

ASIA IN THE 1990S

- POLITICAL DEVELOPMENTS -

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Chairman Schmidt, members of the InterAction Council, ladies and gentlemen.

First of all, let me express my heartfelt appreciation to President Roh Tae-Woo, Prime Minister Kang Young-Hoon, former Prime Minister Shin and all of the Korean people who have put efforts to realize this Eighth Plenary Session of the InterAction Council here in Seoul.

It has been a year since we last met in Washington D. C. The dramatic changes that have taken place in this one year had been totally unexpected to virtually everyone in the world.

In the Soviet Union, President Mikhail Gorbachev is attempting wide-ranged political and economic reforms under Perestroika. The nation is seeking a way to the irreversible reforms through abandoning the one-party rule by the Communist Party, recognizing the multi-party political system, and introducing the presidential system by revising the Soviet Constitution.

The waves of reform in the Soviet Union have triggered dramatic political changes in the East European nations. Changes are seen in the military and economic spheres as well; the Soviet troops have withdrawn from some of the East European countries, and efforts are made to introduce the market principle in these economies.

And the reforms in East Europe have finally broken down the

Berlin Wall which had been regarded as a symbol of the cold war of the post World War II years.

I Need not remind you that to say, the world has moved within the framework of East-West confrontation, out of which many localized incidents have occurred. But the most fundamental and serious problem has been the arms race between the two blocs. The arms race appeared to expand infinitely, intensified in vicious circles, and led eventually to expanded competition of nuclear arsenals to the point the two blocs compiled enough nuclear weapons that can kill mankind over 60 times. If these were used, that would be the end of mankind. Yet, there is no guarantee, even today, of their not being used. The mere thought terrorizing.

The arms race is also dealing a frightening blow to the world economy. It is attributable to a significant extent the dire life of people in the Soviet Union and the twin deficits in the United States.

We, the members of the InterAction Council, have continuously warned against the dangerous direction of the East-West confrontation and arms race. Triggered by the U.S.-Soviet summit meeting of 1985, the new current in the two nations and the two blocs -- that is the "current from confrontation to dialogue" -- began. The new current has picked up momentum in the U.S.-Soviet summit meeting in Malta of last year and further will in Washington later this month. This is a shift from the East-West confrontation toward "One World."

Whether this move toward dialogue and toward "one world" would stabilize determines whether mankind can survive in the

21st century.

I expect that the problems we will face as we head toward the "age of dialogue" and "One World" will be actively discussed and reviewed during this plenary session.

I would now like to make brief remarks about the Asian scene at this occasion of our meeting here in Seoul, an Asian Capital.

Most of the Asian countries had been either colonies or protectorates of Western nations before World War II and attained their political independence only after the war. Through stabilization of the political foundation in many of these nations, their economies have shown dynamic development compared to other regions of the world.

The world's average

The world's average annual growth rate in the 1980s was 2.7 percent but the region grew by 6.6 percent, more than double the world's average rate. And the living standard of the people in the region has improved remarkably in recent years, which has further reinforced the foundation for political stability.

In the 1990s, led by the economic liberalization of Japan, the most industrially advanced nation in the region, and followed by the liberalization measures pursued in Korea, Singapore and other Asian Newly Industrializing Economies (NIEs), a free trade zone is being gradually formed in this region.

The Asian NIEs have generally maintained high economic growth since the early 1980s, because of a combination of merits they enjoyed, such as the U.S. economic expansion, cheap crude oil prices, low interest rates, and weak national currencies. While it is difficult to anticipate that they will maintain the powerful growth rates of the 1970s and '80s due to constraints

they will face in labor supply or currency realignments, the high savings propensity and vigorous entrepreneurial spirit of the region could make one well expect the continuation of the vigorous economic development.

Among the Asian NIEs, Korea has advanced industrialization programs, has already attained per capita GNP of \$5,000 and is about to graduate from the developing country status. Taiwan, Hong Kong and Singapore have problems vis-a-vis China or the United Kingdom but they are considered to play a major role in trade and finance in the future.

Moreover, what is remarkable in this region in recent years is that, stimulated by Japan and Asian NIEs, the ASEAN countries, such as Malaysia and Thailand, are showing dynamic economic development. Economic exchanges among the ASEAN countries have become active. With mutual relocations of production bases, the economic scale of this region is enlarging synergically.

Thus, the Asian region or the Asian and Pacific region as a whole has become politically and economically more stable than other regions of the world, and the region's future has come to attract aspiring attention of the world.

I would now like to give my personal opinion on five points related to Asia.

First, it is about the concept of the "Asian and Pacific Age." During the early years of the 1970s, when I was serving as the Foreign Minister of Japan, I often heard the expression of the "Asian and Pacific Age."

Initially, this expression had neither significance nor substance. Yet, with the progress made in the Asian economic

development, this expression began to walk on its own, acquiring certain substance.

Already, much discussions have been made on the subject and some concepts have been proposed. Some even advocate a political and economic organization, such as the Asian and Pacific Federation or the Pan Pacific Cooperation Organization, which in the proponents' views resemble the European Community.

Yet, the countries in this region have such diverse races, languages, religions, cultures and historical background. And they differ in respective political systems and economic conditions. The region is not homogeneous. It is thus neither possible nor realistic to propose that the region form soon a similar entity like the EC.

Nevertheless, in this age in which we all head for "One World," it is most important for neighboring Asian countries to produce common benefits through activated mutual exchanges and cooperation as well as joint efforts. Furthermore, economic relations become more meaningful, if they sincerely wished to assist and complement each other's efforts. This is why I believe it crucial to strengthen the "heart-to-heart contacts" which I have long advocated.

My second point on Asia is the question of how the dramatic changes from "confrontation to dialogue" that have first taken place in East Europe will affect Asia, particularly Asian socialist nations.

The Asian political situation cannot be explained by the East-West confrontation formula. Both the political situation

and historical background of the Asian nations are diverse. Moreover, differing substantially from Europe, the region has unsolved regional disputes, such as the Kampuchean question or the Korean Peninsula problem.

It is true that some changes are being made in this region, such as the change in the leadership and the introduction of a multi-party system in Mongolia, or moves by the Republic of Korea to establish diplomatic relations with the Eastern European nations and Mongolia. Yet, ideological tightening of grips is seen in China and North Korea. The wind of changes has not fully reached Asia as a whole. Nonetheless, the reform move seen in East Europe will not be confined solely to East Europe. I believe it will inevitably spread to Asia. I hope that effects of such changes will be responded without difficulties and that political and economic reforms will be realized without much chaos. The so-called soft-landing is the best course.

The reform of democratization and external opening in China first began in the economic sphere, particularly with agriculture. Agricultural production expanded very rapidly and rural life has dramatically improved compared to the past. In contrast, industrial reform has not progressed. The rising urban unemployment and soaring prices have created dissatisfaction among the people, which led to the radical democratization move.

The Chinese Government has confirmed the continuation of its policy to introduce the market principle and external opening. If an economically stable and open China materializes, its ramification to political democratization will be enormous.

Economic and political stability and development of China could contribute greatly to peace in Asia and the world.

The world, particularly industrialized nations, should cooperate with China so that it can make a soft-landing without being isolated from the rest of the world.

The third point to watch in the region is the fundamental changes being made in the strategic environment, particularly the presence of the U.S. and Soviet forces in this region, induced by the dramatic changes in the East-West relations that began last year. Numerous moves will emerge in the 1990s to respond to those changes.

As the address President Gorbachev delivered in Vladivostok and Krasnoyarsk in 1986 showed, we can well understand the Soviet intention of revising its policy and military doctrine on Asia and Pacific. Some specific moves, such as the Soviet approach to the Republic of Korea and the withdrawal of the Soviet troops from Mongolia, have been made.

Yet, as we cast our eye on the Soviet military structure as a whole, no major change can be seen in the Asia and Pacific region, compared to active moves in the European theater. The situation is such that the "new thinking diplomacy" of the Soviet Union has not sufficiently permeated to this region. It seems that the Gorbachev regime is more than preoccupied in coping with economic difficulties and ethnic national problems. It might be that we have not reached a stage where the new thinking is fully reflected in the Asia and Pacific policy of the Soviet Union.

On the other hand, the U.S. military structure has begun to show signs of definite changes both in the East and the West. In the Asia and Pacific theater, the United States is expected to implement a partial reduction of its forces, while

maintaining its military commitment.

Over a longer term, the Soviet new thinking diplomacy will eventually bring about further detente in the Asia and Pacific theater, which in turn presents a possibility of disarmament and arms control. In view of the complication of the military balance in this region compared to Europe, I would like to see the countries involved to continue making strides toward this goal with joint wisdom.

President Gorbachev's visit to Japan is on a diplomatic agenda. If the Japan-Soviet Peace Treaty can be concluded through a solution of the so-called Northern Territory question, that would contribute greatly to the detente of this region.

The fourth observation is on the Korean Peninsula.

Effort toward the solution of the Korean Peninsula problem is an indispensable issue. I am pleased, indeed, that the Japanese people are unanimously extending their heartfelt welcome to President Roh Tae-Woo's visit to Japan which will start tomorrow, and that the friendly relations between Japan and Korea will be further reinforced. The President is propelling his positive northern policy toward a peaceful unification through North-South dialogue. There is no other way to realize peace in the Korean Peninsula but this. I hope that all nations in the world will contribute to the extent possible to create an environment conducive to promote this dialogue and endeavor with courage to realize a peaceful unification together with both the Republic of Korea and the Democratic People's Republic of Korea. We should directly cast our eyes on the reality of historical changes of the world in doing so.

My fifth point is on Japan's attitude toward the Asian



region. When I visited the Asian countries in the latter half of the 1970s as the Prime Minister of Japan, I made it clear that the fundamental thinking of Japan toward Asia is summarized in the following three points:

First, Japan, a nation committed to peace, rejects the rule of a military power.

Second, Japan, as a true friend of the Asian countries will construct the relationship of mutual confidence and trust based on "heart-to-heart" understanding in political, economic, social and cultural areas.

Third, Japan, as an equal partner and transcending ideological differences, will cooperate positively on the construction of peace and prosperity of Asia.

These principles later came to be known as the "Fukuda Doctrine." I believe that for Japan to be modest, to deepen mutual understanding as a true friend and to positively cooperate economically and for peace is a cardinal point of realizing peace and prosperity in this region and eventually in the world.

Japan is presently endeavoring to bring about the solution of the Kampuchean dispute, a major regional dispute in Asia, by intermediating a dialogue among the parties directly involved in the dispute. I earnestly hope that through accumulation of such efforts, a comprehensive truce will be brought on this dispute.

The Asian region in the 1990s has several important tasks. But its outlook is full of hopes. If we can cope with these tasks wisely and with the spirit of cooperation, I believe that Asia will win respect of the world as a region that contributes

to peace and prosperity of the world.

Thank you very much for listening to me and let me wish a  
successful meeting ahead.