

Report of the
Seventh International Conference
on the
Security of Sea Lines of Communication
in the
Western Pacific and Indian Oceans

Airlie House, Warrenton, Virginia
May 7-10, 1990



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SRI International

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Prepared by Ray S. Cline

A polar projection of the surface of the globe reveals clearly the necessity of maintaining the security of the sea lines of communication for political, economic, and cultural well-being of the world's peoples. Unless all the sea passages are open to maritime or air traffic, vast areas will wither into oblivion. Throughout the zones are sixteen critically important chokepoints or narrow passages essential for security not only in time of war but also in time of peace. Seven of these are in Pacific and Indian oceans.

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Acknowledgements

The United States Global Strategy Council takes pride in publishing this report on the Seventh International Conference on the Security of Sea Lines of Communication in the Western Pacific and Indian Oceans. This subject is of vital interest to the security of the United States and, therefore, an important aspect of the Global Strategy Council's long-range strategic planning.

It is my privilege to have taken part in this program, especially since it was begun with the foresight of my old friend Dr. Han Lih-wu, who attended this seventh and all previous conferences. The program was guided efficiently by members of the International Steering Committee and the study groups.

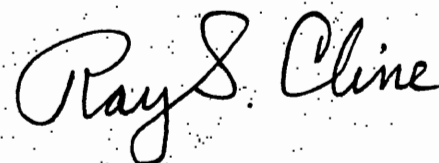
From discussions first stimulated by a paper given by Admiral Kenichi Kitamura in Taipei in 1979, Asian and American scholars have developed many sophisticated and consequential thoughts concerning security of the SLOCs as international relationships in the Asian-Pacific region have evolved over the last eleven years. The contributors to this seventh report represent wide-ranging views, carefully presented, about the safety of ships at sea. They also generously gave permission for their publication in this volume.

The seventh conference was ably managed by William M. Carpenter of SRI International, who served as coordinator and who has been, since the first SLOC conference in San Francisco in 1982, the U.S. member of the International SLOC Steering Committee. Throughout the entire conference, he was assisted by the members of the Council's staff: Edward L. Boulware, Jr., and Christopher S. Carver.

Three other members of the Council's editorial staff prepared the report for publication: Marjorie W. Cline and Judith M. Fontaine, assisted by Tiffany B. Ayers.

PREFACE

More than 100 guests attended the meetings, many offering comments that supplemented the ideas of the scholars who delivered papers. I was honored to be a participant in this exercise and am happy the Council has been able to prepare this record for future reference.



Ray S. Cline
Chairman
United States Global Strategy Council

March 15, 1991

Captain William M. Carpenter, USN (Ret.)

Senior Consultant, Strategic Studies Center
SRI International
and
Conference Coordinator

This report contains the papers presented at the seventh of a series of international conferences held since 1982, on the subject of the security of the sea lanes in the West Pacific and Indian Oceans. The series began in the United States in San Francisco in September 1982. After a round of Asian venues in Tokyo, Singapore, Taipei, Seoul, and Melbourne, the conference site returned to the United States, this time at Airlie House in Warrenton, Virginia, near Washington, D.C.

The purpose of this and the preceding conferences has been to reach a common understanding on the vital roles of the sea lanes, to examine the threats to their viability, and to explore ways in which the several nations might better cooperate in preserving the security of the sea lanes -- or, as they are called in military terms, sea lines of communication (SLOCs).

The original idea of convening these conferences came from discussion of a paper presented by Vice Admiral Kenichi Kitamura of Japan at a 1979 conference held in Taipei on the general subject of international security in Northeast Asia.

The Kitamura paper stressed the criticality of the SLOCs, and out of the discussion there emerged agreement among representatives of the nations present (Japan, Korea, Republic of China, and the United States) that the subject warranted expanded

consideration at another conference concentrating just on the sea lane question. The 1982 San Francisco conference began the implementation of this consensus.

The conferences in the intervening years (expanded to include participation from the nations of ASEAN and ANZUS) gave attention first to the threats to the SLOCs, and then to opportunities for international cooperation to preserve the security of the use of the world's seas. The goal of cooperation is first to help deter threats, but also, importantly, to be able better to cope with actual attacks on the SLOCs. The situation in the Persian Gulf in the mid-1980s involving repeated attacks on oil tankers is a case in point; it was international cooperation among naval powers that -- after considerable delay in addressing the threat -- finally convinced both Iran and Iraq that neither could win the Gulf War, and that certainly their attempts to disrupt the sea lanes were in the end not going to be tolerated.

The 1990 conference took up the theme of SLOC security in a changing world, in the light of the fundamental erosion of the Communist system seen in the events of 1989 and early 1990. In the new arena, economic competition will be an increasingly important factor in relations among nations. This conventional wisdom notwithstanding, the sea lanes are not likely to be noticeably safer, the threats not coming from the Soviet Union or other major powers but more likely from a variety of Third World countries, or from a variety of "outlaw" non-national groups who use terrorism as one of their tools for gaining their political or religious ends.

As this conference report goes to press, the sea lanes are in fact in the news and under heavier threats, because of the aggressive moves made by Saddam Hussein of Iraq. While this most serious crisis in the Persian Gulf since World War II unfolds, the wisdom of paying attention to SLOC security will undoubtedly be confirmed, and international cooperation to cope with the problem will become increasingly logical. The thoughtful papers in this volume are a useful contribution to this important area of international security.

INTRODUCTION

Welcoming Remarks

The Honorable U. Alexis Johnson

Former Under Secretary of State for Political Affairs
and
Chairman of the Conference

This is now the twelfth year since Dr. Han Lih-wu came to Washington and briefed General Richard Stilwell, former Ambassador Leonard Unger, and me on his concept of an organization outside of government to deal with the question of sea lines of communication -- something that encompassed the interests of every country in the world regardless of its ideology or political orientation.

I felt very deeply that we had handled our change of relationships from Taipei to Peking very crudely, and I wanted to do whatever I could to give the Republic of China in Taipei the status that its leaders were seeking in the world.

We began with a meeting in San Francisco. We had no organization then, and we still have no organization now, except the volunteer effort of the people around us. To my surprise, over the years interest has grown, and each meeting has had more and more substance and greater and greater attendance.

To my mind the importance of this organization and its usefulness has been tremendously increased by the events that are taking place in the break-up of the Soviet empire and in the

changes in Europe. As the empire breaks up, the two centers of power in the world break up and we have multi-centers of power and influence around the world.

In the past we had one place to look -- Moscow -- if anything went wrong. Now there will not be any single place to look. We will be dealing with a multiplicity of countries and a multiplicity of interests that will not divide themselves up neatly into pro-communist or anti-communist. Instead, they will divide into terms of national interest. Our task in the future will be complicated and a challenge to our diplomacy. We will be dealing with a different world. Technological developments now taking place are beyond our imagination. In the decade of the 1990s sea lines and the ability to communicate over the sea and the air will assume greater and greater importance than they did a decade ago.

I think that the presentations at this seventh SLOC conference will suggest many ideas. I welcome you all and look forward with interest to your discussions.

Keynote Address

General Richard G. Stilwell, USA (Ret.)

Former Commander-in-Chief U.N. Command
and

Former Deputy Under Secretary of Defense

Origin of Multinational, Non-Governmental Forums

Since I am part of the froth that precedes the substance, I ask your indulgence for a moment of nostalgia prompted by this gathering.

It was just 12 years ago that Ambassador Alex Johnson introduced me to Dr. Han Lih-wu. From that discussion emerged the Han Lih-wu vision of some multinational forum, non-governmental in its auspices, that would contribute to greater understanding and cooperation among the free nations of Northeast Asia. Later the vision was to include a comprehensive examination of the security of the air and sea highways that link the trading partners of our maritime alliance.

Some months later Dr. Han summoned me to Taipei and instructed me, a faithful adjutant, to rally colleagues in Korea and Japan. The very next day in Seoul my dear friend, Dr. Min Kwan-shik, who has served his country in many capacities, committed the Asian Institute of Public Policy to the project. A day later in Tokyo, the Honorable Shin Kanemaru committed his Center for Strategic Studies as the Japanese representation. That is how it all started. It is a real delight for me to see three of the progenitors -- Dr. Han, Ambassador Johnson, and Dr. Min -- in this audience today. That is staying power, sirs!

Eighteen months have elapsed since we last convened in Melbourne for our sixth conference, so meticulously prepared, expertly conducted, and graciously hosted by our Australian colleagues. In the interval, a mere speck of time, we have been witness to changes in the world environment so sweeping of extent and so rapid of occurrence as to be almost beyond comprehension.

The World in Flux

As Ambassador Johnson, our chairman, has said, the states of Eastern Europe are no longer an integral part of the Soviet colonial empire. We must give Mikhail Gorbachev credit for releasing them from that forty-year stranglehold. All (save Bulgaria) have rejected the political and economic tenets of communism; all are moving swiftly to new forms of governance and new economic institutions based on free market principles. Indeed, a few years hence there may well be an European-wide economic community, though separate from the European Community programmed for 1992.

The Warsaw Pact exists in name only, devoid of substance, and that change -- again, as NATO Secretary-General Manfred Woerner told Alex yesterday -- has forced a major reappraisal of the political and military framework of the Atlantic Alliance, absent the lessened threat of a Soviet invasion of Western Europe.

West Germany and East Germany will soon be united with Berlin as the capital. The only major issues, under debate at this very moment at a conference of the "4 plus 2," are the modalities and timing of Germany's military relationship to Allied Command Europe and/or the Western European Union.

Elsewhere in the world democracy is on the march. It has been the voters' choice in Nicaragua, to the consternation of the American left and much of the American media. To the surprise of none, Namibia is now an independent country. To the surprise of some, there is real movement toward a peaceful power sharing solution in South Africa.

The most startling development in the last 18 months has been

our insight into the multiple political, social, and economic problems within the Soviet Union itself. Some are very deep and endemic though heretofore shielded from external view. Some have been fueled and aggravated by Gorbachev's policies of glasnost and perestroika. Some are exploitative of Moscow's many current dilemmas.

It was one thing for Gorbachev to release the Soviet stranglehold on the states of Eastern Europe. It has been far more difficult for him to grapple with the concurrent and interrelated tasks of reforming a defunct political structure, alleviating the economic malaise, and meeting the aspirations of the non-Russian republics. We must assume that his game plan has been to effect the necessary reforms and garner substantial Western and Japanese financial and technological assistance with the aim of making the Soviet Union a far more viable competitor in the twenty-first century.

However, as I predict Ray Cline will underscore tonight, the legacy of 70 years has made Gorbachev's problems virtually intractable. Though we might wish it otherwise, the prospects are that there will be no transformation from a traditional Russian autocracy to anything approaching parliamentary democracy; that the pain of shifting from a centrally controlled to a free-market economy will prove too much to bear; and, the Baltic states aside, that the multinational empire will remain glued together by a combination of concession, subtle intimidation, and naked force.

Changes in the West Pacific and Indian Ocean

The forward march of democracy and the consequent reduction of tensions just discussed have not been paralleled in Asia. Indeed, we have witnessed quite the reverse since Tienanmen Square exploded onto the world scene. Thus, unlike our trans-Atlantic colleagues, there is no need for us to readdress the very purpose which prompted our initial convocation. In the course of these two days, distinguished speakers will elaborate the challenges in the West Pacific and Indian Ocean, and what must

be done to meet those challenges. Let me take just a moment to enumerate some of the more significant ones.

First, consider the Russian bear. Even if we peel away the other 14 republics, the United Soviet Socialist Republic remains geographically the largest nation-state in the world community. Mother Russia, in fact, has a population of nearly 200 million, vast natural resources, the formidable nuclear and conventional capabilities we know so well, and a proud, aggressive tradition inherited from the Tsars. It may well see its economic future linked to the Pacific Basin. It will be more than ever bent on accelerating the development of Siberia. It will certainly compete vigorously for larger and larger shares of a variety of ocean-going cargoes with a fleet well diversified for that purpose. As we have discussed at prior conferences, Moscow will continue to pursue a wide range of destabilizing activities throughout the West Pacific, the South Pacific, and the Indian Ocean.

The Soviet Union will be, as before, our principal concern. One litmus test of its intentions, whether benign or not, will be the decision -- perhaps announced by Gorbachev in Tokyo next year -- on return of the four northern islands to Japan. Do not hold your breath, ladies and gentlemen.

North Korea, as our colleagues from Seoul can vouchsafe, has held fast to every particular of its long-standing national policy. It remains an armed camp, xenophobic in the extreme, and the world's most closed society, unwilling to let information in or its people out. We can expect no significant change until Kim Il-Sung dies, whether of natural or other causes.

His successor and son, Kim Chong-Il, will have a short reign. I predict 12 months at the outside. I also predict that the successor leadership will subscribe to the process espoused by President Roh Tae Woo, and supported by all South Koreans, of gradual accommodation and eventual reunion of the all-too-long divided Korean people.

Meanwhile we must guard against the possibility that Kim Il-Sung will vent his wrath and frustration by perpetrating some terrible act of violence, thus triggering a regional conflagration.

The events of the past year have demonstrated once again how ignorant we in the West are of the psyche of the Chinese Communist leadership. We had every reason to be shocked by the events in Tienanmen Square; but we would not have been surprised if we had given adequate attention to the study of Chinese culture and history.

We must wait until the Old Guard passes from the scene for any substantial change in the repressive -- and retrogressive -- policies that have been instituted in the past year. The succession process will certainly be turbulent and closely observed by the entire world, particularly by Hong Kong and Taiwan. Its outcome -- conservative, moderate, or radical -- will have major influence on the future viability of Hong Kong, on trading relationships in the Pacific Basin, on the environment of the South China Sea, and the modalities of exploitation of the subsurface resources of that sea.

In the regions bordering the South China Sea, we have continuing concerns. One has to do with the severe internal turmoil that wracks the Republic of the Philippines, that precludes progress in dealing with enormous social and economic problems, and that permits a well organized and motivated insurgency to flourish. We can have little confidence about the nation's ability to guard the western flank of traffic transiting the South China Sea in contingencies. Cambodia (Kampuchea) remains a decisive factor for the nations with interest in Southeast Asia. There is no solution in sight for acceptable forms of governance for the long suffering people of that benighted land given the diametrically opposed positions of the Soviet Union and the People's Republic of China (PRC) and the inability of the Western Powers and the members of ASEAN to agree on a formula.

Meanwhile, throughout the Indian Ocean -- immense in its reach -- and the surrounding littoral -- immense in its implications -- are the same problem areas which have been highlighted in previous conferences.

But enough of your time has already been taken. Let me conclude with two salutes. The first is to Mike O'Connor, that

hard-working and irrepressible Australian, and to Malcolm Kennedy, his most competent countryman, for their acceptance and discharge of the commission's mandate to codify, synthesize, and promulgate what we have been all about over these past ten years. It is a magnificent effort and a great reference, and I know it will be of great value to a wide readership throughout the world. Our compliments to you both.

Dr. Han's Foresight

The second salute is to Dr. Han Lih-wu for his vision of a forum to supplement the all-too-few rays of informal communication on an international level among the nations with vested interests in the Pacific Basin. Our collective aim, as cooperating nations, has been and continues to be the maintenance of that balance of power which both deters major conflict and is the foundation for social and economic progress of benefit to our respective citizenry. And we know now better than we did before that the security of the sea lines of communication, that take our commerce to and fro and that permit us to grow, is an integral part of the complex of political resolve and military capabilities which constitute the balance of power. You have done it, Dr. Han. We salute you.

Keynote Address

The Honorable Shin Kanemaru

President
Center for Strategic Studies
Japan

Introduction

It is my great pleasure and honor to be given this opportunity to express my view at this international conference on the security of the sea lines of communication in the Western Pacific and Indian Oceans.

It is of significance that this seventh SLOC conference is held at this time when the world situation is changing so drastically and when the sea lines in the West Pacific are of great importance.

Following the First International SLOC Conference held in San Francisco in 1982, the conferences were successively held in Tokyo, Singapore, Taipei, Seoul, and Melbourne. After this round, we are now again in the United States.

Cooperation Essential

Through our discussions we have arrived at a general understanding that securing the SLOC is vital for the security and prosperity of the Pacific Rim and that mutual cooperation in wartime by interested countries and a joint study in peacetime on feasible and practical ways of cooperation are essential.

Worldwide Changes

Recently, decommunization has been taking place in the Eastern European countries. And a detente mood, that the Cold War between the West and the East has passed away and a time of arms control has come, is now prevailing among the peoples of the West.

But before the new order is established in Europe, there may be many twists and turns, and unstable situations may last for a considerable period.

Such changes in Europe may extend to the Asian-Pacific region before long, but the conditions in the Asian-Pacific region are quite different from those in Europe.

Namely, there are no opposing military blocs like the North Atlantic Treaty Organization and the Warsaw Treaty Organization, but several bilateral defense treaties between the United States and Japan, the Republic of Korea (ROK), the Philippines, and Thailand.

The social, economic, political, and military conditions of these Asian countries are different from each other, and even the main threat to them is not always the same.

Such changes as seen in the Soviet Union and the Eastern European countries are not apparent in the Asian communist countries. Moreover, the Soviet naval and air forces in the Far East have been qualitatively strengthened.

Review of SLOC Required

However, it seems necessary for us to review the SLOC security problems, keeping possible changes of the situations in mind.

In considering the problems, it will be necessary to take into account the fact that the United States has bilateral treaties with the four above-mentioned nations. They are all maritime in geopolitical nature and communicate with each other mainly by sea.

U.S. Position as a Treaty Power

As a treaty power, the United States is in a position to coordinate its defense efforts with interested countries so as to achieve substantial cooperation for the security of the SLOC. The latter point demonstrates that the SLOC defense is vital for the security and prosperity of this region.

Therefore, the security of the Asian-Pacific region can be said to depend on the U.S. Forward Deployment Strategy, namely the U.S. forward bases in Asia and the armed forces deployed there. Needless to say, the Forward Deployment Strategy is supported by securing the SLOC. In this sense, I suggest that this joint study of practical and feasible ways of cooperation for the security of the SLOC be continued from now on.

The Japanese SLOC Efforts

Finally, I will close my address by expressing some of my views on the Japanese SLOC defense efforts. The Japanese islands in the Northwest Pacific occupy a very important strategic position.

Therefore, Japan's SLOC defense efforts in wartime, including the defense of three straits and of the SLOC within 1,000 nautical miles of the Japanese islands, are not only vital for the survival of the Japanese people and continuation of defense efforts but also they contribute to the safety of the U.S. naval forces and the vessels of the friendly countries in the area.

Japan's SLOC defense efforts could also contribute to the deterrent efforts of the West through support of the U.S. Forward Deployment Strategy in the Asian-Pacific region. In this context, Japan should develop its SLOC defense capabilities, for they are yet insufficient quantitatively as well as qualitatively. Japan's increase of its burden-sharing for maintaining the U.S. bases in Japan could also contribute to the effectiveness of the U.S. Forward Deployment Strategy.

I have heard that Japan will endeavor for the time being to

improve the qualitative effectiveness of the logistic support capabilities of the Self-Defense Forces. I have also heard that Japan will cooperate as much as possible to maintain the U.S. bases in Japan.

Closing my address, I would like to thank our colleagues of the United States Global Strategy Council and the International Steering Committee. I also sincerely wish that this conference may succeed.

Note: In the unavoidable absence of The Honorable Shin Kanemaru, this Keynote Speech was read at the conference by Vice Admiral Toshihiko Hozumi, JMSDF (Ret.).

STRATEGIC REVIEW

Strategic Trends in the Soviet Union, China, and Asia

Thomas W. Robinson

Director, China Studies Program
American Enterprise Institute for Public Policy Research

If "strategic trends" means "long-term secular developments that carry implications for national security," the calendar year beginning with the spring 1989 events in China, climaxing in the destruction of Soviet overlordship in Eastern Europe in the fall of that year, and continuing even into mid-1990 with the spread of national revolution to the Soviet Union itself will undoubtedly be regarded by history as the opening of a new strategic era.

For over a third of a century, global politics, economics, and military affairs have been dominated by the rivalry between the United States and the Soviet Union and their respective systems of government, production, and power. That era came to a sudden end in one year with the (still unfinished) urban revolution in China, the end of communist rule in East Europe, and the spreading opposition to central rule in the Soviet Union.

Danger in a Crisis

A global systemic crisis has thereby ensued, if "crisis" is defined in the Chinese manner as having to face simultaneously

both danger and opportunity. There is great danger -- stemming from the still incomplete nature of the political-economic revolution in Eastern Europe -- from the increasingly weak position of Mikhail Gorbachev in the Soviet Union, and from the circle-the-wagons attitude of the frightened old men in Beijing. The possibility still exists that a determined effort by a post-Gorbachev Kremlin leadership in alliance with a conservative, repressive China could restore -- to be sure, by force -- the status quo ante in the Communist world, at least in the sense of putting a temporary stop to the trends universally evident there toward democratization, marketization, and nationalism over Marxism-Leninism.

Opportunity in a Crisis

Enormous opportunity also beckons: Europe, West and East, can proceed toward full integration without the threatening overhang of Moscow's armies; America and its Asian economic partners, especially Japan, can iron out their emerging differences on their own terms and proceed to construct a trans-Pacific economic community (with a similar process already in train across the Atlantic); the United States can, for the first time since the early 1930s, work out a foreign policy reflecting basic American values and addressing its many domestic problems without having to worry about globally-dominant fascism-totalitarianism poised to conquer and destroy at any moment; and peoples everywhere can begin to work toward that combination of rapid economic modernization, spread of universal human rights values, and respect for the fragility of the environment that is mankind's only long-term hope for survival.

Strength to Survive

The question is whether peoples and their governments can seize these opportunities while at the same time confront these dangers. This is particularly the case for America, China, Europe,

Japan, and the Soviet Union, which possess most of the globe's power and population, and especially for the United States, which for the remaining years of this century and perhaps the early years of the next will be the only true superpower. Will nations survive if they grasp the opportunities?

U.S. Leadership as Strategic Trends Unfold

Indeed, any consideration of "strategic trends" must grapple not only with what is likely in Moscow, Beijing, and other still (or ex-) socialist capitals, whether the center of activity will not perhaps shift to the emerging medium powers of Europe and Asia, and whether states will understand the nature of the crisis and what can be done about it. It must also center upon whether the United States possesses both the will and the physical capability to exercise leadership in what could be a new, but this time creative, crisis.

An American policy of leadership, and not of mere reaction or laissez faire, is an essential ingredient in how the future will evolve. It is, in other words, not enough to inspect current trends, look for just-over-the-horizon events that could enhance or hinder their continuation, and then move immediately to policy implications relevant, say, to the national security policies of the important states of the Asian-Pacific arena. One must essay as well on how the unfolding of events we see today will mesh with whether, and then how, the American government will seize the occasion to confront the broad range of dangers and opportunities that already stand before it.

Soviet Leadership and Policy

One of the less difficult tasks, at least in the comparative sense, is to forecast Soviet and Chinese trends. The reason is that these are almost exclusively dependent on domestic forces, most of which are quite plain to see and will exert commanding influence over a considerable period. In the Soviet Union, the most

important trend is continuation of the downward drift in the economy, in relations among the nationalities and between the union republics and Moscow, in political relations between party and populace, and between various (increasingly vocal) groups within the party, in the army's toleration of Gorbachev's liberalism, and in social relations among the multiple groups that comprise the Soviet Union.

What is so plainly evident in 1989-1990 will in all probability continue over a fairly lengthy period, no matter what the character of the Kremlin leadership is. It follows that the Soviet Union will more and more look inward and have fewer and fewer policy and material resources to devote to the external world. Hence, Soviet foreign policy in general, and Soviet policy in Asia in particular, will be more reactive and less participatory than it has been in the several years prior to 1990.

How far this declining slope will carry the Kremlin depends much on whether, and for how long, Gorbachev remains in power. An overthrow, probably by a combination of party conservatives and like-minded army leaders, would lead to an attempt to restore the status quo ante, much as in China. That would merely result in a temporary slowing of the decline, as the political will to face and solve problems would have evaporated, as the problems themselves would still exist, and as the new leadership would have to rule by force. A continuation of the Gorbachev leadership would probably accelerate the decline in the next few years, followed by a slowing down or even some recovery as the liberal reforms begin to take hold. Either way, however, for well into the 1990s the probability is that the Soviet Union will play an ever-less central role in global and regional security relations.

Moscow's Policy Toward Beijing

In Asia, a conservative anti-Gorbachev leadership could, it is true, team up with a like-minded Chinese government to pose a substantial security threat, at least for a time, to the area, especially to those aligned with the United States. Threat perceptions would

thereby rise, thus tending to restore a Cold War-like bipolar situation in the region. But because Moscow would be inherently weak at home, that threat would be nowhere equivalent to that of the early Cold War period and would tend to decline in later years as domestic problems once again stand out. A liberal Gorbachev leadership would also likely continue to restore good ties with Beijing, but because of the difference in the innate character of the two regimes and their respective, and different, policies toward the United States, rapprochement would not proceed to the point of posing a direct security threat to Asia and America. Indeed, a Gorbachev-led Kremlin would likely attempt to improve its ties with many other Asian states as well as with the White House, and since the currency of such improvement would have to be arms control/disarmament, the Soviet (if not the Chinese) security threat would likely lessen.

There is an argument that, whatever the character of the Kremlin leadership, Soviet Asian military deployments will not be less threatening in the coming years because quantitative draw-downs (sure to occur) would be balanced with qualitative improvements, thus maintaining a highly provocative force structure. That may be true, but Russian propensity to use its military force will continue to be a function of the Kremlin's judgement of popular support for its overall program, which in most likely scenarios will not be high. Domestic determinants will remain the most important characteristic of Soviet foreign and national security policies.

Mainland China's Leadership and Policy

As for China, roughly similar conclusions can be obtained. So long as a conservative, repressive regime continues in power in Beijing, it must rule by force over a sullen, resentful populace. Economic growth rates, while not negative, will surely not be high, China will fall ever farther behind its more advanced neighbors (to say nothing of the Americans, the Europeans, and the Japanese), and the productivity of the economy will constantly

decline. Economically-induced social imbalances -- rural-urban income inequalities, party possession of most of the social goods, increasing shortages of consumer products, direct and hidden inflation -- will undermine party rule, causing spontaneous outbursts and rebellions that will have to be put down by force. Even if the Deng Xiaoping-led group of elders does succeed in transferring power to a somewhat younger group of like believers, the party rule will continue to be slowly undermined. The feeling of crisis will therefore persist, thereby undermining Beijing's ability to make its way in Asia and elsewhere.

It is true that under such circumstances China could continue to modernize its military force, deploy a projection capability of fearsome regional potential, conduct an increasingly destabilizing arms sales program, and even threaten most points on the globe with nuclear destruction. But as in the Soviet case, actual war would be exceedingly risky for the regime's domestic support and stability, and thus would be undertaken only under extreme circumstances -- for instance, against a Taiwan declaring independence. More importantly, a China exhibiting these internal qualities would find itself competing, militarily and economically, in Asia and out, with an increasing number of modern, powerful nations that, if need be, could band together against China or align themselves with the United States. Such a China would, it is true, take Washington as its "natural" opponent and a new division of Asia would tend to ensue. But with economic modernization and political democratization the order of the day in most of the rest of Asia, China would tend to find itself isolated everywhere, out of contact with its neighbors, and increasingly irrelevant except in some raw military sense.

Survival of the Chinese Regime

While such a Chinese regime could continue to rule for a considerable time -- perhaps down to the turn of the century -- its prospects for survival would tend to diminish. The possibility of an Eastern European-style collapse is not out of the question in

China, but given the size of the country, its basically rural nature, the close linkages between party and army, and the intrinsic disinclination of the Chinese people to rebel violently against their rulers, the rapid emergence of a liberal, even a non-communist government is highly unlikely. Much more probable is the replacement of party rule with direct military administration, either through party admission of failure, as in Poland, or army coup against one of Deng's successors. Military rule could be "liberal" or a continuation of the later-Dengist conservative repression. If the former, China could once again embark on the road to more rapid economic development, as during the 1978-1988 period.

But such a regime would quickly encounter the same obstacle as did the Deng regime: marketization, the foreign trade open door, and rapid technology transfer from the West almost immediately require political liberalization and, hence, democratization. By its very nature, a military government would not permit that. Again, the consequence would be similar to that in Poland, East Germany, and Romania: a choice between political collapse and rapid transformation into a social democracy, on the one hand, or reversion to totalitarian dictatorship, on the other. Either way, however, such a Chinese government is highly unlikely to carry out threats to use force against its neighbors. As in the Soviet case, internal weakness drives the character of Chinese foreign policy.

Prospects for Economic Growth in China

If, by some miracle, China does restore liberality to its internal ordering, and hence to its foreign policy, its economy could grow rapidly, its degree of interdependence would rise, its integration into Asian and global affairs would proceed, and its authority in the region and beyond would experience a renaissance. In this circumstance, its military capabilities would expand, and therefore its propensity to involve itself in developments ever-farther from its geographic boundaries would also expand. This might be a recipe for imperialism, and in a situation where the surrounding

nations are weak and divided, it would be, even were China to possess a reasonably democratic government. But the Asia that appears most likely to emerge will be composed mostly of strong, developed, and highly nationalistic nations, unlikely candidates for Chinese attack or subversion. Indeed, in an interdependent, free market, democratizing Asia, a liberal China would probably be welcomed into various Asian and trans-Pacific associations and its military prowess actually sought to provide a strong constituent element in regional power balances.

Threats to Asian Security

Summing these Soviet and Chinese alternative futures, the weighted average appears to be that most possibilities do not warrant a serious concern so far as their influence on Asian affairs is concerned. If so, that is an important conclusion indeed. It is not to say that all trends in, and with regard to, these two countries are benign. It is to assert, however, that the Asian security equation for the foreseeable future, e.g., the next five years or so, will be no more threatening than at present and perhaps considerably less so, when Soviet and Chinese influences on it are considered.

Unfortunately, however, threats to Asian security are still likely. They come not from Moscow or Beijing, or from some Japanese rearmament, but from the combination of regional middle power conflicts, internal conflicts in small-power Asian states, and a possible American propensity to withdraw from Asia militarily and to attempt to avoid the responsibility for leading the way to construction of a new Asian security system that its superpower status confers upon it.

The most critical middle-power security threat is the possibility of war on the Korean peninsula attendant upon the Kim Il-Sung succession in North Korea. That country is under such extreme internal stress that, once Kim is out of the way, the prospect for civil war is high. Two scenarios stand out. One would occur were Kim's son, Kim Chong-Il, to find his anointed power challenged, probably by some in the military, and attempt to

solidify his rule by invading South Korea. That of course would instantly involve the United States, perhaps China, and possibly the Soviet Union. The other would emerge out of a post-Kim Chong-Il power struggle between rival military factions, one of whom, seeing its position deteriorating, would call on South Korea to save it, and the latter would march north. That is also war, and the engagement of the United States and others could well follow.

Mainland China's Stance Against Taiwan and Other Asian Nations

Several possibilities in various other reaches of Asia also present themselves. The China mainland-Taiwan scenario so often discussed -- mainland attack upon suspicion of Taiwan acquisition of nuclear weapons, appearance of being on the edge of independence, or forming a security relationship with the Soviet Union -- is unfortunately not out of the question.

The Cambodian civil war could once again demand the intervention of external powers, and this time the United States and China would not be on the same side.

Burma could break down into a highly fratricidal civil war, which could be a temptation for intervention by China or India, and hence for conflict between the two.

China and Vietnam could become embroiled in conflict at any time over the Spratly Islands, which could spread if other Southeast Asian nations, or the Americans, or the Soviets decided to become involved. India and China are already in a serious arms race, and arms races many times eventuate in war.

India and Pakistan are at the verge of conflict over Kashmir, once again, and the external powers could be pulled in.

The Philippines could well experience a massive intensification of the civil war between the communists in the countryside and the landed, monied upper class, between one or another military faction trying to overthrow the civilian government, or between the Moro separatists and the central government.

Many of these conflicts, potential or actual, have been kept from becoming more serious not only by the Soviet and Chinese necessity to devote most of their respective policy attention to internal matters, as discussed above.

Soviet and Chinese policy has also been shaped by the American military presence in several Asian locations and the announced willingness of the United States to act as security guarantor for some Asian states, to fulfill its treaty obligations with regard to others, or involve enough of its power and prestige to keep such conflicts from bursting beyond their domestic bounds. It is this American policy, and the power behind it, that may now be changing and thus, paradoxically, become a security threat of its own.

Will America now tire of carrying the burden of organizing and maintaining the American security system? Will it pretend it does not perceive the opportunity, for itself and for Asia as a whole, in leading the way to a new Asian security system on principles different from those of the now outmoded past? Will it too quickly withdraw its forces from the region, misjudge the situation when its erstwhile friends and dependencies now dare to criticize it from positions of strength, and allow its vision to be diverted too completely by events in other regions? Will America understand that its position in Asia must be recapitalized by major new investment, both in the region and through solution of its own domestic shortcomings?

These are basic issues for future Asian security. To address them, which must be done, is to broaden considerably the scope of all discussions of the subject. But it must be done, lest in the systemic crisis of Asia, America fails to realize that its own lack of new, creative initiatives can itself become a threat and that its own failure to take advantage of the enormous opportunities at hand could eventually lead to undesirable consequences for all Pacific nations.

A Changing World

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and a
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There is no nation on earth so dangerous
as a nation fully armed, and bankrupt at home.

-- Henry Cabot Lodge

Attack the enemy where he is weak, not
where he is strong.

-- B. H. Liddell Hart

Introduction

This paper is an attempt to make some sense of the changes in the security situation of the West Pacific since our last conference in October 1988. It will not try to encompass the astonishing changes in Europe except to draw attention to the effects that these might have in the West Pacific. Obviously, and I emphasize the disclaimer as early as possible, it is highly

speculative if only because anybody who claims to know what will happen over the next decade is a candidate for a mental home.

The End of Marxism-Leninism

The Soviet Union

It would not be unrealistic to assert that a revolution is occurring in the Soviet empire. The collapse of the Communist regimes in Eastern Europe appears to be all but complete. The new governments now face the immense challenge of rebuilding their economies and their political and social institutions, all but destroyed by half a century of Communist rule backed by the power of the occupying Red Army.

The Soviets are being told to take their forces out of Eastern Europe, and Gorbachev has agreed. The threat of invasion of Western Europe that has hung ominously over the world has been removed almost in an instant. The glacis which Stalin sought and was granted at Yalta for his western border has been dismantled, abandoned by the very government which sought it in the first place.

What is more important now is what is actually happening inside the Soviet Union itself. Independence movements are alive and flourishing in at least 11 of the 15 republics which make up the USSR. In the largest, Russia itself, some nationalist movements are seeking the end of the union.

It is at least arguable that the dismantling of the Soviet Union is high on Gorbachev's personal agenda, an agenda which he is pursuing with remarkable skill -- so far.

But the pursuit of this agenda has unleashed forces which are generating stresses within the Soviet system. These may be predictable to the Soviet leadership, but are less so to many western commentators. One of the most frequently asked -- and unsatisfactorily answered -- questions is: what will the army do?

Some commentators have expressed the view that the Soviet armed forces will automatically be counted among the conservative opposition to Gorbachev's reforms.¹ Defense

Minister Dimitri Yazov is said to be one of the conservatives. Troops -- that lovely, vague term -- have been used to put down nationalist demonstrations in Azerbaijan, Tadzhikistan, and Armenia. They are being used in Lithuania to intimidate the newly elected nationalist government. What is less obvious is that the term "troops," used so loosely, covers at least three distinct forces owing allegiance to three separate controllers.

The regular army itself, a conscript force, answers to the Defense Ministry. Its traditions emphasize strongly its role in defending the homeland -- the *Rodina* -- from an external aggressor. There is a body of opinion which suggests that the army resents being used as an internal security force, against its own people, even against the families of its own conscripted troops.² In my view, there is some risk in assuming that the army will even want to play a political role in the Soviet Union.

Of no little significance for the future is the emergence of a Red Army reform movement *Shield*, which has held demonstrations in Moscow to denounce the use of army troops in putting down nationalist unrest.³

The Ministry of the Interior (MVD) controls some 360,000 internal security troops whose role is essentially to support the civil police against manifestations of internal unrest. This is a political force and its loyalty is to the central government. As far as I have been able to tell, the forces used in Lithuania and elsewhere have been primarily MVD troops.

The KGB maintains a force of some 270,000 internal security troops and border guards. The KGB is answerable primarily to the Communist Party of the Soviet Union (CPSU) rather than the government. In the sort of constitutional upheaval now under way in which the leading role of the CPSU is being eliminated, the KGB troops could become a private army answerable to party hardliners.

What is clear about the situation in the USSR is that there are at least three separate armies controlled -- theoretically -- by different central authorities. If those authorities come into conflict with each other over Gorbachev's basic political reforms, the

scene could be set for a bloody civil war.

Two factors are important. First, Gorbachev's political restructuring to give himself unprecedented constitutional power as president is an attempt to bring all these forces under his highly centralized and dictatorial control. While he has achieved this formally, he has yet to consolidate this power -- and still could fail. The process is clearly interim in nature and lacks legitimacy, even by Soviet standards.

Second, while it is possible to assess that the Soviet structure with which we have become familiar over the years is being dismantled, there remains the reality of the Russian expansionist ambitions which extend back over at least four centuries. In particular, the Russian desire for access to the seas is independent of its internal political structures. This must be coupled with the reality that the Soviet armed forces remain large and powerful.

I argued at the last conference that the strategic difficulties facing the Soviet Union in space and in Europe would tend to focus attention on the possibilities in the east, especially in respect to Japan.⁴ I would suggest that the changes we have seen reinforce that view.

Even if the speculations of the most optimistic among us turn out to be correct and the Soviet Union is dissolving into a peaceful member of the world community, they remain, in the absence of evidence which is simply not available, nothing more than speculations. It is not possible to base policy upon them.

China

Personally, I have never been persuaded that the People's Republic of China has been a serious factor in the question of Western Pacific security. The events of 1989 associated not only with an internal power struggle but also a deep division over the future of the country have simply reinforced that view. I have argued that the PRC with its 1.2 billion population is governable only as a highly centralized and controlled polity.⁵ Yet, as such, it is unable to release the energies and talents of its people in ways

which will make it either a formidable adversary or a valued ally.

I will happily defer to those who know more about China than I do but, while China will continue to be a significant factor in any continental power struggle in Asia, I do not see it as a significant naval power.

It may also be the case that if China does restore its modernization programs together with a significant level of political relaxation, it may become a substantial naval power, but it will also depend heavily upon secure SLOCs to a greater degree than the Soviet Union. This is more likely to create a situation where the PRC will be an ally rather than an adversary.

Generally, I tend to the view that the PRC will pursue a balancing role in international affairs at least for the short-to-medium term.

The Effect on the United States

For most of the smaller players on the Western Pacific scene, the big question will be whether the United States will continue to play a peacekeeping role in world affairs generally but especially in the West Pacific. A number of factors are relevant.

Reductions in Defense Spending

The reduction of tensions in Europe coupled with significant progress in recent years toward arms reductions clearly allow for cutbacks in American defense spending. These have already begun and are set to continue. Given the perennial tussle between the administration and Congress, the outcome is unpredictable -- particularly when we factor in the range of possibilities emanating from the USSR.

Whatever the outcome of the internal debate, it is likely that the U.S. Navy will be cut in size. For the surface fleet, so vital for SLOC protection, the scenarios range from a reduction of between two and eight carrier groups -- or 14 to 57 percent of the navy's primary surface combat force.⁶ This would likely be accompanied by a reduction in the rate of introduction of new weapons and

ships.

Of course, given the most favorable strategic scenario of a sustained reduction of tensions in Europe, the demand for forces in the Atlantic will decline, allowing the U.S. Navy to revert with greater confidence to the earlier "swing" strategy. Nevertheless, the international impact of these reductions upon perceptions of American commitment to Western Pacific security will not be negligible.

The Philippine Bases

The agreements between the United States and the Philippines for American access to the naval and air bases at Subic Bay and Clark Field expire in 1991. Negotiations for their renewal are proceeding.

It is difficult for anyone, much less an outsider, to distinguish in the current debate between the real positions of the negotiators and the political posturing. What is of concern is that the two countries could fail to reach an agreement, and the United States would be forced to withdraw.

The view has been put that the United States could trade off Clark for an agreement to retain the much more critical facility at Subic.⁷ What is certain is that if the United States is forced out, the whole strategic situation in the Southwest Pacific will change for the worse -- unless the United States has a fall-back position in the region.

Whether that fall-back position realistically exists or is being sought is as uncertain as whether it will be needed. It would be wrong to underestimate the nationalist pressures in the Philippines pressing for a total American withdrawal. Rational calculation suggests that even for domestic reasons the Philippines cannot afford to lose the bases. But the capacity for the Philippines to miscalculate the American determination to stay -- whatever the cost -- could be reinforced by domestic political pressures.⁸

What will concern the nations of the Southwest Pacific and Southeast Asia is that if the United States not only cuts its naval

forces overall but also loses access to Subic, its capacity to deploy into the region will be sharply reduced. The resultant power vacuum will not be neutralized simply because the Soviet forces have withdrawn from Cam Ranh Bay.

United States-Japanese Tensions

The defense of sea lines in the West Pacific depends initially on the ability of Japan and Korea to close the three straits of Tsushima, Tsugaru, and Soya to ships and submarines of the Soviet Pacific Fleet. This is far from being a foolproof defensive system, but it is important to limit the extent of hostile naval operations in the Pacific.

Thus the security of the West Pacific depends heavily upon the maintenance of the U.S.-Japan Mutual Security Treaty not just as a guarantee of Japan's security but as a framework within which Japan can contribute to regional security while maintaining the letter and the spirit of Article IX of the Japanese constitution.

Tensions between Japan and the United States over trade issues have led to a degree of stress and hostility, especially in the United States, which threatens to spill over into the security arena. I do not wish to overstate the problem, because there are plenty of people in most of the countries represented here -- including Australia -- for whom Japan-bashing is a convenient substitute for serious policy reform. I simply draw attention to the phenomenon as one which has a security dimension for all countries in the West Pacific.

Coupled with these external views of Japan, there is of course some concern about Japan's commitment to security cooperation arrangements which are clearly directed against the Soviet Union. There are political forces in Japan which have a greater commitment to a policy of disengagement from the treaty with the United States. Happily these forces were defeated in the recent elections so that cooperation can be expected to continue.

Nevertheless, there will continue to be some concerns about Japanese cooperation and whether the current commitment could

withstand a Soviet political offensive over, say, the northern territories issue.

The Peace Offensives

Based upon Australian evidence at least, the peace movement has adopted as a serious program the development of a Northwest Pacific Nuclear Free Zone to reduce what it calls the "arms race" in the region.⁹ The significance of this proposal is its objective of reducing naval nuclear capability deployed at sea. Particular attention is directed at the threat to the USSR of the land-attack Tomahawk cruise missile.

Clearly the odd man out, the only nation whose security interests are fundamentally threatened by such a treaty, is the United States. Just as the South Pacific Nuclear Free Zone Treaty was designed -- in part -- to reduce the American naval capability in the South Pacific, so the same concept for the North Pacific is designed to push the U.S. Navy back at least to Hawaii. I dare say the United States could handle its own bottom-line security in those circumstances, but the West Pacific would look like a much less stable and friendly environment than it does today.

Other Developments in the West Pacific

There are a number of other current, more local factors which impinge upon SLOC security in the West Pacific, and I will canvass these briefly.

Japanese-Korean Tensions

In previous conferences, there has been some discussion of the difficulty in organizing security cooperation between Japan and the Republic of Korea. It is not for me to offer solutions to the problem, but it is valid to point out that the rapid economic growth of both of these countries and the mutual security interests they increasingly share may make irrelevant the difficulties that have existed in the past.

It is worth noting that this year the ROK Navy will participate in the RIMPAC-90 naval exercise in Hawaiian waters together with Japan, the United States, Canada, and Australia.¹⁰ This represents a useful development, although it does emphasize that the Japanese-Korean cooperation that does occur is normally brokered by the United States.

Japan and Southeast Asia

One of the enduring contradictions of the SLOC defense problem in the West Pacific is the inability of Japan to extend its range of operations beyond 1,000 nautical miles. A quick glance at the map clearly indicates that the defense of SLOCs beyond that range remains a problem. Indeed, as I indicated in my paper to the sixth conference, the very difficulty of defending SLOCs outside 1,000 miles from Japan is likely to attract predators in line with the quote from B. H. Liddell Hart at the beginning of this paper on page 23.¹¹

If the United States can continue to deploy its navy into Southeast Asian and Indian Ocean waters, the problem is less severe. But that capability is essentially dependent upon retention of base facilities in the region.

The nations of Southeast Asia have in recent years been more concerned about the security of their land areas than the surrounding seas. That preoccupation is changing as countries like Indonesia, Thailand, and Malaysia develop their blue-water naval capabilities.¹² There are two related challenges for the nations of the region.

The first challenge is to develop cooperative structures with each other and with Australia, to project a perception of power and commitment to protect sea lines passing through the region. Fortunately, as capabilities are developing as well as a recognition of the importance of secure SLOCs to each of us, cooperation is also developing notably not only through the West Pacific Naval Symposium but also through an attempt to restore relations between Australia and Indonesia.¹³ Considerable progress is

being made on this plane, thanks in part to the work of this conference as well as the naval symposium.¹⁴

The second challenge is to foster an environment in which Japan is able to deploy naval forces to support local forces in the task. This is a much more sensitive problem, although the naval symposium structure is useful and the objective is being pursued.¹⁵

Inherent in the naval symposium approach is that much practical cooperation can be achieved at the level of chiefs of staff for operations which is not politically sensitive but can lay the basis for future political agreements. Underlying the concept is the understanding that political attitudes can change rapidly, whereas the basic groundwork which would make naval cooperation a reality takes much longer.

I do not want to dwell upon the reasons why cooperation between regional powers should be difficult. They are based mainly upon historical experiences which now lie a generation and more in the past. If they are allowed to threaten future security, coming generations will not thank us.

A Soviet Withdrawal?

Except for a few aircraft, the Soviet Union is said to have removed all its forces from Cam Ranh Bay in Vietnam, although the status of the base remains unclear. While it is relatively easy to remove and redeploy forces at short notice, a continuing agreement between the USSR and Vietnam over the use of Cam Ranh would retain the base as a significant threat to SLOCs in the South China Sea. Recent reports of a purge of moderates in Vietnam coupled with the Soviet less than persuasive withdrawal suggest that, despite the popular enthusiasm, it might be premature to write off Cam Ranh as a SLOC security problem.¹⁶

The Role of India

Although not a Western Pacific nation, India has the ability to attack or protect those Western Pacific SLOCs which also transit

the Indian Ocean. With arguably the seventh largest navy in the world, deploying two light aircraft carriers, nuclear and conventional submarines, and the potential for intermediate range ballistic missiles with nuclear warheads, India's regional role is a matter for both concern and speculation.

Already, India has the capacity to close the Strait of Malacca to shipping from its island bases in the Bay of Bengal. India's intentions remain unclear, and this uncertainty is generating some concern in Malaysia, Indonesia, and even in Australia, where there exists the potential for a dispute over the control of the strategic airfield on the Cocos (Keeling) Islands.¹⁷

Some Further Speculation

While the events of the 18 months since the last conference give some cause for optimism about the security of SLOCs in the West Pacific -- and indeed for regional security overall -- the preceding discussion suggests that the trading nations of the West Pacific are not yet out of the woods. A number of other possibilities can be briefly mentioned without exhausting the whole range:

The possibility that, despite my earlier reservations, the PRC may lash out at sea for reasons best known to themselves.

The dictator of North Korea, Kim Il-Sung, may launch a last ditch attempt to achieve his life's ambition of taking over the South. Given American troop reductions in the Republic of Korea, Kim may feel less restrained by that deterrent -- especially if internal difficulties in both the USSR and PRC conspire to reduce their restraints upon his freedom of action.

Confrontation between India and Indonesia may occur over access by shipping to the straits of Malacca, Lombok, and Sunda. In the case of the latter two, any control by India of the airfield on Cocos

Islands would substantially enhance Indian ability to exercise such control.

The possibility that future political developments involving a loss of power by the Liberal Democratic Party (LDP) in Japan, a growth in support for a Northwest Pacific Nuclear Free Zone, and a Soviet political offensive over the northern territories could force the United States out of bases in Japan.

Finally, the potential for a collapse of internal stability in such countries as the Philippines, Cambodia (if there is any), or Papua New Guinea may lead to a *de facto* takeover by transnational criminal, terrorist, or piratical groups after the example of Panama or Colombia.

All of these could have significant implications not only for SLOC security but for the whole web of economic and political relationships that lead to peace and stability in the West Pacific.

The Implications of Change

Without attempting to summarize the actual and potential changes to the security of Western Pacific SLOCs, let me suggest a number of practical and political implications of those changes on a more or less worst case basis.

First, the loss without replacement of American access to Subic Bay could force the United States out of the so-called marginal seas, and especially the South China Sea. Should the United States also be required to leave its bases in Japan, the whole American presence in the West Pacific would probably be lost.

This has been a clear objective of Soviet policy over the years. The understandable euphoria over changes in the Communist world should not blind us to the fact that in the West Pacific not much has changed -- and certainly not for the better.

Second, the potential exists for a loss of security over transit of the Malacca, Sunda, and Lombok straits as a result of the growth

in both relative and absolute terms of Indian power.

As well, the loss of sea control in the South China Sea would result in the closure of that vital seaway to merchant shipping. Should that potential become a reality, shipping which currently uses those straits or the South China Sea may have to be diverted to the Ombai-Wetar straits further to the east and to the Philippine Sea.

Substantial diversions could be required in the Indian Ocean, especially for Persian Gulf tanker traffic, adding substantially to the costs of transport and making the task of protecting shipping considerably more difficult.

Should these possibilities in Southeast Asia become reality, Indonesia will become a pivotal nation. There is every indication that Indonesian concepts of "national resilience" and "regional resilience" can be and are being interpreted to recognize Indonesia's central role in securing SLOCs in Southeast Asia and the northeast Indian Ocean.

There seems to me to be one important implication of this growing Indonesian importance and involvement. Indonesia, with Malaysia, is the primary sponsor of the concept of ZOPFAN, the Zone of Peace, Freedom, and Neutrality in Southeast Asia.

This concept, which has not been pressed with any great fervor, has nevertheless attracted some hostility. There exists a perception that the concept of neutrality represents a threat to those nations opposed to Soviet expansionism and possibly some restriction upon operational freedom by some of the regional navies.

It may be time to review this hostility and to focus instead on the aspirations for peace and freedom expressed in ZOPFAN. Certainly, given the arrangements which exist between Australia and Malaysia in the Five Power Defence Agreements, and which are being developed concurrently with Indonesia, there does not seem to be any overriding reason why ZOPFAN should interfere with regional security cooperation and the defense of the SLOCs which are so vital to all of us.

Conclusion

If this presentation has focused excessively upon the Southwest Pacific and Southeast Asia, I make no apologies for that. As I indicated earlier, the balance of forces in the Northwest Pacific seems to me to favor the non-communist powers -- provided the U.S.-Japan Mutual Security Treaty holds.

Further south, the position is not so clear-cut. The possible loss of Subic Bay especially to the United States will substantially weaken the existing position. The growth of Indian power creates new tensions and, to refer to Liddell Hart again, it is good strategy to hit your enemy where he is weakest.

Nonetheless, progress is being made to create a more self-reliant and cooperative security structure in the Southwest Pacific. There is, however, a central political as well as military challenge in this: to create the circumstances in which the United States -- and perhaps Japan -- can act to support the regional nations on terms which do not compromise a desire for non-alignment on the one hand but ensure that the navies of those countries can operate without undue restraints on the other.

At a time when the old verities are changing faster than we can track, adaptation to the new world calls for flexibility and a determination to look forward rather than back. These conferences have been pretty good at that.

Endnotes

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2. James Adams and Peter Millar, "Red Army Faces the War Within," *The Sunday Times* quoted in *The Australian*, 22 January 1990.
3. *The Australian*, 30 January 1990.
4. Michael O'Connor, *A Strategic Overview*, Sixth SLOC Conference, Melbourne, October 1988.
5. Michael O'Connor, *To Live in Peace* (Melbourne: Melbourne University Press, 1985), p. 67.
6. See for example the somewhat tendentious article, George J. Church, "How Much is Too Much?" *Time*, 12 February 1990 (Australian edition).
7. Donald Neuchterlein of the University of Charlottesville in a presentation to the Pacific Security Research Institute, Melbourne, 3 April 1990.
8. For a general discussion of this question, see Alvin H. Bernstein, "Mrs. Aquino and the Joe Kapp Syndrome," *The National Interest*, Winter 1989/90.
9. See for example Andrew Mack, *Arms Control in the North Pacific: Problems and Prospects*, Working Paper 36 of the Peace Research Centre, Australian National University.
10. *Mainichi Shimbun*, 20 September 1989, quoted in *FBIS* Vol. 89, p. 183.
11. Michael O'Connor, *A Strategic Overview*.
12. See Tai Ming Cheung, "Shoulder to Shoulder," *Far Eastern Economic Review*, 22 March 1990.
13. See the opening address to the Sixth SLOC Conference by Vice Admiral Michael Hudson, Chief of Australian Naval Staff.
14. For example, see Sudjai, "Mutual Interests in Indonesian-Australian Relations," *Telstra Strategic Review*, No. 1, July-August 1989, and Roy Eccleston, "Defence Deal Warms Relations with Indonesia," *The Australian*, 6 April 1990.
15. *The Australian* on 6 April 1990 also reported that Vice Admiral Hudson would shortly visit Japan for talks with senior JMSDF commanders. This followed a recent visit to Japan by Dr. Paul Dibb, Deputy Secretary of the Australian Department of Defence.
16. Alan Boyd, "Vietnam's Hardliners Put Brake on Reform," *The Australian*, 3 April 1990.
17. For an examination of this issue, see the submission, "Australia's

Relations with India," by the Australia Defence Association to the Australian Senate Standing Committee on Foreign Affairs, Trade and Defence. For a fictionalized view, see Michael O'Connor, *An Act of War* (Sydney: Random Century, 1990).

18. See Maj. Gen. Subijakto, *Indonesia's Perception of SLOC in Southeast Asia*, Sixth SLOC Conference, Melbourne, October 1988.

SECURITY IN NORTHEAST ASIA

Review of SLOC Security in Northeast Asia

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Introduction

The Cold War has been terminating since the Malta super summit conference in December 1989, and it is said that the world has begun to grope for a new international order. Nevertheless, many winding roads are forecast to break up the framework of the Cold War, which has been continuing for about four decades after the end of World War II, and to construct a new international order.

Taking the opportunity of signing the Intermediate-Range Nuclear Forces (INF) treaty, the Soviet Union has unilaterally promised to make arms cuts and has made arms control proposals. This is Soviet President Mikhail Gorbachev's so-called "Peace Offensive" against the Western nations. The overall Soviet economy remains in near shambles, and the budget deficit is about 11 percent of the GNP, by some estimate.

In order to improve these situations, Gorbachev has pushed forward the policies of perestroika, glasnost, and *demokratizatiya*, in recognition of the necessity to move from a system based on

bureaucratic command to decentralization. In addition, he has planned to cut down the defense expenditure, which is more than 10 percent of the Soviet's GNP and to redistribute the country's manpower at the same time.

At the Malta summit, President George Bush and President Mikhail Gorbachev reached an agreement to sign and seal the treaty of Strategic Arms Reduction Talks (START) and Conventional Forces in Europe (CFE) by June 1990 and the end of 1990 respectively, but there are no arms-control talks in the Asian-Pacific region.

The trend to improve Sino-Soviet relations began in 1982 and a qualitative improvement of their relations began in 1986. The leaders of the People's Republic of China and the Soviet Union have agreed to reduce their troops mutually along the Sino-Soviet border. Because of a past historical event (an unequal treaty between China and Tsarist Russia) and the fact that a different view of the Vietnam incident still remains between the PRC and the Soviet Union, there is little possibility for both nations to go back to a monolithic alliance.

On the Korean peninsula, the relations between the South and North will show no sign of improvement, and North Korean-USSR friendly relations will continue.

Soviet Pacific Fleet and its Maritime Strategy

Since the 1960s, Soviet maritime forces have evolved from what was essentially a coastal defense force into an ocean-going fleet capable of executing missions in opposition to the U.S. Navy under limited situations in the 1980s.

According to the *1989 Defense of Japan (White Paper)*, the inventory of the Soviet Pacific Fleet includes about 100 out of 285 main combatant vessels and 140 out of 360 submarines. Recent additions include advanced Akula class attack submarines whose armaments are torpedoes, antisubmarine warfare (ASW) conventional and nuclear missiles, SS-N-21 submarine launched cruise missiles, and the latest types of guided missile destroyer

(DDG) Sovremennyy class and DDG Udaloy class. The Soviet Union also has deployed tactical aircraft of roughly a quarter of its military assets. These include 470 bombers, 1,760 fighters and attackers, and 200 patrol planes. These air and naval forces have sufficient capabilities to attack the SLOCs in the Northwest Pacific.

Judging from newly constructed combatant vessels and the basic strategic concept of the Soviet Navy, the role of the Soviet Pacific Fleet is estimated as follows:

- Contribution to nuclear strategy including the control of the Sea of Japan, the Sea of Okhotsk, adjacent sea areas, and security of SLOCs in the above theater.
- Destruction of hostile forces.
- Interdiction of the SLOCs of the Western bloc.
- Power projection and supporting the Soviet Army.

The Soviet Union has had high political interest in Asian-Pacific affairs and is now conducting a political campaign to gain greater respect in Asia.

In May 1989, Gorbachev announced his proposals in Beijing as follows:

- Reducing unilaterally troop strength of 120,000 in the Far East region.
- Reducing all Soviet troops except the border guards along the Sino-Soviet border, on condition that both nations reach agreement.
- Withdrawing 16 combatant vessels from the Soviet Pacific Fleet.

These proposals have been intended to reduce tensions with the PRC. But in spite of Gorbachev's announcement, the Soviets have maintained formidable air and naval forces in Asia and the Pacific region, and these forces are still being reinforced.

According to the *Defense of Japan (White Paper)*, the

inventory of the Soviet Union's main combatant vessels, submarines, and aircraft in the Far East theater of operations is as follows:

	1989	1985
main combatant vessel	100	90
conventional submarine	65	70
nuclear submarine	75	70
aircraft	2,340	2,200

Even with the reported elimination of 16 combatant vessels which was announced by Gorbachev, there are inactive and reserve ships.

Vessels reinforced from Europe to the Far East by a southern sea route are as follows:

	1989	1988	1987	1986	1985
main combatant	1DDG,1FF	2DDG,1FF	3DDG,1FF	1DDG	*4
auxiliary	4	2	1	1	4

* 1CGN (JIROV), 1DDG, 1FF, 1PGG

Soviet naval activities around Japan are as follows:
Vessels passing through the three straits

	1989	1988	1987	1986	1985
Tsushima Strait	125	140	145	145	155
Tsugaru Strait	55	55	50	50	55
Soya Strait	435	430	380	340	295
Total	615	625	575	535	505

Even after Gorbachev announced unilateral reduction of armaments, the advancement of Soviet warships and aircraft into the outer sea and their movements around Japan have been active. In June 1987, a Task Group which consists of 25 vessels including an aircraft carrier, carried out naval maneuvers in the Sea of Okhotsk. In April, June, and October 1988, small size naval exercises were carried out in the Sea of Japan and the Sea of Okhotsk. In 1989, Soviet naval operating patterns showed the

reduction in naval activity beyond Soviet home waters, but it is not clear whether the trend has come from Gorbachev's Peace Offensive or not.

The Soviet Union, as a Pacific state, will make efficient use of the seapower of the state for the purpose of expanding its influence in the region. In Gorbachev's initiative to unilaterally reduce troops, a few naval and air troops were listed, and most of them were ground troops.

U.S. Objective -- The Soviet Union's Counter Objective

The United States' strategic objective in the East Asian-Pacific theater is to deter war and protect allied nations against Soviet military threat. The American navy and air services are the core of the U.S. forward deployment forces. U.S. troops, which have been deployed in the areas surrounding the Asian continent, contribute to the deterrence of war and also to the protection of allied and friendly nations.

The Soviet Union, no doubt, aims at severing friendly relations between the United States and the Asian nations in order to bring these nations under its own control. Therefore, it is absolutely necessary for the Soviet Union to undertake maritime strategies of limiting operational capabilities of the U.S. Navy and Air Force. In order to attain the strategic objective, the Soviet Union is conducting the following campaigns in the Asian-Pacific theater:

-- Gorbachev wants to hold naval control talks with the United States, with the aim of limiting antisubmarine activities in certain zones of the Pacific, perhaps protecting nuclear powered ballistic missile submarines (SSBNs) in the Sea of Okhotsk and attacking the Western SLOCs in the Northwest Pacific.

-- Gorbachev gave suggestions for returning the base at Cam Ranh Bay in Vietnam in exchange for U.S. military withdrawal from the Philippines. He can afford to make the proposal because the Soviet Union is a continental power.

--The Soviet Union has strengthened its military relationships with North Korea, and in return for military assistance it has been granted the right to fly over North Korea which enables its aircraft to penetrate the South China Sea easily. In short, the Soviet Union has already obtained great strategic advantage.

SLOC Security in the Northwest Pacific

As the result of the conference of Ministers for Foreign Affairs between the United States and the Soviet Union in February 1990, START and CFE treaties will be signed almost certainly by the end of this year, and therefore the trend of arms control in Europe will take further steps. Although in Europe, the NATO alliance confronts a concentrated and direct land-based Soviet military challenge. Asia, by contrast, is a maritime theater where nations such as Japan, South Korea, Philippines, Thailand, and Australia depend on a series of bilateral defense treaties with the United States to maintain their national securities.

Since these nations are separated by oceans, the security of SLOC in the Northwest Pacific is of vital importance to the national security of these maritime nations. The Soviet Union is a continental power, and so its requirement for maintaining the SLOC security must not be stronger than that of the maritime nations. The U.S. and Soviet powers in Asia are asymmetric, and Soviet maritime power in Asia far exceeds the purpose of conducting its self defense. Therefore, the European arms control system may not be applied to Asia.

In the *Report of the U.S. Secretary of Defense to the President and the Congress in January 1990*, Secretary of Defense Dick Cheney said: "the United States is entering the decade of the 1990s facing both great opportunities and great uncertainties in the international security environment Conditions are good for negotiating significant reductions in Soviet military forces and developing a durable framework for peace and cooperation. Nevertheless, the Soviet Union's military power remains formidable...."

The secretary also emphasized the necessity of firmly maintaining the collective security system as important to national security, and he said he desired that allied powers, especially Japan, should do even more in the area of cost-sharing and improving the quality and sustainability of current forces.

The Budget Message of the President of the United States in 1990 stated that although maintaining powerful national defense forces is necessary, defense expenditure must be held down at the rate of 4 percent of GNP (five percent in 1991) by 1995. In order to cut defense expenditure, the United States may withdraw part of its troops deployed in Japan, Korea, and the Philippines. In that situation, when an emergency comes into existence in the Asian theater, transportation for U.S. reinforcements has to depend on the sea lines of communication from the U.S. mainland to Asia. The SLOC security is of vital importance not only for U.S. global strategy but also for the security of regional nations. Therefore, regional nations have to contribute to maintaining the security of SLOC according to their geopolitical situations and national power and according to advance arrangements with the United States.

Japanese Defense Forces

The Japanese islands are located in the periphery of the Asian continent, and the three straits surrounding Japan constitute inevitable bottlenecks when the Soviet Pacific Fleet, based on Vladivostok, want to go into the open seas. The Soya Strait especially provides a great value to the Soviet Union, because the strait is a waterway connected with the Sea of Japan and the Sea of Okhotsk where it stations submarines equipped with ballistic missiles.

Japan announced in 1981 that the defense of sea area around Japan includes the three straits, and the defense of sea lanes extending 1,000 nautical miles from Japan will be considered as the target of Japan's defense buildup. To carry out the mission, Japan has made efforts to develop its antisubmarine, anti-air, and

mine-countermeasure capabilities.

Japan should increase its qualitative operational capabilities for SLOC security after consultation with the United States. Since the Northwest Pacific theater is the route for the Soviet Pacific Fleet into Southeast Asia and the Indian Ocean, the SLOC defense operations in this area carried out by Japan will also contribute to preventing the deployment of Soviet forces into these areas. Therefore, maintaining the SLOC security capabilities will contribute to the overall Western deterrence.

It is estimated that the world will proceed gradually from a bipolar posture in the time of Cold War to a multipolar posture. It is, therefore, necessary to make plans for a new type of conflict such as is exemplified by an attack on SLOC by the Iranian navy in the Iran-Iraq War. High-technology weapons of all types available in the international marketplace and the proliferation of precision weapons in the Third World constitute a grave threat to the security of SLOC.

Conclusion

The trend of arms control in Europe will be brought to the Asian-Pacific region before long. Though it is desired to cut down exaggerated military power, naval arms control negotiations in Asia and the Pacific should be given careful consideration.

The Western nations should maintain the security of SLOC in Asia for their national security. The Soviet Union, a land power, does not need to depend on sea lanes to reinforce its Asian allies. Soviet naval power in Asia far exceeds the purpose of maintaining its self defense.

In order to reduce defense expenditure, the United States may unavoidably withdraw a part of its forward deployment forces in Asia. If such an emergency occurs, maintaining the SLOC security is of vital importance for transportation of U.S. reinforcements and logistic support. As a deterrent Asian nations, by mutual consent, should maintain and develop their defense capability for SLOC security in the region.

Security of Sea and Air Lanes: Their Use and Control in Time of Peace

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Introduction

Designating sea lanes or air lanes for international navigation and overflight for ships and aircraft has been a matter for international concern. For this reason, international law, be it by treaty or in accordance with customary law, has regulated navigation for ships and overflight for aircraft within the limit of a state's jurisdiction. Outside the state's limit in the high seas, all ships and aircraft have enjoyed freedom of navigation and overflight.

It would be helpful in the study of sea lanes and air lanes to examine the nature of constraints imposed by the law of nations and to look into the freedom of navigation and overflight that have been enjoyed by states.

In studying the passage right for the ships and aircraft in the sea and air lanes, a notable fact is that the legal nature of state control for the sea and air lanes is based on similar principles. The intertwining nature of the law of the sea and the law of the air is best illustrated in the Third United Nations Convention on the Law of the Sea (officially called the 1982 Montego Bay Convention, hereinafter cited as the LOS Convention), which regulates a state's rights and duties for international navigation and overflight of

ships and aircraft. An examination of passage right for the ships and aircraft in the sea and air lanes in time of peace would perhaps be worthy of our endeavor to clarify our perception in undertaking our search for the security of the SLOCs.

1. Use of the Sea and the Airspace Within the Limits of National Jurisdiction

A. Territorial Sea and the Contiguous Zone

Paragraph 1, Article 2 of the LOS Convention provides that "The sovereignty of a coastal State extends beyond its land territory internal waters and, in the case of an archipelagic State, its archipelagic waters, to an adjacent belt of the sea, described as the territorial sea."

Paragraph 2 of the same article declares that "This sovereignty extends to the airspace over the territorial sea as well as to its bed and subsoil." These two provisions reflect customary rule of international law on the subject.

The important difference on the nature of state sovereignty over the territorial sea and the airspace above is that, while the foreign ships passing through the territorial sea enjoy the right of innocent passage, the foreign aircraft do not enjoy such right. In other words, foreign aircraft, either civil or state, do not enjoy a right of innocent passage in the airspace above the territorial sea. The right of a coastal state to control its airspace above the territorial sea is complete and is not subject to any hinderance.

The principle was clearly recognized in Article 1 of the 1944 Convention on International Civil Aviation (hereinafter cited as the Chicago Convention), which declares that "every state has complete and exclusive sovereignty over the airspace above its territory." The reason for this strict standard in prohibiting foreign aircraft from overflying the airspace of a state is dictated by a consideration of national security.

This principle of complete and plenary sovereignty for state control over its airspace has not been seriously disputed by states

and learned writers. Thus foreign aircraft can only fly over the territorial airspace with the consent of the territorial state. If any aircraft intrudes into foreign airspace, such aircraft risks being attacked by the territorial state. This was what happened to the Korean Air Lines Flight 007 in 1983. However, shooting down unarmed civil aircraft, an international commercial passenger aircraft in the case of KAL 007, was illegal then and now under general international law. In 1984, after the KAL 007 incident, the International Civil Aviation Organization adopted an amendment to the Chicago Convention outlawing the use of weapons against unarmed civil aircraft. (Article 3)

Previous Authorization or Prior Notice Requirement for Innocent Passage: One issue that should concern the sea-lane passage in the territorial sea is the requirement for previous authorization by or prior notice to the coastal state whose territorial sea warships are passing through while exercising the right of innocent passage.

These requirements would have an effect of imposing obstacles for the warships exercising the right of innocent passage. It is for this reason that states with strategic interests have objected to such requirements and for this reason the legal regime of previous authorization or prior notice has not been adopted by the LOS Convention.

At the moment, about 37 states impose prior notice or previous authorization requirements for warships passing through their territorial seas in the exercise of the right of innocent passage. Under these circumstances, it cannot be said that the legal regime of prior notice or previous authorization has acquired acceptance by the majority of states.

The Republic of Korea is one of those states requiring prior notice for foreign warships passing through the ROK's territorial sea. This requirement is actually directed against the navies of the Soviet Union, North Korea, and the People's Republic of China, not against Korea's allies or nations friendly to the ROK. But the United States and other friendly states have protested against such

practice by the ROK by taking the position that such practice is inconsistent with existing rules of maritime international law.

Innocent Passage for Submarines: One other point that needs to be noted in connection with the doctrine of innocent passage is that of innocent passage right for submarines. Article 20 of the LOS Convention provides that "in the territorial sea, submarines and other underwater vehicles are to navigate on the surface and to show their flag," if the submarine is to be regarded as exercising the right of innocent passage in territorial seas. However, in the international straits which have become part of the territorial seas, submarines are not required to pass through on the surface. They could transit as submerged. (Article 20 of the LOS Convention merely requires surface sailing in the territorial seas, but not in the straits.)

B. Contiguous Zone

This is a zone which adjoins the territorial sea up to 24 miles seaward from the baseline of the coastal state from which the territorial sea is measured. (Article 33 of the LOS Convention) In this zone, a coastal state may exercise its right of control to prevent infringement of fiscal, customs, immigration, or sanitary laws and regulations within its territory or territorial seas, and punish such infringement. But it is not clear whether such right of the coastal state extends to the airspace above the contiguous zone, except for hydroplanes on the surface of the water.

Article 33 of the LOS Convention, which deals with the contiguous zone, is silent on the right of the coastal state to control overflight of foreign aircraft in the airspace above the contiguous zone. Thus the question is raised about a zone outside the 12-mile limit of the territorial sea but within the 24-mile limit of the contiguous zone, for this area is neither a part of the high sea nor part of the territorial sea.

The Chicago Convention makes no reference to the right of the coastal state in the airspace above the contiguous zone. The

presumption is that the aircraft could exercise its right of overflight in the airspace above the contiguous zone if it is not engaged in activities which are prohibited in the contiguous zone.

C. Archipelagic Water

One of the few innovations introduced in the LOS Convention has been that of the concept of archipelagic water. It was adopted in the LOS Convention largely at the insistence of Indonesia and the Philippines. With the adoption of the regime of the archipelagic water in the LOS Convention, there came the principles concerning the right of archipelagic sea-lanes passage, archipelagic water, and archipelagic baselines.

On the archipelagic state and archipelago, Article 46 of the LOS Convention provides:

For the Purpose of this Convention:

1. "archipelagic State" means a State constituted wholly by one or more archipelagoes and may include other islands.
2. "archipelago" means a group of islands, including parts of islands, interconnecting waters, and other natural features which are closely interrelated that such islands, waters, and other natural features form an intrinsic geographical, economic, and political entity, or which historically have been regarded as such.

In the archipelagic water, the LOS Convention recognized the right of innocent passage for foreign ships, but it did not recognize the right of overflight for foreign aircraft in the airspace above the archipelagic water. (Article 52)

However, once the archipelagic state designates the sea lanes and air routes above the archipelagic water, foreign ships and aircraft are to enjoy the right of "archipelagic sea-lanes passage in such sea lanes and air routes." (Article 53[2])

The nature of such right would be the right to "unobstructed transit" through the archipelagic water for foreign ships and

foreign aircraft. (Article 53[3])

In other words, foreign aircraft and foreign ships are to enjoy the right of transit only in the designated sea lanes in the archipelagic water. Otherwise, the right of foreign ships in archipelagic water is not that of innocent passage, and foreign aircraft do not have the right of overflight in the airspace above the archipelagic water.

D. Strait Passage

One of the few contributions made by the LOS Convention to the international sea and air lanes passage has been the introduction of the notion of transit right into the regime of the law of the sea. This was made necessary by the extension of the territorial sea limits from 3 to 12 miles, which has resulted in the closing of more than 100 straits of the world.

This sudden closure of straits used for international navigation could have had the effect of imposing a major impediment for the ships and aircraft which enjoyed the freedom of navigation and overflight over the high sea corridor in the straits when the territorial sea limit was narrower with the three-mile limit. This was unacceptable to the powers with maritime and strategic interests in such straits. Hence, there emerged the concept of transit right.

The right to transit for ships and aircraft is to apply only to international navigation and overflight. This was made clear under Article 37 of the LOS Convention which provides:

This section applies to straits which are used for international navigation between one part of the high seas or an exclusive economic zone and another part of the high seas or exclusive economic zone.

Concerning the right of transit passage, Paragraph 1, Article 38 of the LOS Convention provides that:

In a strait referred to in Article 37, all ships and aircraft enjoy the right of transit passage, which shall not be impeded; except that, if the strait is formed

by an island of a State bordering the strait and its mainland, transit passage shall not apply if there exists seaward of the island a route through the high seas or through an exclusive economic zone of similar convenience with respect to navigational and hydrographical characteristics.

While ships and aircraft are exercising the right of transit passage in the international straits, "States bordering straits shall not hamper transit passage and shall give appropriate publicity to any danger to navigation or overflight within or over the strait of which they have knowledge. There shall be no suspension of transit passage." (Article 44)

It should be noted that the Convention is emphatic in laying down the rule that "there shall be no suspension of transit passage." It means that, different from the innocent passage right, the transit passage right is a much stronger right than the innocent passage right. The transit passage right also includes the right of overflight for aircraft with elaborate provision under Article 39(3).

This way, states with large maritime and strategic interests are insured of unobstructed freedom of navigation and overflight for ships and aircraft using the straits as sea lanes and air lanes, even though such straits have now become territorial seas for the states bordering the straits.

Claims of South Korea and Japan: Concerning the strait passage that would be to our interest, in particular, is the practice of both Japan and South Korea. Both claim 12-mile limits for their territorial seas. In straits, both countries claim only a 3-mile limit to leave the high sea corridor area open, so that foreign ships including warships and aircraft can enjoy freedom of navigation and overflight.

For instance, in the Western Channel of Tsushima Island, both South Korea and Japan claim a 3-mile limit for their territorial seas. The narrowest limit in this area would be 18.5 miles, and if both were to claim a 12-mile limit, the waters in such an area would

become the territorial seas of both countries without leaving room for a high-sea corridor. Hence, both countries set their limits for their territorial seas at 3 miles to create a high sea corridor. In other areas, such as the Oshima, Soya, and Tsugaru straits, Japan claims a three-mile limit.

E. Exclusive Economic Zone

The Exclusive Economic Zone is a zone of seabed and subsoil with the superjacent water column above the seabed that extends from the baseline of the coastal state up to 200 nautical miles seaward. It is now a firmly established regime of international law and is enshrined under Article 55 of the LOS Convention.

Within this Exclusive Economic Zone, a coastal state is to exercise sovereign rights to control resources in the seabed, subsoil, and the superjacent water above the seabed of the said zone. This zone is not a part of the high seas, but a "specific legal regime" (*sui generis*). In this Exclusive Economic Zone, all ships and aircraft are to enjoy freedom of navigation and overflight. Paragraph 1, Article 58 of the LOS Convention provides that:

1. Freedom of Navigation and Overflight for All Ships

In the Exclusive Economic Zone, all States, whether coastal or landlocked, enjoy, subject to the relevant provisions of this Convention, the freedoms referred to in Article 87 of navigation and overflight and of laying of submarine cables and pipelines, and other internationally lawful uses of the sea related to these freedoms, such as those associated with the operation of ships, aircraft, and submarine cable and pipelines, and compatible with other provisions of this Convention.

The above paragraph makes it clear that all aircraft, civil or state, and all ships will enjoy freedom of navigation and overflight. These freedoms are subject to international conventions or

regulations, such as the International Regulations for Preventing Collision at Sea or the Rules of the Air prescribed by the Chicago Convention. As the traditional rights of freedom of navigation and the freedom of overflight for all ships and aircraft prevail, there should be no obstacle for all ships and aircraft, regardless of their nationality, to enjoy the freedoms of navigation and overflight in the Exclusive Economic Zone.

2. Use of the Sea and Airspace Outside National Jurisdiction

a. Freedom of Navigation in the High Seas

High seas and the airspace above them have been regarded as open and free for use by all ships and aircraft of all nationalities. Article 86 of the LOS Convention provides, in part, that:

The high seas are open to all states whether coastal or landlocked. Freedom of the high seas is exercised under the conditions laid down by this convention and by other rules of international law. It comprises, inter alia, both coastal and landlocked states.

The above provision is basically declaratory of current rules of customary international law on the subject, making it crystal clear that there exists a rule of international law for freedom of navigation and overflight in the high seas. The rule that freedom of the high seas should not be unduly obstructed is also evidenced by Article 89 of the LOS Convention, which provides that "No State may validly purport to subject any part of the high seas to its sovereignty."

This article should have the effect of invalidating some of the claims that have been made for the use of high-sea areas for nuclear testing, temporarily enclosing certain areas of the high seas. Also, such testing could be regarded as contrary to provisions of the LOS Convention that provide for the protection and preservation of the marine environment as the nuclear weapons testing produces nuclear fallout, a polluting substance, in the ocean.

Article 192 of the LOS Convention thus provides that "States have the obligation to protect and preserve marine environment." (See also Article 195)

b. Freedom of Overflight in the High Seas

It has already been observed that nuclear or rocket-weapon testing produces fallout. It, in turn, would bring about an effect of impeding the freedom of navigation of ships. This would also be true of freedom of overflight, as the fallout from nuclear weapon testing would affect the atmosphere in the designated areas of airspace.

That such weapons testing may impede freedom of overflight was pointed out by Professor Kay Hailbronner. Professor Hailbronner thus observed that "The establishment of temporary prohibited zones or temporary restriction on the movements of aircraft in large areas above the high seas may prove to be excessive, harmful to other states, or tantamount to undue interference with international aviation routes."¹

Air Defense Identification Zone: Another issue that needs to be touched on in connection with the freedom of overflight in the high seas is that of the legality of the practice of the Air Defense Identification Zone. It refers to the practice of designating large areas of airspace over the high seas by a coastal state as areas where aircraft are required to identify themselves. This practice raises the question of whether a coastal state has the right to control approaching foreign aircraft in the airspace of the high seas.

The United States and Canada are currently using Air Defense Identification Zones. Under U.S. regulations, all aircraft intending to enter U.S. airspace are required to provide identification and location one hour before entering U.S. airspace. Canadian regulations provide substantially the same requirements as the U.S. regulations.

The main justification for establishing the Air Defense Identification Zone rests on the argument that "The early identification and control of foreign aircraft has been declared

necessary to prevent surprise attacks or infringement upon essential security interests and to ensure the safety of international traffic."²

In spite of this argument, the weight of authority is against the legality of the practice of the Air Defense Identification Zone in international law. For instance, Article 89 of the LOS Convention emphatically prohibits making any claim of sovereignty in the high seas by providing that "no State may validly purport to subject any part of the high seas to its sovereignty." In fact, "the Convention does not attribute rights or jurisdiction to the coastal state with regard to aerial defense."³

No customary rules of international law support the validity of such practice. Concerning the legal validity of such practice, Professor Hailbronner holds that "With regard to prohibited defense areas adjacent to the territorial sea, state practice supports the view that the establishment of permanent restricted aerial zones beyond the airspace above territorial waters would amount to the exclusive use and control of such areas and would therefore be inconsistent with customary international law."⁴

Concluding Observations

One of the notable aspects of sea and air lanes is that the legal basis for both is based on similar principles. This is evidenced by their treatment in the LOS Convention. The reason for this seems to be that both ocean and air space do possess similar attributes, namely, they are incapable of appropriation, and use of the ocean and air space should be open to international traffic and communication.

Hence, both sea and air lanes should be open to all for free navigation and overflight, except in those adjoining areas of the sea and airspace of the territorial state which should be reserved for the use of the territorial state on grounds of its national interests, such as economic and security interests.

As the interdependence of states for economic and social intercourse increases at this state of international development, it

is desirable that air and sea lanes as they exist today should not interfere with international traffic for economic and cultural relations between states. In addition to what has been discussed so far, the control of traffic in the event of war must have different rules. That is, the law of warfare would apply for the use and control of the sea and air lanes to the belligerent parties as well as to the neutral states.

Endnotes

1. Hailbronner, Kay, "Freedom of the Air and the Convention on the Sea," 77 *AJIL*, 1983, p. 517.
2. *Ibid.*, p. 516.
3. *Ibid.*
4. *Ibid.*, pp. 516-517.

RESOURCES

and

SEA LANES

The Free World Merchant Fleets

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Backed by the favorable trend of the world economy, the volume of traffic of the world marine transportation in 1988 increased by 6 percent against the previous year, numbering 3.666 billion tons.

The marine shipping volume of the world was 388 million tons with 40,138 vessels, an increase of 9.46 million gross tonnage (G/T) with 1,530 vessels against the previous year. The balance of demand and supply of shipping has gradually been improving.

Taking an example of the volume of marine transportation of the container freight and containers in the same year, among 20 major world ports ranking as the highest in the volume of traffic

handled by the containers, 11 ports are located in the Circum-Pan-Pacific region. They are Hong Kong, Singapore, Kaohsiung, Chilung, Pusan, Tokyo, Yokohama, Los Angeles, Long Beach, Seattle, and Oakland, seven of which are located in Asia.

The proportion of shipping volume in gross tonnage (of flagging countries) of the free world countries in the Circum-Pan-Pacific region, such as the United States, Canada, Australia, and ASEAN, was 21 percent of the total world shipping in mid-1989.

Considering the facts that the shipping volume of Liberia and Panama occupies 23 percent, and the European Community (EC) occupies 23 percent, we note how the merchant marine of the Circum-Pan-Pacific free world is contributing considerably to the world marine transportation around the Pacific in peacetime. The Circum-Pan-Pacific free world is connected like a belt with the United States as its central figure. With an advent of the Pacific Age of the 1990s, the importance of the marine shipping on which our prosperity depends is increasing.

On the other hand, the situation in the Pacific region is different from Europe, where the East-West tension has remarkably been improved from the drastic changes in the Soviet Union and Eastern Europe. The situation in North Korea, China, and the Indochinese Peninsula remains unstable, and no favorable changes are expected.

Under these circumstances, the United States will continue to maintain a nuclear deterrence and combat readiness by assigning the forward bases and the forward-deployed forces in Asia. Responding to the readjustment of the forward bases and the forward-deployed forces as a result of the defense budget cuts, the United States is increasing the demand for higher defense burden-sharing from the countries in the region.

In case an unexpected situation develops in Asia and the Pacific region, it is essential for us to maintain the security and safety of the marine shipping for transporting the U.S. reinforcement forces, additional supplies for the forward-deployed

forces, and the war-sustaining materials of the free world countries in the region. Because of local conflicts such as mine-layings by Iran in the Persian Gulf and attacks against the marine shipping which are likely to occur, keeping the security of the SLOCs of the free countries in the region is important.

From this point, it is important for us to grasp the status of marine shipping of the free world in the Circum-Pan-Pacific region, problems and measures for maintaining it at an adequate level, and points of considerations for the defense of the SLOCs. There are, however, many difficulties in calculating an accurate status of marine shipping in this region.

1. Status of the Free World Marine Shipping

A. Volume of Shipping

The world economy continues to show a favorable trend since 1983. In response to this trend, the marine transportation has recovered since 1984, and continues to grow. The trend of the volume of sea traffic is as shown in **table 1** (p.71).

With an expansion of transport shipping, the volume of sea traffic increased by 7.1 million G/T in 1989 (1.7 percent increase over the previous year), and the volume of shipping (including fishery and miscellaneous boats) numbered 410.48 million G/T with 76,100 vessels. The volume of the world shipping decreased by 1 percent in gross tonnage in the past ten years.

However, the volume of shipping of the traditional advanced maritime nations showed a remarkable decline by the high rise of cost for the seamen.

On the other hand, the volume of shipping showed an increase in Panama with convenience flagging, in Norway with success in reflagging, and in ASEAN with high-growth in the economy but less personnel cost. For the past ten years an increase was observed as follows: 112 percent in Panama, 112 percent in Taiwan, 484 percent in the Philippines, over 400 percent in Hong Kong, and

98 percent in the Republic of Korea. Although Norway decreased its gross tonnage by 77 percent from 1977 through 1988, it increased its tonnage by about 250 percent from 1987 to 1989.

With regard to the traditional maritime nations, an increase of 17 percent was noted in the United States.

However, over the past ten years a significant reduction has been noted as follows: three-fourths for the United Kingdom, two-thirds for France, 43 percent for Greece, 35 percent for Italy, and 30 percent for Japan. These countries are making efforts to prevent a reduction of the number of vessels by reflagging them in the various countries, and the reduction pace has been gradually slowing down recently.

The share of shipping volume in 1988 consists of 34.3 percent for the Organization for Economic Cooperation and Development (OECD), 23 percent for Liberia and Panama, and 30.5 percent for the developing countries as a whole. The traffic volume of the major countries in the Circum-Pan-Pacific region in 1989 is shown in table 2 (p. 72).

B. Shipping Volume by Kind (1989)

(See table 3, p. 73)

Looking at the ranking of the ten countries that possess the largest volume of shipping, we note the following:

In the case of oil tankers, ranking is in order of Liberia, Panama, Greece, Japan with 1,141 ships and 7.787 million G/T and 6.3 percent of the world total, and the United States with 250 ships and 7.695 million tons and 6.2 percent of the world total.

In the case of general cargoes including the cargo-passenger ships, the United States ranks fifth with 304 ships and 1.983 million G/T, and 3.8 percent of the world total. Japan ranks ninth with 2,081 ships and 1.167 million G/T.

In the case of ore bulk carriers, Japan ranks third with 142 ships and 8.335 million G/T, and 7.6 percent of the world total. The Philippines ranks fifth with 284 ships and 6.987 million G/T, and 6.4 percent of the world total. The Republic of Korea ranks

seventh with 127 ships and 3.942 G/T, and 3.6 percent of the world total. Hong Kong ranks eighth with 92 ships and 3.685 million G/T, and 3.4 percent of the world total.

In the case of container boats, the United States ranks second with 93 ships and 2.878 million G/T, and 12 percent of the world total. Taiwan ranks third with 72 ships and 2.028 million G/T, and 8.9 percent of the world total. Japan ranks fifth with 46 ships and 1.401 million G/T, and 6.2 percent of the world total.

Singapore ranks eighth with 46 ships and 905 thousand G/T, and 4.0 percent of the world total.

C. Shipping Volume by Type (1989)

(See table 4, p. 74)

More than one half of the world ships carry less than 500 G/T. By type, the ships with more than 4,000 G/T and less than 50,000 G/T occupy 58.4 percent of total world ships. (In Japan vessels above 30,000 G/T occupy 66.2 percent, which symbolize the characteristics of the maritime nations which are engaged in the missions of long-range, massive sea transportation.)

In the case of oil tankers typical for sea transportation, vessels above 30,000 G/T represent 77.3 percent (88.2 percent for Japan). In the case of ore bulk carriers, vessels over 10,000 G/T and less than 100,000 G/T comprise 93.1 percent, indicating the trend of large-size ship construction for long-range maritime transportation. (For Japan vessels over 30,000 G/T and less than 120,000 G/T occupy 90.1 percent of the total of oil tankers.) However, ships larger than 140,000 G/T are rare. (The largest ship in the world is the oil tanker, *Hellos Fos*, with 254,582 G/T and 555,051 deadweight [D/W].)

D. Shipping Volume by Age (1989)

(See table 5, p. 75)

World shipping is aging, and ships of less than five years of age have decreased drastically by 462 ships (5.4 percent) and 6.33

million G/T (8.8 percent) against the previous years. In the case of ships under ten years of age, the numbers dropped to 28.1 percent from 29.9 in the previous year, and the gross tonnage dropped to 36.4 from 37.6 in the previous year, and the ships under ten years of age occupy less than 40 percent of the total.

In 1980, 56.9 percent of ships were less than ten years old with 73.5 percent of the gross tonnage. Even in 1984, 51.5 percent of ships were under ten years old representing 58 percent of gross tonnage. In the case of Japan, it had in all 86 percent of the ships with an age less than ten years in 1973.

This ratio of numbers and tonnage has been declining. However, 1989 saw an upward trend of 67.7 percent from 66 percent of the previous year with an average age of 6.4. Some 33 percent of the numbers and 12.6 percent of the total shipping in the world are occupied by the ships of over twenty years of age.

In the case of oil tankers, vessels with less than ten years of age represent 26.8 percent (52.5 percent for Japan), and those of under 15 years of age occupy 67.7 percent (85.5 percent for Japan). In the case of ore bulk carriers, 45.2 percent are ships with less than ten years of age (93.3 percent for Japan) in total. Tankers under 15 years of age represent 69.1 percent (93.3 percent for Japan).

The age of the ships by nationalities in the Circum-Pan-Pacific region are unknown.

E. Loss and Scrapping

(See table 6, p. 76)

In the year ending on 31 December 1989, world marine shipping lost 870,000 G/T in sea disasters, indicating a decrease of 419,491 G/T and an increase of 12 vessels, compared with the year 1987. The dead and unidentified casualties totaled 763 men. The scrapping of the vessels, after the oil crisis in 1973, caused a decrease of maritime transportation. Then new, massive employment of the large-sized vessels reached 30 percent of total volume possessed in 1983.

In 1988 the supply could be regarded to have nearly reached a balanced status. (In general, excess of about 10 percent is taken to be the necessary reserve for normal operations.)

In sum, the total volume of shipping by losses and scrapping is 1,683 ships with 5.88 million G/T, which is 1.5 percent of the total shipping volume (5.7 percent in 1986 and 3.3 percent in 1987).

The countries that promoted scrapping at the highest rate are Panama with 690,000 G/T, the United States with 600,000 G/T, and the Soviet Union with 570,000 G/T.

F. Ship Construction

(See table 7, p. 77)

The vessels constructed in 1988 totaled 1,575 with 10.909340 million G/T, which is an increase of 47 ships and a decrease of 1.350079 million G/T, compared with the previous year.

The major producing country is Japan with 4.04 million G/T. In volume Japan and ROK constructed 70 percent of the world total, and the share built by West European ship-building countries which had once occupied 40 percent of the world total previously dropped to 20 percent.

At present the Far East has become a base for producing new ships in the world. The volume of shipping registered in the producing countries in 1988 reached 3.4 million G/T, and the remaining 7.5 million G/T (69.1 percent of all ships built) are for the export. The major countries that registered the vessels constructed in that year were Panama with 2.98030 million G/T, Liberia with 1.389474 million G/T, and Japan with 1.0421149 million G/T.

The production capabilities of the shipbuilding industries change significantly by manpower and facilities. For example, the AWES (West European ship-building committee with 14 participating countries in West Europe) had a total manpower of 282,000 in the area of shipbuilding at its peak in 1975, and Japan had about 133,000.

However, in the year 1988 the AWES had 94,000, Japan had 28,000, and the ROK had 49,000, with the total of 171,000, a decrease by about 40 percent against its peak.

G. Flagging-out Measure of Respective Countries

The traditional (advanced) maritime nations are preventing their companies from flagging-out their ships in foreign countries despite the rising cost of their seamen. They are making efforts to maintain their seamen for national security reasons with some measures, old and new, being taken in accordance with their national situations.

They include various international shipping legislation such as the NIS in Norway, DIS in Denmark, ISR in West Germany, flagging out in the Isle of Man of the United Kingdom and Kerguelen Islands of France, and tax reduction for the seamen in Sweden and Denmark.

In the United States the Merchant Shipping and Defense Committee submitted a recommendation of "A Plan for Action" for reinforcing the strategic transport capabilities in February 1989.

The Republic of Korea is proposing a mixed crew system. Canada is studying a second flagging system. Japan is introducing a mixed buildup program for marine shipping which is summarized in **table 7** (p. 77).

2. Comments for Protection of Merchant Shipping of the Free Nations In Circum-Pan-Pacific Region

A. Pacific Sea Lines of Communication In Crises

(See **diagram**, p. 84)

As for the SLOCs in the Pacific, I discussed the SLOC around Japan in my report of the "Resources, Maritime Transport and SLOC Security" at the Fifth SLOC Conference in Seoul, Korea, in June 1987. The SLOC for maintaining Japan's survival and sustainability consists of three major sea lanes. One is the sea lane

of the Southwest Asia, South Asia, and a part of the Oceania via the Malacca or Lombok straits. Another is the sea lane along the Bonin Islands via Oceania and Guam. The third is the sea lane along the Bonin Islands from North America via Hawaii and Guam. (Among these sea lanes two SLOCs concentrate in the Philippine Sea, north of approximately 10 degrees N.)

These three SLOCs will be the trunk routes for importing the resources from ROK, Taiwan, and the Philippines, reinforcing the U.S. forces in the Far East, and maintaining supplies for the forward bases and forward-deployed forces. This should be studied in detail.

B. Efficiency and Escort of Ocean-Going Ships

(See **table 8**, p. 78)

Compared with vessels before World War II, the ocean-going ships are diversified in kind and type, and are enlarged in size. I will discuss the characteristics of these vessels by introducing a few examples of the typical Japanese vessels as models.

If these large-sized vessels operate in convoy, they are required to maintain their mutual distance of more than 2,000 yards in day-time, and 4,000 yards in night-time. Therefore, it is difficult for such a convoy of more than ten vessels to maneuver and to engage in antisubmarine warfare and anti-aircraft protection.

C. Ships and Crew Required in Crises

The situation is different from the traditional maritime nations and rising nations. In the former the shipping volume and numbers of the ship crew are decreasing because of the loss of international competitiveness. In order to prevent this trend the Western countries are making efforts to stop overseas flagging by formulating some registry systems for new ships.

In the case of Norway, the shipping volume recovered by 47 percent in 1988 in G/T ratio against the previous year. In the case

of Japanese shipping, its volume was 640 ships with 3.980 million D/W in 1988, which was a decrease of 176 ships with 5.80 million against the previous year.

The trend of replacing the Japanese vessels with foreign vessels is increasing. The loading rate by Japanese ships is decreasing. (table 9, p. 79)

The annual trend of embarkation rate by the Japanese merchant ships is shown in table 10 (p. 80). The annual trend of the numbers of seamen registered in the shipping companies is shown in table 11 (p. 81). The age of the crew of two shipping groups is as follows: 84 percent of officers and 90 percent of the crew are over 35 years of age. Having extremely few young seamen, we should look with anxiety from the standpoint of maintaining good seamanship.

However, recently the shipping companies are endeavoring to attract new personnel, and we could expect some improvement in this area. The Japanese shipping world is regaining competitiveness by assigning a smaller number of crew, and promoting modernization tests, as shown in table 12 (p. 82). However, under the severe currency exchange rate, the international competitiveness of the Japanese ships with domestic crew aboard has seen no improvement.

Compared with ships manned by crew from Southeast Asian countries, the difference has shrunk, but a differential of three to five times remains. The policy of adopting the mixed crew system in the Japanese ships will be implemented this year. The numbers of assignment of the Japanese crews should, however, remain within a scope of securing the international competitiveness.

The mixed crew system is being used not only in the traditional maritime nations, but also in the Republic of Korea. The increase of ships manned by all foreign crews and mixed crews is providing us with a decrease of the seamen of the countries, and the problems over succession of seamanship, as well as the serious problems about keeping efficient ships and crews required in the crises. From the standpoint of our national security, a theory on obtaining the necessary domestic ships and

crew, the so-called "national minimum," is being discussed.

Problems are surfacing on how to make effective cooperation in the education of the crews from the Southeast Asian countries. The issue must be discussed at this conference as a matter of common interest for the free world.

Conclusion

The economy of the free world has been in good condition since 1983. The volume of the maritime transportation has continued to recover and expand since 1984.

In particular, the rise of the ASEAN nations is significant, and the volume of commercial shipping of free world countries in the Circum-Pan-Pacific region has surpassed that of the EC countries. The countries in the Far East are now getting out of hardship in the area of ship construction, and they are providing bases for new ships.

On the other hand, in the traditional maritime nations, with the loss of international competitiveness of their own domestic ships, the use of foreign ships with mixed crew systems is proceeding, and the domestic ships with their own crews are decreasing in numbers. Each country is making an effort to reflag its ships, causing serious international security problems and limiting steady, maritime transportation.

The vessels today are different from those in World War II. Their kinds and types are diversified, and speed is high. Should conflicts occur, we need to defend the countries in the free world in the Circum-Pan-Pacific region, and the maritime transportation of the materials of sustainability. We also need to secure the sea lanes for reinforcements to the U.S. forward bases and for continued supplies to the forces deployed there. We have to prepare in peacetime for these defensive measures.

Therefore, we have to promote mutual understanding not only on military matters but also common matters concerning marine shipping to attain our common objectives.

At this conference we should be happy to obtain more accurate data on the status of marine shipping. With this, I hope

we can study the fundamental measures including the necessary shipping volume by kinds and types of the vessels, numbers of the crew, and responsibilities of each country, as well as education, training, and technical cooperation required for security.

Note: Admiral Yoshida was unable to attend the conference. This paper was read by Lieutenant General Hisatomo Matsukane, Japanese Ground Self-Defense Force (Ret.).

Volume of Sea Traffic

(Unit: million)

Year	Item	Oil		Dry Cargoes				Gross	
		Crude	Products	Total	Ore	Coal	Grain	Others	Total
1981		1,170 (Δ 11.4)	267 (Δ 3.3)	1,437 (Δ 10.0)	303 (Δ 3.5)	210 (Δ 11.7)	206 (Δ 4.0)	1,305 (Δ 0.4)	2,024 (Δ 0.7)
1982		993 (Δ 15.1)	285 (Δ 6.7)	1,278 (Δ 11.1)	273 (Δ 9.9)	208 (Δ 1.0)	200 (Δ 2.9)	1,240 (Δ 5.0)	1,921 (Δ 5.1)
1983		930 (Δ 6.3)	282 (Δ 1.1)	1,212 (Δ 5.2)	257 (Δ 5.9)	197 (Δ 5.3)	199 (Δ 0.5)	1,225 (Δ 1.2)	1,878 (Δ 2.2)
1984		930 (Δ 0.0)	297 (Δ 5.3)	1,227 (Δ 1.2)	307 (Δ 19.1)	232 (Δ 17.8)	207 (Δ 4.0)	1,320 (Δ 7.8)	2,065 (Δ 10.0)
1985		871 (Δ 6.3)	288 (Δ 3.0)	1,159 (Δ 5.5)	321 (Δ 4.9)	272 (Δ 17.2)	181 (Δ 12.6)	1,360 (Δ 3.0)	2,134 (Δ 3.3)
1986		958 (Δ 10.0)	305 (Δ 5.9)	1,263 (Δ 9.0)	311 (Δ 3.1)	276 (Δ 1.5)	165 (Δ 8.8)	1,370 (Δ 0.7)	2,122 (Δ 0.6)
1987		970 (Δ 1.3)	309 (Δ 1.3)	1,279 (Δ 1.3)	319 (Δ 2.6)	283 (Δ 2.5)	186 (Δ 12.7)	1,390 (Δ 1.5)	2,178 (Δ 2.6)
1988		1,050 (Δ 8.3)	315 (Δ 1.9)	1,365 (Δ 6.7)	345 (Δ 8.2)	298 (Δ 5.3)	188 (Δ 1.1)	1,470 (Δ 5.8)	2,301 (Δ 5.6)
									3,666 (Δ 6.0)

Note: 1. By Fearnleys Review 1988

2. () indicates increase rate(%) compared with previous year.

3. Number in 1988 is estimate.

Table 1

Table 2

Shipping Volume

Nationalities	Total				
	Numbers	G/T in thousand	D/W in thousand	Percentage of Possession	
				G/T	D/W
World Totals	76,100	410,481	65,121	100.0	100.0
Ranking					
1 Liberia	1,455	47,893	89,501	11.7	13.8
2 Panama	5,121	47,365	75,360	11.5	11.7
3 Japan	9,830	28,030	42,357	6.8	6.6
4 U.S.S.R.	6,555	25,854	29,212	6.3	4.5
6 U.S.A.	6,375	20,588	29,348	5.0	4.5
8 Norway	2,304	15,597	26,568	3.8	4.1
9 China	1,907	13,514	20,200	3.3	3.1
11 Philippines	1,424	9,385	15,468	2.3	2.4
12 ROK	1,974	7,832	12,335	1.9	1.9
13 U.K.	2,053	7,646	10,252	1.9	1.6
14 Italy	1,571	7,602	11,524	1.9	1.8
15 Singapore	712	7,273	11,888	1.8	1.8
17 Hong Kong	366	6,151	10,337	1.5	1.6
19 Taiwan	641	5,169	7,605	1.3	1.2
22 France	921	4,413	6,653	1.1	1.0
24 West Germany	1,185	3,967	4,954	1.0	0.8
32 Canada	1,227	2,825	3,181	0.7	0.5
34 Australia	706	2,494	3,708	0.6	0.6
38 Indonesia	1,722	2,035	2,742	0.5	0.4
41 Malaysia	491	1,668	2,364	0.4	0.4

Note: 1 Countries above one million Gross Ton (G/T)

2 For U.S.A., approx. 3.3 million G/T is included.

3 For U.S.A. and Canada, vessels operating in five lakes are included.

Table 3

Shipping by Type (1989)

	(Numbers)	(G/T in thousand)	(P/T in thousand)	(Composition Rate by G/T)
Oil tanker	5,802	123,726	238,454	30.1
Ore bulk	4,708	109,509	193,540	26.7
General Cargo	16,544	51,680	75,869	12.6
Container boat	1,122	22,735	24,647	5.5
ORO	353	19,973	37,835	4.9
Passenger Carrier	4,615	12,674	—	3.1
Liquid Gas	789	10,054	10,354	2.4
Oil Chemical	581	5,852	9,900	1.4
Chemical Tanker (Medical)	942	3,409	5,850	0.8
Other Hershup	4,682	28,759	—	7.0
Total of Hershup	(40,138)	(388,368)	—	(94.6)
Fishery	22,074	11,714	—	2.9
Miscellaneous	13,888	10,399	—	2.5
Total	76,100	410,481	—	100.0

Note: 1 In Ore bulk ore/oil, in general cargo cargo-passenger, and in container lighter carrier are included, respectively.

2 Other Hershup include other tankers, and refrigerator/special/RORO cargo-vessels.

3 Miscellaneous includes barges, offshore supplies, etc.

Table 4

Shipping Volume by Type

Type (G/T)	World Total Volume			Oil Tanker			Ore Bulk Carriers (Includes OBO)		
	Numbers	G/T in thousand	Rate	Numbers	G/T in thousand	Rate	Numbers	G/T in thousand	Rate
100 ~ 999	47,164	15,547	3.8	2,243	1,187	0.9	11	7	0.0
1,000 ~ 3,999	11,732	25,879	6.3	1,155	2,607	2.0	360	77	0.2
4,000 ~ 9,999	6,321	42,835	10.4	493	2,610	2.0	360	2,889	2.2
10,000 ~ 19,999	5,641	80,628	19.7	851	13,165	10.2	2,209	3,428	25.8
20,000 ~ 29,999	1,917	46,151	11.3	405	9,787	7.6	1,102	26,338	20.3
30,000 ~ 49,999	1,854	69,954	17.0	254	18,019	13.9	822	29,707	23.0
50,000 ~ 69,999	635	37,362	9.1	320	18,747	14.5	112	12,609	9.7
70,000 ~ 99,999	381	31,180	7.6	118	9,388	7.2	225	18,522	14.3
100,000 ~ 119,999	152	16,857	4.1	117	13,061	10.1	28	3,074	2.4
120,000 ~ 139,999	175	22,647	5.5	162	20,998	16.2	11	1,397	1.1
Above 140,000	128	21,440	5.2	119	20,009	15.4	8	1,280	1.0
Total	76,100	410,481	100.0	6,383	129,578	100.0	5,061	129,482	100.0

Note: 1 Oil tanker includes oil/chemical vessels.

2 Rate unit is G/T.

Table 5

Shipping Volume by Age (1989)

Age	World Total Volume			Oil Tanker			Ore Bulk Carriers (Includes OBO)		
	Numbers	G/T in thousand	Rate	Numbers	G/T in thousand	Rate	Numbers	G/T in thousand	Rate
0 ~ 4 Year	8,159	65,968	16.1	784	16,763	12.9	783	23,871	18.4
5 ~ 9	13,260	83,352	20.3	1,185	17,957	13.9	1,308	34,694	26.8
10 ~ 14	15,489	119,803	29.2	1,555	52,941	40.9	1,344	30,863	23.9
15 ~ 19	14,071	89,527	21.8	1,163	31,280	24.1	1,093	30,015	23.2
20 ~ 24	10,763	30,588	7.4	782	6,406	4.9	406	7,924	6.1
25 ~ 29	5,504	10,583	2.6	407	2,171	1.7	83	1,179	0.9
Above 30	8,854	10,661	2.6	507	2,060	1.6	89	935	0.7
Total	76,100	410,481	100.0	6,383	129,578	100.0	5,061	129,482	100.0

Note: 1 Oil tanker includes oil/chemical.

2 Rate unit is G/T.

Table 6

Year	World Shipping Loss			World Scrapped Vessels			Total		
	Numbers	G/T in thousand	Rate	Numbers	G/T in thousand	Rate	Numbers	G/T in thousand	Rate
1979	465	2,210	0.54	923	6,666	1.61	1,388	8,876	2.15
80	387	1,804	0.43	903	6,022	1.43	1,290	7,826	1.86
81	359	1,238	0.29	762	7,525	1.72	1,121	8,490	2.01
82	402	1,632	0.38	1,113	13,624	3.21	1,515	15,256	3.59
83	340	1,473	0.35	1,310	16,759	3.97	1,650	18,232	4.32
84	327	2,354	0.57	1,785	17,751	4.26	2,112	20,105	4.83
85	307	1,651	0.41	2,360	22,229	5.49	2,667	23,880	5.90
86	265	2,609	0.65	1,888	20,288	5.03	2,153	22,987	5.68
87	219	1,284	0.32	1,474	12,009	2.98	1,693	13,293	3.30
88	231	865	0.21	1,452	5,015	1.22	1,683	5,880	1.43

Note: Lost or scrapped vessels account for a total of Jan. through Dec.

Rate accounts for that of G/T of the countries in that year.

Table 7
Build up Program

Nationalities	Program	Remarks
U. K.	○ Crew Training Assistance £ 350 mil. ○ Merchant Shipping Act 1988 ○ Overseas Income Tax Exemption of £ 1.5~2.0 mil. for Seamen ○ Saving of cost by flagging in Ham Is.	○ Tax-exempt for sailors who are overseas for more than 3/4 a year.
France	○ Saving Seamen cost by flagging in Kerguelen Is.	
West Germany	○ Introduction of ISR. ○ Employment of foreign Seamen by the cost of their countries.	
Norway	○ Introduction of INS. ○ Employment of Foreign Seamen except Captains by the cost of their countries. ○ Special deduction for Norwegian Seamen (NKR 55000)	NIS registered ships: 651 ships 27 mil D/S (As of Oct. '89)
Denmark	○ Introduction of Denmark DIS. ○ Employment of Foreign Seamen other than Captains by the cost of their countries. ○ Income Tax reduction of crew of DIS.	
Sweden	○ Return of all Seaman's Income Tax and Limited Seaman's Insurance Fees (SKR38,000 for each)	
EC	○ Studies for introductions of EUROS - EUROS: ① All personnel and half of other crew must be the members of EC countries. ② Foreigner's working conditions are those of their countries concerned.	Examining the following items for the recovery of competitive capabilities in the world market. ● Reduction of seaman's income tax. ● Assistance of repatriation cost of the seamen. ● Assistance of seamen's training.
U. S. A.	○ Submission of A Plan for Action (Feb. '89). ● Revision of ODS and CDS ● Continuation of CCF and increase of reserve-rate of U.S. registry ships for federal cargoes. ● Delivery of priority for existing federal cargoes like military.	
Australia	○ Various revisions for ship nationalization ○ Procurement and Conversion Aid ○ Assistance of retirement pay. ○ Assistance for seaman's training.	Reduction of crew from 29 per ship to 14 per ship.
R O K	Mixed crew proposal.	
Japan	Introduction of mixed crew by lease (9 Japanese crew) Before 1983 mixed crew consists of 6.	Ship owners request more competitive policy.

Table 8

Type		D/W in ten thousand	LOL (m)	Width (m)	Average draft (m)	Full spd (kt)	Range in ten thousand
Oil Tanker	ULCC	Above 30	Above 350	Above 60	Above 25	14~15	2
	VLCC	20 ~ 30	Above 300	Above 55	19~20		
		6 ~ 8	Approx 250	Approx 40	Approx 16		
Ore bulk		6 ~ 20	Below 315	Approx 50	18~19	13~14	2~3
OBO		16 ~ 25	290 ~ 330	47~50	17~20	15~17	Approx 2.5
General Cargo		2 ~ 2.5	170	Approx 27	Approx 10	16~18	1.4
Container		3 ~ 5	260 ~ 290	30~32	12~13	23~27	2.2
Ore Special Vessel		20 ~ 27	325 ~ 340	50~54	18~21	11~14	2.5
LNG		G/T 10	280	45	11.5	19	1.3
Car Special Vessel		G/T 1.5~3	150 ~ 200	30	8~9	18~20	2.5
B C		6 ~ 20	220 ~ 300	32~50	13~20	14	Approx 2.3

Characteristics by Types

Table 9

Year	Japan			Foreign			Total		
	D/W in ten thousand	Rate of increase compared with previous year	Composition rate	D/W in ten thousand	Rate of increase compared with previous year	Composition rate	D/W in ten thousand	Rate of increase compared with previous year	Composition rate
83	5,772	△ 3.5 %	58.1%	4,171	△ 15.8 %	41.9%	9,943	△ 9.1%	100.0 %
84	5,535	△ 4.1	56.6	4,241	1.7	43.4	9,776	△ 1.7	100.0
85	5,551	~ 0.3	52.5	5,014	18.2	47.5	10,565	8.1	100.0
86	5,038	△ 9.2	54.9	4,131	△ 17.6	45.1	9,169	△ 13.2	100.0
87	4,553	△ 9.6	51.3	4,321	4.6	48.7	8,874	△ 3.2	100.0
88	3,977	△ 12.7	44.7	4,929	14.1	55.4	8,905	0.3	100.0

Loading rate by Japanese Ships

Note: 1 By Transportation Ministry's "Overseas Shipping Situation" (20 Jul. 1989)

2 Ocean-going ships above 2,000G/T

3 As of the end of June every year.

Change of Loading Rate by Japanese Ships

Year	Export			Import			
	tonnage in 10 thousand		Rate	tonnage in 10 thousand		Loading rate (%)	
	Japanese	foreign		Japanese	Foreign	Japanese	Japanese merchant ships
83	8,317	1,730	20.8	54,736	23,958	43.8	69.8
84	8,397	1,643	19.6	59,911	24,766	41.3	66.7
85	8,180	1,497	18.3	59,073	24,294	41.1	67.8
86	7,575	1,195	15.7	58,413	25,068	42.9	69.1
87	7,119	982	13.8	60,394	23,204	38.5	65.3
88	7,071	735	10.4	66,066	23,389	35.4	66.8

Table 10

Note: 1 By Transport Ministry's "Overseas Shipping Situation" (20 Jul. 1989)

2 Japanese Merchant Ships

Numbers of Seamen registered in two Overseas Shipping Companies

Year	No. of Companies	No.	D/W in thousand	Registered Crew No.	Crew No.	Reserve	Crew No. per one ship
78	70	762	62,340	38,227	21,758	13,693	28.55
79	69	776	64,473	37,088	21,216	10,851	27.34
80	69	775	64,983	35,208	20,667	10,109	26.67
81	68	749	62,945	33,796	19,608	10,252	26.18
82	68	731	62,439	32,674	18,870	10,270	25.60
83	55	671	59,595	29,183	17,008	9,079	25.35
84	55	642	56,075	16,034	16,034	8,135	24.98
85	55	621	53,767	25,250	14,860	7,463	23.93
86	52	485	41,582	20,120	11,189	6,328	23.07
87	48	401	35,270	14,984	8,353	4,398	20.83
88	47	278	27,140	10,196	5,138	2,797	18.48
89	39	223	21,931	8,311	3,945	2,193	17.69

Table 11

Note: 1 Data from Overseas Shipping Working Association, etc.

2 As of Oct. 1 every year.

3 Numbers and D/W (in thousand) are a total of ships owned and others delivered.

4 Crew includes fitting-out crew and crew from ships delivered.

Test Ships for Seamen Modernization
(As of Dec. 1988)

Table 12

Classification	No.	G/T in thousand
A Modernized Ship (30-22-18 Crew)	52	2,964
B " (18 Crew)	114	6,919
C " (18 Crew)	25	1,460
D " (18 Crew)	1	48
Pioneer Ship (18 Crew)	7	557
Total	199	11,391

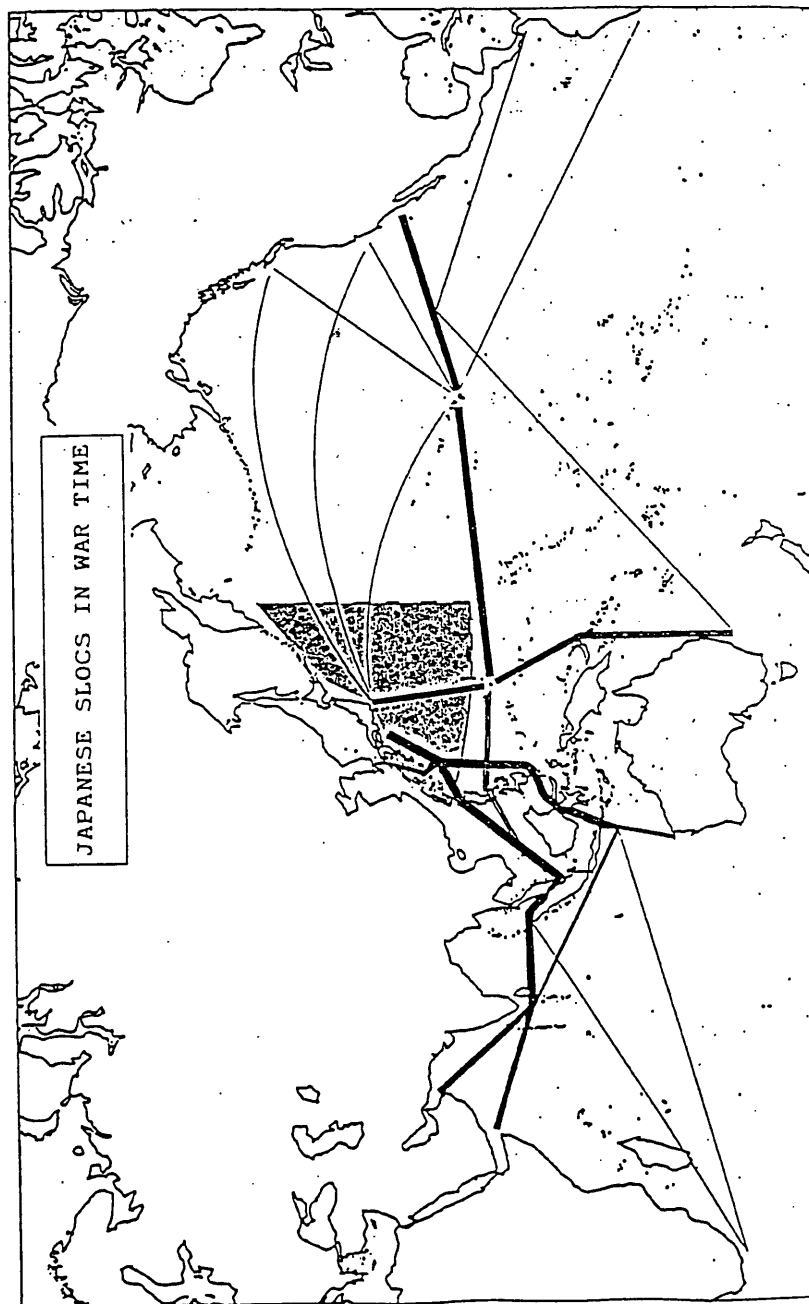
Table 13

Crew Cost Comparison by Unit (Yearly)

Classification		Crew Cost in 10 thousand
All Japanese Crew	A Modernized Ship (18 Crew)	Approx. 195
	B " (16 Crew)	" 170
	C " (14 Crew)	" 150
	Pioneer Ship (11 Crew)	" 120
Mixed Crew	JapaneseX9+Southeast AsiansX14 JapaneseX4+Southeast AsiansX19	Approx. 85
All Foreigners (FOC)	Southeast AsianX23	Approx. 45

Note: 1 Estimate by Japan Shipping Association
2 1\$ = 140Y

Diagram



Resource Rivalry in the South China Sea

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1. Introduction

The focus of this paper is the potential for conflict from resource rivalry in the South China Sea. However, this area must be examined within the immediate regional context of Southeast Asia and the roles played by China, the Soviet Union, and the United States in the wider regional context. The overall strategic situation provides the basis for future developments, and while regional actors are of vital importance they also operate in response to domestic, regional, and broader strategic considerations. The threat perceptions of the regional states have been reviewed in order to provide an analysis of current and future trends.

The basis of resource rivalry in the region includes a range of economic, political, strategic, and environmental factors which are compounded by the historic heritage of each of the states. In addition assessments of current resource needs and the likely future growth in the demand for resources influence perceptions of threats and the longer-term importance of securing and exploiting resources for continued economic development of

nations within and outside the region. The rapid modernization and economic development of the Southeast Asian states, the Republic of China (ROC), and the People's Republic of China are conditional upon access to a wide range of resources, their exploitation, and utilization via processing and consumption or by trade in the international economy.

Access to the widest possible range of valuable and exploitable resources is of vital concern to these states if their commitment to economic growth and improved national welfare and strength is to be achieved. Resource access, exploitation, and trade are issues of vital importance to the nations of the region. Disputes over the known and discoverable resources of the South China Sea have the potential to generate high levels of conflict. Alternatively it is possible, as discussed below, for this region to formulate and develop a program for peaceful exploitation and cooperative ventures in tapping these resources.

The known and discoverable resources, their locations, and the claimants for them have been discussed at some length in an endeavor to show how a complex web of claims and counter claims makes resource rivalry a very real threat to peace in the region. This treatment is followed by a review of recent political and military actions in the region. Finally, a sketch has been made of ways in which the potential for conflict might be reduced and means found for a far more cooperative and peaceful development of the South China Sea.

The importance of the South China Sea for resource development may appear unconnected with SLOC considerations. However, it is in fact a crucial issue for SLOC security and the security of the region. The South China Sea is one of the most important waterways in Asia and will continue to grow rapidly in importance as economic development and maritime trade continue to expand in the Asia-Pacific basin. Indeed the South China Sea is already one of the world's seas across which vast stores of wealth are shipped, and this traffic will continue to grow rapidly. The strategic importance for safe passage of the South China Sea is fundamental to the continued and future economic

growth of Japan, the ROK, the PRC, the ROC, Hong Kong, the ASEAN nations, and Australia-New Zealand. The long-term security of the SLOC in the South China Sea will, in large part, be dependent upon the resolution of resource rivalry and the development of mechanisms for cooperation.

2. The Resort to Force

The collapse of Soviet hegemony in Europe has excited hundreds of articles and reports which, to varying degrees, echo a literature in international relations that the use of threats of force, the application of limited force, and, in the last resort, the use of war as instruments of national policy have lost their utility. Robert O'Neill notes advocates of this view:

...They stress that war is extremely costly and becoming more so as weapons technology advances, that it is frequently counter productive in terms of its long-term consequences for the initiator, and that it is downright immoral. Yet wars have gone on occurring, becoming more expensive, more destructive and staggeringly counter-productive, despite the wisdom in all sermons preached against them.¹

O'Neill, however, argues that there are two reasons why force is used and will continue to be used: for some war is the only way to resolve conflicts and many of the decision makers do not understand or fail to realize the gamble they take in using war as a policy option. It is clear that some of the older nation-states have learned the lessons of war, but for many of the 160 governments that now make up the global system, their experience of war has been one of success. War has provided them with independence and has been important for the achievement of nation-state status. Their domestic and foreign threat perceptions lead them to put considerable faith and financial resources in defense preparations, and they are adamant in their view that war remains a policy option to resolve conflict. There is also a growing perception that subnational and transnational groups are prepared to use the forces

at their disposal to influence events or to protect their particular activities which range from drug smuggling to terrorism and piracy. Indeed O'Neill notes that "it is blindingly obvious that force remains a potent factor in the world affairs for more uses than deterrence."²

The breakdown of the Soviet empire and the increased drive to restructure the Soviet economy will place even greater pressure on it and other nations to find access to a wider range of resource suppliers and markets for exports. The emphasis on Eastern Europe and the Soviet Union as having greater potential for investment, industrial development, and trade obscures the fact that there will be an even greater demand for food, fibers, energy resources, and strategic minerals.

Japan has one of the highest levels of import dependence, but the rapidly developing "little tigers" are also prone to economic disruption from import restrictions or the interdiction or threatened interdiction of their trade routes.

The PRC will, within 20 to 30 years, rely more and more on crucial imports of food, fibers, and a range of minerals. The drive to exploit offshore oil, gas, and mineral deposits will accelerate as the nation continues to develop and as known land-based resources are exhausted.

The western nations have come to recognize that direct intervention in regional conflicts has become increasingly costly and that it is often better to provide regional states or groups of states with the necessary information, technology, and war material to deal with regional conflicts rather than intervene with combat forces.

In addition it is clear that collective security or agreements developed by regional groups of states are more successful in moderating and deterring conflict than the threat of intervention by an external major power. This should not blind us to the possible necessity of members of the western nations having to make a major effort in a regional conflict, but it needs to be stressed that such conflicts must be examined thoroughly to determine the best level at which the conflict can be resolved. The growing

multipolarity of the world system will also make for greater local and subregional military action by regional great powers, but the extremist view that these will inevitably lead to wider wars and nuclear confrontation needs to be talked down. Regional conflicts are certain to increase in number and become more concerned with the complex mix of political, economic, social, and military aspects. Conflict avoidance and conflict resolution will also have to become more sensitive to manipulating these various strands of international interaction.

The use of force in settling disputes in the Southeast Asian region continues. Many of the disputes that have seen the use of force have not been resolved and the basis for these conflicts remains. The potential for renewed military conflict is high. The areas of ongoing conflict include Indochina, the Philippines, and the South China Sea.

A major success in the region, after many years of careful and deliberative negotiation, has been the resolution of the Indonesian-Australian dispute over the oil and gas resources located in the Timor Gap. The agreement involves a joint plan for a cooperative exploitation of these resources. This is a small example, but an important one, in positing that conflicts can be resolved in a way that can be of mutual benefit to the states involved.

3. The Strategic Context

The past ten years have seen a major increase in the activity of three major Communist powers -- the Soviet Union, the PRC, and Vietnam -- in the Southeast Asian region. This contrasts with the reduction of activity by the United States, Britain, and Australia-New Zealand. One consequence of the withdrawal of the United States from the Asian mainland has been a significant growth in the defense outlays by the members of ASEAN.

A review of the current strategic situation provides the necessary background for a discussion of threat perception in the region and the basis for resource rivalry in the South China Sea.

The United States has reaffirmed its commitment to treaty arrangements with the ROK and Japan, to the Manila pact with the Philippines and Thailand, and to Australia under the reformed ANZUS treaty. The U.S. bases in the Philippines are almost certain to be wound down or relocated, and Singapore's offer to have U.S. forces stationed or supported there is a move largely acceptable to most nations in the region.

Australia could be more positive in its response to these developments by providing further support. However, this would require considerable effort by the Australian government to sell this to the electorate.

The planned decrease in the U.S. military budgets will have an important impact upon the force levels maintained in the Asia-Pacific basin. At present the U.S. forces are superior to those of the Soviet Union or the PRC. However, there are real grounds for concern, in that U.S. forces are likely to be stretched in the event of a major conflict or a series of subregional conflicts. This is especially so in the event of interdiction or threats of interdiction to the SLOC in the Asia-Pacific basin.

The reduced tensions in Europe may provide greater U.S. defense resources in the region, and this has its justification in the continued upgrading of forces in the region by the PRC, the Soviet Union, and its allies in Vietnam and North Korea. The growth of American trade in the Asia-Pacific basin provides a further justification for maintaining and indeed increasing U.S. forces, especially naval forces, in the region.

The United States is faced with difficult options in its relations with China and Vietnam. The improvement in relations with Vietnam has been very gradual but there have been a number of small but valuable responses, such as the return of the remains of a number of U.S. MIAs and the rescue of a U.S. flight crew who crash-landed in the South China Sea.

Closer relations with Vietnam are likely to be an obstacle to similar moves toward the PRC, and the intensity of hostilities between the PRC and Vietnam is so strong that there is little short-term hope of change. The United States can, however, play

an important role if it takes a long view and is prepared to ignore short-term reactions and refusals to moderate negotiating positions.

The Soviet Union has made no real or significant reductions in its forces in the Asian region. There have been some political ploys such as the redeployment of units away from bases in Vietnam which was designed to put pressure on the debate over U.S. bases in the Philippines. The Soviets can, however, return these forces at any time.

The Soviet Asian-Pacific forces are being modernized and will become leaner but more powerful as they progressively update their weapons systems. There is little evidence of real long-term reduction of forces. Initiatives to encircle the PRC, to support Vietnam, to use Vietnam to maintain pressure in the Cambodian dispute, and to seek influence in Asia and the Pacific island states continue as major aims of the Soviet program.

The Soviet Union's Asian-Pacific conventional and nuclear-capable forces constitute the major threat to SLOC security and international trade in the region.

The intensification of economic development in Southeast Asia, and the PRC and Soviet needs for increased resources and trade opportunities will all add to future resource rivalry.

Attempts by Vietnam to exploit offshore resources have been backed by the Soviet Union, and Vietnam is well placed to call upon Soviet power to support its claims to territory in the South China Sea.

The view that the changes in the Soviet Union will make for a more temperate foreign policy has some intuitive support, but the reality of economic imperatives and the USSR's even greater future economic difficulties suggest that it may become much more inclined to active measures in the pursuit of resources. Indeed it must be stressed that the Soviet Union does not have any problems in its Asian territory that are like those faced in central Europe.

The Soviet commitment to its notion of being a Pacific power is now more important in view of the changes in Europe.

Moreover, the Soviet Union will seek to be a part of the great economic advances in Asia and cannot afford to forego opportunities in this region.

The PRC has reaffirmed its commitment to modernization and has stressed that this will be pursued under the strict control of the party dictatorship. The recent events have given an even greater priority to the modernization of the People's Liberation Army (PLA). Military expenditure, expressed as a percentage of the GNP, declined from 14 percent in 1972 to 7.5 percent in 1985.³

The recent budget figures indicate a significant increase in outlays, and these will provide for a faster program of modern weapons acquisition within a smaller, more professional armed force. The reduction of one million men makes for a more powerful defense establishment rather than a weaker one.

The PRC has also undertaken a major building program to convert the navy from a coastal defense force to a blue-water navy. This program will take some time to achieve, but ocean exercises, the expansion and modernization of the naval base in Hainan, and the sustained operations in support of the occupation of islands in the South China Sea attest to the PRC's goal of being able to project naval power into the Asia-Pacific oceans. The rapid upgrading of a number of air units will also provide greater capacity to protect operations in the South China Sea.

Modernization and confused economic management have caused the PRC serious problems. The pro-democracy movement might be considered the tip of the iceberg. Deng Xiaoping's programs have led to many difficult and unexpected consequences which have placed enormous pressures on the economy. The demands for investment funds, new resource developments, and large-scale exports to earn foreign exchange mean that the PRC must find or exploit resources such as oil, gas, and minerals to sell in the international market.

The PRC's occupation of territories in the South China Sea is a direct response to the nation's intense hostility to Vietnam's claims and its need to develop sources of foreign exchange.

Vietnam's continued involvement in Cambodia excites a

justified apprehension over its long-term behavior in the region. An eventual settlement in Cambodia will only partially reduce Vietnam's virtual hegemony over Indochina. Vietnam remains the most powerful and battle hardened military nation in Southeast Asia. Its incursions into Thailand, although minor, and its "withdrawal" from Cambodia do not generate confidence in Vietnam's proclaimed peaceful intention.

Although the most powerful military state, Vietnam also remains the poorest and this is considered a volatile mixture. The pressure for economic reform has led to new policies seeking foreign investment and enterprises but these economic changes do not include any plans for political reform.

The drive to find and exploit new resources is high and this has been one of the major motives for asserting its claims to the potentially rich offshore islands. A settlement in Cambodia would in fact provide opportunities to redeploy forces in pursuit of these aims.

Japan has made important moves to provide increased security for the SLOC up to 1,000 miles from her home ports. This policy is viewed with mixed feelings amongst the members of ASEAN but in the longer term may be welcomed should the security of SLOC and resources in the areas contiguous to the South China Sea come under threat or if conflict between the PRC and Vietnam increases.

The ASEAN nations' strategic concerns are based on a range of motivations which include the political role of their armed forces, internal security, bilateral security role cooperation, and regional defense commitments.⁴

The members of ASEAN have all increased their defense capabilities in the last decade but the many demands that are made upon these assets mean that they have only a limited capacity to deal with threats or conflicts involving SLOC security. Continued or high level conflict in the South China Sea would cause complex response problems. The ASEAN states have done much to improve national forces to deal with immediate threats and the notions of self-reliance and regional resilience have given

direction to defense policymaking.

A degree of ambivalence of the United States in maintaining its major power role in the region has been compounded by the support for the establishment of a Zone of Peace, Freedom and Neutrality. The desire to reduce great power influence and activity in the region has the danger of removing a powerful friend and providing increased opportunities for the PRC and the Soviet Union.

4. Regional Threat Perceptions

The wider regional threat perceptions may be summarized to include the following positions. China and the Soviet Union share a long-run historic and ideological amity. This is exacerbated by the Soviet encirclement of China and especially by the USSR's close relations and defense treaty with Vietnam. The changes in the Soviet Union and the PRC's reaffirmation of a hardline Communist policy have heightened the basis of these perceptions.

Japan's vulnerability to SLOC interdiction or threats of interdiction is at present only partly solved by its links with the United States under the Japan-U.S. defense arrangements. Japan's current inability to explicitly take up its own solutions to national defense, apart from extension of SLOC security, limits the role it can play in the region.

The ASEAN states have deep concerns about the best ways in which they can protect the SLOC and their strategic commodities of oil, gas, rubber, tin, and other mineral resources. Threat perceptions, given the post colonial experience, focus upon external involvement in their national affairs as being threats to their national identities. Thus their concentration on defense has largely been concerned with maintaining internal stability and deterring intra-regional threats.

The geostrategic situation of these nations complicates their evaluations of threats because the area is the focus of major world shipping routes which pass through a series of chokepoints and straits and because they are concerned to exercise their rights as

sovereign states in the exploitation of their oceanic economic zones.

The withdrawal of the U.S. forces from the Philippines may give some rise to nationalist sentiment and assist the Philippine government in winning the support of the anti-American groups, but there will almost certainly be increased competition between the Soviet Union and the PRC for links with the New People's Army (NPA). Although Deng Xiaoping has announced that the PRC will not provide the NPA with aid, given the recent reassertion of the hard-line policy, this promise needs to be viewed with skepticism.

The most crucial threat interactions are those between the PRC and Vietnam. The PRC is preoccupied with Soviet encirclement and concentrates its concerns on Vietnam as its most serious problem in Southeast Asia.

Vietnam has become for the PRC a symbol of the actual Soviet threat. Vietnam's defense treaty with the Soviet Union, the Soviet supplies of modern weapons systems, Vietnam's ability to call upon Soviet military support in a conflict in the South China Sea, and the operation of Soviet aircraft and warships from bases in Vietnam all contribute to the PRC's perceptions that Vietnam is a major threat to Chinese security and claims to the Paracel and Spratly Islands. In addition the PRC is resolute in its hostility to the Soviet support for Vietnamese hegemony in Indochina.

Vietnam now identifies the PRC as a greater threat than the United States or the ASEAN states. The Vietnamese position is perhaps best encapsulated in a remark by a Vietnamese official:

In all of history we have been secure from China in only two conditions. One is when she has been threatened by barbarians from the north. In the present era, the Russians are our barbarians.⁵

The Soviet support for oil exploration of the coast of Vung Tau and its pressure on Vietnam to reduce economic dependence upon the Soviet Union also reinforce Vietnam's drive to win control of the potential hydrocarbon, fishing, and mineral resources on the islands in the South China Sea.

5. The Territorial Dispute: The Paracel and Spratly Islands

(a) The Paracels

The Paracels are located southeast of the PRC's Hainan Island and due east of the Vietnamese coast. (map I, p. 109) The area is rich in fish stocks and hydrocarbon deposits. The PRC's view is that the natural prolongation of lines drawn from the landmass should determine ownership, and that the Paracel Islands with their continental shelves and exclusive economic zones belong to China.

The Paracels are claimed by the PRC, Vietnam, the ROC, and the Philippines. Prior to 1974 the western Paracels were occupied by Vietnam and the eastern Paracels by the PRC but in 1974 the PRC seized the western islands from Vietnam.

In 1975 after the fall of South Vietnam the western Paracels, which consist of a large number of small islands and reefs, were again occupied by the Vietnamese. The PRC had only occupied Woody Island, the largest in the group, which enabled the Vietnamese to reoccupy the western group.

In 1974 the PRC attempted to seize the Spratly Islands and this led to a major armed clash. In the following year the Vietnamese reinforced their presence in the Spratlys and established garrisons on at least six of the islands.⁶

Both Vietnam and the PRC have offered contracts to international oil companies to survey and explore the oil potential of the islands and in 1979 two U.S. survey ships were fired on by Vietnamese gunboats. The dispute relates, partly, to the Sino-French Treaty of 1887, which if upheld would give Vietnam reason to delineate their area from the Vietnamese Bach-Long Vy Islands which would give Vietnam a much greater area, rich in fishing grounds and a potentially rich hydrocarbon basin.

The PRC rejects both the treaty and the proposed Vietnamese division of the areas. To the southeast of the Paracels the Macclesfield Bank is also subject to dispute by the PRC and ROC.

These islands are of little strategic importance in themselves but they have rich fishing reserves and may have oil and gas resources.

(b) The Spratlys

The Spratlys (called the Nanasha islands by the PRC and the Truong Sa archipelago by Vietnam) are dispersed over some 6,000 square miles of the South China Sea. They are 250 miles southeast of Cam Ranh Bay in Vietnam and 600 miles south of China's major naval base at Hainan Island. (map II, p. 110) There are some 1,000 bits which make up the Spratlys, of these there are 130 islands and atolls, but only 44 are claimed and occupied by the five claimant nations. The remainder are sandbars and low-lying reefs which are often covered with water. Except for military forces of the claimant nations, none of the islands are inhabited.

The claimants for the islands and their undersea resources include the PRC, the ROC, the Philippines, Vietnam, and Malaysia. The three southeastern islands claimed by Malaysia are little more than 200 miles from her provinces in Borneo. Malaysia has maintained troops on three atolls since the 1960s and has occupied Swallow Reef since 1974. It has built concrete landing pads for helicopters and established barracks and other facilities.

The ROC has occupied the 89 acres of Itu Aba, the largest island in the Spratly group, since 1956. It has built an airstrip and a weather station, and some 600 troops are stationed on the island.

The Philippines claims a group of seven small islands which it calls the Kalayaan Islands adjacent to its western Palawan province. The Philippine government argues that the Kalayaan Islands are a distinct group unrelated to the Spratlys. On one island, called Thi Tu, the Philippine government has built an airstrip capable of taking C-130 aircraft and protects the island with a radar system and 40-mm anti-aircraft guns.

Vietnam appears to occupy 24 islands and atolls across the whole Spratly group. In 1987 Vietnam began building a 1,500 foot paved airstrip and a naval base on Spratly Island. Many of

the islands or atolls claimed by Vietnam can be covered by Mig-21 fighter aircraft operating from bases in Vietnam. The Vietnamese also operate up to 30 ships of various sizes in the area.

The PRC has steadily increased its naval and air patrols over the islands. It has conducted a number of naval exercises in the group and has reinforced and strengthened its military defense on the islands it occupies. The PRC is committed to maintain its sovereignty, contain Vietnamese occupation, to reduce Soviet influence in the area and to monitor Soviet activity at Cam Ranh Bay. The PRC occupies eight islands but appears only to maintain troops on seven at present.⁷

6. The War of Words

What are the claims made for the Spratly Islands? The PRC holds that the islands are part of traditional China and that its claims are based on historic evidence dating to the sixteenth century while the Vietnamese base their claim on events of the late eighteenth century. In more recent times the PRC claims that before 1975 Vietnam recognized China's sovereignty. In evidence the PRC has produced a letter from Phan Van-dong to Zhou Enlai dated September 14, 1958, in which the Vietnamese government "recognizes and supports" the PRC's rights over the territorial waters that include the Spratly and Paracel islands.⁸

The PRC also claims that during the Cultural Revolution, Vietnam, the Philippines, Taiwan, and Malaysia took advantage of China's weakness to seize islands. The dispute simmered during the 1970s and talks were held in 1974, 1977, and 1978. During 1975, however, the Vietnamese occupied a number of the islands claimed by the PRC.

In June 1987 China announced that it "reserves the right to recover" the islands "at an appropriate time." In addition spokesmen for the PRC have pointed out that the region is vital to the security of China and that its strategic interest extends across the South China Sea to the Strait of Malacca, the Indian Ocean, and the Persian Gulf, since an increasing volume of Chinese trade

passes through these waters and because India has become a potential threat in concert with the very real threat from the Soviet Union.

The Philippines and Malaysia have sought to reinforce their claims by occupying islands but have also called upon the parties involved for a negotiated mechanism to regulate activity in the area and to work toward solving the territorial disputes. On March 17 Hanoi called for discussion to end the use of force and to settle the issues which echoed the unsuccessful talks held during the 1970s.

These calls for negotiation exhibit a range of positions and no doubt include more realistic assessments of the possible validity of each nation's legal claim. There has been no regional or international mechanism proposed for the resolution of the disputes and given the particular ideological positions there is probably no international court or forum acceptable to most or all of the parties.

The attitudes and actions of the PRC are probably a good guide to the course its leadership will take. The PRC has a very strong attitude toward real and perceived territorial infringements. This, in part, stems from its historic legacy but it is now given greater emphasis from its own perceptions of the role the PRC is entitled to play in the region.

The PRC has been totally resolute in rejecting Vietnamese claims and demands a complete backdown. Its growing military power reinforces its sensitivity and hardnosed approach to sovereignty issues. The PRC has demonstrated in the Sino-Indian War, its actions in Tibet, and its difference with the Soviet Union over the historic unequal treaties issue that it will not accept compromises.

The Paracel and Spratly conflicts reveal a continuity in the PRC's approach in which it has given warnings through diplomatic channels, used the media to signal its military intention, and then waged war to win its claims.

7. The Military Confrontation

The conflict between Vietnam and the PRC in the South China Sea is part of the wider threat perceptions which each state holds concerning the other. What has been the level of conflict? The Paracel and Spratly islands have been the subject of a long war of words with claims and counter claims being made by the PRC and Vietnam since the 1970s.

In 1986 the PRC sent ships on two occasions from its South Sea Fleet on patrol and exercise in the Spratly group. From December 1987 further exercises were held and in the course of these 167 observation stations were built. In February 1988 the PRC formally claimed sovereignty over the Spratly Islands and declared their right to survey, study, and patrol the islands and their surrounding water.

This led to strong reaction by Vietnam in March 1988. Hanoi warned that "...We have time and again voiced our iron-clad determination to exercise our sacred right to defend our territorial sovereignty."⁹

The Vietnamese claimed that six PRC warships escorted by three other vessels had attacked and set on fire two Vietnamese freighters and an amphibious craft. Two of the Vietnamese ships were sunk in the exchange and three people were killed, 21 were wounded, and 74 were missing. The Vietnamese also claimed that PRC marines landed on Gac Ma island and attacked the Vietnamese based there.

The PRC claimed that the clash began when Vietnamese troops demanded that a Chinese team conducting a United Nations-sponsored mapping exercise leave one of the islands. This was followed by the Vietnamese firing machine guns at a Chinese vessel after which the Chinese ships opened fire on the Vietnamese vessels. The Chinese claimed to have rescued a number of Vietnamese and may have taken as many as 20 prisoners.

The PRC increased its forces to 30 ships and the Vietnamese to more than 20. Vietnam called peace talks while the PRC

demanded that Vietnam withdraw from disputed islands.¹⁰

On November 19, 1988, the Vietnamese charged that a Chinese destroyer had twice shelled a Vietnamese warship off the Spratly Islands but the PRC rejected this as a fabrication and reasserted China's "indisputable sovereignty" over the islands. The war of words has continued and both nations have maintained most of their outposts on the islands.

8. The Military Situation

Marko Milivojevic has developed a detailed assessment of the Vietnam and PRC military forces that can be brought to the conflict.¹¹

The PRC has a significant advantage in naval forces available but without an aircraft carrier it would have to operate aircraft from mainland bases some 600 miles from the Spratlys. Vietnam has bases only 230 miles from the Spratlys and could bring its Mig-21 aircraft to bear. Although the PRC has a numerically superior airforce it would be very difficult to maintain air superiority in the area. Milivojevic notes that:

Only the Soviet naval and air forces in Vietnam have capabilities to resist a determined Chinese naval and air assault against, or a blockade of, Vietnam's position in the Spratly Islands.¹²

The degree to which each side considers the islands vital to its future will determine the level to which they might be prepared to raise the commitment of military assets. The relations with other nations in the region and the response of the United States to a war in the area also influence the approaches taken.

At present the PRC has done very well in advancing its claims and has been able to dominate physically a considerable portion of the island groups. The modernization of the PLA and economic problems give the PRC the advantage.

But the long-run commitment to national goals that Vietnam has demonstrated in the past suggests it will not give up without a considerable effort.

9. Resources: The Potential for Conflict

Hanns Maull has noted that a number of wars in both the nineteenth and twentieth centuries have been linked to conflict over resources, with the Pacific War of 1941-1945 as one of the more important examples. He points out, however, that we must avoid the reductionist approach of reducing the complex causal relations to a simple notion of resource wars. The analysis of conflicts must identify the importance of resources but they must be considered in terms of the circumstance under which a resource becomes one of strategic importance and the ways in which a range of options may be used to avoid open conflict while ensuring access to essential resources.¹³

In addressing the current situation of strategic resources, Maull tends to give most emphasis to a Euro-centric analysis of resource relations and stresses the benefits that the Soviet Union and South Africa obtain from open market operations of strategic minerals and how the oil producing nations in the Middle East have learned the lessons of using open market price movements to increase their incomes.

Maull is, in my view, overly optimistic and ignores the longer term stress that economic growth in the Asia-Pacific basin will have on the demand for key resources. He notes that there are critical strategic minerals (*appendix I*, p. 111) but argues that military action to block supply or seize supplies has lost its utility and that the focus of world competition has moved from the "territorial power game to the wealth game" and that this is linked to the shift, via the third industrial revolution, to an emphasis on technology, information, and communication.¹⁴

This view has considerable merit in an environment where territorial disputes have largely been resolved and resource flows are reasonably secure in trading patterns, trading agreements, or dependency relationships. The situation in Asia is not of the same order. Deep historic and ideological disputes still reinforce the "territorial power game" which is seen as fundamental for a nation to enter the "wealth game."

William Carpenter and Stephen Gilbert have detailed the huge growth in trade and resource flows which pass through key straits and the South China Sea. They stress the importance of continued security of the SLOC in this region and note that interdiction and even threats of interdiction to these would cause enormous dislocation and costs to trade and relations in the region.¹⁵

One example points to the importance of safe passage. The rerouting of oil supplies to Japan could cause massive dislocation to the Japanese economy and this would have a significant multiplier effect on trade and security for virtually all the nations in the region. Moreover the options faced by ASEAN states, the United States, Australia, and New Zealand would be extremely complex. The wrong form of intervention could lead to a general war.

The Paracel and Spratly islands have considerable importance as a potential resource for fishing, oil, gas, and undersea minerals. They are also of considerable strategic importance as operational locations for military forces which could interdict the SLOCs which pass through the South China Sea.

The considerable efforts by the PRC and Vietnam to win and maintain control of these islands are a clear indication of the importance that both these countries invest in them and of the degree to which they are prepared to use military force to win control. The islands will increase in strategic and resource importance to both states as they pursue their economic development.

Resource rivalry will extend beyond the dispute between the PRC, Vietnam, and the ASEAN states as the full extent of the potential riches of the South China Sea are discovered. Eoin Macdonald has provided an excellent survey of the minerals that have been identified in the offshore zones of the ASEAN states. He argues that there are huge potential deposits of tin and that there are probably significant deposits of manganese, nickel, cobalt, and copper to be found.¹⁶

Little is actually known about the offshore resources of the

region and this is especially so in terms of the Paracel and Spratly islands. Information in the public domain is limited but the common sense assumption made that the resources located on shore and on the continental shelf are likely to extend under the sea or be found offshore has been proven by the hydrocarbon deposits in the Gulf of Thailand, opposite Vung Tau in Vietnam, on the coast of Borneo, and in the PRC's field near the mouth of the Pearl River.

Two Australian scientists, E. J. Rietz and V. Rudenno, have applied sophisticated mathematical models and Zipff's law to develop predications about the underwater mineral deposits that are likely to be found.¹⁷

The potential for the discovery of oil, gas, and a range of other minerals is particularly high and is dependent upon greater research efforts and the building of suitable equipment for undersea mining. New dredging equipment is being designed. The world's largest dredge, the Billiton I, built in Singapore, is capable of working at 45 meters below sea level while the Bangka II, built in Japan, can work at 50 meters. The application of advanced survey and testing equipment will open a new frontier in resource exploitation in the region.

10. The Possible Future

The Paracel and Spratly islands represent a clear example of a major resource and strategic dispute. However, they are only the beginning of a much more complex range of disputes over the resources of the South China Sea.

It is the considered position of the author that this region will become the focus of many more disputes and that the PRC and Vietnam, among others, are likely to find that their common sense assumptions about the potential resources will be borne out by future empirical data. It is of vital importance to all nations in our wider region that some mechanism be developed to bring the parties together to resolve these issues. We have a valuable literature on the causes of war and the way in which "lateral

pressure in international relations" can lead to war.¹⁸ Delay in resolving the existing conflicts and procrastination in planning to avoid the certain conflicts of future resource rivalry may mean that war will be the option taken.

The members of this conference have made a valued contribution to nudging our governments to take steps for mutual operations and cooperation in range of SLOC and naval measures. An integrated economic-political-military strategy is needed to deal with the present and future resource disputes in the region. It is essential that we continue to put pressure on our leaders and officials to break out of the reactive approach to events and establish a new paradigm in which identification of future problems and long-run planning for cooperative resolution of conflict becomes the priority.

Endnotes

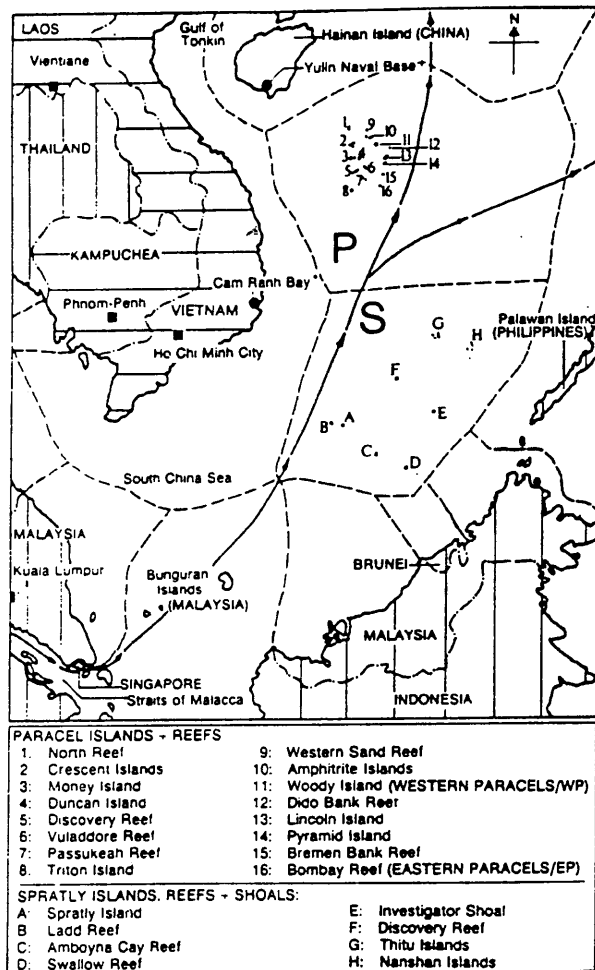
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2. *Ibid.*, p. 4.
3. Chin Kin Wah, ed., *Defence Spending in Southeast Asia*, Institute of Southeast Asian Studies, Singapore 1989, p. 38.
4. *Ibid.*, p. 36.
5. *Ibid.*, p. 291. For a thorough assessment of Vietnam's threat perceptions see pp. 292-301.
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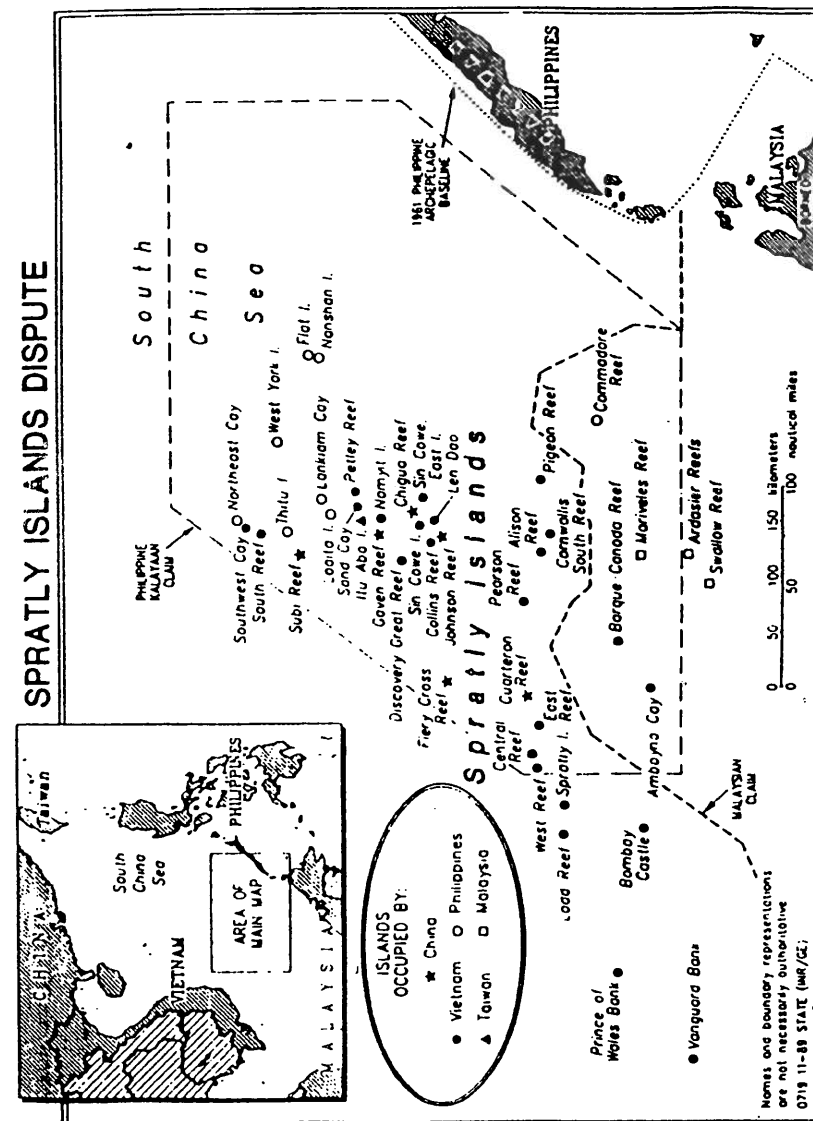
Map I

The Spratly and Parcel Islands



Survival, Vol. XXXI, No. 1, 1989, p. 72.

Map II



Appendix I

Principal resources - a profile

Commodity	World production 1988	Principal producers (% of world total)	Principal consumers		Principal uses	Price range per unit 1980-88	Risk factors	Risk evaluation
			Import dependence (% of consumption)	Key suppliers (% of imports)				
Oil	3,031 mt	USSR: 21, US: 15, Saudi: 8, (OPEC: 34)	US: 41 WE: 67 Jap: 100	LA: 31, ME: 24, Nig: 13 ME: 39, NA: 21, USSR: 20 ME: 64, SEA: 21	Transportation; Industry: energy, raw material; residential & commercial power	\$9-40 per barrel (spot market quotations)	Domestic turmoil and/or war in Gulf; domestic turmoil in other key producer states; use of 'oil weapon'	Substantial, global in character; price explosion risk serious problem
Natural gas	1,738 mt toe	USSR: 40, US: 24, WE: 9	US: 7 WE: 24 Jap: 95	Can: >90 USSR: 17, Alg: 12 SEA: 79	Industry: energy, raw material; residential & commercial power	n.a.	Domestic turmoil or attempts to use 'gas weapon' by USSR, Algeria	Small; concentrated in Western Europe
Iron and steel	11.3 mt	RSA: 35, USSR: 28, Alb: 7	US: 100 EC: 100 Jap: 100	RSA: 61, Tur: 13, Zim: 9 RSA, Alb, Zim RSA, Zim	Special steels	\$100-180 per ton of Turkish chromite	Domestic and regional turmoil in southern Africa; processing could become choke point	Significant, global
Manganese	25.8 mt (st)	USSR: 40, RSA: 14	US: 100 EC: 99 Jap: 94	RSA: 27, Fra: 14, Gab: 14 RSA: 41, Gab: 35, Bra: 10 RSA: 48, Aus: 39	Steel, chemical industry, batteries	\$1.29-1.80 per long-ton unit cont. manganese metal	Domestic turmoil in South Africa or Gabon	Small, global
Aluminum	67 m lbs*	RSA: 57, USSR: 29	US: (55+)* EC: 100 Jap: 100	RSA: 36, LA: 26 RSA, China RSA: 75, China: 14	Special steels; alloys	\$3.39-4.50 per pound v205	Domestic turmoil in South Africa	Significant, global

Appendix I (continued)

Commodity	World production 1988	Principal producers (% of world total)	Principal consumers		Principal uses	Price range per unit 1980-88	Risk factors	Risk evaluation
			Import dependence (% of consumption)	Key suppliers (% of imports)				
Non-fuel minerals	93.5 mt	Aus: 37, Gui: 14, Bra: 8	US: 97 EC: 70 Jap: 100	Gui: 49, Jam: 26 Gui: 44, Aus: 32 Aus: 58, Indo: 24, Mai: 15	Aluminium production	\$5-20 per ton	No major risk factors recognizable	Very low
Coal	8.5 mt	US: 17, Chi: 17, USSR: 8	US: 13 EC: 82 Jap: 92	Can: 40, Chi: 30 PNG: 36, Chi: 28, Pol: 20 Aus: 58, Indo: 24, Mai: 15	Construction industries; electric & electronic industries; machinery	\$66-115 per pound	No major risk factors recognizable	Very low
Oil	50,700 st	Zai: 63, Zam: 12, USSR: 6	US: 100 EC: 100 Jap: 100	Zai: 36, Zam: 19, Can: 17 Zai: 37, Zam: 19, Can: 14 Zai: 59, (EC: 27) ^{tt}	Super alloys; paints; magnetic alloys	\$8.58-25.00 per pound	Domestic turmoil in Zaire; regional conflict in southern Africa could affect output in Zaire via transport disruptions	Significant, global
Platinum	8.9 m troy ounces*	RSA: 51, USSR: 44	US: 93 EC: 100 Jap: 97	RSA: 44, UK: 16, USSR: 9 Sri: 40, USSR: 21, RSA: 14 RSA: 33, USSR: 38	Catalytic applications (car industry, chemical industry); electronics & electric industry	Platinum: \$291-553 per ounce; palladium: \$107-214 per ounce	Domestic turmoil in RSA or USSR; virtually no other source of supplies available	Significant, global

Source: BP Statistical Review of World Energy, 1988; US Bureau of Mines, Mineral Commodity Summaries, 1989; PCF Crowson, Minerals Handbook, 1988-87 (London: Ilan, 1986).

Appendix I (continued)

Key:

* US data withheld in recent years; excluded from world totals.

† Raw material mostly ex Zaire.

* No indigenous mining production.

lbs - pounds

m lbs - million pounds

mt - million tons

n.a. - not available

oe - oil equivalent

st - short tons

t - tons

Alb	Albania	Nig	Nigeria
Alg	Algeria	NA	North Africa
Aus	Australia	PNG	Papua New Guinea
Bra	Brazil	Pol	Poland
Can	Canada	RSA	Republic of South Africa
Chi	Chile	Sau	Saudi Arabia
EC	European Community	SEA	South-east Asia
Fra	France	Swi	Switzerland
Gab	Gabon	Tur	Turkey
Gui	Guinea	UK	United Kingdom
Indo	Indonesia	US	United States
Jam	Jamaica	USSR	Soviet Union
Jap	Japan	WE	Western Europe
LA	Latin America	Zai	Zaire
Mal	Malaysia	Zam	Zambia
ME	Middle East	Zim	Zimbabwe

Survival, Vol. XXXI, No. 6, 1989, pp. 516-518.

Piracy and Maritime Terrorism

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Foreword

The probability of having a general-all-out war is now less than it was before in the Cold War period. But the threats to sea lines of communication cannot be totally ignored -- especially local threats that might occur in peacetime, such as piracy and terrorism.

On May 2-3, 1985, in the Sea Lines of Communication Conference in Singapore, we discussed the history, causes, and operations of piracy and antipiracy. In the Melbourne Conference on October 11-13, 1988, we touched on the topic of maritime terrorism. Following the suggestion of our coordinating committee last October in Washington D.C., we decided to review and update these subjects.

Piracy and Modern Terrorism

Piracy and terrorism are not new phenomena. Yet since the 1970s, due perhaps to the turmoil in the Middle East, we seem to have heard more about terrorism than piracy. Behind the act of terrorism lies an obvious political motive. Terrorists achieve their

objective through acts of violence. Pirates, however, are primarily concerned with private profits and not political objectives. They loot and disappear; they also hurt people. If we count the number of victims of the two different crimes, we might be surprised to learn that it is piracy in our time that has cost more loss of life and property than terrorism. A hijacking might cause a great sensation in the news, yet it may end up without a single loss of life.

Passengers on board a hijacked airliner may suffer a great deal, but they are not usually brutally molested as the Vietnamese boat people were in pirate attacks. According to the *U.S. News and World Report*, the toll taken by world terrorism from 1980 to 1983 amounted to 7,297 lives.

According to the report of United Nations High Commissioner on Refugees, of the more than 500,000 Vietnamese boat people who landed on foreign shores, half were either robbed, beaten, raped, or had loved ones murdered by the Gulf pirates. Here the victims total 250,000, far more than the toll of terrorism in the same period.

We also think that piracy is probably as old as the use of rivers and seas for communications. It can be reduced by international effort. It is, however, like malaria: it has been brought under control by modern public hygiene, yet it continues to flare up again and again.

Difficulties of Committing Terrorism at Sea

Terrorist activities at sea seem to be more difficult than they are on land because of the following conditions:

1. The primary objectives of hijackers are passengers. They try to exploit the value of human lives. More and more passengers travel by air; fewer and fewer can afford the luxury of ocean liners in cost and in time. In a busy international airport, two to three airplanes land or take off within minutes of each other; terrorists would have to wait for weeks to see a passenger liner set sail. The

infrequent voyages may not be ideal opportunities for the terrorist's own political timing schedule.

2. Most cargo ships have no passengers on board. There are some ships which carry both cargo and passengers, but the small number of passengers are usually "the not so important ones." Cargos have little political significance if seized and cannot be used as hostages.

3. On board an air transport, the passengers are all sitting in a single cabin. It is easy to control them with one or two armed hijackers. The crew and passengers on board a ship are scattered on many decks and in numerous compartments. It would require a great deal of manpower to keep them at bay. Most of the compartments are watertight which can be closed firmly to block passages. It is difficult to reach and go through all the compartments. If one or two hijackers dare going down below the decks, they themselves may get lost, captured, or killed.

4. No one ship is identical to another, even if they are of the same class or type. A Boeing 747 aircraft is precisely the same as another 747. But no two ships are alike. It is difficult to find out exactly how to control the ship before boarding. An aircraft is piloted from the cockpit. A ship has many alternative steering stations where the ship can be commanded and navigated. It is not enough for the hijackers to get control of the conning tower or the bridge. For example, the engine room may not take orders from the wheel house, if the engineers know the hijackers are in the wheel house.

5. The speed of a ship is slow. Cruising speed of a modern ship "on average" would amount to 20 or 25 knots. Air hijackers can force the pilots of an aircraft to fly quickly and easily from one place to another. But a hijacker, even if in complete control, cannot handle a ship as easily and the distances are usually long. Sea and air rescue teams have no problem intercepting a hijacked

ship at sea, and the hijackers cannot flee quickly to their own freedom.

6. A small number of hijackers can capture an airplane with a few small weapons. To capture a ship and its crew, terrorists would need greater manpower and more weapons. They may need a ship to intercept the target ship; or they may have to disguise themselves as passengers. Either way they call more attention to themselves than the smaller number of air hijackers.

Studies are being done in slow-velocity bullets which hurt the hijackers and stay inside their bodies but do not penetrate the aircraft damaging the fuselage or causing a pressure problem of the aircraft in flight. On board a ship, a severe gun battle can take place without sinking the ship. There were some cases of mutiny when different gun positions with 40-mm and larger calibers had been turned around and shot by contesting parties against each other. For the hijackers, it is not easy to overpower the crew, if the crew of a merchant ship carries arms.

7. One objective of terrorism is to generate some sensational headline news. A hand grenade exploded in a crowded downtown area will draw a great number of news reporters to the scene. But there will be no spectators to witness a gun battle on board a ship at sea, and the full story may not be available until the ship comes into harbor. Unless some more drastic measure is employed at sea to maximize the threat, the terrorist attack will not attract much attention.

IV. Operations of the Terrorists at Sea

There are no commonly known rules of operation employed by terrorists at sea. Methods employed by terrorists vary from case to case, but the accompanying flow chart describes the logical steps that could be adopted by the terrorists. (**Flow Chart I**, p. 119) We have reason to believe that the terrorists are well chosen,

daring, and smart men or women, and the mastermind behind them is certainly highly intelligent and cunning.

Their operations might be generalized into logical sequences:

A. Analysis: The terrorists have to determine precisely what they want to achieve and keep that objective firmly in mind before they choose their physical targets. They have to obtain information of the physical targets as well as geography and, at sea, the intended route of the ships. Then, they have to analyze the whole operation.

B. Planning: The next step is planning how to do it. Choose the right men or women for action. Provide the suitable equipment and weapons. Decide the time and place in case things turn out differently. Also make plans for escaping (with or without hostages).

C. Preparation: Preparation involves making all the action men and women ready, training them and rehearsing the operation plan, evaluating the outcome of the rehearsal, and making necessary changes of the plan.

D. Execution: The final step, if all conditions go as expected, is to execute the plan. If the plan does not go well, changes must be made. Here, we have to point out one more thing: that is, the operation does not end at step D. In fact, it begins at step D when the action team has to fight, negotiate, and conclude the whole drama.

V. Counter Maritime Terrorism

Offensive and defensive are sometimes the two sides of a coin. In the previous section, I have pointed out the logic of the terrorist's operations at sea. To counter them, the same steps could be followed: (See **Flow Chart II**, p. 120.)

A. Analysis: In analysis, set out goals on what to defend and which group of terrorists to watch and counter. First, make a thorough review of counter-measures used in the past to discover weaknesses. Then, re-estimate the current situation, laying

emphasis on our vulnerabilities. Continue to gather new information and review constantly offensive capabilities to meet the attacks.

B. Planning: In the second step, planning, update our counter-measure plans, train counter-forces, and test the combat readiness. High ranking officers in the government, especially those involved in the crises management, should be invited to witness the counter-terrorism war games and join in the discussions and critiques. A tremendous amount of thinking and discussion can be saved among the governmental agencies and officials in an actual crisis, if most of the key players have played together in the same war games.

C. and D. Preparation and Execution: Shipowner, shipmaster and some crew, port administrators and harbor police should also be invited to observe the games and to discuss the practical technical measures for improving the security practices on ships and in port terminals. When the crisis occurs, counter-measures will be employed as planned. If the plans need to be modified, plans will be revised and tested to manage the crisis.

VI. Conclusion and Recommendation

Terrorist attacks at sea are nothing new. They have happened before throughout history and more recently in our time. It is more difficult to hijack a ship on the high seas than to hijack a civil airliner. It is more difficult to seek the instant sensational publicity while the ship is deep in the remote corner of the seas. But it has happened.

The frequencies of terrorism, on the whole are declining, but we cannot hope that terrorism, like other acts of violence, will disappear for ever. When an act of terrorism is being carried out at sea, it can only be countered by military action to protect innocent people. So we recommend that an additional mission has to be assigned to any navy, or another special branch of the armed forces of any nation: "To combat the terrorists at seas."

Flow Chart I

Operations of Terrorists

A. Analysis

- Objective
- Target
- Suitability
- Acceptability
- Feasibility
- Geography
- Ship's Data
- Own Capability
- Probability of Success
- Consequence

B. Planning

- Decision
- Choice of Personnel
- Weapons Provided
- Attack Time
- Approaching Route
- Logistic Support
- Alternate Plan
- Escape Plan

C. Preparation

- Rehearsal
- Effectiveness
- Stand-by
- Check Situation

D. Execution

- Check Situation or Alternate Plan
- Carry Out Plan or Check Situation
- Succeed or Escape
- Mission Completed
- Ultimate Goal

Flow Chart II

Counter-Terrorism

A. Analysis

- Objective
- Work Review
- Vulnerability
- Probability of Being Attacked
- Survey
- Information Gathering
- Recheck Capability

B. Planning

- Command Structure
- Formulating Plans
- Legal Advice
- Missions and Responsibility
- Training
- International Liaison
- Terminal Check
- Air, Sea, and Land Patrol

C. Preparation

- War Gaming
- Testing

D. Execution

- Crisis Happened
- As Expected or Modify the Plans
- Manage the Crisis
- Critiques

HISTORICAL OVERVIEW

The Strategic Issues of the Past Forty Years

Ray S. Cline

Chairman, United States Global Strategy Council
and
A Sponsor of the Conference

It is a great pleasure to speak to these distinguished participants from many Pacific nations during this Seventh International Conference on the Security of Sea Lines of Communication. My views on the importance of cooperation among the seagoing, trading states of the free world have been well established for a number of years. My most recent book called *Metastrategy* (Crane Russak, 1988) on pages 49-50 sets forth what I believe is the central theme of this conference:

Essentially what is called for is a strong guarantee of safe passage, either by sea or air, along all international routes especially through the strategic chokepoints where blockade and harassment of traffic are potential hazards.

The policy...would not be the automatic all-inclusive "containment" of the 1950s and 1960s, but a new, conscious positive program of economic nation-building and transoceanic cooperation....

Reverberations Around the World

The 1990s are going to be a turbulent decade. We are witnessing the collapse of the Communist dictatorships in Eastern

Europe and seeing signs of instability in the Soviet Union itself. We must not, however, consider that a new, more peaceful, harmonious world order will result from these not yet resolved events. Nor should we expect that all the threats and dangers of the past 40 years will somehow vanish.

The Soviet Union has and will continue to have -- glasnost and perestroika notwithstanding -- strategic interests in Europe, East Asia, and the Pacific Ocean. These interests will in part correspond with ours and in part not. The United States must not rely on events to solve our strategic needs. We must remain strong and keep focused on our own political values and long-range goals.

Moscow maintains a huge armed force in the eastern USSR -- including all branches of service but especially the Soviet navy. While some lessening of force activity has been observed and presumed to be the result of cost cutting, the men, materiel, war machines, and command and control remain very much in place. In addition the forces and facilities of traditional Soviet allies, like North Korea, Vietnam, and the newly re-embraced People's Republic of China, are also in tact.

U.S. Long-Range Strategic Goals

The United States therefore needs to maintain policies to further our long-range strategic goals of containing and deterring potential enemy nations. No matter what their current rhetorical posture is as of now, our primary aim, as always, is to keep the sea lines of communication open for ourselves and our allies and indeed all of our trading partners. It is economic growth that brings prosperity, social stability, and political security.

Long-range strategic goals can, if they are energetically and persistently pursued, bring good results. The crumbling of the Communist dictatorships in many countries, especially in Eastern Europe is, at least in part, the result of the sound policies adopted by the United States after World War II. That these policies were neglected or carried out by fits and starts has not negated the basic wisdom behind them nor the efficacy of their path.

Post World War II Period

In 1949 the world was experiencing a dangerous environment for democratic states with representative governments, market economies, and guarantees of civil rights. Soviet ideology based on Leninist centralized command of economy, politics, and thought was preferred by a surprising number of intellectuals who found this totalitarian model tempting because of the power it would give them to experiment with creating an ideal society under their own management.

Many Americans failed to note the fact that Leninism quickly degenerated into Stalinism, and that a secret corrupt bargain between Stalin and Hitler in August 1939 divided Poland between them and propelled the planet into World War II. It was Hitler's totalitarian policies that committed the democracies to a bloody war and subsequently a conflict of many decades with other oppressive dictatorships.

Hitler's National Socialism was utterly destroyed by 1945, but Soviet military and political aggrandizement in Eastern Europe soon showed that democracies were not yet safe. The Berlin Blockade of 1948 demonstrated how confrontational Stalin was in the postwar era. The imposition of a Communist regime on Czechoslovakia as a result of Soviet secret police interference against the wishes of most Czechs showed Soviet determination to establish dependent satrapies along the Iron Curtain. Soviet political infiltrations on behalf of the local Communist Party leadership in electoral contests in Italy and France were alarming.

The most cataclysmic change resulted from the secret assistance Stalin gave Mao Zedong, resulting in Communist control of mainland China in 1949. This action clearly indicated how global Soviet intentions were.

U.S. Formulation of National Strategy: NSC 68

However, it was Soviet support of the military power of North Korean dictator Kim Il-Sung and the resultant Korean War that finally spurred the U.S. government into forming a

comprehensive, worldwide plan to meet these cumulative threats to the United States and its allies. The document that spelled out this plan was NSC 68 which was completed in April 1950.

NSC 68 was the first comprehensive national as distinct from military formulation of strategy. It was drafted and coordinated among the government agencies by veteran strategist Paul Nitze. I had just gone to work at CIA in 1949 and made some modest contributions to the intelligence analysis in NSC 68, about which I am very proud.

The document was not formally approved until after the Korean War broke out in June 1950, forcing the American hand much as Pearl Harbor propelled us into defeating Germany and Japan. Nonetheless, when the Korean attack occurred the strategic analysis was ready at hand and was adopted as the basic national strategy for the next 40 years. While in the Johnson-Carter years it was little appreciated and supported, the selfsame ideas were endorsed by the Reagan-Bush administration. In 1989 President George Bush inherited the benefits of four decades of sound strategic thinking based on deterrence, containment, and short-of-war pressures to prevent the Soviet Union from dominating Europe as well as its own Eurasian heartland.

The key provisions of NSC 68 can be summarized very simply. They account for the astonishing sudden collapse of six Communist regimes: Poland, East Germany, Czechoslovakia, Hungary, Romania, and Bulgaria.

The analysis begins:

Within the past thirty-five years the world has experienced two global wars of tremendous violence. It has witnessed two revolutions -- the Russian and the Chinese -- of extreme scope and intensity. It has also seen the collapse of five empires -- the Ottoman, the Austro-Hungarian, German, Italian and Japanese -- and the drastic decline of two major imperial systems, the British and the French. During the span of one generation, the international distribution of power has been fundamentally

altered. For several centuries it had proved impossible for any one nation to gain such preponderant strength that a coalition of other nations could not in time face it with greater strength. The international scene was marked by recurring periods of violence and war, but a system of sovereign and independent states was maintained, over which no state was able to achieve hegemony.

Two complex sets of factors have now basically altered this historical distribution of power. First, the defeat of Germany and Japan and the decline of the British and French empires have interacted with the development of the United States and the Soviet Union in such a way that power has increasingly gravitated to these two centers Conflict has, therefore, become endemic and is waged, on the part of the Soviet Union, by violent or non-violent methods in accordance with the dictates of expediency. With the development of increasingly terrifying weapons of mass destruction, every individual faces the ever-present possibility of annihilation should the conflict enter the phase of total war.

On the one hand, the people of the world yearn for relief from the anxiety arising from the risk of atomic war. On the other hand, any substantial further extension of the area under the domination of the Kremlin would raise the possibility that no coalition adequate to confront the Kremlin with greater strength could be assembled.

The paper recommends a course of action based on the foregoing analysis as follows:

A more rapid build-up of political, economic, and military strength and thereby of confidence in the free world than is now contemplated is the only course which is consistent with progress toward achieving our fundamental purpose. The frustration of the Kremlin design requires the free world to develop a successfully functioning political and economic system and a vigorous political offensive against the Soviet Union. These, in turn, require an adequate military shield under which they can develop.

It is necessary to have the military power to deter, if possible, Soviet expansion, and to defeat, if necessary, aggressive Soviet or Soviet-directed actions of a limited or total character. The potential strength of the free world is great; its ability to develop these military capabilities and its will to resist Soviet expansion will be determined by the wisdom and will with which it undertakes to meet its political and economic problems.

In the concluding section of NSC 68 a key point about Eurasia is still quite relevant to strategic issues today:

Soviet domination of the potential power of Eurasia, whether achieved by armed aggression or by political and subversive means, would be strategically and politically unacceptable to the United States.

Our current security program and strategic plans are based upon these objectives, aims, and measures:

- a. To reduce the power and influence of the USSR to limits which no longer constitute a threat to the peace, national independence and stability of the world family of nations.
- b. To bring about a basic change in the conduct of international relations by the government in power in Russia, to conform with the purposes and principles set forth in the U.N. Charter.

In pursuing these objectives, due care must be taken to avoid permanently impairing our economy and the fundamental values and institutions inherent in our way of life.

We should endeavor to achieve our general objectives by methods short of war through pursuit of the following aims:

- a. To encourage and promote the gradual retraction of undue Russian power and influence from the present perimeter areas around traditional Russian boundaries and the emergence of the satellite countries as entities independent of the USSR.

- b. To encourage the development among the Russian peoples of attitudes which may help to modify current Soviet behavior and permit a revival of the national life of groups evidencing the ability and determination to achieve and maintain national independence.

The reason for the eventual success of this strategy was clear to those of us who helped draft NSC 68. The totalitarian regimes depended on fear, not popular support, and endlessly propagandized the view that democracy and capitalism would collapse while centrally planned economies would enrich the workers and peasants. Actually the opposite happened. Democracy and market economies are flourishing while the morale and credibility of the Communist states have evaporated.

The basic flaw of the Soviet Union, China, and every other Soviet-model dictatorship was the failure of their economic systems to produce a decent standard of living for their own people, particularly as the technology of the modern information age made the reclusive, secretive, dictatorial cliques obsolete. Pursuing a coherent strategic purpose based on moral political values does pay off.

The difficult struggles of China and the Soviet Union to preserve a centralized system either by repression or by introducing limited reforms have caused Eastern Europe to collapse. Now even Kim Il-Sung and Fidel Castro are viewed as anachronisms, and the Sandinista regime in Nicaragua over-confidently allowed a reasonably fair election to take place, which it lost decisively.

The Policy of Nation-Building

For more than 40 years the United States has carried expensive security costs in its worldwide alliance system far out of proportion to its share in order to ensure containment of the totalitarian nations and deterrence of their temptation to resort to

military force to achieve their own goals. In this process, the power of the United States has grown. It is relatively smaller in its share of the total world power pool, but that is simply because other nations have prospered and become stronger.

The phenomenon of expanding economies and broadening configurations of power was inevitable and was in fact the result of the American policy of nation-building. Nearly all democratic nations and most market economies have grown stronger and steadily increased the standard of living of their people. The biggest change that has taken place in the international community is that two great and industrious nations, totally shattered by World War II, have become the second and third repositories of power among the democratic market economies. They are, of course, Japan and Germany, and both are close allies and economic partners of the United States.

The ROC Example in Nation-Building

In addition, other nations in the Far East have prospered with the assistance and encouragement of the United States -- South Korea and the Republic of China on Taiwan are examples. In fact the Republic of China is a prime example of what can happen in a hard working society with some help at an early stage from the United States.

The Chinese government on Taiwan has successfully moved from poverty in 1949 and an autocratic form of government to the political processes of a true democracy and to the creation of genuine wealth for its own people. The key to the Taiwan experience has been the painstaking economic development, the equitable sharing of the material returns from economic growth, and the innovative approach to coping with the sometimes harsh political realities of existence under the guns of the vast military dictatorship on mainland China.

Taiwan with its able leadership has achieved the goal expressed personally by Chiang Ching-kuo to me many times in the course of our friendship of more than 30 years: to create on

Taiwan a China that would really work efficiently and competently for all its population, with an honest and incorrupt government striving not only to benefit the people on Taiwan, but to be a model for their Chinese brothers and sisters on the mainland.

The path to Taiwan's achievements has not been easy. Many difficulties had to be overcome and hard choices made. And, no one in the leadership expected an easy transition to a modern China, but each of the leaders patiently and energetically moved year by year toward that goal.

Early there were tough decisions about the way to modernize Taiwan's economy, starting with agriculture in the famous "land to the tillers" movement, proceeding to build up basic industry, and then turning Taiwan into an export platform exerting a powerful role in world trade.

Today, the ROC is the twelfth largest trading nation in the world. It has become a country of 20 million prosperous people, who in 1989 enjoyed a two-way trade volume of over U.S. \$118 billion and an estimated per capita income of U.S. \$8,500. In addition, there is practically no inflation and very little unemployment.

In addition to the economic challenges, there were other difficulties. One was how to integrate the native-born Taiwanese population into the governing process originally and inevitably dominated by leaders from the mainland. It was Chiang Ching-kuo who led the way in insisting on making Taiwan's government truly representative of all the people on Taiwan, first by the careful inclusion of worthy Taiwanese in the Kuomintang, the dominant political party, and in the government.

U.S. Recognition of the PRC

Another set of problems were thrust on the Republic of China when, humiliatingly and in my view in strategic error, President Richard Nixon allowed the People's Republic of China to replace the Republic of China in the United Nations in 1971, and in 1972

extended official recognition to Beijing by establishing a liaison office there. Many nations followed suit.

President Jimmy Carter a few years later de-recognized the Republic of China and established an exclusive diplomatic relationship with Beijing. The people of the ROC were protected by the U.S.-Taiwan Relations Act of 1979, but the international stature of the country was gravely diminished.

The government of Chiang Ching-kuo, although no doubt in private angry and emotionally stung, conducted itself with dignity and wisdom in the conduct of international affairs, looking to the long-range interests of China.

ROC's Success At Home and Abroad

Instead of railing against fate, the ROC calmly and efficiently put into effect a system by which it could conduct foreign relations on a semi-official basis, refusing to be put off by lack of diplomatic status, and thus continuing extensive trade and informational and educational exchanges in the international arena.

The patience of the ROC leadership is beginning to pay off -- several countries, the Bahamas, Grenada, Liberia, and Belize, for example -- have recognized the Republic of China recently, and because the ROC has adopted a flexible diplomacy that does not require such nations to de-recognize the PRC, the People's Republic was forced pettishly to break off relations themselves with these nations. The per capita GNP on the mainland is only about three times what it was in 1949 in comparison with the ROC's growth of 80 times what it was in 1949.

There is also the amazing record of success in achieving democracy for Taiwan. Beset by menacing international situations and threats from the PRC, progress toward the final steps for true democracy were delayed until the ROC government felt there was no danger of civil strife.

But then in short order, beginning in 1987, the ROC made a definite move toward lifting martial law, allowing opposition political parties to compete in free elections, and permitting

unprecedented freedom of the press.

As the recent December 1989 elections in Taiwan have proven, despite serious political disagreement and contentious differences of opinion -- one of the hallmarks of a pluralist society -- Taiwan joined the ranks of the genuinely democratic nations.

Political reforms continue and freedom and human rights in the ROC seem to be taking Taiwan toward greater international approval and further economic expansion -- especially in comparison with the situation on the mainland in the aftermath of the PRC's brutal repressive actions against pro-democracy demonstrators in Tienanmen Square on June 4, 1989.

The ROC we see today provides a sharp contrast to the impoverished, brutalized, and downtrodden mainland where the Communist dictatorship defiantly upholds its right to restrict the actions of its people even by force.

As Taiwan expands its informal contacts -- business and family -- with the mainland it is likely that the comparison will spark those in favor of change and democracy and gradually undermine the Communist regime by example.

U.S. Strategic Purposes

The three-decade-long, methodical process of improving the economy and representative government in Taiwan is a concrete experience that ought to be studied more carefully as a model for other nations that want to escape from the dead-end of centralized, command economies and political dictatorship. The experience of free China is the kind of example that the United States and its free market economy allies must prescribe for other nations in search of freedom and prosperity.

What is necessary now is for the United States to adhere to the fundamental principles of our national strategy, taking into careful account political and economic developments in the different Communist dictatorships around the world, using our political influence to sustain the strength and cooperation of free nations and to exert pressure on the centralized dictatorships to prevent any combination of them from dominating Eurasia.

Because the 1990s will be the test case for economic reform and political liberalization in the dictatorships and also for the market-oriented democracies to continue to build their common strength, it is crucial to know how we got this far and how to preserve these strategic fundamentals in mind for the future. Essentially it was the philosophy and strategy laid out in NSC 68.

It should be remembered it is not easy to make a democracy work. It requires cultural behavior patterns tolerant of diverse views, an instinct for compromise, plural centers of power and thought that can sustain a responsible multiparty political system, freedom of the news media, private property, free enterprise, and deep-seated respect for minority and human rights. In the United States these concepts were developed over several centuries from European political principles and in particular from the eighteenth century English practices based on common law and parliamentary representation of popular opinion.

These democratic ideas and the economic marketplace they engender are often imperfect, but they are certainly much more successful than the centralized socialist dictatorships we have observed throughout most of the twentieth century.

The glorious revolution of 1989 bringing Communist dictatorships into disrepute and in many cases into total collapse is a landmark event in the history of the twentieth century. At this stage the decades-long, bitter struggle between pluralist democracies and centralized, militarized dictatorships is definitely shifting in favor of open societies respecting human rights.

These triumphs are not necessarily going to continue forever. It is important for all Americans to understand that cultural, religious, and national political conflicts are enduring. The crumbling of dictatorships in Eastern Europe derived from a long-range policy adopted by the U.S. government 40 years ago. Sound policy and persistent effort can bring good results, but only if Americans have a good grip on their values and national strategic purposes and do whatever is necessary to sustain them.

SLOC SECURITY IN SOUTHEAST ASIA

Protecting the Choke Points in the Western Pacific-Indian Ocean Sea Lanes: An Indonesian Perspective

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Introduction

The geostrategic importance of the Indian Ocean has long been acknowledged because of the traffic of seaborne trade passing through its sea lanes since ancient times until today. Any hindrance that might occur for its safe and unobstructed passage would result in severe consequences. Moreover, through its ocean highways flow energy supplies from the Gulf of Persia to many destinations in almost every part of the world. The emergence of Japan as an economic giant, the development of high technology industries, and the very robust economic growth of Southeast Asian and West Pacific Rim countries have made the sea lanes between the Indian Ocean and the West Pacific via the South China Sea very strategic indeed.

It is not coincidental, therefore, that the Indian Ocean is an arena of rivalry between the superpowers in the context of their individual global geopolitics, turning it into a serious flash point.

The subsequent escalation of either superpower's presence has not only increased regional tension, but has also stimulated naval build-up in littoral states.

A similar trend also prevails in the Pacific region, especially in the West Pacific, where the two superpowers were engaged in two of the bloodiest wars during the Cold War period in Korea and Vietnam. Later developments show that almost all Asian-Pacific regions have become an arena of geopolitical competition between the superpowers, triggered among other things by the emergence of the Soviet Union as a naval power throughout the entire Pacific basin, challenging the supremacy of the United States. The Soviet Pacific Fleet, with its home base in Cam Ranh Bay, has become more and more visible in the South China Sea at a time when the future of U.S. bases in the Philippines is as yet uncertain.

In view of these trends it is not entirely unfounded that we have to be concerned with the safety of sea lanes passing through the South China Sea into the West Pacific. Nonetheless, is it true that the safety of the sea lanes and the choke points therein depends upon the relationship between the superpowers?

The Indonesian Perspective

This paper will present the Indonesian perspective in broad outlines, to answer the question mentioned above. These are:

A. The security of the sea lanes in the above-mentioned regions are entirely dependent upon the nature of relationship between the superpowers.

B. Non-military means are more effective in protecting and securing the choke points in the regions.

C. A multi-dimensional approach has to be applied for the promotion of an in-depth-concept of stability to protect the choke points.

However, the writer does not pretend to be able to propose general guidelines for the protection of choke points. He merely presents experiences attained in and around Indonesia so that they might be applicable elsewhere in the face of similar problems.

Strategic Trends

Since the process of detente between the superpowers was initiated, accelerated in part by Mr. Gorbachev's glasnost and perestroika, reduction of tensions has prevailed over the world. The Gulf War, having raged in the area for nearly eight years, has come to its conclusion and peace may once again prevail in the Middle East except perhaps in Lebanon. This favorable climate in its turn gives way to the security of both entrances to the Red Sea. Soviet forces have been withdrawn from Afghanistan, belying the speculation that their presence in the country was mainly directed toward attaining access to warm water ports in the Indian Ocean.

The Cambodian problem is as yet unsolved. It will remain a local conflict without having the potential of becoming regional in nature. In conclusion, sea lanes of the Indian Ocean region seem secure.

We cannot, however, afford to be complacent in this respect since there are in the region seeds of instability which might affect the security of the sea lanes some time in the future. Let us look at the world situation after the signing of the INF Treaty by the superpowers. What has been agreed upon in the treaty is the dismantling of medium-range nuclear weapons owned by the superpowers.

If we accept the assumption that the elimination of medium-range nuclear weapons will logically be followed by the reduction of longer range ones, we assume the world eventually will be saved from a nuclear Armageddon.

First, the proliferation of medium-range nuclear weapons indicates that some countries with such weapons are not parties to the INF Treaty. Second, elimination and reduction of various ranges of nuclear weapons will increase the strategic value of conventional weapons. The unfortunate combination of the two makes it possible, for those having the ambition and capabilities, to emerge as major powers in the Asian-Pacific as well as in the Indian Ocean regions.

Comparative Superpower Strength

Beside these trends, it is as yet uncertain whether the reduction of Soviet forces in Eastern Europe will be followed by similar actions in the Asian-Pacific and Indian Ocean regions. So far there is only one hint: the proposal forwarded by Mr. Gorbachev in his Krasnoyarsk speech that the Soviet Union is ready to give up its base in Cam Ranh Bay provided that the United States reciprocates by withdrawing from the Subic and Clark bases in the Philippines. The fact remains, however, that the Soviet Pacific Fleet is stronger than ever and will most probably remain so in the future.

A drastic reduction of forces and/or presence by the superpowers from the regions will certainly create, at least for the moment, a power vacuum which might provoke major powers to fill. A slight consolation for regional strategies and strategic planners was U.S. Secretary of Defense Dick Cheney's statement that a 12 percent reduction in military personnel from the Asian-Pacific region will not affect the capabilities of the U.S. Seventh Fleet. For the moment a power vacuum is unlikely to occur.

Here lies the strategic paradox of Southeast Asia and most probably of the whole West Pacific. On the one hand, all countries in the regions welcome the reduction of tension between the superpowers which hopefully will also lead to a reduction of presence from the regions; on the other hand, they are also no less nervous about the possible existence of a power vacuum left by both superpowers and the subsequent emergence of major powers instead.

There are several strategic concerns in Southeast Asia at the moment which have bearing on the security of sea lanes in the area: first, the shift in the Soviet Union's strategic interest away from Western Europe towards the Asian-Pacific region; second, the increased attention paid by the People's Republic of China to the South China Sea; and third, the territorial claim by several countries upon the Spratly and Paracel islands.

These concerns raise the fact that, though detente between the superpowers determines, directly or indirectly, the strategic dynamic in Southeast Asia, bilateral relationships between the Soviet Union and Japan, the Soviet Union and the PRC, and the United States and Japan may be more relevant for the region. It is therefore imperative to interpret the shift of Soviet strategic interests towards the Asian-Pacific region in the context of those bilateral relations. When viewed from this perspective, Cam Ranh Bay shows its strategic value.

From Cam Ranh Bay the Soviet Fleet may influence any development in the South China Sea and will also challenge the increased presence of PRC naval power. Therefore, it is very likely that we have to weigh the Soviet presence in Cam Ranh Bay against Soviet policy toward the PRC.

Importance of the South China Sea to Regional Powers

As for the PRC, its increased interest toward the South China Sea is underlined by its combined forces in Hainan. It is also reflected in the latest publication of the PRC's geographical map which shows most of the South China Sea under Chinese territorial jurisdiction. Innocent as it may seem, it does carry a veiled message to all of the littoral states about the PRC's earnest interest in the region.

The nature of the territorial claims by some nations on the Spratly and Paracel islands is widely known. We, living in Southeast Asia, cannot afford to become careless about the problem, lest one day we will be surprised to find ourselves involved in an open conflict.

Driven partly by that kind of concern, a workshop on the South China Sea has been conducted in Bali attended by all parties hoping to work out a common and eventually formal ground for a solution. Although no solution has been forthcoming, the meeting was considered a significant and important step in the sense that informal dialogues and exchanges of views have occurred if only in a strict academic sense.

If one looks at a map, one will find that in Southeast Asia

Indonesia is the least exposed to the South China Sea. However, it does not follow that Indonesian interest in the stability of the region is less than that of others.

Although strategically the South China Sea is very important to Indonesia, the closure of its sea lanes would not be fatal since alternative routes are accessible to Indonesia and international navigation as well. They are the Lombok Strait to the Makassar Strait, the Sunda Strait to the Makassar Strait or, in most extreme cases the Ombai and Wetar straits. All these alternative routes, accessible to international navigation, are under the jurisdiction of the Republic of Indonesia. The availability of alternative sea lanes reduces the strategic importance of the South China Sea.

Finally, it becomes obvious that the security of choke points along with sea lanes passing through the Asian-Pacific and Indian Ocean regions is not solely dependent on the conditions of superpower relationships, but will be more dependent on the dynamic of the regions proper as a result of the interactions of interests between major and regional powers in the area.

Economic Trends

It is not always possible to discuss the security of sea lanes and choke points without regard to the economic trend as a whole, because it is the latter that eventually determines the intensity of traffic passing through the former. Furthermore, it is economic interests that finally dictate the increasing requirements for the security of the sea lanes.

Sea lanes and choke points in the West Pacific-Indian Ocean region become the subject of discussion not only in the context of East-West rivalry but also as a consequence of the shift of the epicenter of the world's production from the Atlantic to the Pacific region. The total volume of cross-Atlantic trade has been surpassed by cross-Pacific trade for sometime.

It is not only due to the emergence of Japan as an economic giant, the Asian newly industrialized countries (NICs), and the robust economic growth of the ASEAN member countries, but

also because the United States and the European Economic Community (EEC) countries are buying more and more from the region.

The choke points which are relevant in the context of ever increasing traffic, owing to the booming economies of the Asian-Pacific nations, are those lying in the Western Pacific-Indian Ocean region, namely those in the following sea lanes: the straits of Malacca and Singapore; the Sunda Strait; the straits of Makassar and Lombok; and the straits of Ombai and Wetar. All of them are in the ASEAN region proper. The most important choke points in the Indian Ocean are in the Strait of Hormuz and the entrances of the Red Sea.

However, if we are willing to focus our attention for the moment on the natural resources endowment contributing to the economic growth of Japan and Asian NICs, then the security of the choke points in the ASEAN region and the Strait of Hormuz is vital. With the increasing number of low and medium technology manufacturing industries from Japan and Asian NICs relocated in the ASEAN countries, any instability in the South China Sea will have a very serious effect.

On account of the increasing traffic intensity in the Strait of Malacca, it is not unlikely that in the not-so-distant future large crude carriers and the upcoming fourth and fifth generation of container ships will have to by-pass the Strait of Malacca and sail along the Makassar and Lombok straits sea lane instead. Therefore the security of choke points in this sea lane is no less important than that along the Strait of Malacca.

Globalization of trade, banking, and industry (through off-shore investments) is now becoming a fact of daily life which in turn creates closer interdependencies among nations. There is no single economy completely independent from others. The world economies are so intertwined with one another that the security of sea lanes and choke points has become a common interest.

This evidence shows us that military measures alone will not suffice for securing the sea lanes and choke points, because the

dynamic in international relations and interdependency among nations is multi-dimensional.

In a strict military viewpoint, Japan is a U.S. ally. Does that also mean that Japan enjoys the same treatment in economy and trade proper? We will most probably be surprised with the answer to the question among the younger generation in both countries. This exercise merely purports to underline that security of choke points must be dealt with multi-dimensionally.

Lessons from Past Experiences

The first lesson is evident in the war in the Persian Gulf. It taught us that the military option to secure the Strait of Hormuz is not effective even when supported by exchanges of intelligence among the parties concerned. Nightmares of indiscriminate attacks towards merchant ships sailing through the straits and the irresponsible application of floating mines in the area finally came to an end because of a political solution of the conflict, not a military one. Generalizing the lesson mentioned above, one may say that in the end it is the stability of a region, particularly in the vicinity of choke points, which dictates the security of the choke points in question.

The second lesson comes from the safety of navigational arrangements for the Strait of Malacca. In the sixties, the Strait of Malacca was considered unsafe partly owing to the heavy traffic but mostly because of the confrontation between Malaysia and Indonesia. Again in this instance the political climate of the area dictates the safety of navigation in its broadest sense. In 1971 however, the governments of Indonesia, Malaysia, and Singapore reached an agreement dedicated to the safety of navigation through the Strait of Malacca and the subsequent measures for its maintenance.

In the tripartite agreement various regulations have been issued jointly, which include the Traffic Separation Scheme and the Underwater Keel Clearance endorsed by the International Maritime Organization in early 1978 through resolution number

RES A. 375 (X). Since then the security and safety of navigation through the Strait of Malacca has been well secured.

There are two interesting aspects arising from the above mentioned arrangement. First, to maintain the safety of navigation a revolving fund was set up in 1981, in which Japan provided the lion's share. This indicates that Japan's contribution to the revolving fund is commensurate with its interest (or dependence to put it more bluntly) in the Strait of Malacca. It also shows that security of sea lanes has become the common interest of all.

Second, the tripartite agreement has been made possible by the political cohesiveness among the three states bordering the Strait of Malacca and the security of the Strait of Malacca will eventually be dependent upon their cooperation. This kind of format is worth looking into for its applicability elsewhere where similar problems arise.

The writer is of the opinion that the Law of the Sea Convention should be considered as the third lesson. As a convention it is the product of a multilateral compromise, and inherent therein are seeds of political dissatisfaction among the participants.

A lot of skepticism and even ridicule have been thrown toward the convention. Whatever merit might be attached to it, the fact remains that the world's situation has changed especially after the Malta Summit, and that further considerations as to its usefulness are in order.

With the political geography rapidly changing and the world economy and trade converging into an unified entity, the time might be ripe for the Law of the Sea Convention to be effectively applied as one of the instruments for the promotion and maintenance of the security of sea lanes and choke points.

Aside from the three experiences mentioned above, for Southeast Asia and ASEAN in particular, the solution of the Cambodian conflict will greatly contribute to the promotion of stability in a region. It is therefore apparent that the security of choke points should be included in the strategic concepts of nations.

Conclusion

After the Malta Summit and as the world's economy is marked by interdependency, the assumption that threats to choke points in the Southeast Asian region come from the Soviet Union seems to be outdated.

As for Southeast Asia proper, the security of sea lanes and choke points in its territory is also greatly dependent upon regional powers and emerging major powers. Today and in the future, choke points secured only militarily are no longer adequate and a multi-dimensional approach should be adopted instead. It is with this kind of approach that a stable region can be created in which sea lanes are secure, not only around the choke points but also those in the adjacent regions. In this way, stability will be established.

The Role of Naval Bases in SLOC Security

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Introduction

There is no denying that the sea lanes are crucial to the conduct of world trade as well as to maritime activities and communication. This is particularly true in the West Pacific whose sea lanes carry one of the heaviest volumes in ocean traffic.

Oil shipments from the Middle East destined for Japan, the United States, and South America sail through the so-called tanker route. This starts from the Persian Gulf, crosses the Indian Ocean, enters the Malacca or Lombok Strait, continues into the South and East China Seas, and into the Sea of Japan. The high import of these sea lanes is indicated by the security concerns of most Asian-Pacific states that go beyond the fear of overt aggression.

Commerce is the fuel of development and economic progress. Continued economic growth of the Asian-Pacific region requires that the sea transport of oil, raw materials, and goods flows freely and unimpeded through its sea lanes.

Because of their pivotal role, the sea lines of communication are a major factor in the security of the Asian-Pacific region. Their strategic significance is widely acknowledged; the need to secure them is compelling.

Alliances and Counter-Alliances

Recent events in the region, as well as in Eastern Europe, portend the onset of geopolitical waves of change.

Relations between the People's Republic of China and Japan were firmed up in 1978. This has resulted in increased trade and more cordial relations between the two countries.

PRC-U.S. ties have become stronger and smoother, in spite of a slight tremor caused by the political upheaval in Beijing in 1989. As a counterpoise, the Soviet Union forged a treaty with the Republic of Vietnam.

The treaty did not only allow Vietnam to avail itself of USSR military and economic assistance, it also allowed the Soviet Union to gain access to Vietnam's Cam Ranh Naval Base, and thus, it is now able to extend its military influence in the region. With Vietnam as a staging base, the Soviets have gained access to the sea lanes of Southeast Asia. The USSR can respond rapidly to a possible crisis, or project itself as a naval and air power in the Southwest Pacific.

Moves and Countermoves

In September 1988, however, the Soviet Union proposed a seven-point peace plan for the Asian-Pacific region. The Soviet Union declared that it will not increase the amount of nuclear weapons in the region. It called for regional consultations among the main naval powers on the non-increase of naval forces in the region. It stated that "if the United States agrees to the eliminating of military bases in the Philippines, the Soviet Union will be ready, by agreement with the government of Socialist Republic of Vietnam, to give up the fleet's materiel and technical supply station in Cam Ranh Bay."

It suggested that measures directed at the safety of the sea lanes and air communication in the region be jointly elaborated, and further suggested the use of "the already existing bilateral Soviet-American and Soviet-British accords, as well as the U.S.-USSR-Japan trilateral accord" during the elaboration of these measures.

The Soviet Union also proposed the conduct of an international conference to establish the Indian Ocean as a Zone

of Peace. To buttress its call for peace in the region, the Soviet Union recalled some of its aircraft from the Cam Ranh base. It is worthwhile to note that the Soviet actions were preceded by calls from the United States to its allies "to share in the burden of security."

In addition to the U.S. facilities in the Philippines, there are U.S. bases in South Korea and Japan. The U.S. call for "burden-sharing" has been attributed to the continued deterioration of its economy. Apparently primarily motivated by fiscal reasons, and not necessarily by the Soviet moves, the United States has announced the reduction of its forces in the various bases and facilities located outside its shores.

An Era of Regional Peace?

It would now seem that both the United States and the Soviet Union would wish to reduce their military forces located outside their shores. There are also speculations that the Soviet Union is engrossed with the threats of internal splintering, is preoccupied with the avowed pursuit of its glasnost policies, and needs the continuous use of the sea lanes for its own merchant and maritime interests. Thus, it would appear that the region is about to enjoy the blessings of reduced tension, non-violence, and peaceful co-existence.

Unfortunately, just as a drizzle on a hot summer day does not mean the immediate onset of the rainy season, these developments do not totally remove the possibility of conflict over the sea lanes. War will always be an option, although admittedly a harsh one, in the implementation of a country's policies. The world population, currently estimated at 5.3 billion, continues to increase. There are less and less resources to provide for the needs of the people. The fires of nationalism burn brightly in many developing countries where many of the resources are located.

This has made access to these resources more and more difficult for those who desire and need them, but do not have them. Furthermore, doubts have been expressed over the Russian peace

initiatives. There are those who assert that these initiatives are merely in pursuit of old strategy of *peredyshka*.

Peredyshka, or striving for breathing space, it is said, is what Lenin did in signing the 1918 Brest-Litovsk Treaty with Germany and in establishing his semi-capitalist New Economic Policy in the 1920s. It is the same strategy pursued by Stalin when he formed various common fronts with Western liberals and when he signed his 1939 pact with Hitler.

It is argued that when the Soviet Union has succeeded in getting American and Western technology and funds to boost its economy and is strong again, harassment of the United States and the West will resume. With the current conditions in the USSR and with indications that things will probably get worse, the need to ensure the continued free flow of traffic in the sea lanes is further underscored.

The Role of Naval Bases

The naval bases provide support services to floating assets. Naval bases are the oases for the ships tasked with security of the sea lanes. They provide the vital and necessary sustenance to the fleet. They replenish supplies and provide repair and maintenance services, storage areas, as well as rest and recreation for personnel. They serve as staging points for naval operations.

Particularly for the countries with the capability to project naval forces to distant sea areas, the need for conveniently located naval bases is essential. The terms which would govern access to naval bases, and the services and supplies that they can provide, are critical to the security of the sea lanes.

The Soviet Union and the United States virtually claim ownership over some of the most sophisticated naval bases in the region. The United States has naval bases and facilities in Japan, South Korea, Guam, and Diego Garcia. It has access, until September 1991, to Philippine bases. The Soviet Union, on the other hand, has unlimited access to Cam Ranh Naval Base in Vietnam.

Naval Bases in the Philippines

The presence of U.S. facilities in the Philippines is consistent with the policies and principles to which the Philippines subscribes. The Philippines, as an independent sovereign state and a member of the international community of nations, subscribes to the principles of international cooperation, including the maintenance of regional security.

The Philippines has declared, along with other ASEAN member countries, that it seeks to promote regional peace through abiding respect for justice and the rule of law. In harmony with other ASEAN members, it has declared that all foreign bases are temporary and remain only with the expressed concurrence of the countries concerned, and are not intended to subvert the states in the area.

Contrary to this, the Philippine Constitution expressly provides that, after the expiration of its current agreement with the United States regarding the latter's use of Philippine bases, foreign bases, troops, or facilities will no longer be allowed. They may be allowed if they are covered by "a treaty duly concurred in by the Senate and, when Congress so requires, ratified by the majority of the votes cast by people in national referendum held for that purpose and recognized as a treaty by the other contracting state."

All these indicate the high possibility that when its national interest requires it, the Philippines may make, or forge with other countries to make, a regional security agreement relative to the sea lines of communication.

The exploratory talks between the Philippines and the United States slated for May 15 are expected to focus on the rationale for the continued use of U.S. facilities in the Philippines. This will then be followed by either a decision to terminate the agreement (to be initiated by a notice of termination) or to extend U.S. use of the facilities. Should it be the latter, negotiations for a new treaty will then ensue. The formalization of the treaty will then follow the course outlined by the Philippine Constitution.

It is worthwhile noting that the talks will be conducted against

a backdrop of recent trends which indicate a softening among members of the Philippine Senate regarding this issue. Previous to the December 1989 attempted coup d'état, a significant number of senators had declared their support of the immediate removal of U.S. facilities from the Philippines. There are reports that several of them may now be amenable to a gradual phase-out. Public opinion surveys similarly support a gradual phase-out of the U.S. facilities.

The outcome of these talks, and possibly, eventual negotiations, will be determined by time and the events during the intervening period. If one is to hazard a forecast, it is most probable that the United States will continue to have access to Philippine bases, subject to a gradual phase-out. Certainly the terms and conditions of the probable phase-out will have to be negotiated.

Yet, even if such a treaty could be worked out, it merely offers a temporary measure to the more lasting need to secure the sea lanes of the region. But the need for naval bases and the vital role that they play in securing the region's sea lanes will stay. There is, therefore, a perennial need for the sea lanes to remain secure.

Network of Logistical Support

In exploring alternative security arrangements for the sea lanes, it is basic to bear in mind that these ocean highways are regional resources. They partake of the nature of the commons. They must be protected and secured so that they can be of universal use. Because they benefit the region, their protection and security must be viewed from a regional perspective, and may require region-wide arrangements. This will, inevitably, require the establishment of a regional framework within which the respective roles and responsibilities of the countries involved can be defined.

It is conceivable for the Asian countries to allow fleets, tasked to secure the sea lanes, access to their naval bases for logistical purposes only. This option could assume several derivatives, including specialized purposes for specific naval bases.

This may involve an objective assessment of the distinctive strengths and advantages of naval bases in the region. From such an assessment, their respective roles in the regional effort of sea lanes security can be identified, and will be the basis for the countries' contribution to the effort.

It has been observed, for example, that a secure environment for the repair and storage of sensitive weaponry, as well as unhampered movement of forces, cannot be fully guaranteed in many Asian nations. It has been proposed, therefore, that such activities may have to be done in places with minimum interference, such as in Guam, Tinian, Saipan, Japan, Australia, and Hawaii.

It has been suggested that the use of naval bases be the subject of commercial arrangement. As suggested by a member of the Philippine Congress, ships and other assets may avail themselves of services and space through service contracts. Thus, airplanes may be charged fees for landing rights; ships would be charged corresponding fees when they are berthed, repaired, or making port calls. Supplies will be replenished at commercial rates.

It had been argued that this proposed arrangement would then be perceived as a purely business transaction between equals and not as infringement on the host country's sovereignty.

Multilateral Basing

Another possibility is for an arrangement wherein a naval base may be accessed by three or more nations, committed to the security of the region's sea lanes. It has been noted, for example, that Singapore keeps a permanent air force detachment at Clark Air Base. In addition, the air forces of the Philippines, Australia, New Zealand, and Thailand use Clark's air gunnery for training.

Toward Self Reliance in Regional Security

Over the long haul, however, the countries in the region will have to assume the major, if not the sole, responsibility of securing the sea lanes. This would imply a regional consensus on the

perceived threats, the preparation for the appropriate responses, and the individual responsibilities of each state. In this regard, the naval development plans of the countries in the region may have to be tailored to the twin considerations of national and regional interests.

All countries will contribute to the regional effort, according to their respective capabilities as determined by their national policies, resources, and natural endowments. Some may provide naval fleets to patrol the high seas. Others may provide shore facilities. But all should agree on what is expected of each other.

This should also include the commitments of superpowers on the assistance that they will provide, so that the countries in the region may be enabled to perform this beneficial role. All these require processes that will formally locate the onus of responsibility of securing the sea lanes on the individual and collective shoulders of the countries in the region.

Hammering out a general agreement among a variety of states with their respective sets of perceptions and priorities is not expected to be easy sailing. Certainly, it will take a highly developed sense of diplomacy, a strong bond of regional unity, and a large dose of trust and good faith from all parties involved. And, certainly, it will take time.

Yet, the countries in the region cannot shirk from this responsibility of securing the sea lanes. Just like individual persons, all countries must be ready to give an accounting of the performance of their duties to humanity to keep the peace and make the world a better place to live in. Toward the actualization of this vision, no goal is too far, nor any burden too heavy. Indeed, as the poet would say, "'tis a consummation devoutly to be wished."

SLOC SECURITY OPERATIONS

International Interoperability in Command, Control, and Communications

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I have been asked to talk to you today about the state of command, control, and communications (C³), particularly with respect to interoperability in the West Pacific and Indian Oceans and in our rapidly changing world. Much has been said about the evolving changes in the world in recent months. However, some basic principles remain regardless of those changes.

I also want to address the vital importance of C³ interoperability in the Pacific theater. We have established some thriving programs which continue to improve our capabilities there and hopefully we can build on them. I will share with you some of the prospects for improving C³ interoperability in the not too distant future. We have some exciting things in store; advances in C³ technology are accelerating at an extraordinary rate. Our challenge is to effectively harness these advances.

Basic C³ Realities

Let me first address two basic points which we consider extremely germane to assure the security of the sea lines of

communication: one is that "the contest for information will dominate naval warfare;" the second, that "surveillance on a global scope will be routine" in the twenty-first century. This was the conclusion of the highly respected National Academy of Science's "Navy 21 Study." The group recommended treating the following functions as an organic whole: intelligence, surveillance, reconnaissance, control of information, electronic warfare (EW) and electro-optical warfare, signature management, targeting, and navigating. We in the United States Navy are doing just that and have created a space and electronic combat directorate.

The need to exchange information and not simply data is a paramount consideration. We also feel that the strategy of denying potential adversaries similar information is crucial to maritime operations. Consequently we must utilize all the assets available to the afloat commanders to develop the best picture possible as well as complement battle force organic data with inorganic data from ashore and space.

C³ is glue which harnesses the collective capability of any force regardless of its size. It permits on-scene commanders and ashore commanders to exchange vital information to fully comprehend the size, intentions, and capabilities of the enemy's forces, and to exchange quickly information on de-escalation of tension as well as escalation. Consequently it must be robust (resistant to jamming and atmospheric), and it must be tailored.

A major challenge in this regard is to ensure that the right information gets to the appropriate commander, that it is timely, that it is tailored to his needs, that it is understood, that it provides value-added information, that it is able to be fused with his on-scene information, that it can be displayed in a meaningful format, and that it can serve varying levels of users from equipment operations to fleet and battle force commanders.

Present Posture

In the last few years, specifically since 1986, the U.S. Commander-In-Chief Pacific, USCINCPAC, has initiated the

U.S. Pacific Command Combined Interoperability Program, or CIP. CINCPAC's goals for the CIP are straight forward:

- first**, to gain combined interoperability;
- second**, to maintain interoperability.

Combined interoperability in the CIP centers primarily on standards for the Joint Interoperability of Tactical Command and Control Systems, or JINTACCS. The two elements of JINTACCS are message text formats, or MTFs and tactical digital data links, or TADILs. Adopting one or both JINTACCS standards allows us to gain interoperability with allied and friendly nations.

The CIP management plan addresses candidate nations including Australia, Japan, Korea, Singapore, and Thailand. The plan identifies the need for nation-to-nation agreements to formalize the requirement for command and control interoperability boards (CCIB).

The TADIL interoperability process begins with bilateral discussions culminating with a signed memorandum of understanding (MOU). Both parties promise to adhere to the principles of configuration management when changes to the existing standards are required.

The TADIL standards and COMSEC (communications security) will then normally be released, and configuration management of the standard begins. USCINCPAC oversees the configuration management process.

TADIL interoperability with our Pacific friends and allies is well underway:

Korea: MOU signed October 1989; first CCIB scheduled this year.

Thailand: MOU signed June 1988; third CCIB March 1990.

Australia: MOU signed September 1987; sixth CCIB April 1990.

Singapore: MOU signed August 1986; third CCIB December 1989.

Japan: MOU for configuration management in negotiation.

The MTF Program

The message text formats or MTFs are not tied to hardware, but we follow essentially the same procedure as with the TADIL system. Australia and Korea have signed MTF MOUs. The Australians, since signing the MOU in 1987, have incorporated MTFs into their own automated command and control system. The Koreans signed their MOU last October, and are presently using selected MTFs in combined exercises.

The Japanese Maritime Self-Defense Force has adopted selected maritime messages, has received initial training, and uses those messages in communications with the U.S. Navy. The U.S. Navy has funded a translator to assist the Japanese in adding MTFs to their automated system. The Japanese are studying the standards for wider applications across the board.

The MTF program was formally briefed to Thailand in 1987. We used selected messages on a trial basis during Cobra Gold 1988 and 1989, and another demonstration is planned for Cobra Gold 1990.

USPACOM (U.S. Pacific Command) introduced the MTF program to Singapore in 1987, and Singapore agreed to use selected messages during combined exercises. The Singaporeans have indicated a limited interest in adopting MTFs. We are also introducing MTF to Malaysia. USPACOM is working on including selected MTFs in appropriate combined exercises.

Standardized MTFs facilitate data transmission, collection, and storage. Standardized message texts are particularly valuable for common recurring messages such as vessel contact reports. Using standardized message texts, thousands of vessel contact reports can be electronically stored in a readily accessible tactical

database. This kind of database can provide an accurate, near-real time, big picture to naval commanders protecting the sea lines of communication.

Another advantage in MTFs is reducing the need for translation and misunderstanding between combined forces. By agreeing to a set format and definition before the battle and practicing before any engagement or operation, there is less likelihood of misinterpretation **during** actual evolutions.

USCINCPAC has also proposed an initiative under the Nunn Amendment in support of the CIP. The Nunn Amendment, named after the presiding chairman of the Senate Arms Services Committee, provides for congressional funding of bilateral cooperative defense development projects. The CINCPAC CIP Nunn initiative includes:

- Combined multi-TADIL integration methodology standards,
- Post-2000 concepts for standard message text formats,
- C³ architecture/interoperability studies,
- Multi-TADIL impacts of Joint Tactical Information Distribution System.

Naval Exchange Programs

All of our C³ cooperation with Western Pacific and Indian Ocean navies occurs on a bilateral basis. Numerous navy bilateral data and information exchange programs are active. Among these are:

- Naval combat data communications,
- Combat information centers,
- Naval tactical data systems,
- Combat data and C² systems,
- Naval communications.

These data and information exchanges provide a forum for establishing and maintaining standards.

For example, improvements to Link-11, our primary naval tactical data network, are closely tracked in data and information

exchange fora. We share Link-11 with a growing number of our Pacific theater allies.

Now some 28 years in use, Link-11 is almost as resilient as our U.S. Constitution. But like the Constitution, its "language" requires on-going modification and reinterpretation. Through data and information exchange programs, we coordinate evolving improvement to the protocols and standards of the Link's tactical data language, TADIL A, with allied users.

JTIDS (Joint Tactical Information Distribution System) is our next generation data exchange link. It uses TADIL J.

This is a widely expanded tactical data language which, as the name implies, incorporates joint service requirements in one common language, from AWACS (airborne warning and control systems) to ground forces, with naval force tactical data requirements fully included. JTIDS also provides an added measure of jam-resistancy over the Link-11 system.

Implementing JTIDS in a sweeping upgrade to the previous generation of tactical data languages is not without difficulty, and costs are considerable. A number of allies have indicated they can not afford JTIDS for their entire force structure. Consequently, our plans are to ensure JTIDS/Link-16 retains a large degree of interoperability with Link-11 equipped units.

Importance of Pacific Theater C³ Interoperability

The multinational naval operations in the Persian Gulf in recent years dramatically point to the importance of C³ interoperability among our navies. Though operating independently under separate national tactical commanders, the naval forces of as many as six navies cooperated successfully in the Gulf's restricted waters under tense rules of engagement for nearly four years. How was this achieved?

Certainly one of the keys to their success was the fact that each naval commander had the same "big picture." I am referring

to the command and control picture provided through the efforts of the Commander of the U.S. Joint Task Force Middle East (CJTFME) and the Joint Staff.

The CJTFME established links and fusion architectures such that all friendly naval force commanders present in the Gulf could view both real time tactical data, and near-real time fused data simultaneously. This capability undoubtedly deserves credit for virtually eliminating what we call "Blue-on-Blue" engagements: a friendly unit taking another friendly unit under fire by mistake.

Cooperation with Pacific Allies

We desire to cooperate with allied and friendly naval commanders to develop the same tactical picture, even when those commanders retain their own national autonomy. In an age in which we can detect and engage targets far over the horizon, we desperately need to know with accuracy where the friendlies and neutrals are, as well as where the enemy is.

However it is not sufficient to simply design systems to be interoperable. We must ensure that we can operate with our Pacific theater allies. Consequently maritime exercises are vital. Some of our exercises are multilateral, though most are bilateral.

The best known of the multilateral exercises is the Rim of the Pacific, or RIMPAC, annual naval exercise. RIMPAC includes Australia, Japan, Canada, and other friendly participants in the three-month, multi-phase exercise spanning the Pacific. The CINCPAC fleet also conducted a ten-week major joint and combined exercise last year, named PACEX 89. PACEX 89 thoroughly exercised C³ interoperability with Pacific allies, and produced valuable recommendations for improvements.

Among Pacific theater bilateral exercises are:

ANNUALEX (Japan),
TEAM SPIRIT (Korea),
BALAKATAN (Philippines),
MERLOIN (Singapore), and
COBRA GOLD (Thailand).

We also aggressively pursue other exercises of opportunity with allied and friendly navies. These are most often referred to as PASSEXs, arising from opportune passing situations. These situations provide excellent opportunities for communications, tactical data linking, over the horizon targeting, and deception tactics. These all are basic and necessary to achieve and maintain operational interoperability.

Cooperation in Space Environment

As C³ moves increasingly into the space environment, we seek to remain in step and interoperable with allied and friendly nations. The global positioning system (GPS) is a model program for multilateral cooperation in the space environment. GPS will revolutionize tactics in every warfare area. The gridlock problem will become a bad memory.

Several Pacific theater nations have begun subscribing to the GPS program. The advantages of virtually zero-error locational data to combined forces are immense. When the full 21-satellite GPS constellation is up, for example, all-weather, total EMCON aircraft rendezvous will be possible anywhere in the world.

GPS will also provide a less expensive way to synchronize computer networks, data encryption systems, communication networks and other navigation systems. It will much facilitate the red, white, and blue force locating tactical picture vital to maritime operations.

The need to achieve and remain interoperable extends beyond any one theater; it is a global issue. We must remain interoperable with our NATO allies as well as our Pacific theater allies. Combined C³ interoperability permits a significantly greater synergism in defense of those partnerships. The standardization requirements which bring this about must accommodate all of the partners.

Technology Advances

There is probably no field where technology is making greater advances than in the area of computers and telecommunications. In fact, we believe that our military C³ systems components are generally a technological generation behind commercial counterparts.

Additionally, given the realization that military spending will decrease in the next decade, it will become even more important that we capitalize on commercial technology whenever possible. Commercial off-the-shelf (COTS) and non-developmental items (NDI) will all be closely examined to see their applicability to maritime C³ needs.

Improved man-machine interface to minimize operator training expenses will also be pursued. Commonality of consoles and large screen displays afloat and ashore is our goal so that personnel need not be retrained when assigned afloat or conversely when they come ashore. It goes without saying that interoperability will be all the more vital as we move into this computer/telecommunication technology expansion and data explosion era.

With regard to ashore/afloat connectivity, we are focusing on distributive fusion of information. This means we provide intelligence data directly to both the afloat commander and the ashore analysis and correlation facility. The shore facilities can provide a value-added to intelligence without denying afloat commanders the decaying real-time information they need.

To manage vast amounts of data, we are also working to further compress digital data streams so we can better utilize available communications bandwidth. We also seek to process more and more data at the source, which is the sensor itself, to minimize pure data streams and create more useful and smaller data transmissions.

We consider combined C³ interoperability a crucial force multiplier for USPACOM's war fighting capability. As we go forward in space and electronic combat including C³

interoperability, we shall continue in step with Pacific and Indian Ocean navies to ensure that our mutually vital interest, open sea lines of communication, is preserved.

Naval Control of Shipping in the West Pacific and Indian Oceans

Captain Allan C. Hubbard, USNR

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Pacific trade routes are vital to the conduct of international business. Raw materials, finished products, and most types of goods depend upon ocean transport. The ability of the United States and its allies to continue to use the Pacific trade routes is essential to unrestricted world trade.

However, we find ourselves in a world where even small potential foes have the capability for quick sophisticated attack which could disrupt the timely flow of trade. At this juncture, any contingency will be a come-as-you-are event. The Iraq-Iran War was a classic example. It became very clear that even a regional conflict can disrupt shipping and tax strategic sealifts.

Success in future prolonged conflicts will depend on a continued sealift capability. This will require protection of the sea lines of communication.

Protection of the SLOCs achieves three main goals: first, successful sealift of essential military cargo facilitates the accomplishment of the military mission; second, in the face of shrinking merchant assets (both bottoms and trained personnel), protection ensures their continued availability; and third, continuation of world trade allows long term resupply of essential raw materials and products.

Pacific/Indian Ocean Area

Anyone interested in the protection of SLOCs in the Pacific/Indian Oceans must consider the geography of the area. The extremely large open ocean area and long transits provide challenges to both the protection and the interdiction of shipping. While distance gives an enemy time to discover a ship or group of ships, he also must cover a broad area. His assets would be spread very thin. Also, shipping in this area is exposed to fewer choke points than in other parts of the world.

Significant areas of concern still exist, including the straits of Hormuz, Malacca, and Lombok, the South China Sea, and the Gulf of Alaska. The ability of tankers to move freely through the deep Strait of Lombok significantly affects that entire area of the world because of the critical importance to the movement of oil.

Additionally, geographic factors outside the Pacific area could affect both shipping volume and the level of threat to that shipping. For example, the loss of control of or the blocking of the Suez Canal would change the nature and quantity of Pacific shipping. Other routes would have to be developed to accommodate the Suez traffic.

Allied Naval Control of Shipping

An essential element of protection of shipping is the structure and procedures put into place when Naval Control of Shipping (NCS) is implemented. The mission of NCS is to provide for the safe movement of merchant shipping during a contingency situation or in time of war or national emergency.

The Naval Control of Shipping Organization (NCSORG) is an Allied organization responsible for implementing NCS. This includes all aspects of directing and protecting merchant vessels: routing, reporting, organizing, and diverting merchant ship convoys, independents, and distant fishing vessels. Protection of these vessels is the responsibility of naval commanders who assign, deploy, and direct the tactics of the escort forces.

There is also a Civil Direction of Shipping Organization (CDSORG), which is responsible for allocation, employment, and port processing of merchant ships. The NCSORG and CDSORG are activated simultaneously when the need for control and protection of merchant shipping is deemed necessary by national authority.

Allied NCSORGs are typically composed of a small cadre of active duty officers and enlisted personnel augmented by reserve personnel. The present U.S. NCSORG is composed of five active duty Navy personnel and over 3,800 naval reservists who would mobilize to Operational Control Authority (OCA) staffs, Naval Control of Shipping Offices (NCSOs), and Convoy Commodore staffs. There are also approximately 150 collateral duty NCS billets located throughout the world.

The Chain of Command

The chain of command for the U.S. NCSORG flows from the National Command Authorities (the President and Secretary of Defense) through the Major Area Commanders (CINCLANT, CINCPAC, CINCEUR), Area Commanders (CINCLANTFLT, CINCPACFLT, CINCUSNAVEUR), and the Operational Control Authorities. In the Pacific the OCA functions are carried out by CINCPACFLT and in the Indian Ocean area by Commander Middle East Task Force. It is the OCA that ensures ships are sailed in convoy or as independents according to the control policy in force, designates the route to be taken, arranges for protection, orders diversion when necessary, and maintains liaisons with the appropriate civil shipping authorities.

Next in the organization are the Naval Control of Shipping Officers (NCSOs) and the Convoy Commodores and their staffs. The NCSO conducts preparation for sailing independents and convoys at the port level, executes merchant ship routing and reporting, and oversees the NCS functions at secondary ports. This involves close liaisons with local port authorities, shipping companies, and the merchant ships preparing for transit. The

Convoy Commodore and his staff, under the control of the Officer in Tactical Command (OTC), exercises control over merchant convoys. Embarked on a merchant vessel during convoy operations, the Commodore is responsible for carrying out the convoy's orders and for its safe navigation. The individual ship masters remain ultimately responsible for the safety of their ships.

The Naval Control of Shipping Organization does not assign escort forces, get involved in their tactics, or control military convoys. These remain under the control of the fleet CINCs.

NCS in the Pacific/Indian Oceans

NCS in the Pacific/Indian Ocean area is highly complex and involves a large number of countries. Prior coordination and training within the various affected regions are essential to its successful implementation. This is accomplished through the use of bilateral agreements and participation in various regional and worldwide allied exercises. These cover a broad range from Command Post Exercises (CPX) to those which involve actual merchant ships with escort forces integrated into fleet exercises.

The most commonly used exercises include:

NCS exercises -- **EXPANDED SEA, BELL BUOY**

Convoy exercises -- **RAINBOW REEF, RAINBOW GULF**

Integrated exercises -- **TEAM SPIRIT, PROUD EAGLE**

EXPANDED SEA 90, a worldwide NCS exercise, incorporated a scenario in which various regional tensions required control and protection of merchant shipping. The first stage involved the National Shipping Authorities (NSA), as part of CDSORG of the participating nations, to encourage shipowners to consign their vessels to Voluntary Naval Control of Shipping (VNCS). Actual ship movements were used where possible, supplemented by "paper ships" to stimulate the exercise as necessary. As the scenario progressed, deteriorating international relations prompted the implementation of full Naval Control of

Shipping requiring control, direction, and protection (as necessary) of all vessels from participating countries.

Exercises of this type provide the most realistic opportunity for NCSORG to practice the skills acquired through hours of formal schooling and reserve training. It also calls into play the interoperability of the various participating nations. These included six nations in the Pacific area of responsibility:

United Kingdom,

Australia,

Canada,

France,

Chile, and

South Korea.

In addition, officers from eight nations were invited to CINCPACFLT Headquarters to observe the exercise with an eye toward participation:

Philippines,

Papua New Guinea,

Thailand,

Malaysia,

Indonesia,

Brunei,

Singapore, and

Japan.

This also involved a formal training course in NCS fundamentals: organization boarding, routing, communications, Merchant Ship Routing and Control System (MERCO), and the convoy system.

Events in the Iraq-Iran War provided the most recent test of NCS procedures during actual combat conditions. From the start of the re-flagged tanker convoy operations, established NCS doctrine was quickly modified to fit the tactical situation and served throughout the operation as the basis for all planning. Due to the unique geography of the region and the anticipated threat,

three methods of protection were employed: convoys, protected areas, and defended lanes. This combination, in conjunction with NCS trained officers embarked on the re-flagged tankers, proved the versatility of the system and its value in the protection of SLOCs.

Conclusion

NCSORG is a dynamic, worldwide program ready to respond when needed. The results of recent exercises and the Allied experience in the Persian Gulf clearly demonstrate that it can cope with a wide range of contingencies. The challenge now is to stay abreast of an ever-changing political situation and adapt the program as required.

Defense Use of Civil Shipping: An Australian Perspective

Commodore R.A.K. Walls

Director General, Naval Policy and Doctrine
Royal Australian Navy

Strategic Background

Australia's defense policy is one of self-reliance set firmly within the framework of our alliances and regional associations. We see ourselves playing an increasing role within our region, encompassing Southeast Asia and the Southwest Pacific.

A fundamental criterion for Australian force development is that the force in being should be capable of dealing effectively with current and foreseeable tasks and the kind of defense contingencies that are credible in the shorter term.

Within Australia's area of primary strategic interest the capability exists to undertake both low level and escalated low level conflict. In defense planning a distinction is drawn in terms of the level of conflict and the nature of activity, together with the scale and type of operations.

For example, the government's policy information paper "The Defence of Australia 1987" states:

A. Low level conflict is essentially politically motivated and includes activities such as the use of

military force to harass remote settlements and other targets in northern Australia, our offshore territories and resource assets, and shipping in proximate areas.

B. Escalated low level conflict involves more conventional military operations and could take the form of increased levels of air and sea harassment, extending to air attacks on northern settlements and offshore installations and territories, attacks on shipping in proximate areas, mining of northern ports, and more frequent and intensive raids by land forces.

Australia's vast coastline, the proximity to the island chain to our north, the location of resource zones, the remoteness of our island territories, the patterns of our international and coastal shipping, and the broad areas to be covered in the defense of these interests present substantial problems.

The implementation of protective and offensive measures in our maritime environment is a mammoth task even if it is restricted to the sea-air gap to our north. With incredible levels of conflict, the Royal Australian Navy (RAN) would carry out tasks such as:

- A. intelligence gathering,
- B. surveillance and patrol,
- C. protection of coastal shipping, possibly including including military convoys,
- D. protection of overseas shipping in proximate waters,
- E. protection of offshore territories, resources, and installations,
- F. protection of ports, focal areas and their approaches, and
- G. possible strike and interdiction.

It is evident, given Australia's limited population and resource base, that the potential scope and magnitude of the task could, in some circumstances, be well beyond the capacity of Australia's

existing forces to handle effectively. For example, the RAN at present comprises 12 destroyers, 6 submarines, 18 patrol craft, and a small number of auxiliaries and supporting ships.

Although the destroyer force is planned to expand to 16 or 17 vessels, it is apparent that innovative and flexible solutions may need to be examined and adopted, where practical, to alleviate this mismatch between tasks and assets to perform them. One which offers considerable potential, but which also has some practical restraints, is the notion of taking up ships from trade.

The Australian Context

Since the British campaign in the Falklands, many countries have become more aware of the role that can be performed by ships taken up from trade. Such notions and lessons which were emphasized during the Second World War have largely been overlooked or were merely put aside to be studied later. Consequently, in many countries the concept of taking up ships from trade tended to stagnate from the 1950s to the 1980s. The Falklands War, however, regenerated interest in the concept and many countries have since revised and updated their earlier thinking on this subject.

Technological and other developments over the past few decades have led to a more varied range of considerations than those that applied during the Second World War. These developments have not been confined to the naval area and extend into such areas as the specialized nature of many merchant ships and port handling facilities.

If a need were to arise for Australia to fulfill defense obligations in our northern maritime approaches, our offshore territories or resource extraction activities, requiring sustained military operations for a period of even a few months, it is questionable whether the RAN would have the necessary heavy sea-lift capability or maritime logistic support to undertake and sustain such a task.

The needs of the Defence Forces for access to commercial

shipping focus upon general cargo, Ro-Ro, and tanker types. It is less likely that the Defence Forces would require the use of dry bulk carriers for any type of operation, but their contribution to the national well-being is substantial. It is therefore of concern to note that, even with the Australian system of cabotage, the number of general cargo vessels has declined and continues to do so.

Currently there are 94 trading vessels on the Australian register, which represents a long-term decline from 136 in 1967. Moreover, few of the ships are suited for military use, as increased ship technology in cargo handling has led to the rise of container ships and bulk carriers.

The issue is further complicated, in Australia's case, by the limited number of ports across our north, coupled with the specialized handling facilities that prevail. The overall result is that only relatively few berths are available for general cargo handling.

If we were to consider the removal of shipping from trade to support the Defence Forces, we must also assess the importance of shipping to the economic well-being of the country. Additional consideration must be given to both the long-term and short-term effects of the removal of those ships from commerce.

The Importance of Coastal Shipping to Australia

Throughout history the national security and survival of any nation has depended on the ability of that nation to continue to trade. Australia's national well-being is heavily dependent upon sea trade and, of course, the sea lines of communication. This dependence results from the geographical isolation of the continent from trading partners. However, trade must be conducted not only with trading partners but within the nation itself, and it is this aspect which most effects the usage of merchant assets.

Australian coastal shipping makes a major contribution to

Australia's security and economy. Most of the freight carried comprises strategically important materials such as crude oil, petroleum products, iron ore, bauxite, iron, steel, and aluminum. The significance of Australian coastal shipping from a defense perspective lies not only in the types and volume of freight carried, but also in the ability to service the northern regions of the country. Coastal shipping is the only economically and physically viable means of bulk transport.

The north of Australia suffers from a wet season in the summer months in most years, making land transport, including rail, almost impossible for short periods. For example in the northwest, rivers, which in the dry season are strings of unconnected pools, become in the wet season torrents sometimes over 20 kilometers wide and can be impassable by land transport.

Erling Ness, a shipowner, once commented, "God must have been a shipowner -- he placed the raw materials far from where they were needed and covered two thirds of the Earth with water."

This comment is very applicable to Australia. The movement of iron ore from the northwest to the southeast involves a voyage of about 3,000 kilometers. The dry bulk carriers involved in this trade are unsuited to supply the mining communities with the necessary resources to maintain their isolated existence, and so there is a need for other coastal shipping to maintain these needs.

It has been estimated that the population of Australia may increase at a rate of 2 percent per annum to the year 2021. The population of the northern areas is predicted to increase at about 5 percent per annum, which will lead to a greater relative demand for consumable goods and domestic fuels in this area.

This demand will increase at a greater rate than the population, perhaps as much as 10 percent. The implication of this increase in demand is that the supply of requirements for life in the north must also increase.

The interruption of coastal shipping produces varied consequences. If the transport costs rise for a particular commodity to a point that is too great, the value of that commodity is lost to the industry. If the cost is not too great, and the

commodity is still available, a premium is then paid to cover the increased transport costs. If all Australian coastal shipping were to be lost (in an instant), the cost to the economy, in lost production, would be approximately 6.3 thousand million Australian dollars per annum.

The resultant increase in residual transport costs would add a further 1.1 thousand million Australian dollars. Therefore, the total is about 7.4 thousand million Australian dollars per annum. These are minimum costs to the economy, and they would be manifested in unemployment, increased taxation, increased cost of living, and increased foreign debt. Additionally, the burden of these costs imposed on the economy would increase the difficulty of addressing the cause of the disruption.

The Merchant Fleet is thus an essential facet of the economic well-being of Australia, but it is a fleet structured in such a manner that there exists no dispensable unit in the fleet. Each of the 94 ships employed on the coastal trade is employed in the most efficient manner and to remove even one of these units could cause economic hardship and distress to significant portions to the Australian community.

In the present changing economic climate, whenever a shortfall in the services provided occurs, foreign flag shipping services are allocated to fill the gap as dictated by normal commercial pressures.

If shipping services are removed as a result of some form of emergency, the shortfalls created may be too large for normal commercial forces to act quickly enough to fill the breach or, indeed, the nature of the emergency might preclude the voluntary participation of foreign flag shipping. Problems will be created in maintaining Australia's infrastructure and economic activity.

This dilemma has been recognized by shipping, defense, and transport authorities in Australia, mainly through the activity of the Australian Shipping Defence Council (ASDC), a body made up of industry, defense, and transport representatives.

The identified issues relate broadly to:

A. the need for an orderly system of taking up ships from trade so as to provide for both defense and national commercial needs, based on predetermined priorities governed by the level and type of contingency involved,

B. the legal implications for shipowners of meeting defense commitments at the expense of existing commercial contracts,

C. the crewing of merchant shipping involved in low level conflict, the status of merchant seamen so involved, and the possible conflict with existing industrial awards and practices,

D. the insurance and indemnity issue.

National Shipping Authorities

Concern exists about the ability of the Australian maritime industry and government departments to respond quickly to defense contingency requirements. Contact between defense and government departments to respond between defense and industry is formalized through the ASDC but in other areas is fragmented and takes place in the absence of any procedural blueprint for arrangements in time of conflict. The opportunity has therefore been taken to look at the means by which other maritime countries cope with similar problems.

In the United States, the United Kingdom, and Canada, the need for a properly organized emergency national shipping coordination authority has been recognized. The U.K. House of Commons report on *The Defence Requirement for Merchant Shipping and Civil Aircraft* (1987-1988) states quite clearly that:

"The United Kingdom would (as would other members of the Alliance) establish a national shipping authority (the NSA U.K.)...."

Also of interest to Australian planners are arrangements made by Canada to cope with similar problems. Although less dependent on merchant shipping than Australia, Canada has in place a well organized plan to deal with emergency and contingency situations. Four levels of emergency are defined:

- A. public welfare emergencies,
- B. public order emergencies,
- C. external aggression or intimidation short of full scale war,
- D. full scale war, or threat of war.

As part of an overall Canadian National Emergency Agency for Transportation (NEATRAN), the Marine Component (NEATRAN Marine) has a clearly defined role. It is:

In the time of national emergency or war, the role of the NEATRAN Marine, when established and activated, is to control, regulate and direct the operation of civil water transportation resources in Canada, and to continue to provide services to shipping while accommodating pressing national requirements such as naval and military transportation requirements. In other words, the main role of the NEATRAN Marine can be summarized as the management of the shipping resources and facilities in the best interest of Canada and her allies.

By having such an organization established, although not manned, Canada has avoided the problem of setting up ad-hoc organizations at short notice in times of national emergency. Further, by nominating individuals to fill establishment positions, Canada can activate the organization very quickly.

An Australian National Shipping Authority

The need for national coordination of the Australian Merchant Fleet in times of contingency was first accepted in 1986 and has

since been reconfirmed. In a contingency situation, the role of an Australia National Shipping Authority (NSA) would be to manage Australia's maritime resources in the best interest of the nation as a whole. Although the organization would not be staffed permanently, a small secretariat would be required to provide continuity and to act as the point of contact for other government departments and the maritime industry in general.

Furthermore, it would be practical for NSA involvement with the maritime industry to be based on the major maritime industry associations rather than on individual firms or shipowners. The NSA would thus comprise the relevant government departments (Department of Transport and Communications, Foreign Affairs and Trade, Defence) and the maritime industry. It would also be appropriate for maritime industrial unions to be involved in discussion on related issues. Preliminary work, sponsored by the ASDC, is to examine the best means of achieving such an authority. There are, however, many complicating issues to be considered.

Legal Aspects

During a contingency situation the Australian shipping industry would be confronted with a number of additional defense requirements over and above existing commercial commitments. These may include the provisions of:

- A. extended coastal surveillance,
- B. general sea transportation for the deployment of materiel,
- C. support for remote locations such as offshore islands or isolated settlements,
- D. non-cargo specialist vessels for shipping safety, such as tugs, rescue craft, and aviation support ships,
- E. support, either alongside or afloat, for deployed naval forces.

As already stated, a major deficiency in the present

arrangements for providing such support is the lack of any coordinated preliminary planning. Additionally, given the small and specialized nature of the Australian Merchant Flag Fleet, there is a legitimate degree of uncertainty about whether or not these additional defense needs can be satisfied, especially in the context of a short notice low level conflict situation, without some form of emergency legislation being enacted.

Defense emergencies are generally not conducive to good law making, and therefore it is important that the legal aspects of defense planning are embedded into both training and operational doctrines before problems are encountered. This being the case it is preferable that legal problems be identified in advance so that those changes needed can be made in peacetime.

In Australia's situation and probably in the case of most countries, not all of the legal problems that the military will encounter in countering a low level threat can be identified in advance.

When the armed forces of the United Kingdom went to the Falklands, they were accompanied by 54 ships taken up from 33 companies. Without these ships the United Kingdom might not have prevailed. It is, therefore, obvious that some processes of either law or legislation are crucial to the defense cause of taking up ships from trade to support military operations. The United Kingdom has the ability and legal powers in place to take ships up from trade as it has demonstrated.

Current Australian defense legislative powers, with respect to taking up ships from trade, have severe limitations. Basically, the extent is two sections of the Defence Act, and one of the Naval Defence Act. All three sections are now defective as a result of the passage of time. Legal opinion is that any existing legislation is hardly adequate and is unlikely to facilitate the process of taking up ships should it become necessary as the result of some future national emergency. The preparation of appropriate legislation is therefore another issue being addressed.

Impact of Industrial Unions

The situation is further exacerbated by the fact that in a situation of defense emergency, or even low level threat or conflict, Australian industrial law will continue to operate. The implications of this are that the Defence Forces will have to accept, as far as the unions are concerned, that the industrial law as it currently operates will continue to do so.

All the usual dispute settling mechanisms will be operating, federal and state awards will be in force, and workers will continue to exercise all their normal industrial rights, including the right to strike. It will be tedious for the military, who will be depending upon the unions for essential services, to discover that there are all sorts of conditions in awards relating to overtime, shift work, work-breaks, weekend work, and similar benefits which the unions have negotiated.

In summary, the present defense powers in this matter are ill-defined and could not be imposed without additional legislation. It would seem far preferable for such legislation to be prepared in advance and implemented.

Insurance and Indemnity Matters

The responsibility for indemnifying owners of shipping or other assets damaged or lost in a defense contingency has been one of the biggest obstacles to the resolution of coordination procedures for any of the transport modes. This issue is most prominent in aviation and maritime negotiations, but has been raised in the road and rail context as well.

The maritime industry position is similar to the stand taken by the aviation industry. Essentially both industries argue that in cases where the element of non-commercial risk is so great as to preclude an owner getting insurance coverage, or as to attach such insurance conditions which may have far reaching financial implications, the government should assume the responsibility of providing full indemnification.

Conclusion

Commercial operators stand to lose business if their ships are taken up by the Australian Navy for defense purposes, and given the economics of the industry at present, business lost may not be easily regained. Operators will therefore wish to know which of their ships, if any, are likely to be required, what regulations or legislation will be in place to facilitate the taking up of ships, and what compensation would be forthcoming for the loss of profits and trading opportunities.

The Royal Navy's experience in the Falklands conflict showed how a navy may have to rely to a great extent on commercial shipping not only to provide cargo carrying capacity, but also to provide capabilities more usually associated with naval ships. The issues raised above must be resolved before the RAN is in a position to take up ships from trade for use in defense emergencies. These issues are being addressed at present but they will not be quickly or easily resolved.

Note: In Commodore Walls' absence, his paper was presented by Commodore David John Campbell, Royal Australian Navy.

REGIONAL SLOC SECURITY

China's Maritime Strategy

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I. Foreword

China, in the eyes of laymen, is a continental country with a large population and vast land. In fact, historical records reveal that except for some short periods, the maritime activities of the Chinese people in the past, such as overseas trade or blue water exploration and colonization, were much more limited compared with other peoples of the world.

Today, in the 1990s, oceans have much to do with human civilization and existence; as a result, human dependence on oceans is on the rise. China, located in East Asia facing the Pacific Ocean, has quite a potential for oceanward development. This paper will focus on how China will respond to all the challenges and what policy the Chinese will adopt in the Pacific Ocean era.

The term "China" as used in this paper is a non-political generalized word that does not implicate the reality of political separation on the two sides of the Taiwan Strait. Rather, the author is trying to examine the maritime strategy of China from the viewpoints of historical background, geographical features, national character, and cultural aspects.

II. Overview of History

Taking advantage of the geographical features, the Chinese people historically have conducted their major activities on the land instead of on the ocean. Even though there were some activities taking place on the ocean occasionally, they were nothing more than individual adventures or minor undertakings. The looting of Japanese pirates in the southeast coastal areas during the Ming Dynasty (1368-1664 A.D.) and some pirate incidents in the middle of the Ching Dynasty (1802-1810 A.D.) were not serious threats from the ocean.

On the contrary, the prairie and desert in the northwest areas were constantly the major source of foreign invasion. In the past, the Huns, Mongols, and Manchus all came from the north. Hence most dynasties focused their attentions on the defense of northern frontiers and built the Great Wall to block the northern intruders. As a result, the emphasis of national defense policy was traditionally based on the land instead of the ocean.¹

Since 1000 A.D., there have been several significant and noteworthy maritime activities in China.

The Mongols sent the first expedition to Japan in 1274 A.D. Using the Korean Peninsula as an offensive base and carrying 25,000 Mongol and Korean troops in Korean ships, they first captured Tsushima Island and then sailed on to Japan. At first, the Mongol invasion proceeded smoothly, and Japanese troops were forced to retreat. However, the invasion fleet was wrecked in a typhoon, called by the Japanese the "Divine-Wind," resulting in a loss of half of the Mongolian troops. The remaining force withdrew to Korea.

In the second expedition in 1281, the Mongolian and Korean troops attacked Japan along two routes. The Mongolian fleet sailed for Imari Bay, while the Korean fleet headed for Hakata Bay. Surprisingly, again a typhoon swallowed the whole expedition fleet.

In early Ming Dynasty (1405-1430 A.D.), a court eunuch named Cheng Ho made seven voyages in an attempt to look for

the escaped emperor. The expedition transited dozens of countries in Southeast Asia, India, the Persian Gulf, the Red Sea, South Asia, Arabia, and the east coast of Africa. In addition to exploring the sea lines of communication linking the West and the East, the expedition promoted the seaborne trade between the two parts of the world.

In late Ming Dynasty (1659 A.D.), taking Kinmen (Quemoy) and Amoy (Hsiamen) as bases, Koxinga or Cheng Ch'eng-kung concurrently resisted the invading Manchu troops. Cheng's forces seized P'enghu island (the Pescadores) and Taiwan with well-prepared sea-crossing troops, expelled the Dutch (who had occupied Taiwan for 37 years), and established an overseas base to fight against the Ching Dynasty.²

After 1840, the Western powers, adopting a gun-boat policy with commercial trade as the forerunner and naval strength as the backing force, cornered and defeated China several times (such as in the Opium War and the Sino-French War). The superiority of "hardened ships and powerful guns" demonstrated by Western countries eventually awakened "the Sleeping Lion in the East."

Seeing the crucial circumstance and motivated by the crisis consensus, some observant scholars and intellectuals insisted that China should renovate its fleet and modernize it with Western science and technology. They believed that foreign aggression would have been checked if China had possessed a powerful naval force.

In this connection, Lin Tze-hsu (1785-1850), one of the leading characters in the Opium War, was the first to have witnessed the threat of seapower from the West. Lin tried to improve the traditional Chinese ships and guns so as to upgrade coastal defense capabilities. He further advocated that part of the tariff be used to purchase modern naval ships and guns from Western countries.³

At the same time, Wei Yuan (1794-1875), one of Lin Tze-hsu's colleagues and the author of *Haiguo Tuzhi* (an illustrated *Treatise of Sea Kingdoms*), advocated that it was imperative for China to study "Western technology," to strengthen

China's coastal defense, and deter foreign invasion from the sea. After Wei Yuan, a call for seapower was heard from many intellectuals and government officials.⁴

Various measures were taken within 50-60 years in the late Ching Dynasty, including the establishment of a naval school and sending students to western countries to study the foreign navies, construction of new naval bases and fortifications, and establishment of the China Merchant's Steam Navigation Company to run the coastal and blue-water shipping lanes.

It is worth noting, especially, that a Naval Department (the foremost navy department in Chinese history) was set up in Peking in 1885, and battleships and cruisers purchased from Germany and England were organized into the North China Sea Fleet in 1888 (at that time the most powerful fleet in the West Pacific Ocean) which marked a milestone in China's maritime endeavor.

Unfortunately, these achievements ended up in downright defeat in the Sino-Japanese War in 1894.

China's seaward adventure again returned to the status of the mid-nineteenth century, leaving the Chinese coast widely open and defenseless.⁵

III. Summary of Chinese Maritime Strategy

The key points of Chinese maritime strategy can be summed up as follows:

A. Yuan and Ming Dynasties and Before:

1. Generally prohibit maritime activities and restrict maritime trades.
2. Take defensive posture along coastal area; construct castles and fortresses and deploy troops guarding on-shore positions.
3. Organize maritime expeditionary forces in time of need; conduct no colonization after the enemy is defeated.

B. Ching Dynasty

1. For coastal defense, the Ching Dynasty followed the same policy of the Yuan and Ming: to cut foreign contacts and even to relocate the coastal residents inland.⁶

2. After the introduction of Western seapower, the Ching Dynasty still kept a defensive posture, with no intent to expand outward, paying particular attention to the security of Bohai Gulf with a view to safeguarding the Forbidden City (Peking) and its surrounding area.

3. While employing a modernized fleet, the government was highly inclined toward "Fleet-in-Being" thought to preserve its fleets for deterrent purposes.

4. Except for supporting army operations and safeguarding necessary sea lines of communication, there was no attempt to cut the enemy's sea lines of communication. This was evident in the battle of Yellow Sea.

IV. Dr. Sun Yat-sen's Construction Plan

After World War I in a discussion on the issue of the Pacific Ocean, Dr. Sun said:

What is the nature of the so-called Pacific Ocean Problem? It is nothing but the completion of seapower, which was shifted in the past from the Mediterranean Sea to the Atlantic Ocean and is in turn being shifted to the Pacific Ocean now.... The Pacific Ocean is all the more important to us in terms of the existence of Chinese people and the destiny of our Nation.....

In his words, Dr. Sun clearly pointed out that the era of the Pacific Ocean was coming, and China would play an important role.

In 1921, Dr. Sun published the *Construction Plan and the Guidelines of National Defense*. The content had much to do with

maritime development. Some important points of the plan are listed as follows:

A. Building harbors as big in scale as the harbor of New York City in the northern, central, and southern parts of China.

B. Building railroad networks and inland waterway networks connecting the three major harbors mentioned above. Dredging the Yangtze River waterways so that ocean liners could sail directly to Hank'ou City.

C. Constructing four second-rate commercial harbors, nine third-rate commercial harbors, and fifteen fishing harbors along the coast.

D. Establishing shipyards with capacity to build ten million tons of coastal ships and ocean liners and a large number of fishing boats.

E. Building up industries for people's livelihood and developing mining, steel, and cement industries to speed up China's industrialization.⁸

Dr. Sun's construction plan was both large scale and farsighted. Many parts of his programs are still applicable at present and are considered as the basis of integrated maritime strategy. He also suggested that the Western advance countries should provide economical, financial, and technical help to China in its quest for modernization because that would be mutually beneficial to all sides.⁹

V. An Assessment of China's Conditions for Maritime Development

What we are going to discuss in this section is whether China's conditions for maritime development are sufficient or restrained. For the following analysis and evaluation, we shall use essentials to seapower explicated by Rear Admiral A.T. Mahan:

- A. geographical location,
- B. physical conformation,
- C. extent of territory,
- D. population,
- E. national character, and
- F. governmental institution.¹⁰

Geographically, China is situated in the center of the eastern part of Asia, facing the West Pacific Ocean. Its coastline starts from the mouth of Yalu River in the north and ends at the Peilun River in the south, stretching a total of 11,000 odd kilometers.

Along the coast there are more than 3,500 islands. From north to south, the Chinese differentiate their maritime space into the Bohai, the Yellow Sea, the East China Sea, and the South China Sea. To the east of these areas, there are the Korean Peninsula, Japan, the Ryukyu Islands, and the Philippines forming the outer island-chain. Within these areas, the Taiwan Strait and the Bashi Channel have long been the rendezvous of the West Pacific commercial sea lanes. We can say it is potentially favorable for China to develop seaward.

As for the physical conformation, the Yellow River Basin and the Yangtze River Basin have such fertile land and abundance of agriculture products that the people on the mainland have been fond of settling there. The lack of natural harbors on the straight coast north of the Hangchow Bay has been a disadvantage for seaward development.

However, in the hilly coastal region of the Liaotung and the Shantung peninsulas along the northern part of the coast, there are many natural harbors such as Dairen, Port Arthur, Weihaiwei, and Tsingtao. In the South, there are also many hilly lands scattered in the Chekiang, Fukien, and Kwangtung provinces, forming a winding seashore and thus developing many well-established harbors such as Hsiangshan, Fuchou, Amoy, Swatow, Canton, and Hai'kou.

As far as population and extent of territory are concerned, China's land mass is roughly equivalent to that of the United

States, but the population of China is four times as large as that of the United States.

In the past, when the population of China was relatively small, the abundant living space and self-sufficient situation made the Chinese adopt a closed-door policy. They lacked the incentives to develop and emigrate outward. However, at the close of the twentieth century, the call for maritime development became strong.

To become a seapower, a nation must take the lead in shipping, overseas trade, and the shipbuilding industry and have plenty of related manpower, such as seamen, fishermen, shipbuilding technicians, engineers, and farsighted executive and management personnel.

At the end of the Ching Dynasty foreigners were employed to take the responsibility of customs management, naval training, and supervision of the shipyards. Up to the middle of the twentieth century, some of these jobs still required foreign advisers and "assistance." However, after a century's development and cultivation, Chinese manpower in maritime business has progressed by leaps and bounds.

In Chinese history, unlike that of the British, there has never been a policy which stressed overseas trade, colonialism, and maritime hegemony. However, in today's international community a policy of self-confinement and self-sufficiency can no longer stand. Influenced by an objective surrounding, the Chinese government will naturally adapt itself to the outside world.

VI. Outlook of China's Maritime Strategy

To my thinking, both the utilization and control of the ocean should be included in maritime strategy. When reviewing a nation's push for seaward enterprise, we shall examine if there is a strong motivation to sustain the act.

Of all the subjects that China faces today, economic development is the most important. And this offers enough

impetus to develop ocean resources and to expedite modernization. The following are strategems concerning ocean development:

A. To build up the merchant and the fishing fleets and to develop the shipbuilding industry

The size of the Merchant Fleet symbolizes a nation's strength, and merchant ships also play a major role in wartime. In due course, shipping agreements of mutual benefit should be concluded with the related countries so as to eliminate unnecessary barriers and malignant competition.

Fishing operations have stretched from the coastal water to blue water. Fish provide not only food but also a source of cheap protein. So, it is urgent for China to build a modern fishing fleet.

Agreements for fishing zones should be reached with neighboring countries, such as Japan, Korea, and the Philippines. There have been restrictions on the use of drift nets in the fishing grounds of the North and South Pacific Ocean. This dispute must be solved by countries through peaceful means.

History has proved that if a country lacks the support of the shipbuilding industry, the foundation of its seapower can never be solid.

Therefore, policy should be formulated to encourage ship-owners to build ships at home and to have an integrated plan for the related satellite factories.

B. Exploitation of maritime resources

Maritime resources can be classified in three kinds: food, energy, and mineral. Besides fishing, there are methods of getting food from seaweed to remedy the shortage of food produced on land. The continental shelf along the coastal area of mainland China is generally acknowledged as an area rich in oil and gas deposits, which deserves continuous probing and development. As for the minerals in the sea, they can be extracted from seawater or mined from the seabed, and we have to seek for breakthroughs

in cost-effective mining technology.

At present, besides promoting positive researches on maritime technology, we shall make extensive probes and stand by the principles of liberalization of resources.¹¹

C. Emphasis on the environmental protection of the oceans

The vast sea has always been treated as a natural dump by human beings living on land. While exploiting resources of the ocean, we are obliged to take environmental protection into serious consideration. Owing to the endeavors of the Green Peace Organization, not only has public attention been aroused, but also a great number of environmental protection activities have begun. An example is the pollution crisis in the North Sea which has drawn attention from the various European countries surrounding it.

At present, China is dedicated to economic construction and industrialization. We should have paid closer attention and devoted ourselves to the issue of ocean pollution at an earlier stage.

D. Promotion of ocean technology and cultivation of specialists

Today, the ocean is still considered as the "inner space," a domain requiring exploration. In recent years, the development of the oceanology has been growing rapidly. The depth of oil drilling has reached over 2,000 feet under the sea, and the probing of manganese nodules that lie in the deep seabed level has been conducted.

China still has much to do on oceanology development and needs to seek support and cooperation from the West so as to upgrade the level of pure scientific research and industrial application. One of the major tasks is the establishment of an oceanic research institute and related maritime schools in order to cultivate personnel for ocean exploitation.

E. Development of overseas trade and construction of seaports

While seeking economic growth, the Chinese mainland relies heavily on foreign trade especially with Japan, the United States, and Western European countries in the import of provisions and industrial equipment, as well as in the export of mineral resources and products. In addition, the Western countries are the main sources of capital high technology. Looking forward, China's policy had been geared to achieve bilateral or multilateral agreements of mutual benefit with various trading partners and to participate in international economy/trading and monetary organizations.

Harbor installations are the basis of developing trade and overseas transportation. As mentioned above, Dr. Sun Yat-sen outlined a large-scale design of developing seaports in his *Construction Plan*. To achieve the goal of freely distributing the commodities, harbors must be designed and constructed in a far-sighted manner and according to the requirements of integrated economic development.

F. Intensification of international cooperation and maintenance of West Pacific security

In recent years, the confrontation between the East and West has been greatly eased. The world's situation changed drastically during 1989 and 1990, with events such as the U.S.-Soviet summits and a nuclear disarmament agreement, the dismantlement of the European Iron Curtain, and the political and economic reforms within the Soviet Union and Eastern Europe. All these made us believe that the threat of a global-scale war is vanishing.

For East Asia, in his speech made at Vladivostok in 1986, Soviet leader Mikhail Gorbachev announced his new policy toward the Asian-Pacific region, stating that the Soviet Union is willing to develop friendly relations with every country in the said region. Afterwards, the Soviet withdrawal of troops from Afghanistan and Outer Mongolia, the Vietnam withdrawal of

troops from Cambodia, and again the Soviet withdrawal of part of its warships and fighters from Cam Ranh Bay have reduced on a large scale possible military confrontation in the East Asian region.

In the meantime, the United States is also planning armed forces reduction in the West Pacific and is now facing the lease issue of naval and air bases in the Philippines. The main reason for the drastic Soviet change is that the leaders of the Soviet Union realized that the health of the economy at home and the close economic cooperation with the other countries in the world were far more important than the military power they held in the decades of the Cold War.¹²

Following the worldwide trend of detente and seeking economic construction, China should give first priority to the intensification of cooperation with neighboring countries, such as Japan, Korea, and members of ASEAN, and reach a consensus on regional security. Between the United States and the Soviet Union, two super seapowers, China will play a role of insuring regional stability in the West Pacific. The prime maritime concern of China is to execute active defense along the coast so as to ensure the security and development of the coastal economic region. In regard to the sea lanes far away from homeland, the proposition of free passage in straits by international laws will be stressed.

VII. Conclusion

Currently most nations in the world put great emphasis on oceans and are scrambling to enlarge their territorial waters and economic zones. With numerous islands and a long coastline, China is a very important country in the West Pacific. As the era of the Pacific Ocean is approaching, the Chinese must face the changes in the international situation. It is imperative for China to follow the course of political democratization and economic liberalization, so as to create a bright future for the Chinese people. The security of sea lanes throughout the world is indispensable for China to achieve these two goals.

I think the essence of Chinese maritime strategy can be summarized as follows:

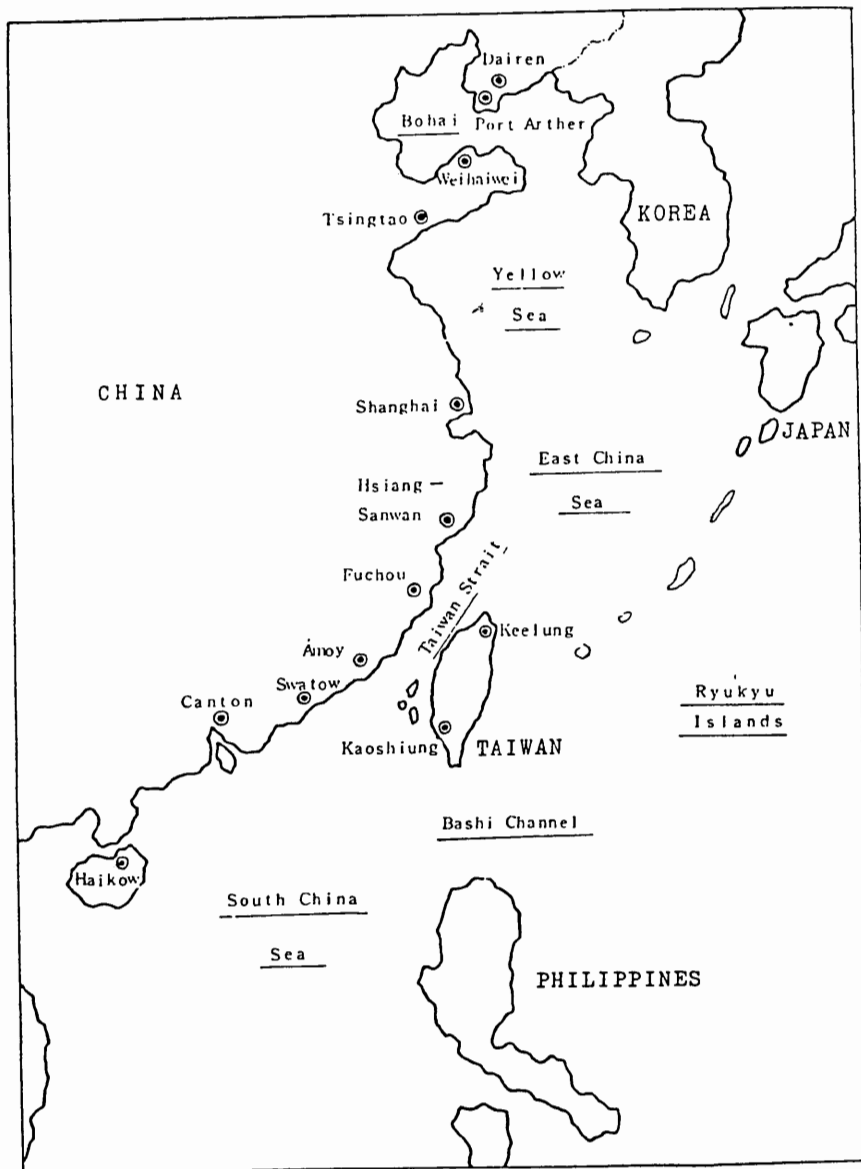
"development" -- seeking the prosperity for the people's livelihood, and

"cooperation"-- pursuing the common benefit among the family of countries.

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Map I: Asian West Pacific



U.S. Maritime Strategy in the West Pacific

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and

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U.S. Maritime Strategy

The current U.S. maritime strategy was formulated around 1982, although its fundamental tenets have existed for centuries.² Like many other elements of U.S. national security policy, the maritime strategy was designed specifically to meet the Soviet threat, particularly as that threat appeared in the late 1970s and early 1980s. At the time, there was concern that the United States was ill-prepared to fight the Soviet Union at either the nuclear or conventional level. The primary focus of attention, of course, was the Central Front in Europe.

In large measure, the current maritime strategy had its genesis in debates within the U.S. Navy as to how it could play a more significant role in national security at this weakened juncture of U.S. post-World War II history. As such, maritime strategy is supportive of the broader U.S. national strategy which, although loosely defined, has fairly consistent elements such as containment, deterrence, free and fair trade, power projection, and strong alliances.

The maritime strategy is often summarized as being forward, global, allied, and joint. The strategy calls for early forward naval

operations against the flanks of the land-based power of the Soviet Union. Deep air strikes are intended to destroy or neutralize the Soviet naval threat, which would in turn free Western maritime forces to play a more constructive role in the land battle.

The maritime strategy utilizes maritime mobility on a global scale against the much less mobile Soviet ground and tactical air forces. The strategy seeks to use allied navies and alliance geography to the West's advantage. The strategy relies upon joint service cooperation and coordination to seize or defend key geographical positions affecting the Navy's operations.

The maritime strategy is based on the premise that sea control can be best seized and maintained through the early destruction of the enemy's navy. According to the strategy, the destruction of the Soviet navy would be achieved through projecting sea power into Soviet areas of naval operation and bases. The projected power centers around U.S. carrier battle groups, amphibious assault groups, and nuclear attack submarines.

The maritime strategy assumes that the threat of this projected power against strategic targets which Moscow must defend would force the Soviets into an early decisive battle. The strategy further assumes that the attacking U.S. force, particularly the carrier battle groups, would be targets of opportunity which the Soviets would feel compelled to attack in a concentrated manner.

The U.S. Navy believes that the power of its various offensive and defensive systems, particularly those found within the carrier battle groups, is sufficient to destroy Soviet forces in these major naval and air confrontations.

The effectiveness of the strategy depends largely on the projection of U.S. power at the earliest possible moment after the outbreak of hostilities. Early, decisive naval confrontation is sought for two main reasons.

First, it prevents the Soviet Union from dispersing its forces into the open ocean, where they can do great harm to Free World shipping and where they are enormously difficult to find and destroy.

Second, an early decisive battle frees up naval power

projection forces which can play a useful, and perhaps crucial, role in the more central land battle being fought against Soviet forces, presumably in Europe.

Maritime Strategy in the Far East

In the Far East, there are two main concentrations of Soviet forces which would be potential targets for the maritime strategy: the Northwest Pacific and the Sino-Soviet border. Of these, the most important, and therefore the principal U.S. target, is the Northwest Pacific sub-theater.

In the Northwest Pacific the Soviet Union has created a major bastion for its SSBNs in the Sea of Okhotsk. The maritime strategy assumes that Moscow so highly values these strategic assets that it would seek to protect them by concentrating many of its most capable surface warships, attack submarines, interceptors, and antiship bombers, as well as substantial numbers of tactical aircraft and ground forces, in the area. These forces not only protect the SSBNs, but also the numerous military installations in the Soviet Far East.

Under current force levels, the United States may be able to assemble five carriers in the Far East from the forward-deployed Seventh Fleet and the Third Fleet, operating closer to the continental United States. These carriers could form one or two powerful battle groups, augmented by long-range aircraft in the Aleutians and Seventh Fleet submarines operating in or around the Sea of Okhotsk and the Sea of Japan. The threat of an amphibious landing by U.S. Marines in certain areas of value to the USSR would also be present in the minds of Soviet planners.

According to the maritime strategy, these forces would maneuver to attack the Soviet bases and the SSBN bastion at the earliest outbreak of hostilities, probably even if these hostilities originated in Europe, the Middle East, or some other location. It is assumed that the size of the U.S. forces and the importance of their intended objectives are so great that the Soviets would feel compelled to mount concentrated strikes against the advancing

American forces, the most important targets for the Soviets probably being the carriers.

But by seeking to attack the carriers, the Soviets would put at risk their own navy and naval air forces. The maritime strategy assumes that most Soviet attack submarines would be located and destroyed by the formidable antisubmarine warfare capabilities inherent in the carrier battle groups. Soviet antiship bombers would be intercepted by carrier fighters, and then shot down either before or after their antiship missiles were launched. Those missiles which were launched would be handled by the multilayered antimissile defenses of the battle group. In addition, carrier attack planes and Tomahawk missiles would severely damage Soviet air and naval bases and destroy additional planes and ships found there.

Hopefully, all of these activities would remain at the conventional level. The presence of considerable nuclear weapons and tactical delivery systems on board the carrier battle groups would act as a deterrent to an escalation beyond the nuclear threshold. If successful, the maritime strategy in the Far East would have several important strategic results.

First, most Soviet sea denial forces would be destroyed before they were able to interdict sea lines of communication in the Pacific. This would enable the mobilization potential of the United States and its European and Asian allies to be realized. The role of the Asian SLOCs are vital because much of the West's industrial potential now lies around the Pacific Rim.

Second, many Soviet SSBNs in the Far East would be destroyed. It is assumed that severe damage to this second-strike capability would weaken Soviet incentives to escalate the war to a cataclysmic nuclear exchange. Presumably, then, the destruction of the SSBNs would provide additional incentives to both Soviet and American leaders not to cross the nuclear threshold.

Third, a large percentage of Soviet ground, air, missile, and naval assets would be destroyed or tied down in the Far East, and thus be unavailable for deployment in the European theater. Since

the carrier battle groups are so mobile, the Soviets would have to defend many areas at once, thereby increasing the number of Soviet forces preoccupied in Asia. Also, U.S. forces might be able to cut the Trans-Siberian Railroad in several places, thus preventing material from being sent either to the Far East or to Europe.

Fourth, the aggressive U.S. posture might strengthen the resolve of Japan to resist the Soviets and to cooperate with U.S. forces. Also, the strong, forward stance of the United States might encourage the Chinese to cooperate with the West.

At minimum, the Soviets would probably find it difficult to withdraw large forces from along the Sino-Soviet border, because of fear that the Chinese might take advantage of Soviet difficulties to reclaim territories lost to Russia and the USSR over the past two centuries.

Navy Assessment of the Maritime Strategy

Admiral Carlisle A.H. Trost has written a timely article on this subject appearing in the May 1990 edition of *Proceedings*.³ His views may be taken as the official U.S. Navy perception of the viability of the maritime strategy for the next decade.*

While admitting that the political and military environment is changing rapidly, Admiral Trost emphasizes that the maritime strategy is based on enduring principles which transcend the changing environment. These include the need to deter aggression against the United States and its allies at any level of conflict; the need for naval and marine corps forces to be forward deployed to respond quickly to any crisis; and the need to maintain alliances to strengthen the common defense.

Admiral Trost argues that there will be many threats to U.S. interests in the 1990s, and that the maritime strategy is designed to meet each of them. Due to the considerable length of time necessary to build a modern warship, however, future crises will have to be handled by what is immediately available. Hence, it is important to maintain a navy robust enough to respond to a

complete spectrum of challenges from global conventional war to terrorism and drug trafficking.

According to Admiral Trost, the most severe military threat will continue to come from the Soviet Union, although it is also the least likely threat.⁴ The Admiral argues that U.S. strategy and war-fighting capabilities must be tied to that potential threat. In effect, therefore, he supports the maintenance of the existing navy and maritime strategy, with most of the navy's modernization plans kept in place. This includes finding means to counter Soviet submarine quieting and sensor improvements, and means to counter Soviet sea control enhancement reflected in improved air defenses, surface warships, and fighter and bomber aircraft. According to Admiral Trost, the Soviet Navy is reducing its size because of block obsolescence. But its capabilities are improving as it grows smaller: a more modern, more sustainable, and much more difficult force to defeat.

Although the Soviet military threat is the most dangerous to the United States, it is also the least likely to materialize. Of far higher probability is the likelihood of the United States becoming involved militarily in lower levels of conflict, especially in local crises and regional conflicts.

Admiral Trost points out that the diffusion of high-tech weaponry to these areas of instability is creating a very hostile maritime environment for the U.S. Navy. Indeed, he argues, survival may not be possible in ships and aircraft less capable than those required to fight the Soviet Union's global conventional threat. In essence, Admiral Trost argues, the only difference between the platforms required to fight the Soviet Union and those needed in low-intensity conflicts will be in their numbers, not in their capabilities to survive in a hostile, high-tech environment.

Maintaining the current size and composition of the U.S. Navy is made even more necessary by the trend over the last few years for the United States to lose access to overseas bases and overflight rights. Admiral Trost points out that at the end of World War II, the United States had bases in 100 countries. Today, bases exist in less than 40, and prospects are high for further reductions

of bases in both Europe and the Pacific. As access to overseas bases diminish, Admiral Trost argues, the importance of naval forces increases, because they can sustain themselves in various parts of the world to demonstrate U.S. power without raising the sensitive issue of territorial sovereignty.

Admiral Trost emphasizes that the maritime strategy is useful in articulating how American naval forces can support national policy across the entire spectrum of conflict. The strategy also provides a structured framework for the daily peacetime business of the navy and the marine corps. And the strategy integrates fleet operations with the other services and allies in peacetime and in war.

According to Admiral Trost, the maritime strategy supports the fundamental U.S. strategy of deterrence at both the strategic and tactical nuclear levels through ballistic missile submarines and the ability to mount nuclear land attacks from the sea on dispersed naval strike assets such as manned aircraft and nuclear-capable long-range cruise missiles.

Deterrence at both nuclear and conventional levels is enhanced by the forward deployment of naval units. In fact, forward deployment is at the heart of the maritime strategy, and it is a subject on which Admiral Trost spends considerable time.

The Admiral notes that, currently, approximately one-third of the fleet is either at sea or forward deployed at any one time. These forces have a high degree of readiness and possess the necessary combat capability to act quickly to protect American interests throughout the world.

Admiral Trost acknowledges, however, that budget pressures are forcing a new pattern of forward deployment upon the navy. In view of the reduced Soviet threat and cutbacks in the defense budget, naval forces will continue to be deployed within key overseas theaters, but on a nearly continuous basis rather than continuous. He uses the term "flexible forward presence" to describe this type of reduced forward deployment.

He notes that, as a result of this adjustment, the military response to crises will be less prompt, but the level of naval

readiness nonetheless will be in keeping with the overall environment of reduced superpower tensions. He notes the possibility of further adjustments of the forward deployed global presence to accommodate the navy's role in drug interdiction and greater fiscal constraints. But Admiral Trost warns against reducing the U.S. forward-deployed presence too much. He points out that over the last 40 years, the navy has responded to 200 crises, and there have been 50 such crises over the last decade. The navy has been involved in more than 80 percent of the crises faced by the United States since World War II.

Since there is little indication that these regional crises will lessen in the future, even if superpower relations improve, Admiral Trost argues that the continued forward deployment of U.S. Navy units in areas of likely crisis, such as the Mediterranean, West Pacific, Indian Ocean, and Caribbean, should continue. The presence of U.S. forces will help limit the expansion of future crises and assist in a quick return to normalcy. On the other hand, he states, a withdrawal of forward-deployed naval forces from these areas would probably lead to more crises and undermine the ability of the United States to protect its interests abroad.

The great advantage of a naval presence in regional crises, the Admiral writes, is that the navy and marine corps can be moved rapidly into position without violating borders. If necessary, these same units can apply the appropriate level of force to protect U.S. and allied interests. After the situation is stabilized, the naval forces can be withdrawn without giving the appearance of a politically damaging retreat.

Admiral Trost argues that the ability to carry out this mission requires not only forward deployed forces, but also combat ready forces. Readiness, in turn, implies that U.S. Navy and Marine Corps units be properly trained, properly manned, and equipped with appropriate equipment. Readiness is also maintained by the Navy's participation in frequent joint and combined exercises. These exercises have the added benefits of increasing interoperability and combat effectiveness, as well as strengthening alliance cohesion.

Admiral Trost emphasizes the positive role played by the navy's forward presence in the Pacific. He notes that, apart from Korea, the Pacific region is a naval and air theater. Since the Vietnam War, the principal representative of the U.S. commitment to regional stability and freedom of the seas has been the forward-deployed forces of the navy and marine corps.

The Admiral observes that Asian nations are concerned not only with the Soviet threat, but also with traditional and modern threats from other Asian nations. The U.S. Navy plays a highly appreciated role by fostering a peaceful environment in the region, which in turn has been essential to economic growth and prosperity. This role as a "regional balance wheel" cannot be duplicated by any other Asia-Pacific power because of distrust between the various Asian nations.

Just as the Soviet Union will, in the foreseeable future, remain the single power able to threaten the continued existence of the United States, so Admiral Trost argues there should be a continuity in the basic principles which guide naval war-fighting strategy. These principles include reliance upon deterrence, forward defense, and global coalition warfare.

The United States must still be able to control the seas. Maritime forces will still be needed to support and resupply our allies and forward-deployed forces. The United States will still seek leverage to achieve an early favorable resolution of any conflict. And the United States will continue to seek to avoid crossing the nuclear threshold, unless forced to do so.

In any future conflict, maritime superiority will enable the United States to fight a protracted conventional war overseas. This requires that sea lanes be kept open, and that can best be accomplished, according to Admiral Trost, by successful forward sea control.

He notes that maritime superiority will also enable the United States to deny an opponent the option of confining the conflict to a single theater. This provides leverage and strategic advantage to the United States, as well as an expanded inventory of options as to how to conduct the war.

The ability to move into forward areas as early as possible is a necessity, Admiral Trost believes, if the United States is to protect its allies, prevent the enemy's interdiction of sea lines of communication, destroy his navy, and force him into a defensive posture. The ability to project force against an enemy's homeland, moreover, requires him to disperse his forces and thus prevents concentration against our offensive or defensive forces.

The forward movement of U.S. forces in the early stages of a crisis serves two purposes, according to Admiral Trost.

First, it strengthens deterrence by signalling national resolve, reassuring allies, and demonstrating readiness.

Second, it puts our forces into position during the early critical stages of the crisis, thus reducing transit times, complicating the enemy's targeting requirements, and ensuring that the United States can begin immediately to influence the course of the conflict.

Should conflict break out, it is crucial that the United States establish sea control as far forward and as early as possible. Control of choke points through which an enemy must sail to reach the open ocean is especially important. The objective of the maritime strategy is to assume the offensive quickly so that the enemy must react to our moves, not we to his.

Power projection and the initial campaign to gain control of the seas complement one another in the maritime strategy outlined by Admiral Trost. Air strikes, amphibious operations, and destruction of the enemy's fleet and naval air capabilities are essential elements of the early sea control campaign. Once sea control has been established, then the navy can bring its power to bear against selected targets ashore, particularly exposed flanks, although strikes against the enemy's homeland must be decided by U.S. command authorities.

Admiral Trost concludes that the maritime strategy is flexible enough to adopt to the changing international environment and domestic fiscal constraints. The strategy is based on sound facts and principles that will remain valid during these changes. He notes that geography and geopolitics determine our maritime

character; deterrence and crisis management remain national imperatives; and we remain tied to our global friends and alliances. Flexible forward deployments and close cooperation with our allies as part of a global coalition remain valid military principles. Because of these continuities with the past, Admiral Trost concludes that the maritime strategy is indeed an appropriate one to follow in the 1990s.

DoD Perceptions of the Strategic Environment

The navy's case is strengthened by a common perception in the Department of Defense that the Asian-Pacific region requires a continued strong, forward-deployed naval presence. This perception has been recently conveyed to Congress by Carl Ford, Principal Deputy Assistant Secretary of Defense for International Security Affairs.⁵

Ford argued that our national security objectives in the Asian-Pacific region have been well served by a military strategy characterized by forward-deployed forces and the maintenance of a base structure centered primarily around Japan, Korea, and the Philippines. But, unlike Europe, where U.S. forward-deployed forces were focused solely on the Soviet threat, Ford stated that in Asia the mission of the forward-deployed forces is much broader. This is because threat perceptions in Asia are much more complex than in Europe. In addition to deterring the Soviet Union, U.S. forward-deployed forces in the Asian-Pacific region play a role of "regional balancer, honest broker, and ultimate security guarantor." The importance of this role, Ford noted, will increase over the next decade because of rapid change sweeping over Asia.

According to Ford, no other power can play this role. Furthermore, if the United States abandons that role, a power vacuum will be created in the region which other nations will try to fill. This would destabilize the area, he said, and create conditions for a regional arms race and possible confrontation.

Ford pointed out that the Soviet Union continues to pose a military threat to our interests in the region, although its unilateral

force reductions have weakened the USSR's offensive capability against the People's Republic of China and lowered the Soviet force posture in Southeast Asia by withdrawing aircraft and ships from Cam Ranh Bay. Soviet ground and air forces remain deployed in force in regions close to Japan, despite reductions in Mongolia and along the Sino-Soviet border.

According to Ford, the Soviet military threat to U.S. interests is being joined by a growing potential threat of regional instabilities occurring in places like the Spratly and Paracel islands, Hong Kong, and Taiwan, all of which involve the PRC. Other nations have voiced concern over India and Japan. The proliferation of modern weaponry and missile technology, as well as arms sales, technology transfers, and illegal narcotics trafficking, are problems confronting U.S. interests as well.

Ford expressed the view that the U.S. military presence in the region would help localize any conflict and provide the United States with diplomatic leverage to help resolve the conflict. He pointed out that this is a U.S. role supported by most major powers of the region. In addition, the U.S. military presence helps assure open SLOCs and access to commerce and trade in the region.

Ford told Congress that it makes little sense to reduce the U.S. naval presence in Asia. This is true because the United States is a maritime power dependent upon freedom of the seas and access to overseas markets. Since 37 percent of total U.S. trade is with Asia, a forward-deployed naval presence in the region is essential to protect vital sea lanes and to respond to regional contingencies.

In closing, Ford suggested that the deployment patterns of U.S. forces in East Asia should remain pretty much what they are now. The principal elements of the U.S. strategy toward Asia should be maintained to protect U.S. interests into the twenty-first century.

Challenges to the Maritime Strategy

Despite strong U.S. government statements in support of the maritime strategy, there are at least four major challenges to that strategy in the West Pacific as we move into the 1990s.

First, there is the possibility of losing base access in the Philippines.

Second, there is the perception that with the decreasing Soviet threat, the aggressive forward posture dictated by the maritime strategy is no longer helpful.

Third, there are limitations on the maritime strategy imposed by budget cuts.

And fourth, there is the challenge presented by alternative strategies. Each of these should be briefly analyzed.

Loss of Philippine Bases

Unlike the loss of bases in Japan, the loss of the large U.S. naval base at Subic would not undermine the maritime strategy to the extent that it seeks to counter the Soviet threat in Northeast Asia. Some difficulties no doubt would be encountered, particularly in terms of ASW activities in the South China Sea and transit times for various ships, but these difficulties could be overcome by moving the fleet and its various support facilities and operations to one or more alternative locations. The subject of alternative basing has been examined extensively and needs no elaboration here.

Certain aspects of the maritime strategy, as it is now defined by the navy, might be affected by a withdrawal from Subic, however. Most principally, these include a negative impact on the navy's role as the "balance wheel" of Southeast Asia. As noted, this role evolved independently from the maritime strategy's primary concern with the Soviet threat, but it nonetheless is important regionally and it is a multiplier of U.S. influence in the region. If Asian nations perceived a U.S. withdrawal from Southeast Asia, uncertainty would increase in the region, an arms race might ensue, and regional peace and stability might be adversely influenced. This would be unfortunate, but it would not undermine the maritime strategy.

Diminishing Soviet Threat

The second, and more serious, challenge to the maritime strategy in the 1990s is the growing perception that the Soviet threat is diminishing under Gorbachev. This perception does, of course, have a direct impact on budgetary constraints now being faced by the navy, but these will be considered separately.

Because of these changing perceptions, for example, the navy is feeling pressure to negotiate naval arms reductions in the West Pacific. These include restraints on nuclear-capable Tomahawk cruise missiles, which play an important role in the maritime strategy in attacking land targets to repress anti-air capabilities prior to a naval air attack. Also, the nuclear capability of the Tomahawk and carrier-based aircraft add to the nuclear deterrent role played by the navy.

Gorbachev's suggestions for reduced tensions in the West Pacific to parallel the reductions taking place in Central Europe have a great public relations appeal. But they also directly challenge several of the basic tenets of the maritime strategy. For example, his proposals for arms reductions in the Pacific might weaken the cooperation of friendly nations with the U.S. Navy in both peacetime and wartime. The support of allies in the Pacific is an essential element of the maritime strategy.

This is why the U.S. Navy has consistently refused to negotiate arms reductions in the Pacific, and why the U.S. government has insisted that conditions in the West Pacific are significantly different from those in Europe. The pressure to respond to Gorbachev remains, however.

Budgetary Constraints

The third and serious challenge to the maritime strategy in the West Pacific is the constraint imposed by budget cuts in defense appropriations. The 10 percent reduction in armed forces personnel stationed in the Pacific, announced by Secretary of Defense Dick Cheney at the close of his trip to Asia in February, will not change the maritime strategy.⁶ But his late April

announcement that he had made a preliminary decision to cut the navy's fleet of aircraft carriers from 14 to 12 might have an impact.⁷ The Secretary also proposed a reduction in the production of the navy's new advanced tactical aircraft, the A-12, from 858 to 620.

In suggesting the navy's fleet of carriers might be cut back to 12, Cheney moved closer to Senator Sam Nunn's proposal to cut the navy's carriers to between 10 and 12.⁸ Senator Nunn has argued that the navy simply cannot expect the funds to support the fleet at the operational tempos of the Cold War. He suggested that the navy will have to decide whether to reduce operations, place more ships into the reserves, or accept a smaller but all-active navy. Nunn also advised the navy to rethink its presence mission, particularly for entire carrier battle groups to show the flag.

These budgetary reductions challenge the current maritime strategy in the West Pacific in several ways. In the first place, there is a question of whether a fleet of 10 or 12 aircraft carriers will allow for sufficient numbers to be concentrated in the Pacific to carry out the aggressive, early forward deployment so important to the implementation of the maritime strategy.

Under current wartime disposition plans, the navy would place five carrier battle groups with the Seventh Fleet for operations in the West Pacific and Indian Ocean. Two additional carrier battle groups would be with the Third Fleet in the East Pacific. Four carrier battle groups would deploy to the Mediterranean with the Sixth Fleet and three would be assigned to the Second Fleet in the Atlantic.

Although this is an issue best resolved by naval experts, it would seem that the U.S. Navy could continue to carry out its maritime strategy in the West Pacific with one less aircraft carrier battle group, if some other theater, say the Mediterranean, were able to absorb the second loss.

This means, pending further analysis, that a cutback to 12 aircraft carrier groups instead of the current level of 14 would not undermine the maritime strategy in the Pacific. More serious doubts must be raised about the maritime strategy if two aircraft

carrier battle groups, rather than one, were withdrawn from the wartime dispositions of the Seventh Fleet.

Major reductions of the air force's tactical air wings assigned to support the maritime strategy in the West Pacific would also reduce the effectiveness of that strategy. The air force has reportedly suggested that it would be willing to accept 28 tactical air wings, instead of its current 35. No doubt, some of these wings would be withdrawn from the West Pacific.

But if the longer warning time now assumed by the Defense Department proves correct, tactical aircraft could be flown to the Aleutians, Japan, Korea, and elsewhere in East Asia to support the forward operations of the carrier battle groups in accordance with the current maritime strategy.

Various peacetime aspects of the maritime strategy will also be affected by budget constraints. For example, the number of allied and joint exercises carried out by the Seventh Fleet in the West Pacific will be reduced. By the same token, however, budget constraints faced by the U.S. Navy might strengthen the role of allies in executing the maritime strategy.

The South Koreans, and especially the Japanese, will no doubt be asked to assume larger roles for regional security. They will balance this request with reduced tensions in the area, but nonetheless it can be safely assumed that they will undertake a larger portion of their self-defense.

Given the geographical realities of the region, this means an increased ability to protect regional sea lanes, defend airspace, and close key straits to Soviet transit. All of these activities are part of the maritime strategy in the West Pacific. Another role assigned to the U.S. military under the maritime strategy in Asia is to "show the flag." This role should not be adversely affected by moderate budgetary cuts, because a smaller number of ships rather than carrier battle groups can suffice.

There is a more troubling question as to whether the withdrawal of one of the carrier battle groups in the West Pacific will undermine the U.S. role in maintaining the regional balance of power. It is true that some governments might view the

withdrawal reduction as further proof that the United States was reducing its commitments to the region. This perception could be countered somewhat, but it could not be overcome altogether. Probably, the perception would lead to a regional arms buildup, but its extent and its consequences are difficult to predict.

Overall, the budget challenge to the maritime strategy is serious but not necessarily overwhelming. The reductions outlined by Secretary Cheney in late April are approaching the limit at which confidence can be maintained in the successful implementation of the various aspects of the maritime strategy. Assuming the budget reductions can be kept at the announced levels, the maritime strategy will probably remain in force. However, it will be implemented through a reduced navy and one less capable than now deployed in the West Pacific.

Whether the Cheney proposal will be accepted by Congress is uncertain. On May 1, 1990, the House passed its version of the Defense budget, approving \$283 billion in budget authority for fiscal year 1991. This figure was \$24 billion less than the original request of the President. Then Cheney announced that he was placing over 200 military construction projects on hold, a great many of which were in districts of Democrats voting for the bill. The Senate remains deadlocked on its version of the Defense bill.

Alternative Strategies

The most "life-threatening" challenge to the maritime strategy in the 1990s will come from alternative strategies. One such strategy has been proposed by General George B. Crist, USMC (Ret.), who argued in the Winter 1990 issue of *Strategic Review* that the U.S. forward-deployed strategy, on which the maritime strategy is based, should be replaced by a "power-projection strategy."

General Crist assumes that the forward-deployed forces and overseas bases will not be sustainable due to pressures for the withdrawal of American forces from Europe and the Pacific. He predicts that American forces will leave Korea by the mid-1990s,

that U.S. access to Clark and Subic may be terminated after 1991, and that the level of troops now stationed on Japan will be significantly reduced. These withdrawals will be accompanied, General Crist argues, by large budget cuts, necessitating, at minimum, a 16 percent reduction in active Army combat divisions, a 20 percent reduction in air force fighter wings, and an 11 percent reduction in navy ships. For the navy, this means 62 fewer ships, including two or three fewer carriers.

General Crist says that these reductions are tied to the reduced Soviet threat, and that a new strategy for the United States is necessary for the 1990s. Adherence to the "forward-deployed strategy" is not possible; a retreat into a "Fortress America strategy" is not a viable alternative either. What is required, the General argues, is a "power-projection strategy" which relies upon the ability to project power overseas from the United States rather than from overseas bases and forward-deployed forces. His basic strategic premise is that the U.S. armed forces need to be restructured to deal with local contingencies and regional conflicts, not global war with the Soviet Union.

This new strategy will necessitate a fundamental reshaping of most of the conventional forces of the United States. For the navy and marine corps, it would put greater emphasis on controlling sea lanes, moving troops, and providing naval gunfire and tactical air support to amphibious operations. According to General Crist, a shift away from carrier battle groups would be necessary. In any case, the budget constraints faced by the navy will force it to operate closer at home with many of its ships, including those necessary to support the marines in crisis-response. Many ships will have to be transferred to the Reserves or placed in a reduced operating status because of a lack of oil and crews.

General Crist argues that a surge capacity to respond to an unlikely global war against the Soviet Union should be held within the Reserves. He admits, however, that this is a difficult problem given the high level of technological proficiency required to man modern warships. Also, General Crist notes, his proposal would require much greater sea lift capabilities than presently exist.

Without debating the merits of General Crist's proposals, it can be seen that his strategy, if adopted, would render the maritime strategy obsolete. The navy's force posture would emphasize the ability to fight local and regional conflicts, not a global war with the Soviet Union. The navy's mission would center on protecting sea lanes and escorting convoys, not attacking the enemy at his source to destroy his capability to interdict the sea lanes. The navy would surge much later into a conflict, because many ships would be kept in the reserves, not move forward early and aggressively to force the enemy into a decisive battle. Naval battle groups would tend to center around ASW activities and amphibious operations, not around carrier battle groups.

The cumulative effect of these four challenges to the maritime strategy in the 1990s is considerable. Nonetheless, as seen from Admiral Trost's article and the statement of Carl Ford, the navy thus far is determined to adhere to the maritime strategy, even though changing global and domestic conditions are requiring new explanations of the strategy to ensure its relevancy.

Conclusion

Whatever its suitability for other theaters, the current maritime strategy is ideal for the West Pacific and, despite some shortcomings, the forces now available to the CINCPAC seem sufficient to put the peacetime and wartime operations of the maritime strategy into effect.

It would also appear, from the point of view of a rational assessment of U.S. interests in the Asian-Pacific region and the important multifaceted roles played by the U.S. Navy in the West Pacific, that the maritime strategy and the existing force structure in the Pacific should remain essentially what it is today. Some reductions are possible, however, and fairly major changes in basing in Southeast Asia can be accepted without undermining the strategy.

But the fate of the maritime strategy might not rest on its merits. Budget constraints could weaken the navy's force

structure in the West Pacific to the point where the maritime strategy can no longer be carried out. How to define that exact point is beyond my capabilities. Should that occur, however, then the maritime strategy will probably be replaced by something along the lines suggested by General Crist in his proposal that the navy should focus on protecting SLOCs, convoys, and amphibious operations.

As part of its arguments in support of the continuation of the maritime strategy, the navy recently has stressed the important role played by forward-deployed naval units in maintaining the balance of power in the Asian-Pacific region.

Although the importance of this role should not be underestimated, it may be wrong to assume that the balance of power in Asia can only be maintained by the continuation of the maritime strategy. That role can be played by forward-deployed forces, but forward-deployed naval forces can -- and have -- existed without the maritime strategy.

The navy's recent attempts to define the maritime strategy in broader terms, especially in the West Pacific theater, raises certain fundamental questions: Is the maritime strategy meaningful outside of the context of a global Soviet threat? At what point does the Soviet threat diminish to the level where the maritime strategy is no longer necessary or cost-efficient?

It is ironic, but these difficult theoretical questions may never have to be answered because of the practical utility of, and enormous public investment in, the navy's fleet of aircraft carriers. The American tradition of possessing carriers since World War II is also an important factor here.

It will be recalled that the maritime strategy helped to justify and design a large naval buildup under the Reagan administration. That fleet is now extremely useful in a wide variety of ways. I suspect that, when all is said and done, the utility of the fleet may be sufficient justification to maintain the strategy responsible for its creation. This, despite the fact that the initial reason for the maritime strategy -- i.e., the need to counter the growing Soviet threat -- is becoming less pressing, particularly in Europe.

A case in point is the question now being raised by Congress: does a forward-deployed naval presence require carrier battle groups, or can the role of "showing the flag," demonstrating the U.S. commitment, and maintaining regional peace be performed by fewer and less expensive warships?

It is apparent to almost everyone that the carrier battle groups are useful but not essential for these roles. However, in the event of a regional conflict -- and certainly one involving the Soviet Union -- the carrier battle groups would be invaluable assets to protect U.S. interests. The importance of the carriers would increase dramatically if land-based air support was largely unavailable. As shown in crisis after crisis since World War II, carriers are very useful instruments of American policy which cannot easily be replaced.

This conclusion is shared even among most critics of the current defense budget. While these critics might argue for fewer carriers, few critics have argued for there being no carriers at all. As a result, we might see the number of carriers in the Pacific reduced by one, or perhaps two, but at least one will remain forward deployed in the West Pacific and perhaps three others will be in the East Pacific. Furthermore, the capabilities of the carrier battle groups will continue to be such that they are able to wage war across the entire spectrum of conflict. Therefore, the principal instrument of the maritime strategy, the carrier, will remain in place.

Seen from this perspective, there does not seem to be a compelling reason to abandon the maritime strategy. Indeed, it is easier to redefine the strategy and utilize its innate flexibility than to devise a replacement. In part, this appears to be what the navy is doing by emphasizing the wide range of roles played by the maritime strategy, especially in the West Pacific.

It would appear to me, therefore, that unless the United States turns toward isolationism over the next several years, the maritime strategy will remain in place in the West Pacific. But its character will probably evolve in the "kinder and gentler" direction. There will probably be fewer ships to implement the strategy, exercises

will be less provocative to the Soviets, and allies will be accorded a more "equal" role in implementing the strategy.

Nonetheless, the essential characteristics of the maritime strategy will be discernable. U.S. naval strategy in the 1990s will continue to be forward, global, allied, and joint.

Endnotes

1. Dr. Lasater is a former SECNAV Senior Research Fellow at the U.S. Naval War College and Director of Asian Studies at the Heritage Foundation, Washington, D.C.

2. One of the most recent and useful discussions of the strategy, its origins, and applications can be found in Norman Friedman, *The U.S. Maritime Strategy* (London: Jane's Publishing Company, 1988).

3. Admiral Carlisle A.H. Trost, "Maritime Strategy for the 1990s," *Proceedings*, May 1990.

4. According to Department of Defense officials, the Soviet Union has deactivated 3 cruisers, 13 destroyers, 9 frigates, 10 submarines, and 3 corvettes from the Soviet Pacific Fleet. However, the Pacific Fleet remains the largest of the four Soviet fleets. Between 1984 and 1989, the fleet increased from 820 to 875 ships, and new classes of warships have increased the overall missile inventory and combat capability of the fleet. The Soviet military presence near Japan remains very substantial.

5. See testimony of Carl W. Ford, Jr., before the House Foreign Affairs Committee, Asian and Pacific Affairs Subcommittee, March 13, 1990.

6. Overall, Cheney announced reductions of about 10 percent, or 12,000 U.S. troops, from Asia. The announced cuts included the withdrawal of 5,000 noncombatants from the 43,000 soldiers in Korea and about 2,000 Air Force support personnel and the ceasing of operations at three of the five U.S. air bases in South Korea.

7. *New York Times*, April 27, 1990, p. A1. The Cheney plan reduced \$2.4 billion from the \$295 billion Defense budget proposed for fiscal year 1991. That budget proposal was already 2.6 percent lower than the amount required to keep pace with inflation. The Cheney plan would produce savings of \$34.8 billion through 1997, representing a 2 percent reduction in the defense budget each year.

8. *New York Times*, April 20, 1990, p. A1.

9. Gen. George B. Crist, USMC (Ret.), "A U.S. Military Strategy for a Changing World," *Strategic Review*, Vol. XVIII, No. 1, pp. 16-24.

Strategic Aspects of Sino-Indian Maritime Competition in the Indian Ocean Region

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Although much attention has been focused upon the maritime problems of Pacific Rim countries, perhaps a similar level of interest should now be placed upon an equally important international sea lane region -- the Indian Ocean.

Concerns over recent events involving Iraq, Iran, Afghanistan, Pakistan, India, and countries to the east and south are dramatically focusing world attention on the Indian Ocean region. Bound by the Antarctic Continent, the Atlantic Ocean and the Pacific Ocean, and encompassing some 31 million square miles, this region provides sea lines for communication between the occidental and oriental worlds -- a group of theaters involving the Horn of Africa, the Middle East, the Indian sub-continent, and Oceania. Therefore, this region cannot be viewed in isolation but as unalterably connected to developments and sea routes between the Atlantic and the Pacific.

Strategic Significance

For many centuries the Indian Ocean has been the keystone water corridor linking the West and East, even though in more

recent times the rimlands of the Atlantic and Pacific oceans have held the strategic attention of international policymakers.

The Indian Ocean is a strategically vital waterway. Its straits and various points of entry and exit are the key to the entire region and to almost every industrial power outside of it. Thus, the currently evolving political-economic situations in southern Africa, the Middle East, South and East Asia are causing the Indian Ocean SLOCs to become more and more vulnerable and critically important.

Since the end of the World War II a number of regional and non-regional nations have projected maritime power and influence within the Indian Ocean region. Four major non-regional naval powers -- England, France, the Soviet Union, and the United States -- have conducted sustained deployments of fleet elements there. Iran, until the demise of the Shah, also had "blue-ocean" aspirations there. Naval surface units from the PRC commenced their first "goodwill tour" of the Indian Ocean region during 1985 when the Commander of the East Sea Fleet made official visits to Bangladesh, Sri Lanka, and Pakistan. A number of sources claim that during the past decade the PRC also conducted a series of submarine operations within the region.

Of the 23 littoral countries possessing a maritime organization, only Australia, India, Indonesia, Pakistan, and South Africa possess significant modern open ocean naval capabilities. Four other non-regional maritime powers, France, the PRC, the United States, and the Soviet Union, are capable of maintaining and projecting a major sea-power role there.

Two Asian countries, India and China, like Greece of western culture, have long maritime histories stretching back before the advent of Christianity. These two countries, which today possess half the world's population, are casting a new shadow over this strategic body of water.

Increasing Sino-Indian rivalry for primary geopolitical influence in South Asia could soon replace Soviet-American competition in the region.

Economic Significance

Although communications and aircraft may be faster means of passing information or delivering small amounts of cargo and passengers, the sea still remains the most vital international link. With food, minerals, and energy resources from the land coming in reduced supplies, the oceans and their seabed deposits are gradually becoming another significant factor in national survival.

Generally speaking, Indian Ocean trade patterns have materially changed over the latter portion of this century, creating a high degree of dependence on the sea routes of this region by most industrial nations.

According to the President of the Indian Navy League and former Commander in Chief, Eastern Naval Command, retired Indian Navy Vice Admiral Mihir K. Roy, "More than 100,000 merchant ships ply this ice-free ocean."

Singapore, the second largest shipping port, located in the Indian Ocean's northeast corner, lies astride of the world's major shipping route between the first and third largest tonnage ports, Amsterdam in Europe and Yokohama in the Orient.

The continental shelves of the Indian Ocean are rich in a variety of placer deposits of commercially valuable minerals such as titanium, tin, manganese, and metal bearing muds. Monazite, ilmenite, rutile, zircon, and magnetite are currently mined in offshore operations. Perhaps more than any other locale of the world, Indian Ocean countries have become the greatest resource of strategic raw materials, from energy such as uranium, gas, and oil, to minerals, including trillions of tons of polymetallic nodules containing manganese, copper, nickel, cobalt, and molybdenum. Living ocean resources currently amount to about 12 million tons of fish.

Political Significance

Australia, with its relatively strong capacity in the past to ignore the Indian Ocean in view of this trans-Pacific orientation,

now appears to be gradually accepting a more active regional maritime role. This institution is best reflected by the recent establishment of a new naval base near Perth on the southwest coast of West Australia to facilitate Indian Ocean deployment of frigate force and support elements there.

As the Indian Ocean region becomes more militarized (reportedly more than 100 warships of various nations are on routine deployment there at any given time), future confrontations become more likely, despite sustained efforts to activate a "zone of peace."

Military Significance

Several major SLOCs between Western Europe, the Middle East, South Asia, Oceania, and the Far East pass through the region. Interruption to the free use of these international shipping routes by any nation would be sufficient to cause military action by littoral and non-regional states. Because the Indian Ocean area is a most strategically vital region for Asian countries, it is not surprising that the international strategies of South Asia's two most powerful nations, India and China, have become intertwined in their attempts to obtain prime influence throughout this portion of the globe.

India

Indian national policy essentially supports:

- A. enhancement of India's prestige and stature as a major Asian power;
- B. promotion of commercial interests;
- C. reduction of extra-regional country influences;
- D. protection of Indian nationals in littoral countries and independence of regional island nations;
- E. development of major regional military capability to maintain mainland border security; and
- F. defense of offshore undersea bed resources, strategic insular territories, and transversing SLOCs.

Indian maritime strategists continue to be concerned with the basing and routine deployments of American, French, and Russian naval forces throughout the Indian Ocean and Middle East regions. However, recent PRC naval deployments of surface and subsurface elements there, U.S. and PRC military aid programs for Pakistan, and the changing economic, political, and military postures between the Soviet Union and the United States only exacerbate India's need to develop a regional maritime dominance.

The employment of maritime power over the past three decades in conjunction with two military conflicts with Pakistan, the seizure of Portuguese colonies on the Indian sub-continent, the Sri Lanka problem, and the recent attempted coup in the Maldives Republic are several manifestations of how India perceives its international obligations and strategy considerations for the future. Additionally, India accounted for more than 50 percent of Third World arms production between 1950 and 1984.

India's reemergence as a major maritime power, ranking seventh after the United States, the Soviet Union, the People's Republic of China, the United Kingdom, France, and Japan, can be traced to the vision and perceptions of former Prime Minister Pandit Jawaharlal Nehru.

Referring to India's strategic position at the confluence of two oceans (Atlantic and Pacific), Prime Minister Nehru claimed that "We have once again realized the great importance of the sea and, therefore the importance of the Navy. We cannot afford to be weak at sea.... [for] to be secure on land, we must be supreme at sea."

According to Admiral R.H. Tahiliani (until recently the Indian Chief of Naval Staff), "the Navy intends to control the critical choke points at Malacca" and closely monitor "the western approaches to the Arabian Sea."

Another Indian maritime specialist, retired Vice Admiral K.K. Nayar, has been petitioning the Parliament to establish a national program to construct nuclear missile submarines. The Indian Navy is only one of five major naval powers which is capable of

sustained long-range deployment of seaborne strike aircraft. The recent establishment of an Indian Coast Guard, similar to that of the United States, frees most of its main naval force fleet elements (12 submarines, 2 VSTOL carriers, 5 gas-turbined destroyers, 33 frigates and corvettes) for long-range-open-ocean force projection activities.

Over the past three decades the Indian Navy, while maintaining regional stability, has conducted a series of combat operations against lesser capable opponents with considerable measure of success. The maritime aspects of these have included both day and nighttime surface gunfire and missile strike, naval air reconnaissance and interdiction, antisubmarine warfare, opposed amphibious assault, and extended military logistic missions.

The Indian Navy has also contributed immeasurably to the success of seven Indian expeditions to the Antarctic Continent. On their most recent expedition naval helicopters conducted a record 286 flight hours in one 26-day period of South Pole exploration activities. India's peninsular geography -- over a 7,000 kilometer coastline and a two million square kilometer exclusive economic zone (EEZ) -- continues to stimulate a broad-based need to protect national interests.

People's Republic of China

In strategic terms the current PRC leaders, even following their summit meeting with the USSR last year, consider present-day Soviet and American foreign policies, subsequent to the Tienanmen incident, in Asia and the Pacific Basin detrimental to Chinese long-range interests.

A. On the Russian side, the major aspect of their plan calls for the development and support for littoral power rivalry in South Asia where the waters are rich in seabed resources and contain the principle east-west sea routes used by international commerce.

B. By contrast they interpret the American position as calling for a greater assumption of security responsibilities by local governments, more assistance in resolving pressing political and economic matters through diplomatic and special program efforts, and the improvement of national security measures through a policy of upgrading the military capabilities of friendly governments.

C. In regard to India's emergence as the Third World's leading manufacturer of major weapons systems and expanding effort to obtain a modern industrial capacity, military posture, and predominate regional influence, the PRC leaders feel forced to increase their support to a number of friendly regional states to offset India's challenge as champion of Third World interests.

As a result of these perceptions, the PRC leaders apparently find it difficult to be optimistic regarding the probability of peace and stability throughout maritime Asia in the foreseeable future.

For centuries China has considered itself the major regional power and geopolitical center. More than 135 years ago China developed a maritime policy known as the Nanyang Doctrine. Nanyang is a Chinese term describing the vast and varied region of maritime Asia.

Essentially, the Nanyang concept, a tributary style system for upholding peace and stability in Asia, is based upon clearly defined values, responsibilities, and obligations.

This philosophy, originally known as *Haiguo Tuzhi* (an illustrated *Treatise of Sea Kingdoms*) adjusted for the modern world, reemphasized the need for the development of close regional ties and aggressive use of sea power as a means of controlling geopolitical circumstances.

This manifesto further delineated the geographical advantages of China becoming a great maritime power. It also identified the disruptive nature that foreign naval power, operating

from a network of overseas ports, would have upon Asia's politics, SLOCs, and commercial activities. Today PRC strategists consider the United States, India, Japan, and the Soviet Union as major destabilizing forces operating against Chinese interests in Asia.

Therefore, China, in addition to its Nanyang policies in the South China Sea area, has explained its national assistance to a number of friendly nations in the Indian Ocean region. The broader aspects of the PRC's modern Nanyang Doctrine have already been reflected by its past support for the national interests of such Indian littoral countries as Pakistan, Sri Lanka, Bangladesh, Saudi Arabia, and Iran.

The fact that the PRC in 1988 joined the USSR and the United States by assigning a submarine specialist to command the Chinese Navy is not at all surprising considering the level of deterrence long-range, submerged-launch, nuclear-tipped cruise or ballistic missiles can have as a primary national defense capability.

Recent pronouncements by the new naval leader, Admiral Zhang Lianzhong, continue to indicate that the PRC is serious about protecting its claims to seabed resources as well as asserting itself elsewhere as a major maritime power.

Admiral Zhang has been quoted as saying that "as the strategic position of the Pacific is becoming more important...and as China is gradually expanding the scale of its maritime development, the Chinese Navy will have to shoulder more and heavier tasks in both peacetime and war."

Other major maritime states have similar concerns and problems in maintaining a credible deterrent against foreign interruption of seaborne lifelines.

Future Trends and Developments

Maritime security for the Indian Ocean region requires the peaceful passage of marine cargos and the tranquil exploitation of seabed resources.

Freedom of trade by sea has become a vital aspect to the growing economic importance of the Pacific Rim and Indian Ocean regions. The very vulnerability of these SLOCs to interdiction and dislocation as a means of geopolitical interference by a single country or bloc of nations, who depend upon a high volume of international seaborne trade for economic security and survival, is unacceptable.

Arms control negotiations and continuing political and economic changes in Europe and the Soviet Union may well result in major reductions in, or eventual withdrawal of routinely deployed foreign naval forces from the region. By contrast, India's regional security role would then increase, and the desire to achieve political, economic, and military superiority could become paramount.

In keeping with foreign policy objectives, India is planning to become an international competitor for the export of military, air, and maritime hardware and equipment to emerging nations, according to Defense Minister K. C. Pant. Such a plan can only exacerbate the growing Sino-Indian rivalry which may soon replace long-standing Soviet-American regional competition.

Reductions in Soviet military power will undoubtedly lead to a reduced American military presence in Asia. Both situations could well lead to regional power squabbles over economic resources.

Hopefully, the PRC's internal problems for the remainder of the century will cause its leadership to have a much greater interest in secure SLOCs than the Soviet Union. However, the Sino-Indian rivalry could create unexpected confrontations, particularly in South Asia.

Like Japan, India has significant open-ocean capabilities for defending regional SLOCs vis-a-vis modern seaborne air-strike and long-range antisubmarine warfare elements. Only four other nations, France, England, Soviet Union, and the United States, have comparable capabilities deployable to this region.

In as much as the SLOC conference has gone a long way toward identifying what has to be done and soliciting

governmental interest in tasks of mutual cooperation, I would like to suggest that India be accorded a membership role at future SLOC conferences. Such a development could provide another means for creating a much fuller understanding and level of cooperation in maintaining freedom of the seas in Asia.

Perhaps such an arrangement might assuage the concerns of some Indian Ocean littoral countries and cause India to recognize and accept its international obligation as a major maritime power.

Note: The opinions expressed herein are those of the author alone and should not be construed as representing those of the *Defense & Diplomacy* or SRI International.

New Zealand in International Security

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New Zealand's viewpoint at the present time is that there is no obvious military threat to the country. We are, however, vitally interested in the security of the sea lines of communication worldwide, and our location in the Southwest Pacific has a strategic significance that ought to be of concern to maritime powers globally.

As you are doubtless aware, New Zealand comprises two main islands with an area three quarters the size of Japan, capable of sustaining a much larger population than our meager 3.3 million. Our indigenous culture is Polynesian, but over 90 percent of the people are of European ancestry and among them the Scottish tradition is strong. These factors and others give us our own distinctive character that differs from other English speaking polyglot peoples.

Common ties of language, race, and culture indeed link us to the United States, Canada, and Australia, but at the same time we have links with the mini-states of the South Pacific that are by no means limited to the fact that Auckland is the largest Polynesian city. These South Pacific links go back to early missionary days and exist strongly at almost every level. The Tokelau Islands are still part of metropolitan New Zealand; we are responsible for the defense and foreign relations of the Cook Islands; Western Samoa still enjoys special immigration rights; and Niue is almost totally

dependent upon New Zealand aid. Links with Tonga and Fiji are also strong. We also have ties in one form or another with all the other islands states.

While we have no wish to interfere in the internal affairs of any of the island states, we certainly have a strong interest in ensuring that no outside power attempts to do so. For this purpose a future New Zealand government could very well deploy military forces. Also it should be remembered that many of these island states lie astride our SLOCs, and their airfields would be very important to our air forces in an emergency.

Antarctica is also of great importance to New Zealand, and much diplomatic effort has gone into establishing a stable regime there. We still lay claim to the Ross Sea Dependency which is the principal gateway to the continent. Even if its status does change, geography alone obliges us to remain concerned with what happens there. For example, in the event of an ecological disaster such as a major oil spill, it is inevitable that New Zealand will be first on the scene and the one to take most of the action.

Economic Dependence on SLOCs

Our immediate Extended Economic Zone alone is greater in area than the entire South China Sea, and those of the Cook and Tokelau islands combined are roughly the same. Our wider area of interest should encompass all of North and Central America out to the extremities of the Hawaiian and Aleutian islands. If we were to transpose Wellington on to Washington D.C., it would cover an area stretching from the North Pole to the Equator, and from Fort Worth, Dallas, to the shores of Europe and a large slice of West Africa -- some 15 percent of the earth's surface. Strategic interest is a function of geography and this applies no more strongly than in the South Pacific.

Then again, New Zealand's economy relies heavily upon overseas trade which amounts to some 25 percent of total gross domestic product. To carry this trade, our population of 3.3 million requires as many as half the number of ships as Australia with its population of 16 million in order to travel great ocean

distances. Our closest market, Australia, is roughly the distance from Tokyo to Taipei, Manila to Singapore, or Norfolk, Virginia, to Puerto Rico. It is 5,000 nautical miles to Tokyo and 6,500 miles to the Panama Canal through which our trade to the Atlantic must pass. The security of these SLOCs is thus of the utmost importance to the whole life of New Zealand.

Another matter for Pacific Rim nations to consider is the strategic importance of New Zealand should the routes passing through Southeast Asia be wholly or partially blocked. In recent years mines have been laid in the Red Sea, in the Persian Gulf, and off Nicaragua. This can happen any time and any place and it takes very little to close off choke points; it does not require sophisticated warships or aircraft to lay mines.

Since World War II, submarines have not posed a serious threat to merchant shipping but that does not mean that they cannot be so employed again. Furthermore, small nuclear powered submarines will soon be technically and financially within the reach of most countries that now possess diesel powered boats. Passage between the Pacific and Indian oceans along either coast of New Zealand is already a preferred route for deep running nuclear submarines, and it would not take much to oblige the largest tankers, and progressively other smaller merchant ships, to be diverted through the Tasman Sea.

The submarine threat against New Zealand's own SLOCs must indeed be taken seriously. In two World Wars mines have been laid in our focal areas with no small effect. Only recently a ship berthed in our largest port was actually sunk by the agents of a friendly government. Airfields from which maritime aircraft operate can likewise be attacked by saboteurs, and their guarding is but one of many tasks the army can carry out in support of SLOC security.

Defense Needs

Apart from purely military threats, there are others which a responsible government must take into account. To piracy, terrorism, and smuggling must be added uninvited exploitation of

natural resources --- an example being drift-net fishing on the high seas for South Pacific tuna stocks -- and outright pollution of the environment with oil spills or loss overboard of a container of dangerous chemicals. Let me quote from the present First Sea Lord of the Royal Navy in Britain:

Is it any longer sufficient only to deter the worst, but by far the least likely threat...? Is it acceptable that our sophisticated security systems, our complicated civilian infrastructure or our leadership can be humbled by an anticipated mine, a simple bomb, or a determined assassin? Will not our publics, and hence our politicians, increasingly look to our armed forces to provide security, in its wider sense, as much if not more than the defence on which our activities are concentrated at present?

The New Zealand Defence Forces should be grateful perhaps that the constraints of a small population oblige them to accept some of these extended responsibilities which provide an opportunity to win public support during times of peace. The Navy for too long has suffered from critics who would relate it to a coast-guard role and nothing more. Some of them merely begrudge scarce funds; others with their own private agenda seem all too anxious to destroy the nation's defenses. Thus the decision finally to commit New Zealand to the Australia-New Zealand Agreement (ANZAC) ship project has come as a great relief to all concerned with the country's security. At the same time the project, now begun, deserves to be established as a permanent production line for which Australia needs the continued collaboration of New Zealand and possibly one other country.

Our decision makers will therefore have to walk a very thin tightrope between the military capabilities they would like and the numbers that are needed within budgetary constraints. New Zealand's first two ANZAC ships must strike the right balance so that there will be no doubt about the second two and hopefully in the more distant future a third pair. Fortunately the Meko 200

design is sufficiently flexible so that it can accommodate different configurations as needs arise. A policy of "fitted for but not with" means that the ships can at least enter service even if some desirable items of equipment or weaponry are lacking.

At this point it would be understandable for some to ask how a small country with very limited force can hope to be effective in a maritime arena so large as the Pacific? Let me attempt to answer with an example from the police force. There would be at least two policemen per square kilometer for even the small city in which I live; over the mountain there is a strip of over 10,000 square kilometers that boasts no more than one police constable. In other words, density of population is a more important factor than the area of territory land.

It is not so very different in an ocean region where density of shipping matters more than area of sea. A small force of maritime aircraft and frigates can work very well and be highly effective provided it has what that one policeman has -- first class intelligence, good communications, and neighboring forces ready to back him up should the need arise.

In defense terms New Zealand can make an important contribution to the control and protection of shipping in our region of interest if it is integrated into the Allied Naval Control of Shipping organization. Its maritime aircraft and frigates can be highly effective in the surveillance role provided they have the benefit of satellite intelligence and backup forces should an emergency call for them.

Withdrawal from ANZUS Alliance

Unfortunately, by stepping out the ANZUS Alliance, New Zealand has deprived itself of these benefits and gone a long way toward making itself impotent and vulnerable. It is an unbelievable situation, but I shall attempt an analysis of how it came about because there may be lessons in it for everyone.

Up to World War II, although for practical purposes a fully independent nation, New Zealand was still psychologically a part of the old British Empire. Unlike Australia, our small navy was

still a division of the Royal Navy to which it was assumed the security of our trade routes could safely be left.

In the Pacific War the country quickly appreciated that it had become dependent upon the U.S. Navy. But by that time, the army was committed to the Mediterranean theater, and many of our airmen and sailors were serving in Europe. Consequently by the end of the war there were few New Zealanders thinking in terms of the Pacific in which we live. Since then a consciousness of being a truly Pacific nation has come about only slowly, during which time the advent of mass air travel has caused most New Zealanders to forget their dependence upon seaborne trade and our SLOCs. Our Navy has only weaned itself slowly from the Royal Navy partly because its frigates, designed for the North Atlantic, are British-built and still largely British equipped.

The ANZUS Alliance was originally established somewhat reluctantly by the United States in order to allay Australian fears -- however unwarranted -- of a revanchist Japan. New Zealand joined absent-mindedly seeing the collective security which it offered as a substitute for membership of the British Empire. There seemed little need to spend money on defense let alone think about it because loyalty to the common cause was all that was asked for. In time the Soviet Union was perceived with good cause as the threat to world peace, and through the ANZUS membership New Zealand became a part of the Western alliance.

The first challenge to this comfortable state of affairs came with the Vietnam War. The old catch cry had been, "Where Britain goes we go." It was quite easy to change this to, "Where Uncle Sam goes we go." But we had a generation of young students with affluence to indulge their own fancies. We had the phenomenon of Vietnam War protesters at the beginning of what was to grow into an all too effective "peace" movement. None of this was so very different from what happened in many other countries. New Zealand, however, seemed so far away from everything. For this reason many new immigrants, among whom were antiwar activists with visions of a "nuclear free" Shangri La, came to our shores. Their influence slowly began to have an effect.

By the 1980s the antinuclear protest movements had reached a peak in Europe, but their influence was still finding its way to New Zealand with a time lag of perhaps four or five years. Thus antinuclear sentiment coincided with the Labor victory in 1984 when inexperienced young politicians -- many of them veterans of anti-Vietnam War protests -- suddenly found themselves in power and all too ready to be swayed by activists within their ranks.

Behind all this was undoubtedly a degree of Soviet influence, but this needs to be put into perspective. If those whom we can loosely lump together as "peace activists" were to be counted, they would probably comprise no more than 2 percent of the population. It would be surprising if more than 1 percent of that 2 percent actually had direct links with Moscow and of that number only a fraction could have undergone the intensive training that did undoubtedly take place. Of course the influence of even such small numbers can be considerable only if they are inadequately opposed.

In retrospect, New Zealand's suicidal defection from ANZUS seems to have been due primarily to a failure to present to the people strategic realities in a simple form. I have tried to set these out here, and it is always easily done with a sympathetic and knowledgeable audience. It is not so easy to get the same message across to ordinary people who have been brain-washed by starry eyed idealists in the media.

Security of SLOCs a Common Concern

New Zealand's prime security interests are those of our SLOCs on which our overseas trade and our livelihood depend. We are too small to go it alone, but we can be very effective in maintaining peace throughout our very large region of interest provided we return to a policy of collective security which in our case means with our two neighbors, Australia and the United States, through the still highly appropriate ANZUS Alliance.

From that we can hope to join in a wider security network of all Pacific Rim countries -- not only those here represented but

also those on the western shores of Latin America.

Not just New Zealand but all of us, I believe, need a consistent policy. It would help if the issue of the security of our SLOCs could be linked with that of international trade itself. If it should be at all possible I would suggest that the next conference might perhaps be planned to coincide with the Pacific Economic Cooperation Conference since countries represented there appear to be virtually the same as those here. In this way the very real linkage might become apparent through the media to our peoples. A common concern for the security of the Pacific SLOCs is a worthy goal. In pursuit of it we may even lay to rest the ghost of the past and say together in Japanese:

"Taiheiyoo yo, sono na no gotoku shizuka nare."

Note: Mr. Pallot's paper was presented by Air Marshal Sir Ewan Jamieson, (Ret.) of Australia.

CONCLUSION

Reflections on SLOCs

Dr. Han Lih-wu

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With regard to the sea lines of communication, my mind goes back to several years ago when Admiral Kenichi Kitamura, General Richard Stilwell, and several of us were trying to start a discussion of the sea lines problem. Now this seventh conference of the international study group is a successful one. Thanks are due to the chairman of this conference, Ambassador Alex Johnson, Dr. Ray Cline of the United States Global Strategy Council, and Captain William Carpenter of SRI International.

The problem of the freedom of the seas is becoming more and more important as the confrontation between the superpowers is becoming less and less urgent. It is a contradiction in a way because the study of freedom of the seas was advocated first because of the confrontational tendencies of the superpowers. In the last several years confrontation has become less, but other problems have arisen that require our constant attention if the SLOCs are to remain secure.

Review of Presentations

At this conference 16 papers have been read on various aspects of SLOC security in Northeast and Southeast Asia. And

they were warmly discussed by some 50 to 70 delegates from the United States, Australia, Japan, Korea, the Philippines, Singapore, Indonesia, New Zealand, and the Republic of China.

Due to budget cuts and the international relaxation, the United States is withdrawing part of its forces stationed in Asia, as pointed out by Admiral Toshihiko Hozumi of Japan and Dr. Martin Lasater of the United States.

Such withdrawal of part of the U.S. forces in Asia may well lead to India's becoming a major regional power, as mentioned by Mr. Bradley Hahn of the United States. (Mr. Hahn is not a relative of mine but maybe our ancestors were related 500 years ago.)

This could create tension in the region, as predicted by Mr. Michael O'Connor of Australia.

As military confrontation between the superpowers recedes, the ASEAN countries' perception of the U.S. security role is changing, as pointed out by Commodore R. M. Sunardi of Indonesia.

And Admiral Carlito Cunanan of the Philippines proposed more self-reliance on the part of the regional countries to protect the sea lanes.

Areas of Conflict

The Asian-Pacific area tends to be more peaceful in the 1990s than in the 1980s. However, we should not be misled by the changing face of the Soviet Union and the forced inward-looking of mainland China at the moment. We should also keep in mind that there is a war in Afghanistan, and the Cambodian problem remains unsolved. Also in perception of the transition of power in North Korea, there is always the possibility of North Korea starting another Korean conflict.

Besides, while we in the ROC advocate freedom, democracy, and peaceful unification of China, the Chinese Communists have never committed themselves to peaceful unification. Hence, we must be vigilant in keeping watch over the situation as it touches on the freedom of the sea lines.

In fact, although the confrontation between the superpowers

is receding, there is more competition among free countries in coastal authority over the waters. We hope that by such organizations as SLOC we can advocate the importance of mutual understanding, or at least competition, with coordination and possible cooperation. Cooperation is an easily spoken word, but it is not so easy to put into practice.

There is nothing that SLOC cannot discuss, but it is more important that we can put our solutions into practice with our hopes for the freedom of the seas. This involves peaceful competition and coordination.

The Honorable U. Alexis Johnson

Chairman of the Conference

Dr. Han has given an excellent summary of the SLOC proceedings, as he usually does.

For my part, I would like to take this opportunity to acknowledge the Steering Committee. This meeting in the United States was under the chairmanship of Captain William Carpenter of SRI International assisted by Michael O'Connor of Australia and Dal-choong Kim of Korea. Captain Carpenter, Admiral Tony Ko of Taiwan, and Admiral Hozumi of Japan are the ones who put this meeting together, and I think we all appreciate what they have done. I also want to thank Dr. Ray Cline of the United States Global Strategy Council for his support.

I look forward to another working group for the next meeting, because I think this organization has justified itself. I think those of us who participated in it feel that it is not just a make-work organization but a place which allows a free exchange of ideas.

Freedom of the Seas: A Worldwide Objective

The world is changing, as Dr. Han said. The bipolar world to which we were accustomed was fairly simple. We had Moscow and Washington, and we could blame one or the other of them for whatever went on. With the fragmentation that has now taken

place in the world that is no longer going to be the case. The smaller countries which are not a part of the blocs are going to assert what they consider their sovereign rights. But as far as freedom of the seas is concerned, it is not something to be decided between Washington and Moscow alone. It has to be negotiated and understood by all the people here represented and other countries around the world.

Determining the freedom of the seas around the territories of these smaller countries is going to become much more complicated as they become more assertive. To maintain the freedom of the seas, we must engage in more diplomacy than in the past. The world is becoming much more heterogeneous and it is going to take much more statesmanship to deal with the changing world.

The center of gravity of these problems is, of course, in the Pacific. The U.S. interests are moving increasingly to the Pacific with the rise of the Asian economies. Who ever dreamed Taiwan would have a positive balance of trade with the United States and the United States would have a deficit with Taiwan? Thailand, Hong Kong, and the other Pacific countries are now becoming a cockpit of competition, and they are hosting rivalries with which we are all going to have to come to better terms.

I think our SLOC organization provides a forum in which we can discuss our policies. I think that an organization such as this will have its place as the years go on. I think all of us who will be involved owe a debt to Dr. Han and his vision in seeing that SLOC was a subject which would interest everybody apart from the ideologies and politics involved. And so I ask you to join me in a toast to SLOC. May it long exist, and may we carry forward as we have done in the past.