviet Asian policy has been, and continues to be, China. Even in the Vladivostok speech, which was full of rhetoric, perhaps one of the most important aspects was the number of positive references Gorbachev made to Chinese reforms. Gorbachev even came up with a territorial concession which is rare indeed in Soviet diplomacy. The new detente we now see between China and the Soviet Union is the result of a symmetry of interest. That is, both Beijing and Moscow have a very clear interest in reducing tension and creating a peaceful international environment because both of them have the same priorities: modernizing their economies.

This urgent need to modernize their economies really is what is driving Soviet foreign policy in general, and policy toward Asia in particular. One of the clear objectives in Vladivostok and all of the other Soviet public statements has been an attempt to integrate the Soviet Union into the Pacific Rim and plug into the economic grid of the Pacific Basin. The Soviets to date have had very little trade with Asia. It has amounted to less than 10-12 percent of their total, and most of that is with their socialist clients. Now, after clearly discovering that Asia works, they want to become part of it. I think this is a positive step.

One surprising result of this effort to improve trade ties in Asia has been the Soviet policy toward South Korea. Back in 1987 it would have seemed very unlikely that Moscow would today be so close to normalizing full diplomatic relations with Seoul. What really accelerated this process was the 1988 Olympics, which led to a normalization of relations between Hungary and South Korea. Significantly, this was a severe diplomatic blow to North Korea because the North Korean ambassador to Budapest was a son of Kim Il-Sung. Since that time, we have seen the establishment of consular offices in Moscow and Seoul. In addition, Soviet trade with South Korea has more than doubled over the last year or so, with the potential for further gains should the Soviets start to import high-quality, inexpensive consumer goods.

While there have been some concrete changes in Soviet policy, there remains a large degree of ambiguity, particularly in the area of arms control proposals and regional conflicts. For example, the Soviets remain ambiguous on the subject of conflict in Korea, Cambodia, and Afghanistan. Thus, on the one hand, Moscow has been enormously forthcoming and very positive toward Seoul, while at the same time maintaining a strategic relationship with Pyongyang. In fact, in 1984-1985, the Soviets enhanced their relationship with North Korea, presumably by exchanging overflight rights for MiG-29 fighters. In Afghanistan, on the one hand we saw a Soviet withdrawal, yet the Soviets continue to pour military equipment into Afghanistan for the Najibullah regime. Similarly, in Cambodia, Moscow appears to have played a role in convincing Hanoi to withdraw, yet the Soviets continue to provide enormous amounts of military aid to the Hanoi-backed Hun Sen regime.

While there is this ambiguity, I think in many respects U.S. and Soviet interests may not be that far apart on many issues, particularly, the Korean Peninsula. For example, both sides see a benefit to getting North Korea to place nuclear plants under International

Atomic Energy safeguards. Thus, in some respects, I think there may be less of a divergence than a lot of people think.

The one glaring omission of Soviet Asian policy is Japan. While Sino-Soviet relations have improved steadily, Moscow's ties with Tokyo have been pretty much static. Trade has been roughly in the \$5-6 billion range for a number of years. Yet I would argue that, ultimately, the success or failure of Soviet Asian policy will hinge on Japan.

The Soviet approach to Japan has been complicated by two major considerations. First, the Japanese have made a resolution of the Northern territories issue the centerpiece of any breakthrough for Soviet-Japanese rapprochement. While there has been an enormous amount of speculation on this issue at the unofficial level, there does not seem to be any progress at the official level. In fact, the Soviet position seems to be hardening over the past year.

At the same time, Soviet military capabilities in Asia appear not to have diminished. You can play numbers games with this. Certainly, the number of ships, and to some extent the number of planes, is lower. The Soviets have pulled their MiG-23 fighters and some Tu-16 bombers out of Cam Ranh Bay; this is a welcome development, and I think it testifies to the kind of retrenchment that is characteristic of their policy. However, in terms of overall air, naval, and strategic forces, the Soviets have removed some antiquated equipment and replaced it with much newer, more capable high-technology equipment. So in terms of raw net capability, Soviet military capabilities do not appear to have decreased. On this point, I think Secretary Cheney was correct in saying that Soviet military capability remains potent particularly if one is sitting in Hokkaido, only a few miles away from the Northern Territories.

I would like to turn again to the subject of arms control proposals. Other than North Korea's Kim Il-Sung, I do not know anybody in Asia who is terribly excited about these proposals. The reason for this lies in Asia's diversity: multi-polarity in Asia means that there is a multiplicity of threats. As a result, with so many varied threats, any kind of collective security approach, which is what is behind these proposals, is not terribly exciting.

At the same time, I think we have seen in Asia during recent years what I would call a very informal — and very Asian — kind of arms control process. For example, the Chinese reduced their military by a million troops in the mid-1980s; the Soviets have thinned out their divisions on the Chinese border; and the Vietnamese have de-mobilized some troops withdrawn from Cambodia. Given the peculiar security arrangements currently seen in Asia, I suspect that this informal arms control process will continue on both a unilateral and reciprocal basis.

The problem I have with these Soviet arms control proposals is conceptual. The underlying assumption to many of these proposals is that the American presence in Asia is a source of tension and instability in the region. However, from what we have seen in the region, nobody believes that. In fact, I would argue that the American presence in Asia is in the Soviet interest, and that real sources of tension are regional conflicts and territorial disputes: the Korean Peninsula, Cambodia, tension over the Northern Territories, and so on.

This being said, I would add that the one area that holds some promise for an arms control agreement is the Korean Peninsula. Significantly, I think the Korean Peninsula is the

one area in Asia that is roughly analogous to Europe. I think that there is potential for beginning a confidence-building process that could lead to European-style reductions there over time. However, the real problem is North-South Korean dialogue, and the North Koreans simply have not been forthcoming. They talk about sweeping arm control reductions, yet they balk when the South Koreans ask for confidence-building measures like mail exchanges.

Arms control agreements in Asia are complicated by a number of factors, among them being the fact that the U.S. is a major naval power in the region, and the Soviets, while having two-thirds of their territory in Asia, are not. Therefore, it is very difficult to find any kind of symmetry that can be translated into an arms control process. Moreover, as the new centers of power in Asia continue to expand, the American maritime presence is not going to become less important; it is going to become more important. I hope that the U.S. Congress understands this. The forthcoming Nunn-Warner report, due out later this month, should contribute to its understanding of this issue.

In conclusion, I think that since Gorbachev's 1988 Krasnoyarsk speech, we have seen Soviet foreign policy in Asia run out of steam. In a sense, Moscow doesn't know quite what to do for an encore. At the same time, they have been increasingly preoccupied with internal developments. While integrating themselves into the economic life of the Pacific is part of their economic reform, this remains hindered by the fact that rubles still cannot be converted. In the 1986 Vladivostok speech, Gorbachev said he wanted to turn Vladivostok into a commercial center, yet it remains a closed military city; access to Vladivostok was recently denied to several prominent American visitors. At Krasnoyarsk, Gorbachev talked about Chinese-style special economic zones, yet these have not been formed. It is the success of *perestroika* that will determine Moscow's ability to be an economic player.

In short, the ball is in the Soviet court in that I think everybody in the Pacific, including the U.S., welcomes their economic participation. But in terms of their own economic compatibility within the region, the Soviets have not yet arrived. They have set their own limitations, and while Moscow has been willing to buy \$100,000 worth of Philippine sandals or Thai rice just to start a trade relationship, there really is not a lot of potential for serious economic relations.

In sum, I would say that in this first phase of Gorbachev's Asia policy, Moscow has been moderately successful in altering its image from one of confrontation to one of cooperation. Continued success will require Soviet economic success, concessions to Japan if a marked improvement in Soviet-Japanese ties is to occur, and a distancing from traditional Leninist allies in the region along with implementing a "reasonable sufficiency" defense posture in East Asia as it has begun to do in Europe.

**Mr. Brooks:** All of us who have been watching events in Asia in the last several years would agree that Moscow's emphasis on establishing better relations with the countries of Asia has been unprecedented. Those improved relations, however, have not always been sought for the purpose of establishing peace and harmony in the region. Since the early 1920s, Moscow's priority was to promote revolution. Most early Asian communist parties were formed with help from Josef Stalin's Comintern, and Soviet assistance was critical to the creation of communist regimes in China, North Korea, Vietnam, Laos, and Cambodia.

Today, Soviet President Mikhail Gorbachev's interest in Asia surely is prompted by the region's growing political and economic clout. Few would disagree with the notion that Gorbachev wishes to attract substantial Asian investment and trade, as his 1986 speech in Vladivostok and 1988 address in Krasnoyarsk indicated.

In 1987, total Soviet trade with Asia, including India, was only around \$13 billion, or about 11 percent of Soviet trade with the rest of the world, while U.S. trade in the region last year exceeded \$290 billion, or about 37 percent of its trade with the rest of the world. The Soviet Union has sought new business ties in South Korea, Taiwan, the Philippines, and Thailand. The Soviets also seek both Japanese and Korean investment in Siberia, primarily by proposing the creation of "special economic zones" in that region. And they have sought membership in various regional economic organizations, such as the Asian Development Bank, the Pacific Basin Economic Cooperation Council (PBEC), and the recently conceived Asia-Pacific Economic Cooperation (APEC) forum.

The Soviet Union also wishes to reduce its burden of supporting clients in countries like Vietnam and North Korea by helping those countries attract Western capital and know-how.

Since becoming Soviet leader in 1985, Gorbachev has sought to transform Moscow's public image in Asia from hostile expansion to peaceful political and economic engagement. Since 1985, most Asian leaders have visited Moscow or have been visited by such high-level officials as Foreign Minister Eduard Shevardnadze and others.

What does all this mean for U.S. interests and goals in the region? While the U.S. itself is in the midst of re-defining its goals and objectives in the region, it also is taking a different look at the goals and capabilities of the Soviet Union in the same area. Soviet goals have not always been easy to understand, since so often in the past Soviet activities in the region have belied the good intentions of their leaders' promises.

Yet, it seems to be increasingly clear that there is no longer a "zero-sum" game for us to play with the Soviets in Asia — or for that matter, elsewhere in the world. This is because the Soviet Union, and what we saw as the "Soviet Empire," is not in the same shape it was even a year ago.

If, for example, a year ago Moscow and Seoul had proposed bilateral diplomatic recognition, as they did at the end of last month, we might have been much more unified in our conviction that Moscow's gain would be our loss. Or, if Mikhail Gorbachev had gone to Japan a year or two ago with a definitive proposal for the Northern Territories in hand, we might have had much more reason for concern than we probably will have in 1991 when he is scheduled to travel to Japan.

Evidence, moreover, has become increasingly clear that the web of relations involving the U.S., the Soviet Union, and the People's Republic of China (PRC), is no longer part of this zero-sum game. This may mean that the U.S. does not necessarily gain if Chinese-Soviet relations cool, nor does the U.S. necessarily lose if those relations continue to improve.

Indeed, with the changes that have taken place in the Soviet Union in the last year, there is only one place that Beijing has pilloried in official statements more than Washington — and that is *Moscow*. And the Soviet Union may remain more of a "threat" to China than the U.S., primarily because of its proximity to China, but also because Beijing believes that Moscow has abdicated its role as "pathfinder" along the Marxist-Leninist road.



The improvement in ties between the Soviet Union and many of the prosperous free market and increasingly democratic governments in the region also might be viewed by Americans with increasing optimism. We know that there is an almost subversive nature to the ideas that such free market economies engender. And the Soviet Union may not be able to resist completely such subversion if they open their markets and their borders to trade and investment from Asia.

While we have reason to take a new look at the validity of the idea of a "zero-sum" game, and while we have reason to be encouraged by changes within the Soviet Union, there are still areas where we are very much concerned about Soviet intentions and goals.

In particular, while we have seen some substantial Soviet military reductions in Asia, particularly a reduction of ground forces along the Sino-Soviet border, there has been no real decrease in the operational capabilities of the recently-expanded Soviet Pacific Fleet, or the Kremlin's nuclear, naval, or naval air capabilities in general.

Moreover, Gorbachev's *glasnost* has yet to translate itself into serious reductions of Soviet and East European bloc support for what has been the disruptive and destabilizing regimes of North Korea, Vietnam, and Afghanistan. In addition, the Soviets seem to retain their interest in stimulating anti-U.S. movements throughout the Asia-Pacific region, particularly in the Philippines and South Korea.

To further examine the nature and direction of U.S. and Soviet goals in the Asia-Pacific region, we are fortunate to have a truly outstanding panel of well-known and respected Asia and strategic experts.

**Leon Aron** is The Heritage Foundation's Salvatori Fellow in Soviet Studies and has been at Heritage almost three years, during which he has become one of Washington's top-ranking Kremlinologists. His writings have appeared in such journals as *Commentary* and *Public Opinion Quarterly*.

**Yevgeniy Afanasyev** is Counselor for Asia Policy at the Soviet Embassy. He has been in Washington since 1987, when he left Moscow and a post in the Foreign Ministry as Assistant to the Deputy Foreign Minister. Before that, he was a staff member in the China Department of the Foreign Ministry (1984-1985); again in the Soviet Embassy here in Washington (1976-1984); and earlier in the Soviet Embassy in China (1970-1975).

**Dalton West** is a political economist and strategic studies specialist with fourteen years of direct field experience in Asia-Pacific development and security issues, especially Soviet Asia-Pacific affairs, U.S. defense policy, strategic planning, regional integration, and technology transfer. He is, among other things, Director of The World Technology Foundation in Washington.

**Aleksandr Churilin** is a counselor at the Soviet Embassy in Washington, responsible for political-military affairs. He has been in the U.S. since 1989, and before that, was in the Policy Planning Division of the Soviet Foreign Ministry. His overseas service includes a tour in Zambia from 1970 to 1974.

I trust that our discussion today will be at least as successful as the recently-concluded Pepsi-Stolichnaya barter arrangement.

**Yevgeniy V. Afanasyev:** Thank you very much. First of all, I would like to thank The Heritage Foundation and Roger Brooks for the invitation to speak about Soviet and American goals in Asia. I might tell you that the planning for this conference took a long time — more than a year — and one of the major reasons for this delay was the absence of a ten-foot-tall diplomat in the Soviet Embassy. But after last July, when my friend and school-mate, Alex Churilin, came to the Embassy, we realized that together we measured more than ten feet, so we decided that we could then move ahead with the final plans for the conference at Heritage.

I totally agree with President Feulner's remarks that the purpose of this meeting is to try to find some of the similarities, some of the possibilities for cooperation between the Soviet Union and the United States in the Asia-Pacific region. Actually, if you would like to find divergences or confrontational points, it's very easy. You could just look at the history, at the map, at the statements made, and it's very easy. It's much more difficult, but I think it is very rewarding, to find some common ground. And I would like to emphasize in my presentation some of these points, as I see them. I am speaking personally here, as an expert on Asia.

I would like also to say that Bob Manning's remarks were very interesting to me. His last year's book is on my table, and if I need inspiration for new ideas, I look at his book. I disagree with some points he made, both in the book and today. For example I think that it's very popular in the United States to say that the Soviet Union is a land power, while the United States is a sea power. And out of that many different perspectives arise. I would say that the Soviet Union is also a major sea power. Our sea coast in the Asia-Pacific region is even longer than the American Pacific sea coast. It runs for thousands of miles. I would say that the idea which we often hear in this country that the American Navy in the Pacific Ocean is something like railroads in the Soviet Union, does not form the basis for a fair comparison. It is like the comparison I saw a few years ago here in Washington between Soviet nuclear submarines and the Washington Monument. A very interesting fact is that Vladivostok and Khabarovsk and other areas in the Soviet Far East receive more goods by sea from the European part of the U.S.S.R. than by land, through the trans-Siberian railroad. So, the safety of these navigational routes is as important for the Soviet Union as for other countries.

Historically, the Soviet Union has been a part of this region. And we have major political, economic, cultural, and other interests in this region. We think that the Soviet "new policy" in Asia is a major factor, and it is a positive factor in Asia. Certainly we understand that the United States plays a very important role in the Asia-Pacific. That's why all Soviet proposals on Asia, as a must, include consideration of American interests.

I would like also to say that our approach to the Asia-Pacific takes into account the importance of all our bilateral relations in this region. We do take necessary account that this region is part of a "multi-polar" world, and is increasingly so. So, there are many actors in the Asia-Pacific region that play an active part in the solutions of its problems, be it China, or Japan, or India, or the ASEAN countries, or other countries. We do take into consideration that without the cooperation and understanding of all of these states, there cannot be real security and cooperation in the region.

I wouldn't like to enumerate all our proposals and all our major statements on the Asia-Pacific region. I would just mention that the Vladivostok speech by Mr. Gorbachev in 1986 was a landmark in our Asian policy, as well as his Krasnoyarsk proposals in 1988. And this policy of the Soviet Union in Asia is the same policy that we pursue in Europe or worldwide.

There are no "two" Soviet approaches, one for Europe and another for Asia. It's a wrong notion. There is one Soviet foreign policy of "New Thinking" that is being pursued in both these regions and globally.

And I would describe the major components of this policy as follows: 1) freedom of choice; 2) the non-interference into internal affairs of others; 3) the equal participation in the solution of all international and regional problems; 4) guaranteeing equal security for all states on the basis of decreased military presence in the area; and 5) respect for the national peculiarities and historical traditions of each people.

In our foreign policy in the Asia-Pacific region we start from the presumption that our internal developments, economic and political, demand a non-confrontational, open policy in Asia. We need a peaceful environment in Asia as well as in Europe. And this is the major reason for our new policy and new proposal.

I also would like to emphasize another point, that is whatever was said by our leaders in the Soviet Union about Asian policy is not just words or rhetoric. These words are being transferred into real deeds. If you look at the nearly five-year period after the Vladivostok statement (1986 to the present), you would see that this is really the case. This is the case, for example, in Soviet participation in finding solutions to the situation in Afghanistan, Cambodia, or on the Korean peninsula. Everywhere, despite the difficulties, we see some positive signs and positive input by the Soviet Union.

Or take, for example, Soviet bilateral relations with other countries in the region. China was mentioned earlier as an example. Of course, China is the most visible example of the concrete results of this new policy. Our relationship with China is on a much different, and qualitatively newer level than ever before. And I think that this is a major achievement not only for the Soviet Union and China, but for the region and the world as well.

We have both difficulties and successes in our bilateral relations with other countries, and Japan was mentioned here. I would say only as a brief remark that a Chinese proverb says that you can applaud only with two hands. So, when we are speaking about bilateral relations, reason and desire to develop relationships are necessary on both sides. Only on this basis can this relationship really develop.

We think, in general, that the situation in the Asia-Pacific region has not yet caught up to the changes globally in Europe and the world in general. And that's very unfortunate. We think that this region should not be singled out or removed from this positive progress going on in the rest of the world. And I would note that, despite our numerous suggestions and proposals – and certainly my American colleagues know them in detail – that there is not yet a necessary negotiating mechanism in the Asia-Pacific region for such a dialogue, especially on military issues.

For example, unlike Europe, there is no system of confidence-building measures in Asia yet. There is no mechanism for monitoring or controlling military activities. There is no con-

tractual or legal mechanism in the Asia-Pacific region that would help to reduce the possibility of confrontation. And that's a major deficiency for the region, and we hope it can be solved in the years ahead.

I would bring your attention to the latest statements by our leaders, that our goal in Asia is to end Soviet military presence outside of Soviet borders in Asia. That's a major goal. So, by changing our military strategy in the Far East, we certainly expect that other participants, other countries in the region also would show restraint in the military area. It would be illogical if some countries would decrease their military presence, as we already are doing, when other countries would continue to increase or modernize their forces. So, we think that reciprocity is very much needed here. And that the case can be made even more strongly, if you take into consideration the fact that, according to our official and published data, the forces of the United States and Japan, in some very important areas, have substantial superiority over Soviet forces in this region, especially in the area of naval arms. And this fact is being recognized by American experts as well.

We certainly welcome the desire of the United States to reassess American policy in Asia, including the military, taking into consideration the changes that are taking place in the world and in the region. At the same time, we give due attention to the positive developments in the world, in the Asia-Pacific region and in Soviet-American relations. A lot more can be done. And we are ready for that.

The Soviet Union is in general ready to cooperate with the United States in the formation of such a structure of political interaction in the Asia-Pacific region that would help to create stable security for the region on the basis of balance of interest. We think that the time is right to start a concrete dialogue on this important subject.

We certainly cannot agree with the logic that justifies the presence near our borders of dozens and maybe hundreds of American military bases and installations. We think that "New Thinking" is needed not only on the Soviet side, but on the American side as well. And we hope that this "New Thinking" will be evident in the near future.

We have no intentions to undermine legitimate American economic, political, and other interests in the Asia-Pacific region. At the same time, I see in the American press the idea that the more trade the United States has in the region, the more military forces it needs in the region. I think that this idea is illogical, it is against common sense and it is not compatible with the new situation in the region and in the world.

By decreasing the military component of our presence in the Asia-Pacific Region we are at the same time trying to raise substantially the level of our economic involvement. We understand quite clearly that our economic interaction with the region is too low. I have some figures here that show that Soviet trade with major Asian countries of this region is just 5.8 percent of our overall trade. And this is because of historical, economic, and other reasons. This is a fact of life. It's also been reflected in the fact that our "Asian part" is not yet that developed. For example, in the Far Eastern regions of the U.S.S.R., we have only 2.6 percent of our population, and 2.9 percent of our overall industrial production. But we are very serious in our goal of developing the huge potential of these areas, taking into consideration their natural resources and in order to develop economic relations with all countries of the Asia-Pacific region.

From this position, we want to continue our policies to gain membership in such organizations as Pacific Economic Cooperation Council (PECC), the Asian Development Bank, and the newly created Asia Pacific Economic Cooperation (APEC) entity. We think that it is very important that the Soviet Union's peaceful presence, as well as its economic, technological, and scientific presence, be felt in Asia. And we find a lot of areas of common interest with the United States and other countries. We think that the larger the participation of the Soviet Union in the region, the more it will really contribute to making it a more prosperous, more developed, more peaceful one.

In general, our policy in Asia, being an integral part of the foreign policy of "New Thinking," is a non-confrontational one. We are looking for common interests with the United States and other countries, at the same time decreasing the areas of confrontation. We are sure that this policy will be received with the ever-growing understanding of other countries of the region including, of course, the United States.

**Dr. Leon Aron:** As a specialist principally on the Soviet domestic political situation, I would like to outline the domestic context of Soviet Pacific policy. It seems to me that it is very important to do so because, as I intend to show in my remarks, the Soviet Pacific policy is rooted very deeply in Soviet domestic realities, both economic and political.

Among the myriad of problems that Soviet society and its economy are facing now, there are three outstanding problems that absolutely must be solved before the Soviet Union can accomplish its goal: emerging in the next millennium as the leading industrial state, or at least as a state that keeps pace with the rest of the world.

These three key goals are: 1) saturating the consumer market; 2) diversifying Soviet exports to the West, that is, moving beyond raw energy, raw materials, and primarily energy-related exports; and 3) modernizing Soviet economy. All three goals are very much related to the Soviet Pacific policy.

The Soviet consumer market, of course, has been in the public eye in the United States and, of course and most of all, in the Soviet Union itself. According to the Soviets' own official calculations, the Soviet Union is now 77th in terms of personal consumption from around 150 countries in the world. And the standard of living continues to decline. Leading economists thought that last year Soviet personal consumption declined by about 5 to 8 percent.

The second goal of the Soviet economy is diversification of the exports. This truly is a crucial issue. Eighty percent of the Soviet Union's exports consist of energy-related materials, primarily gas and oil, in terms of resources generated. Let me give you an example of Soviet dependency on raw material exports, all taken from Soviet sources. The share of high-tech exports in trade between the Soviet Union and the Western nations is about a quarter of one percent. By comparison, the average high-tech component in trade between Third World nations with the West is 13 percent. Now, you can see that in terms of its export capacities at the moment, the Soviet Union is not just in the Third World category. It is somewhere near the bottom of the list of global exporters. The oil situation and the looming energy crisis in the Soviet Union makes the diversification of Soviet exports, by including a high-tech and consumer goods component, even more urgent than it used to be.

And the third goal of the Soviet Union today is, of course, modernization of its economy. By the admission of Soviet economists themselves, the Soviet Union is far from a so-called third industrial revolution, that is, the revolution spurred by electronics, as most countries in the West already have experienced. As a country, the Soviet Union has yet to acquire the benefits that some nations have enjoyed for almost 200 years in terms of goods available: inexpensive and abundant food, good roads, and reliable means of transportation and communication.

The Soviet economy, built in the rush of the industrialization of the 1930s, and then reproduced, almost without change, after the destruction brought about by World War II, probably may be best described — as my former mentor at Columbia University, Seweryn Bialer, put it — as a giant rust belt. It is, with some notable exceptions, mostly an economy of a 1930s, or perhaps a mid-1950s vintage. Moving into the third millennium with that type of poor industrial base puts into doubt the Soviet status as a superpower, something that the Soviet economists and political leaders are very much aware of.

What is the relevance of these three factors to the Soviet policy toward the Pacific Rim? There is much relevance. For example, the Soviet Union is looking to the Pacific now because it is facing considerable difficulty in terms of production of raw energy materials. Soviet oil production, for the first time last year, declined by about 3 percent. It continues to decline, according to official Soviet statistics, at the annual rate of 5 to 6 percent. In the January-March period of this year, the extraction of Soviet oil fell by about 5 percent compared to the first three months of the previous year.

Moreover, the Western Siberian oil fields that now are responsible for almost 60 percent of the Soviet oil production will be exhausted by the year 2000. The situation is such that unless a massive influx of new technology capable of extracting oil from farther and farther north through the permafrost is introduced by the year 2010, the Soviet Union will be able to satisfy only 35 percent of its domestic needs. As a result, in the Soviet Union there is a desperate search for such technology. Additionally, the Soviet Union really does not have the money or capability to provide the infrastructure that must be built around those future oil fields.

The Pacific Region is seen by Moscow as overflowing with energy, capital, and technology. And by and large, I think that's a correct assumption. More important, given the coming crunch in the Soviet raw material base, the Soviets probably look at the region as the best source in the world of the raw material-intensive technologies and raw material-intensive production, as opposed to the extensive growth that the Soviet Union has been engaging in for the last fifty years starting with its industrialization.

Secondly, it seems to me that the Soviet political leadership is more and more aware of the fact that the great industrialization that occurred in the last twenty years in the Pacific countries such as Japan, and also Thailand, Taiwan, Singapore, and South Korea, had not been preceded by the emergence of an educated work force, infrastructure, and political democracy, as in the West, but, rather, they were accompanied by these elements. In other words, the Soviet Union correctly perceives the experience of those countries much closer to its current situation than the example of the Western democracies which first went through political permutations, first created the infrastructure, first created the educated and motivated labor force, and only then moved forward with the industrial revolution.

The third factor that makes the Pacific region very attractive is, of course, its proximity to the Soviet Union. The Soviet Far East is an area immensely rich, but also immensely behind even the rest of the Soviet Union in terms of the socio-economic development and infrastructure. And, in many cases, the infrastructure is simply non-existent.

And last, but not least, I think apart from the United States and Japan, South Korea is the most widely admired nation in today's Soviet Union. It's a conclusion that cannot possibly escape you if you peruse the Soviet mass media day in and day out. So, all those things taken together, in my opinion, make restructuring the Soviet relationship with the Pacific a very important imperative for Moscow.

How will those factors play out in the future? Well, I think the dynamic of the relationship between the Soviet Union and Japan and the Soviet Union and South Korea points to the fact that "the Gorbachev team" is slowly moving toward a qualitatively different type of relationship with both countries. It is indicative of the importance that Gorbachev attaches to Asia that, after barely eight months in power, Gorbachev sent his foreign minister, Eduard Shevardnadze, to Japan in January 1986. In fact, this was the first trip of a Soviet Foreign Minister to Japan in ten years. But it also was one of the most significant foreign policy initiatives of the new Gorbachev regime.

At that time Shevardnadze apparently was unable to break the Japanese linkage of developing economic relations with the Soviet Union to the issue of return of the Northern Territories. After the Shevardnadze trip, the Soviet-Japanese relationship slipped into a two-year freeze which lasted approximately until December 1988. The "Toshiba incident" that occurred in August 1987, the discovery that a Japanese subsidiary of the Toshiba parent corporation had provided proprietary and classified submarine propeller technology to the Soviet Union, did not advance that relationship much, but, in fact, set it back.

Following the December of 1988 visit of Shevardnadze to Tokyo, however, things started moving. Then, the Soviet Union indicated for the first time its willingness to enter into a discussion over the future of the Northern Territories rather than stonewalling and pretending that even the problem itself did not exist. And, finally, last November's trip of Gorbachev's closest ally and confidant, Alexander Yakovlev, represented one step in a series of very important developments in the Soviet relationship with Japan, although it did not produce the expected results. Last December, the Soviet Union and Japan had their fourth meeting of the Soviet-Japanese working group in preparation for the 1991 Gorbachev visit to Japan.

As far as South Korea is concerned, the Soviet Union has come as close as it could possibly come without granting official recognition to South Korea. And given the worsening economic situation in the Soviet Union, given the central political problem in the Soviet Union, which derives from the Soviets' inability to meet the demands of their consumers, I would not be surprised if the Soviet Union, in fact, extended its official recognition to Korea perhaps within the next two years.

**Aleksandr Churilin:** First of all, I would like to say that it's a great challenge and honor to make a presentation before such a sophisticated audience. It is a special challenge for me because it's my first presentation before the Americans in Washington. I also hope you see that I am not really ten feet tall; I am not even seven feet tall.

The Soviet Union is an Asia-Pacific country. The complex problems of this vast region are familiar and very close to us. Our approach to them is based on the recognition and understanding of the existing realities. Hence, the situation in the Far East as a whole, in Asia and the oceans that wash it, is of national and state interest in the U.S.S.R.

The enormous socio-political entity of Asia and the Pacific calls for appropriate attention, study, and respect. We are witnessing a great process of fast and sometimes turbulent development in this huge area. And this process holds not only potential for progress, but also for certain risks.

The Asia-Pacific region has not as yet been militarized to the extent that Europe now has. But the potential of its militarization would be extremely dangerous. A glance at the map can convince one of that. The scientific, technological, and industrial potential of many Asian-Pacific countries makes it possible to boost any arms race. Major nuclear powers are situated there. Powerful land armies, navies, and air forces are established there. The situation is complicated by the continuous conflicts in the region. Clearly, militarization and the threat of war might pick up dangerous speed at any time.

The Pacific Ocean could turn into an arena of a new military-political confrontation, particularly in terms of our security interests in the Asian part of our country. Arms control, both as a process and as a technique of international political behavior, is likely to become in the 1990s one of the most important issues in the Asia-Pacific region.

In our view, only arms control offers the states, including the Soviet Union and the United States, opportunities to enhance stability and security on the local as well as on the global scale for years to come. Political understandings and agreements can be achieved, which would arrest dangerous deterioration of political and military situations in this vast region.

Admiral Larsen, speaking recently in the Congress, was right in saying that the Asia-Pacific region is more complex than Europe. It's a region of multiple relationships. But we feel that some of the lessons learned in Europe still are applicable to the Asia-Pacific region. They cannot be copied, of course, but they can be adapted and developed for the particular conditions of this part of the world.

In Europe, for a number of years the Helsinki Accords have been in operation. This brings considerable politico-military stability and reduces the probability of armed conflicts. In the Asia-Pacific region this is absent or nearly absent. Sometimes I think that, while the military situation is changing in the Asia-Pacific region, development is too far behind the new trends there, not all of which are for the better.

For example, whereas two of the three nuclear powers in the region, the People's Republic of China and the U.S.S.R., have pledged not to be the first to use nuclear weapons, the United States has not stopped modernizing its nuclear arsenal, and in particular, those nuclear weapons concentrated in the U.S. naval forces in the Far East. Moreover, the United States has not followed the example of declaring "non-first-use" of nuclear weapons.

We frequently hear some statements to the effect that Soviet Union is building up its forces in the Pacific. In fact, the Soviet Union is not doing anything over and above the level that meets the minimal requirements of our defense, the defense of our friends and allies,



especially in the face of the American military activity not far from our frontiers and those of our friends and allies.

The Soviet forces in the Far East, as was officially stated by the Soviet Defense Minister, include two historically developed groups: the first confronts the Armed Forces of the United States in Japan in the Pacific zone, and the American armed forces in Alaska in the Western coast; and the other is designed to protect the Eastern land borders of the Soviet Union. A considerable part of this force is deployed on islands and peninsulas with an outlet to the Pacific Ocean; and another in the vicinity of industrial and administrative centers. The first group, which belongs to the Far Eastern military district and the Pacific fleet, numbers about 326,000 servicemen, about 1,900 aircraft, about 4,500 tanks, 4,000 infantry combat vehicles, and about 7,000 artillery pieces.

The second group, deployed on the territory of the Transbaikal Military District, Mongolia, and in the Far Eastern Military District bordering on China, has a strength of about 271,000 servicemen, about 800 aircraft, about 8,000 tanks, around 10,000 armored vehicles, and around 9,500 artillery pieces.

The primary mission of the Soviet Pacific fleet is to defend the Soviet Far Eastern coast, as seen from the fleet's composition and structure. We do not have many major warships there. And we have fewer than fifty nuclear-powered submarines in the Pacific Ocean. Notably, almost half of these submarines are diesel-powered, with a large portion of the Soviet Fleet comprised of small anti-submarine ships and mine sweepers which by definition are designed to perform defensive missions in the Soviet coastal zone.

These data refute the allegations about a "Soviet military threat" in the Far East. The armed forces of the United States in Japan have a two-to-one advantage over the Soviet forces in troop strength; four-to-one advantage over the Soviet forces in large surface warships; an overwhelming advantage in surface ships carrying cruise missiles with a range of more than 600 kilometers; and a more than two-to-one superiority in tactical attack and carrier-borne aircraft.

A network of American naval air bases in the Far East, and the presence of large amphibious landing forces allow the United States quickly to sealift marine and ground troop reinforcements from the American continent and bring in a large number of aircraft to that region.

The only advantage of the Soviet Union is in the ground forces that are intended for defensive purposes: tanks, personnel carriers, armored vehicles, and artillery systems. It is clear that this can only partially offset the aforementioned superiority of the U.S. and Japanese forces. We understand that the political-military situation in the Asia-Pacific region is closely tied to the general strategic equation. That is why relations in the Asia-Pacific region depend, to a large extent, on relations between the Soviet Union and the United States in general.

Bilateral Soviet-American efforts are of great importance. Perhaps today they are crucial. But naturally in Asia they must be complemented by multilateral efforts by all countries concerned. That is why we propose not only to the United States but to our Asian neighbors a comprehensive program of action.

Let me just briefly summarize the proposals we have made in recent years. They include our proposal that the Soviet Union not increase the amount of any nuclear weapons in the region. And, in fact, we have been practicing this for quite a number of years. And we also have been calling on the United States and other nuclear powers not to deploy additional nuclear weapons in the region.

The Soviet Union invited the main naval powers of the region to hold consultations on the "non-increase" in naval forces in the region. We also suggested that the question of reducing the danger of military confrontation in the areas where the U.S.S.R., the People's Republic of China, Japan, and both Koreas could come into conflict, be discussed on a multilateral basis with a view to freezing and, accordingly, lowering the levels of naval air forces and limiting their activities.

We also told the United States that the Soviet Union would be ready to discontinue the operation of the fleet material and technical supply station in Cam Ranh Bay in Vietnam, if the United States agreed to eliminate its military bases in the Philippines. (Now, as you know, the Soviet Union practically has withdrawn its forces from the Cam Ranh Bay complex.)

I will not elaborate on those proposals too much, because I think that they are well known to this audience. I would like to add only a few remarks. First, I had the occasion to hear that our proposals are unacceptable because they allegedly serve the Soviet Union's interests only; that they are predominantly focused on freezing the level of nuclear weapons and naval forces; and they also are aimed at restricting the capabilities of the U.S. and its friends to operate flexibly, that is, to protect and support their interests where and when they need to.

But I would like to emphasize that by no means are we seeking to obtain special privileges at the expense of other countries. Our only interest is to pool the efforts and to cooperate with other countries in the region, while maintaining full respect for each people's right to live as they choose and resolve their problems in conditions of peace.

We believe that agreements on strengthening stability and security in the Asian-Pacific area can be implemented only with the full mutual understanding and interaction of all states concerned in the region and ready for discussions.

**Dr. Dalton West:** Since we are talking about a vast region like the Asia-Pacific area, I find it necessary to start by describing a geographic framework for Asia to give us a point of reference for further discussion.

We are asked in this presentation to address three topics: One is the strategic goals of both the United States and the Soviet Union; the second is those goals as seen in one particular geographic area of the world, that is, in the Asia-Pacific region. We imply that there is a linkage in Asia between those two. And the third is to make a judgment as to whether the direction of the U.S.-Soviet relationship in the Asia-Pacific is currently coincidental, moving in the same direction, or is still in confrontation. I will try and deal with all three of these issues.

Knowing something about the physical side of this area of the world is absolutely critical for us in order to understand and to answer the kinds of questions that we have been asked to examine. First of all, we do not speak about the Africa-Pacific, we do not speak about

Asia-America, but we do speak about the Asia-Pacific. So, we presume that there is a kind of geographical entity or geographical context for our discussion.

What kind of an entity is it? Is it a distinct region in the world? Is it something that we can all understand together? Because if we do not understand the region together, how are we going to find common areas of cooperation?

The first point I want to make is that the region in a number of ways is distinctive in the world's political and economic systems. It is the only region of the world, where all of the world's great powers, Japan, the Soviet Union, China, India, and the United States, have a series of political, economic, and security interests. There is no other part of the world in which those five big players all have a set of interests like that.

Because all these interests meet in one region, the region provides a "test-bed" for what is going to happen over the next twenty or thirty years and, perhaps, a good deal longer. Most of the rapidly developing countries are from that part of the world. And they will be the "drivers" for the rest of the world.

The second point I want to make is that these kinds of generalizations about the region have only limited utility beyond the "macro" level. Almost every example of regional cooperation that we can provide is not on that grand regional level, but on some sub-regional level, such as North Asia, Southeast Asia, or the South Pacific. So, we have to be a little more sophisticated about our view of that part of the world.

My own concept of the Asia-Pacific region is of two geographic *areas* and three *tiers*. The first "area" is what we, in this country, call the Western Rim, and the Soviets call the Eastern Rim. What is America's West is the Soviets' East. These two areas meet from our perspective on the Western "rim" of the Pacific.

We have much less understood America's Eastern Rim, our second area in the region. We have not yet fully understood how all of the Eastern Rim fits into what is happening in the Asia-Pacific area. We know very little in particular, for example, about South America and Central America and how they operate in this larger Asia-Pacific area.

The first "tier" I have in mind is the northern tier, which we basically understand as comprised of the Soviet Far East, Korea, and Japan. The second "tier" is the southern tier, which comprises the Pacific islands, Australia, New Zealand, and even parts of the Association of Southeast Asian Nations (ASEAN). And then we have a central tier that is divided into communist and non-communist economies and political systems. So that, in a nutshell is the kind of two-area, three-tier complex region for which we have to try and frame policies if we are to achieve regional cooperation.

Is the Asia-Pacific area as a whole becoming a fully integrated region, as Europe and America have become? Possibly, yes. Before we can apply this kind of model to the Asia-Pacific region, however, we first must try to think spatially of water as land, and ships as trains. By taking this perspective we can better understand what "route-building" and what building infrastructure means within a region. The present stage of Asia-Pacific regional development is comparable to European regional development 200 years ago and American economic and political advancements 100 years ago. So we are at the fundamental, first stages of creating an integrated region.

When you look at the relations between the two powers, the U.S. and U.S.S.R., in the context of the spatial development of Asia, how do you analyze those relations? There is a set of security interests associated with the military balance. The term "security," however includes other elements in addition to the military. There are purely "economic" issues associated with such things as trade, finance, and related matters. There also are purely "political" issues which sometimes arise from and are directly related to the other issues.

Applying the three elements of military, economic, and political issues to this broad geographic region, we can see a great deal of complexity in the relationship between the U.S. and the Soviet Union. First of all, we see an imbalance in the relationship. We are not dealing with two symmetrical countries. Even if we were to accept the excellent point made by Yevgeniy Afanasyev that the U.S. is not solely a sea power and the Soviet Union solely a land power in the region, the two countries are still enormously asymmetrical in the Asia-Pacific region.

We also need to take this matrix of political, economic, and military issues and apply them to these subregions. Let's look at them in the northern tier. The Soviet Union has a fundamental balance of interests among military, political, and economic issues in this tier. So does the United States.

If you move down and east and west, the picture becomes increasingly complicated. One sees, for example, that the Soviet Union in the Southeast Asia-Pacific region is an incomplete power. It does not have the complete set of instruments with which to operate.

Is it moving in a more symmetrical direction? Yes, absolutely. In some subregions it is becoming more of an "Asian power" than in others. Will that continue? We hope. How does the Soviet Union become a more balanced power in the region? It can either improve some of its weaknesses, or it can reduce some of its obvious strengths. We could argue, for example, that to become a complete player, the Soviet Union could decrease its military presence in the region. This primarily would involve Soviet naval and naval air elements. If the Soviet Union would increase trade and political presence in the region, it could achieve more of a balance in its relations with other countries in the area, including the United States.

While we can talk of "what if" the Soviet Union were to become more balanced in its relations with the other countries of the region, the reality is that the United States is the only country in the world that has a complete set of military security, economic, and political interests balanced in every subregion in the Asia-Pacific area, except the communist countries in the central tier. So, the Soviet Union and the U.S. just have to be seen from the point of view of being non-symmetrical powers.

Let us begin to look at the issue of "coincidence or confrontation" of U.S. and Soviet goals in the region. And we should accept the spirit that Yevgeniy Afanasyev has brought to this issue and with which I agree. As he pointed out, we should find points of cooperation and start there.

We have a coincidence of some interests in the region. Our interests are in decreasing the military element in our confrontation. This is not only true of Asia, but it is true of the Soviet-U.S. relationship in Europe. We should hope that there is a spillover between one and the other.

At the same time, there are some areas of potential security cooperation. This does not only mean a decrease in military hardware on both sides, but also there are other elements in the national security equation in Asia. There are many indications, for example, of Soviet thinkers, policy makers, and leaders who are approaching us and talking about possible areas of cooperation with respect to terrorism, common approaches to the international drug problem, and even to intelligence collection. Some conferences have been held on that subject in this country. We also have a potential area of cooperation in environmental issues. In sum, we should be broadening the context of our security thinking to include other areas of cooperation.

So I see some initiatives, changes, and a basis for cooperation in the "security" area. We might also wish to look at the area of "low intensity conflict" in the Third World, where the Soviet view does not seem to be very much different from our own. Establishments in both countries feel that outright confrontation between the superpowers is going to be less of a problem in the future. Nonetheless, we are going continually to see continual regionally developed fissures or potential problems along old lines. These will be in the areas of religion, struggle for territory, ethnic division, struggle for water, resources and other things of that sort.

With this in mind, I believe the real issue is: will those conflicts, generated by tensions within the region, lead us to a confrontation? Here, my instincts tell me "possibly not." Why? Because, in any given situation of conflict, you have at least three main elements: 1) the opportunity that is created by the local situation; 2) the tools you have at your disposal which allow you to decide whether you can do anything about the situation; and 3) the element of will, which allows you to decide whether you *want* to do anything about the situation. When I put that whole matrix together, I do not see more major confrontation between the U.S. and the Soviets arising from these potentially low intensity conflicts.

Let me move on into other areas I have discussed. In the political arena we should look at the institutions. It always has been the Soviet view that it is confronted not only by a series of U.S. bases and facilities, visiting rights and security arrangements, but also by a set of political and economic institutions in which the U.S. plays a major role. This somewhat balanced U.S. involvement in the region helps to solidify the U.S. position and exclude the Soviet Union.

The policy of the denial of the Soviet Union operates not only in the military sphere but also in the political and economic spheres. Recently, much Soviet activity has focused on trying to edge itself into those institutions.

At this point, I find a great difference in our approach to these issues. This difference was brought out in Yevgeniy Afanasyev's presentation. He raised the question of whether the Soviet Union and the United States between them can lead, provoke, or sponsor and "all-Asia" security arrangement that will give us a basis for dialogue comparable to arrangements in Europe that led to the Helsinki Accords and similar agreements.

I do not believe that approach would facilitate greater cooperation on security issues in Asia. I believe it is a "non-starter" because the Asians themselves do not want an outside-led or-sponsored activity, whether it is the Americans or the Japanese leading on economic issues, or the Soviets and the United States leading on military or political issues. I think the time is past when we can take these kinds of initiatives as superpowers.

We therefore, must play secondary roles in the development of these indigenous institutions and be led by the indigenous people of Asia. We should sponsor, promote, and deal with them, but as superpowers we should not be leading such an area-wide initiative. I think this is a fundamental problem that we must handle.

In the economic arena, some coincidence of good interests exists. There also is some possible competition between us. But I do not know if this competition is necessarily negative. It is something, however, which raises major irritants that must be addressed.

What are the positive developments in the economic arena? If one looks at the developing countries in Asia, particularly the newly industrializing countries and the next projected tier of three or four that are about to join that lofty status, one realizes that they need markets, although they are having increasing difficulty gaining access to markets in America, Japan, and Europe. One of the bright spots for them in the world in terms of their trade are the developments in the East European countries and the Soviet Union.

There is a tremendous coincidence of interest between many of these newly industrialized countries of Asia and Eastern Europe, although I am not sure that we ought to promote it. The development of common interests may be to our advantage, but some might portray that development as competition.

The other areas of competition between the U.S. and the Soviet Union lead me to my final point. This specifically refers to the "structural impediments" to cooperation and the irritants that exist between the U.S. and the Soviet Union. If one thinks of how we have gotten ourselves into difficulty with the Japanese in the area of trade over structural, cultural, and other differences, one also realizes that we still have real structural impediments with the Soviet Union in terms of trade. These involve the way we manage our international transactions in the business world: for example, dealing with shipping companies and agents, and trying to find out the basis for Soviet quotations for shipping costs. They are the kinds of thing that cause difficulty at the company or corporate or "actor's" levels.

Because the United States continues to face this "incomplete" superpower in the region, Washington cannot really move very far from its original position with Moscow, namely, a position of containment.

We have not yet evolved a strategic doctrine that would replace containment. If we could develop such a doctrine, what would it be? One possibility is "*integration*." Are we ready to bite the bullet and to take the necessary steps to allow the Soviet Union to become integrated into the various parts of the complex Asia-Pacific region? If we were to take that initiative, it could probably happen in fairly short order. But without American and Japanese sponsorship, I think it is very difficult. I do not see, at this time, the will on the part of the West, particularly the U.S. and Japan, to take this opportunity to move away from containment toward integration. I wish I could say this were the case. But I do not think it is.

We are facing less of a threat from the Soviets than we once were. Nonetheless, we are still not yet ready to move from containing the Soviets to fully cooperating with them. Who would be able to drive this change? I have very grave doubts about U.S. ability to promote it. Do I see anything ready to drive it from the Soviet Union? No, although there is a possibility it could happen. Do the U.S. and Soviet Union share a coincidence of interest in the

region? In some areas we do. Are we still engaged in "net" confrontation in the region? I would prefer to use a different term, at least for the foreseeable future. Let's call it non-cooperation.

**Mr. Brooks:** We do have time for a few questions. Please make your question brief and identify yourself and your organization.

**Chris Nelson:** I am Chris Nelson and am involved in business in Japan. I would like to ask Mr. Afanasyev about something he said regarding Japan. You indicated from your standpoint that the Japanese have to do something, too, in order to achieve a resolution over the claims on the Northern Territories. That would seem to be a recipe for a kind of continued stalemate. What precisely would you like the Japanese to do?

**Mr. Afanasyev:** First of all, I should say that I am not here to give advice to other countries in terms of what they should do. I just expressed the idea, and I think it is a right idea, that in order for there to be an improvement in bilateral relations, there needs to be movement on both sides. I am not just thinking about territorial issues, but I am thinking in terms of our broader relationships in the region. And I provided the example of China. I think it was a bold move on both sides to try to solve the differences between the U.S.S.R. and the PRC and to normalize relations between the two countries. I think this is a good example of how it can be done by both sides. It depends on the efforts not just of the Soviet Union, but the Soviet Union and other countries.

**Richard Sewell:** I am Richard Sewell with the Friends of Free China. I have a question about Korea and China. These seem to be the two "flashpoints," with the danger of an outbreak of hostilities across the North Korea-South Korea border, and the still extant danger of Mainland China trying to re-take Taiwan. How does the Soviet Union view this situation in both areas?

**Mr. Afanasyev:** Specifically, on the Korean Peninsula, the Soviet Union is interested in decreasing the level of tensions. And we think that, while there is a legitimate role for the Soviet Union, the United States and other countries in the region, the major actors are North and South Korea. We feel that we are contributing to and promoting a dialogue and real contacts between North and South. We think this is the major avenue for solving the tensions on the Peninsula, be it the internal reunification of the two or merely the lessening of tensions between North and South. How North and South Korea accomplish this is their business. But we do see ourselves in a contributing role in this area, and we find many common points between our own position on this issue and that of China and the U.S. I think you would also find this as our position on the so-called "Taiwan" issue, ever since 1949. We also are interested in seeing solutions that are compatible with the goals of China as a whole.

**Mr. Manning:** I merely wanted to make one brief point to something that Mr. Afanasyev was saying. He said that there were no "confidence-building measures" in Asia, and I would take issue with that. We have a "Naval Incident at Sea" agreement in force with the Soviet Navy; in the aftermath of the 1983 KAL-007 incident, we have a civilian airline safety agreement that was signed by both countries; and, as of January of this year, we also have a "Dangerous Military Activities" agreement which could be applicable to the category of confidence-building measures.

**Mr. Afanasyev:** I think I should clarify my point. While there are some agreements in place in the Asia-Pacific region, we do not yet have the kind of "system" of confidence-building measures like the system we have in place in Europe. I personally think that this is one possibility that can be developed in the years ahead for this region.

**Unidentified Guest:** I am with the *Korea Times*. You said, Mr. Afanasyev, that all the countries in the region are interested in seeing a reduction of tensions on the Korean Peninsula. Yet, it is precisely because of the rigidity of the North Korean regime as absolutely dictated by Kim Il-Sung that prevents any improvement of relations between the two Koreas. How do you perceive your policy of *perestroika* taking hold on the Korean Peninsula, and affecting the North Korean dictatorship?

**Mr. Afanasyev:** Well, I would strongly disagree with your description of the situation on the Korean Peninsula. I do think that, despite all the many difficulties on the Korean Peninsula, and despite the very dangerous situation on the Peninsula on both sides, we see some positive elements being developed in recent years. And we would like to think that some of these new developments are occurring because of the new changes in U.S.-Soviet relations and because of the "new thinking" going on in the Soviet Union. But, how reconciliation on the Korean Peninsula will come about is a question for the Koreans themselves to decide. This is the basic and underlying principle of our policy on the Korean Peninsula. There are both small steps and big steps needed to solve this situation on the Korean Peninsula.

**Howard Graber:** I am Howard Graber from the World Technology Foundation. Mr. Afanasyev emphasized the issues of trade and disarmament. Even if the issue of the Northern Territories is settled, is there not a problem because of the structure of the Soviet economy in the Far East. There are so many vibrant free market economies in the region, and it seems that the state-run economic system of the Soviet Union would not be compatible with these economies. You have closed zones, among other things, as Bob Manning referred to. How do you expect to achieve economic cooperation with the other countries in the region?

**Mr. Afanasyev:** There is no doubt in our minds about the problem of compatibility between our economy and those economies in the region which are free market. And we take this into consideration. But there are enormous changes taking place in the Soviet Union and the regions of the Soviet Far East. This summer, as a matter of fact, the Soviet government probably will approve a new law about these economic zones. And one of the first zones will be created in the Soviet Far East, in the area of Nakhodka, near Vladivostok. So, we are really interested in opening up this area for international cooperation. With all the enormous resources, this area really is the future for our country. In our economic development we will be moving eastward. And we think that this would be an even more solid foundation for international economic cooperation in this region. There are three elements needed for success of the Soviet Union in this region: establishment of these special zones, actual development of these areas, and a willingness and a "cooperative attitude" of other countries in the region to accept the participation of the Soviet Union.

**Unidentified Guest:** I am with Korean Television in Seoul. A few days ago, North Korea strongly criticized the Soviet Union for moving toward a "two Korea" policy. Mr. Afanasyev, what is your reaction to that? And what is Soviet policy regarding a reunified Korea? Soviet spokesman Gennadiy Gerasimov has emphasized Soviet willingness to



mediate between the two Koreas. My other question is to Mr. Churilin: Do you believe that the presence of U.S. forces in South Korea provides the source of tension and potential conflict in this region? And, if your answer is "yes," what will be the change in the political-military relationship between the Soviet Union and North Korea, as the U.S. withdraws its forces from South Korea.

**Mr. Afanasyev:** I would first say what I said before. The Soviet Union believes that the question of the reunification of the two Koreas is an issue for the Koreans to decide. We respect the expressed views and aspirations on both sides of the 38th Parallel. We only want this process to be peaceful, with due consideration for the international factors, and without foreign interference.

**Mr. Churilin:** In answer to your second question, I would only say that we in the Soviet Union perceive all American military bases which surround the Soviet Union as a kind of threat to Soviet territory. You have to understand that it is about a dozen hours of flying time from American air bases in South Korea to our vital installations in the Far East, such as Vladivostok, Nakhodka, and other places. As to the second part of your question, if the American troops are withdrawn from South Korea, the situation on the Korean Peninsula will be entirely different. I think it will give us food for thought about the next steps by us and others in the region.

**Mr. Brooks:** Thank you all for your questions. I would like to thank our participants and thank all of you for coming today.

