

PLEASE CHECK AGAINST DELIVERY (1000H-OS)

TECHNOLOGY -- AND TERRORISM --
TRANSFORMING OUR WORLD

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INTRODUCTORY

I AM DEEPLY HONORED TO BE ASKED TO SPEAK TO THIS FORUM -- ONE OF THE MOST PRESTIGIOUS IN JAPAN.

AND THE TOPIC I HAVE CHOSEN IS ONE I AM CERTAIN THIS INSTITUTE HAS BEEN THINKING ON. I REFER TO THE WAY TECHNOLOGY -- AND TERRORISM -- ARE TRANSFORMING THE GLOBE IN OUR TIME.

CONSTANT -- AND OFTEN CATAclysmic -- CHANGE DEFINES THE CHARACTER OF OUR WORLD.

CHANGE IS NOT MERELY ACCELERATING. CHANGE IS ALSO GROWING IN SCALE, AND SPREADING GEOGRAPHICALLY WIDER AND WIDER.

AND NOT JUST MATERIAL ARTIFACTS AND TECHNIQUES BUT ALSO IDEAS AND INSTITUTIONS ARE SPREADING MORE GENERALLY.

THE RESULT IS THE GROWING UNITY OF HUMAN EXPERIENCE. NOWADAYS, EVEN THE POOREST COUNTRIES LOOK TO SOME VARIETY OF MODERNIZATION TO LIFT UP THEIR PEOPLE'S LIVES.

I. THE TRANSFORMATIVE POWER
OF GLOBALIZATION

THE MARKED TRANSFORMATION OF INTERNATIONAL SOCIETY IN OUR TIME COMES FROM THE REVOLUTION IN COMPUTING AND COMMUNICATIONS, AND THE RESURGENCE OF "GLOBALIZATION" INDUCED BY THIS TECHNOLOGICAL REVOLUTION.

ACTUALLY, GLOBALIZATION IS NOTHING NEW. THE PROCESS HAS BEEN GOING ON -- IN FITS AND STARTS -- AT LEAST SINCE THE EMERGENCE OF THE WESTERN POWERS ON THE WORLD SCENE IN THE 15TH CENTURY.

THROUGHOUT ALL THIS TIME, THE DOMINANT STATES HAVE SOUGHT TO REDUCE BARRIERS TO THE MOVEMENT OF GOODS, CAPITAL, AND TECHNOLOGY.

OFTEN ENOUGH, THIS WAS DONE FORCIBLY, JUST AS THE BRITISH OPENED UP CHINA, THE EUROPEANS OPENED UP AFRICA, AND THE AMERICANS OPENED UP JAPAN OF THE TOKUGAWA ERA.

IN OUR TIME, THE INFORMATION AND COMMUNICATIONS REVOLUTION -- BY OVERCOMING THE TYRANNY OF DISTANCE -- HAS SPEEDED UP THIS HISTORICAL PROCESS.

AND, DESPITE THE PROTESTS OF THOSE WHO OPPOSE IT, GLOBALIZATION IN OUR TIME IS NOT LIKELY TO BE REVERSED, NOT ONLY DOES IT PROMISE THE BEST RESULTS AS A DEVELOPMENT MODEL, THE ONLY ALTERNATIVE -- AUTARKY UNDER THE COMMAND ECONOMY -- HAS BECOME THOROUGHLY DISCREDITED, WITH THE COLLAPSE OF THE SOVIET UNION.

THE ECONOMIC CENTER OF GRAVITY SHIFTS TO THE EAST

ALREADY THE OPEN TRADING SYSTEM HAS SHIFTED THE WORLD'S ECONOMIC CENTER OF GRAVITY FROM THE ATLANTIC TO THE PACIFIC AND THE SOUTH CHINA SEA.

OVER THE FORESEEABLE FUTURE, THE EUROPEAN UNION IS LIKELY TO BE INWARD-LOOKING, AS IT ACCOMMODATES 10 NEW MEMBERS (RANGING FROM POLAND TO CYPRUS AND MALTA) -- AND MEDIATES THE ECONOMIC AND POLITICAL AFFAIRS OF 25 INDIVIDUAL COUNTRIES, EACH WITH ITS OWN INTERESTS AND DEMANDS.

BY CONTRAST, EXPORT-ORIENTED ASIA -- HAVING SURVIVED TWO SUCCESSIVE RECESSIONS -- IS ONCE AGAIN BEGINNING TO EXPAND ITS GNP -- DESPITE SARS (SEVERE ACUTE RESPIRATORY SYNDROME) AND THE IRAQ WAR.

AMERICA'S TRADE WITH EAST ASIA LONG AGO EXCEEDED ITS TRADE WITH WESTERN EUROPE. AMERICAN BUSINESS SEES ASIA'S ECONOMIC POTENTIAL AS ENORMOUS, AND, THANKS TO A MILD U.S. RECOVERY, ASIA'S DEVELOPING ECONOMIES MAY GROW FASTER -- BY 5.8% IN 2003, ACCORDING TO THE ASIAN DEVELOPMENT BANK (ADB).

TECHNOLOGY'S CREATIVE DESTRUCTION

MEANWHILE, TECHNOLOGY IS ALSO WORKING ITS OWN TRANSFORMATIVE POWER ON ECONOMIES, ON MILITARY STRATEGY, INDEED, ON THE WHOLE OF NATIONAL SOCIETY.

WHAT THE ECONOMIST JOSEPH SCHUMPETER CALLED "CREATIVE DESTRUCTION" -- THE CONTINUOUS PROCESS BY WHICH EMERGING TECHNOLOGIES PUSH OUT THE OLD -- IS PERPETUALLY REARRANGING THE RANKING OF COUNTRIES IN THE INTERNATIONAL ECONOMIC HIERARCHY.

AND TECHNOLOGY IS ALSO THE REASON THE U.S.S.R. NOW BELONGS IN THE DUST-HEAP OF HISTORY. IN CONTRAST, IT IS CAPITALISM'S ABILITY TO PRODUCE A CONTINUOUS STREAM OF SUCCESSFUL INNOVATIONS THAT MAKES IT THE BEST ECONOMIC SYSTEM YET FOR GENERATING GROWTH.

HERE IN ASIA, BIOTECHNOLOGY -- THE GENETIC MODIFICATION OF PLANTS AND ANIMALS TO MAKE THEM BOTH PRODUCTIVE AND RESISTANT TO PESTS AND DISEASE -- PROMISES TO TRANSFORM OUR BACKWARD AGRICULTURAL VILLAGES IN WAYS WE CANNOT YET IMAGINE.

THE NEW STRAINS OF RICE ALONE SEEM LITTLE LESS THAN MAGICAL. ONE VARIETY IS PEST-RESISTANT -- ANOTHER IS RICH IN ZINC AND IRON -- AND STILL ANOTHER IS FULL OF VITAMIN "A." BUT THE MOST PROMISING IS A RICE STRAIN WHICH IS APPARENTLY 35% MORE PRODUCTIVE THAN TODAY'S HIGHEST-YIELDING RICE.

BIOTECHNOLOGY IS ALSO BEING APPLIED TO OTHER COMMERCIAL CROPS TO IMPROVE THEIR QUALITY AND YIELD -- SUCH AS BANANAS, ABACA, ORNAMENTAL FLOWERS, AND SPICES -- AS WELL AS TO LIVESTOCK AND FISH.

TECHNOLOGICAL CHANGE AND MILITARY STRATEGY

ON MILITARY STRATEGY, TECHNOLOGICAL CHANGE HAS ALREADY PRODUCED WHAT AMERICAN MILITARY LEADERS CALL THE "INTEGRATED BATTLE SPACE" -- WHICH GIVES THEM UNPRECEDENTED ACCESS TO INTELLIGENCE INFORMATION FROM ANY PLACE AROUND THE GLOBE.

A HIGH-TECH COMMAND AND CONTROL CENTER COULD BRING TOGETHER DISPARATE INFORMATION SYSTEMS -- SATELLITE, LIVE FEED FROM THE GROUND, DATA FROM SENSORS, ETC. -- TO PUT TOGETHER A COMPLETE PICTURE OF THE BATTLEFIELD FOR SENIOR COMMANDERS, SUPPORT ELEMENTS, AND EVEN PLATOON LEADERS AT THE FRONTLINES.

RADIO TRANSMISSIONS ARE AUGMENTED BY E-MAIL. THE COMMAND AND CONTROL CENTER CAN BE SITUATED HALF-A-WORLD AWAY FROM THE BATTLE ZONE: IT WOULD "TELECOMMUTE" TO COMMANDERS OF LARGE FORCES AS WELL AS TO SMALL-UNIT OPERATORS ON THE GROUND.

AND THIS COMMAND AND CONTROL CENTER, I BELIEVE, IS ALREADY BEING FIELD-TESTED IN THE ON-GOING IRAQ WAR.

II. THE TRANSFORMATIVE POWER OF TERRORISM

TO THESE FORCES TRANSFORMING MILITARY DOCTRINE, WE MUST NOW ADD THE TRANSFORMATIVE POWER OF TERRORISM AND ASYMMETRIC WARFARE.

THE "DEMOCRATIZATION" OF TECHNOLOGY HAS BEEN DIFFUSING POWER AWAY FROM GOVERNMENTS AND "EMPOWERING" FANATIC INDIVIDUALS AND CONSPIRATIONAL GROUPS TO PLAY POWERFUL ROLES IN WORLD POLITICS -- INCLUDING THAT OF INFLECTING MASSIVE DESTRUCTION -- ONCE RESERVED TO GOVERNMENTS AND THEIR ARMED FORCES.

TERRORISM HAS EVEN PRIVATIZED WAR -- AS WE CAN SEE FROM OSAMA BIN LADEN'S JIHAD AGAINST THE WHOLE OF WESTERN CHRISTENDOM.

IT NO LONGER TAKES ANOTHER SUPER-POWER TO POSE A DIRE THREAT TO AMERICANS. THE PENTAGON'S WORLD VIEW HAS BEEN TRANSFORMED BY SEPTEMBER 11TH. WHILE THE U.S. NUCLEAR ARSENAL MAY DETER OTHER POWERS FROM ATTACKING AMERICA, IT CANNOT DETER TERRORISTS OF THE SEPTEMBER 11-TYPE.

PRESIDENT GEORGE W. BUSH DESCRIBES THE SECURITY THREATS IN THIS MANNER:

"THE REALITIES AT THE BEGINNING OF THE 21ST CENTURY ARE TWO:

"FIRST, THERE IS THE POSSIBILITY OF OTHER MASSIVE, SURPRISE TERRORIST ATTACKS SIMILAR TO THOSE OF SEPTEMBER 11TH, 2001,

"SECOND, THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION -- BIOLOGICAL, CHEMICAL OR NUCLEAR.

"SHOULD THESE TWO THREATS CONVERGE IN THE HANDS OF TERRORISTS OR A ROGUE STATE, THE UNITED STATES COULD BE ATTACKED AND TENS OF THOUSANDS, EVEN HUNDREDS OF THOUSANDS OF PEOPLE COULD BE KILLED."

WE FILIPINOS TOO HAVE BECOME ACQUAINTED WITH TERRORISM. ISLAMIST EXTREMISTS HAVE STRUCK IN MANY PLACES ON MINDANAO ISLAND.

FILIPINO TERRORISTS SEEM TO HAVE LINKED UP WITH THE JEMAAH ISLAMIYA (J.I.) THAT GREW IN INDONESIA -- AN EXTREMIST MOVEMENT ACTIVE IN ALL THE MUSLIM COMMUNITIES OF SOUTHEAST ASIA -- WHICH HAS A GRANDIOSE PROGRAM TO UNITING ALL THE MUSLIM REGIONS OF SOUTHEAST ASIA INTO ONE ISLAMIC STATE.

TERRORISM HAS BROUGHT THE EAST ASIAN STATES TOGETHER

ON THE BROAD CANVAS OF EAST ASIA, THE SECURITY PICTURE IN THE WAKE OF SEPTEMBER 11TH HAS IRONICALLY BEEN MARKED BY GREATER COOPERATION.

BY SEEING HOW EASILY TERRORISM COULD TRANSCEND POLITICAL BOUNDARIES, GOVERNMENTS THROUGHOUT THE REGION HAVE REALIZED HOW MUCH NATIONAL SECURITY NOWADAYS DEPENDS ON COOPERATION AMONG SOVEREIGN STATES.

THIS IS WHY ALMOST ALL THE EAST ASIAN STATES -- JAPAN AND CHINA INCLUDED -- HAVE SIGNIFIED THEIR SUPPORT FOR THE U.S.-LED ANTI-TERRORIST COALITION FIGHTING OSAMA BIN LADEN'S AL QAEDA. NOT ONLY HAS THE ANTI-TERRORIST WAR BROUGHT BEIJING AND WASHINGTON TOGETHER; TOKYO HAS ALSO BEEN ABLE TO SHOW THE FLAG IN THE INDIAN OCEAN -- THUS ESTABLISHING A USEFUL PRECEDENT FOR ITS INTERVENTION IN FUTURE CONFLICTS AWAY FROM ITS HOME-WATERS.

RUSSIA, TOO, HAS MANIFESTED A SURPRISING DEGREE OF SUPPORT TO THE ANTI-TERRORIST COALITION.

WASHINGTON'S WARMER RELATIONS WITH BEIJING ARE SMOOTHING THE WAY FOR THE CHINESE LEADERSHIP TO ACCEPT U.S. MILITARY ACTION AGAINST IRAQ.

CHINA'S TACIT CONSENT HAS ALSO ENABLED THE UNITED STATES TO KEEP WARPLANES AND TROOPS ON CHINA'S WESTERN DOORSTEP IN KYRGYZSTAN AND OTHER CENTRAL ASIAN COUNTRIES.

III. ISSUES AND PROSPECTS IN THE ASIA-PACIFIC

IN RECENT MONTHS, CHINA HAS SUPPORTED A UNITED NATIONS SECURITY COUNCIL RESOLUTION ON IRAQ WELL BEFORE RUSSIA OR FRANCE; SHARED INTELLIGENCE ON ISLAMIST TERRORISM WITH THE UNITED STATES; AND HAS RECENTLY BEEN INVITED A SECURITY DIALOGUE WITH THE NORTH ATLANTIC TREATY ORGANIZATION (NATO).

OVER THIS PAST QUARTER-CENTURY, CHINA HAS UNDERGONE A SEA-CHANGE. NO LONGER IS CHINA A TOTALITARIAN SOCIETY; NO LONGER DOES IT SEEK TO CONTROL EVERY ASPECT OF THE LIVES OF THE CHINESE PEOPLE, AND, NO LONGER DOES IT ESPOUSE A REVOLUTIONARY OR AN EXPANSIONIST IDEOLOGY.

CHINA NOW IS CLOSER TO THE FAMILIAR EAST ASIAN MODEL OF THE AUTHORITARIAN DEVELOPING STATE THAN IT WAS TO THE OLD U.S.S.R. ITS LEADERS ARE CONCERNED ABOVE ALL WITH ECONOMIC GROWTH, SOCIAL EQUITY AND POLITICAL STABILITY AS THE BASIC IMPERATIVES FOR STAYING IN POWER.

BEIJING NO LONGER RUNS A COMMAND ECONOMY: ITS TRANSITION TO A MARKET ECONOMY NOW SEEMS IRREVERSIBLE.

THE CHINESE MEDIA -- WHETHER STATE- OR PRIVATELY-OWNED -- ARE INCREASINGLY OUTSPOKEN. MORE AND MORE VILLAGES ARE NOW HOLDING COMPETITIVE ELECTIONS, AND CHINA'S GALLOPING ECONOMY IS NURTURING A LARGE MIDDLE CLASS WITH RISING INCOMES: FOR INSTANCE, SOME FIVE MILLION CHINESE TOURISTS VISITED SOUTHEAST ASIA LAST YEAR.

EVEN CHINA'S RELATIONS WITH ITS ESTRANGED OFF-SHORE ISLAND OF TAIWAN HAVE BENEFITED FROM THE LIBERALIZATION OF ITS POLITICAL AND ECONOMIC POLICIES.

CROSS-STRAITS RELATIONS ARE STABILIZING -- AS TAIWAN HAS COME TO RECOGNIZE ITS ECONOMIC NEED FOR CHINESE LABOR AND MARKETS. TRADE AND INVESTMENT, AS WELL AS TRAVEL EXCHANGES, ARE RELAXING POLITICAL TENSIONS. INTEGRATION OF THE CHINA-TAIWAN ECONOMIES IS REALLY THE BEST WAY OF RECONCILING THE TWO SIDES POLITICALLY.

NOT TO LONG AGO, PRESIDENT JIANG OFFERED TO FREEZE OR TO WITHDRAW CHINA'S SHORT-RANGE BALLISTIC MISSILES DEPLOYED OPPOSITE TAIWAN IN RETURN FOR AMERICAN RESTRAINT IN ITS ARMS SALES TO TAIPEI.

TO THIS OFFER, WASHINGTON SHOULD RESPOND SERIOUSLY. FOR THE GREATEST DANGER TO EAST ASIA LIES IN A CLASH OF ARMS ACROSS THE TAIWAN STRAITS.

U.S. DEPLOYMENT IN EAST ASIA IS "FORWARD DEFENSE"

THAT THE OUTER GROUP OF ISLANDS ENCLOSING THE CHINA SEA SHOULD REMAIN IN FRIENDLY HANDS HAS BEEN A KEY CONCERN OF AMERICAN GEOPOLITICIANS SINCE THE 19TH CENTURY NAVAL STRATEGIST, CAPTAIN ALFRED THAYER MAHAN WHO URGED THE PROJECTION OF U.S. NAVAL POWER IN THE WESTERN PACIFIC AS AN EARLY STRATEGY OF "FORWARD DEFENSE."

THE RIVALRY BETWEEN THE UNITED STATES AND CHINA TODAY IS REMINISCENT OF THAT BETWEEN THE HEGEMONIC MARITIME POWER, BRITAIN, AND THE EMERGING LAND POWER, GERMANY, BEGINNING IN THE LATE 19TH CENTURY.

JUST AS BRITAIN TRIED TO CONTAIN GERMANY'S ECONOMIC AND MILITARY POWER, SO DID GERMANY TRY TO BREAK BRITAIN'S NAVAL SUPERIORITY. BUT, IN OUR TIME, THE OUTCOME OF THE NATURAL RIVALRY BETWEEN THE GREAT POWERS NEED NOT BE UNAVOIDABLE CONFLICT -- IF WE ACKNOWLEDGE CHINA'S NEED FOR SPACE AND RESPECT IN INTERNATIONAL RELATIONS.

CHINA AND JAPAN

AS FOR THE RELATIONS BETWEEN BEIJING AND TOKYO, CHINESE SECURITY INTELLECTUALS NOW ACKNOWLEDGE THAT JAPAN IS SOON TO BECOME A "NORMAL STATE" AND THAT IT IS "BOUND TO HAVE A SECURITY ROLE EQUIVALENT TO ITS ECONOMIC POWER."

MANY CONCEDE THAT A JAPANESE ROLE IN REGIONAL SECURITY IS UNAVOIDABLE AND ESSENTIAL.

SOME CHINESE EXPERTS ALSO CONCEDE THAT SUBSTANTIVE POLITICAL CHANGES HAVE TAKEN PLACE IN JAPAN DURING THE LAST 50 YEARS AND THAT INTERNAL CHANGE IS, IN FACT, ACCELERATING. ITS NEIGHBORS MUST ACKNOWLEDGE JAPAN'S NEW CIRCUMSTANCES AND ADAPT TO THEM.

IN THE KOREAN PENINSULA, IN RECENT WEEKS, PYONGYANG HAS STIRRED UP A CRISIS OVER ITS EFFORTS TO BUILD NUCLEAR WEAPONS. BUT THERE, FORTUNATELY, THE INTERESTS OF ALL THE GREAT POWERS -- ESPECIALLY THOSE OF THE U.S., CHINA AND JAPAN ---- COINCIDE IN WANTING TO PREVENT THE ECCENTRIC NORTH KOREAN DICTATOR FROM DISRUPTING NORTHEAST ASIA'S STABILITY.

I FOR ONE AM CONFIDENT THAT THE NORTH KOREAN QUESTION WILL BE RESOLVED THROUGH DIPLOMACY AND COMPROMISE.

IV. AMERICAN STRATEGY IN EAST ASIA

LET US NOW CONSIDER BRIEFLY AMERICA'S ROLE IN EAST ASIA AND THE ASIA-PACIFIC.

FOR THE MOMENT, WASHINGTON SEEMS TO VIEW ITS BILATERAL RELATIONS IN THE REGION FROM THE PRISM OF ITS GLOBAL WAR ON INTERNATIONAL TERRORISM. THUS, ITS RENEWED INTEREST IN SOUTHEAST ASIA -- WHICH IS HOME TO THE LARGEST MUSLIM POPULATIONS.

AS SOON AS THE AFGHANISTAN CAMPAIGN HAD DEVELOPED SUFFICIENTLY, WASHINGTON OPENED A SECOND ANTI-TERRORIST FRONT AGAINST THE EXTREMIST ABU SAYYAF OUTLAWS IN THE SOUTHERN PHILIPPINES UNDER A VISITING FORCES AGREEMENT (VFA) WITH MANILA.

IN INDONESIA, THE PENTAGON IS WORKING TO RESTORE MILITARY AID SUSPENDED SINCE THE INDONESIAN MILITARY'S "RAPE OF EAST TIMOR."

IT ALSO SEEMS THE BUSH ADMINISTRATION IS SEIZING THE OPPORTUNITY OF ITS WAR ON TERRORISM AND NOW IN THE WAR AGAINST IRAQ TO CONSOLIDATE AMERICA'S GLOBAL HEGEMONY.

PRESIDENT BUSH APPARENTLY SEES THE WORLD AS MORE EVIL, MORE DANGEROUS, AND MORE THREATENING THAN HIS PREDECESSORS DID.

FOR 2003, AMERICA'S DEFENSE BUDGET AT ABOUT \$360 BILLION IS EQUIVALENT TO ABOUT 40% OF ALL THE MONEY ALL OTHER NATIONS COMBINED SPEND ON THEIR MILITARIES. AND IF THIS MONEY TRANSLATES INTO NEW MILITARY CAPABILITY, IT WILL ENHANCE MANY TIMES OVER AMERICAN SUPERIORITY OVER ANY OTHER POTENTIAL ADVERSARY.

PENTAGON SEES FUTURE THREATS RISING FROM ASIA

IN EAST ASIA, AMERICAN SECURITY ANALYSTS SEES WASHINGTON'S BASIC PRIORITIES AS TWO.

THE FIRST IS TO PREVENT THE GROWTH OF RIVALRIES AND INSECURITIES THAT COULD LEAD TO WAR.

AND THE SECOND (WHICH REALLY DATES BACK TO CAPTAIN MAIHAN) IS TO PREVENT THE RISE OF A REGIONAL SUPERPOWER THAT COULD UNDERMINE THE U.S. ROLE IN THE REGION AND SUBSEQUENTLY -- GIVEN ASIA'S ENORMOUS RESOURCES -- POSE A GLOBAL CHALLENGE TO U.S. PREDOMINANCE.

A PENTAGON STUDY OF POTENTIAL U.S. SECURITY PROBLEMS BY 2025 AGREES "THE THREATS ARE IN ASIA." BUT IT APPARENTLY SEES NO EARLY THREAT FROM CHINA. WHILE CHINA IS INDEED PREPARING TO PROTECT ITS HOMELAND AND OUTSIDE INTERESTS AGAINST TECHNOLOGICALLY SUPERIOR ENEMIES, ITS SIGNIFICANT SHORTCOMINGS WILL LEAVE IT UNABLE TO CHALLENGE THE U.S. FOR "AN INDEFINITE PERIOD OF TIME."

MEANWHILE, WASHINGTON MUST SUSTAIN ASIA-PACIFIC STABILITY; MANAGE EVENTS SO THAT THEY DO NOT SPIRAL OUT OF CONTROL; AND MAINTAIN POLICIES THAT FAVOR FREE TRADE AND FINANCIAL STABILITY -- WHICH ENHANCE THE INFLUENCE OF THE UNITED STATES .

NOT ONLY MUST THE U.S. DEEPEN BILATERAL SECURITY TREATIES WITH SOUTH KOREA, JAPAN, AND AUSTRALIA; AND WIDEN THESE PACTS, POSSIBLY TO INCLUDE SINGAPORE AND THAILAND -- SO THAT MULTILATERAL PARTNERSHIPS CAN CREATE MILITARIES WHICH CAN RESPOND TO REGIONAL CRISES AS COALITIONS.

' WITH JAPAN, AMERICA MUST ALSO REACH AGREEMENT ON A JOINT STRATEGY IN ASIA -- AND SUPPORT JAPAN'S EFFORTS TO REVISE ITS CONSTITUTION: EXPAND ITS SECURITY HORIZON, AND ACQUIRE APPROPRIATE CAPABILITIES TO SUPPORT COALITION OPERATIONS.

TO PRESERVE CONTINENTAL STABILITY, WASHINGTON MUST NURTURE A BALANCE-OF-POWER STRUCTURE INVOLVING CHINA, INDIA, AND RUSSIA -- TO DETER ANY OF THEM FROM THREATENING REGIONAL SECURITY, DOMINATING ONE ANOTHER, OR COALESCE AGAINST THE UNITED STATES.

AT THE SAME TIME, WASHINGTON MUST PROMOTE AN ASIA-WIDE DIALOGUE TO DAMPEN REGIONAL CONFLICTS; BUILD MUTUAL CONFIDENCE; AND ULTIMATELY, ESTABLISH A BROAD, MULTILATERAL SECURITY FRAMEWORK.

TOWARD A HIGHER STAGE OF REGIONAL COOPERATION

ALREADY, ASIA SEEMS TO BE MOVING TOWARD THIS HIGHER STAGE OF REGIONAL COOPERATION. THE ASEAN REGIONAL FORUM (A.R.F.) -- WHICH IS STILL THE REGION'S ONLY VENUE FOR POLITICAL PROBLEM-SOLVING -- IS APPARENTLY PREPARING TO MOVE FROM CONFIDENCE-BUILDING TO PREVENTIVE DIPLOMACY.

A.R.F. HAS ESTABLISHED AN EXPERTS AND EMINENT PERSONS GROUP FOR FACT-FINDING MISSIONS, MEDIATING DISPUTES, AND FORGING PRACTICAL SOLUTIONS TO CONTENTIOUS ISSUES. IT IS ALSO THINKING ABOUT SETTING UP A SECRETARIAT; ESTABLISHING A SYSTEM OF SELF-REPORTING, THROUGH WHICH MEMBER-STATES WOULD REPORT ON THEIR OWN PERCEPTION OF EXISTING OR POTENTIAL SECURITY CONCERNS; AND DEVELOPING AN "EARLY WARNING SYSTEM" TO IDENTIFY DANGER POINTS AND EMERGING CRISES.

A.R.F. WILL ALSO BEGIN LOOKING INTO "NON-TRADITIONAL" SECURITY ISSUES SUCH AS ON THE ENVIRONMENT, THE SAFETY OF NUCLEAR POWER PLANTS, AND HUMAN RIGHTS.

A PROLIFERATION OF FREE-TRADE AGREEMENTS

MEANWHILE, JAPAN AND CHINA ARE COMPETING TO OFFER FREE-TRADE AGREEMENTS WITH THE 10 ASEAN STATES.

AS WE KNOW, THE SOUTHEAST ASIAN FREE-TRADE AREA (AFTA) IS ALREADY OPERATING. SINCE JANUARY 2001, TARIFFS ON AT LEAST 85% OF ALL THE GOODS TRADED AMONG THE SIX OLDEST ASEAN MEMBERS HAVE BEEN CUT TO BETWEEN ZERO AND 5%. VIETNAM WILL HAVE UNTIL 2006; LAOS AND BURMA UNTIL 2008; AND CAMBODIA UNTIL 2010 TO ACCEDE TO THE AFTA TREATY.

IN NOVEMBER 2001, CHINA'S PREMIER ZHU RONGJI OFFERED A FREE-TRADE ARRANGEMENT WITH ASEAN 10 -- DETAILS OF WHICH THE TWO SIDES ARE NOW NEGOTIATING.

TWO MONTHS LATER, IN JANUARY 2002, PRIME MINISTER JUNICHIRO KOIZUMI IN TURN PROPOSED A SERIES OF BILATERAL FREE-TRADE AGREEMENTS. SINGAPORE HAS ALREADY SIGNED UP, AND THE PHILIPPINES, SOUTH KOREA, THAILAND AND MEXICO HAVE ALL EXPRESSED INTEREST.

MOST OBSERVERS THOUGHT TOKYO WAS SIMPLY TRYING TO PLAY CATCH-UP WITH BEIJING. TO MY MIND, WHATEVER STIMULATES ECONOMIC DEVELOPMENT IN THE REGION IS WELCOME -- SINCE IT WILL BENEFIT EVERYONE.

FOR THE TIME BEING, HOWEVER, JAPAN IS LESS ATTRACTIVE A TRADING PARTNER THAN CHINA. WHILE CHINA'S ECONOMY POSTED YEAR-ON-YEAR GROWTH OF 8.1% IN THE THIRD QUARTER OF 2002, JAPAN'S GREW BY ONLY 2.6% -- ITS FIRST POSITIVE GROWTH IN FIVE QUARTERS.

JAPAN'S AGGRESSIVELY PROTECTIONIST FARM LOBBY IS ANOTHER STUMBLING BLOCK: IT MAKES ASEAN NEGOTIATIONS WITH TOKYO DIFFICULT. EVEN SINGAPORE HAD TO EXCLUDE ITS MODEST EXPORTS OF ORNAMENTAL GOLDFISH FROM ITS FREE-TRADE AGREEMENT WITH TOKYO, IN RESPONSE TO THIS LOBBY'S PRESSURE.

ALL THE OTHER ASEAN STATES HAVE MUCH LARGER AGRICULTURE SECTORS AVID TO TAP THE RICH JAPANESE MARKET.

AN EAST ASIAN ECONOMIC GROUPING

THE LIKELY OVERALL RESULT OF THIS BUSTLE OF FREE-TRADE NEGOTIATIONS IS AN EAST ASIAN ECONOMIC GROUPING OF THE 10 SOUTHEAST ASIAN STATES, FIRST WITH CHINA (CAFTA) AND EVENTUALLY ALSO WITH KOREA, AND JAPAN.

THIS WOULD CREATE A UNIFIED EAST ASIAN MARKET OF ALMOST TWO BILLION PEOPLE, WITH A COMBINED GDP OF US\$6.2 TRILLION -- BIG ENOUGH TO COMPETE WITH BOTH THE NORTH AMERICAN FREE-TRADE AREA (NAFTA) AND THE EUROPEAN UNION (E.U.) AND POWERFUL ENOUGH TO COMPEL EQUITY AND RECIPROCITY IN NEGOTIATIONS WITH THESE WELL-ESTABLISHED REGIONAL BLOCS.

SUCH AN EAST ASIAN ECONOMIC GROUPING CAN EASILY BECOME THE CORE OF AN EAST ASIAN COMMUNITY, WHOSE CONCERNS WOULD THEN GRADUALLY ENCOMPASS SECURITY AND POLITICAL ISSUES, ON THE MODEL OF THE EUROPEAN UNION.

V. A VIEW OF LONGER-TERM IMPERATIVES

TO CONCLUDE, LET ME POINT OUT SOME LONGER-TERM POSSIBILITIES.

UNIFICATION OF THE KOREAN PENINSULA AND THE RESUMPTION OF "NORMAL STATE" STATUS FOR JAPAN WILL MAKE SUSTAINING THE AMERICAN MILITARY PRESENCE IN NORTHEAST ASIA ON A LARGE SCALE DIFFICULT TO JUSTIFY FOR WASHINGTON POLICY-MAKERS -- EITHER AT HOME OR IN EAST ASIA.

THUS, AMERICA'S FORWARD MILITARY PRESENCE IN EAST ASIA WILL DECLINE -- PARTICULARLY SINCE THE NEW MILITARY TECHNOLOGIES WILL ENABLE THE PENTAGON TO CUT DOWN ITS FOREIGN DEPLOYMENT LEVELS. WHAT BASE-ACCESS ARRANGEMENTS REMAIN WILL BE MORE SUSTAINABLE -- BOTH POLITICALLY AND FINANCIALLY.

AND AS THE INTERNATIONAL ENVIRONMENT CHANGES, THE U.S. WILL SEEK NEW WAYS OF ASSERTING ITS INFLUENCE. AMERICAN SECURITY INVOLVEMENT WILL HAVE TO BE TRANSFORMED BOTH IN FORM AND SUBSTANCE. WASHINGTON WILL HAVE TO EMPHASIZE INCREASINGLY THE POLITICAL RATHER THAN THE MILITARY FUNCTION OF ITS ALLIANCE STRUCTURE. IT WILL CULTIVATE CLOSER DIPLOMATIC CONSULTATION AND COORDINATION WITH ITS ALLIES.

WITH THE AMERICAN FORWARD MILITARY PRESENCE BECOMING SMALLER AND SECURITY ALLIANCES LESS RELEVANT AS AN INSTRUMENT OF U.S. POLICY, A PLURALISTIC SECURITY COMMUNITY IS LIKELY TO EMERGE IN EAST ASIA AND IN THE LARGER ASIA-PACIFIC REGION.

THIS IS NOT AS FAR-FETCHED AS IT SOUNDS -- SINCE COUNTRIES IN THE REGION HAVE SHARED INTERESTS IN A PEACEFUL AND STABLE SECURITY ENVIRONMENT AND BECAUSE THEY WILL BENEFIT INCREASINGLY FROM GROWING -- AND MUTUALLY BENEFICIAL -- ECONOMIC INTERACTION AND INTEGRATION.

CHINESE SECURITY INTELLECTUALS ACKNOWLEDGE CHINA'S SHARE OF RESPONSIBILITY FOR REGIONAL STABILITY. THEY ACCEPT THAT BEIJING SHOULD GIVE THE U.S. CREDIT FOR RESISTING SOVIET EXPANSIONISM IN ASIA IN THE 1970s AND 1980s.

AND THEY CONCEDE THAT BEIJING NEEDS TO ASSURE WASHINGTON AND THE OTHER ASIA-PACIFIC POWERS THAT CHINA DOES NOT INTEND TO UPSET THE EXISTING REGIONAL ORDER; AND THAT FOR AS LONG AS ITS LEGITIMATE SECURITY INTERESTS ARE ACCOMMODATED, IT CAN LIVE WITH A REGIONAL SECURITY STRUCTURE IN WHICH THE UNITED STATES PLAYS THE LEADING ROLE.

TOWARD AN ASIA-PACIFIC COMMUNITY

LASTLY -- A PLURALISTIC SECURITY COMMUNITY CAN ULTIMATELY LEAD TO THE GENUINE ASIA-PACIFIC COMMUNITY VISIONARIES -- AND ORDINARY PEOPLE DREAM OF.

EVENTS IN THE WORLD MAKE CLEAR WE HAVE NO ALTERNATIVE TO ECONOMIC INTEGRATION AND POLITICAL SOLIDARITY.

OUR OBJECT SHOULD BE TO REPLACE THE "BALANCE OF POWER" AS THE ORGANIZER OF STATE RELATIONSHIPS IN EAST ASIA AND THE ASIA-PACIFIC WITH THE "BALANCE OF MUTUAL BENEFIT."

NOW THAT THE WORLD'S CENTER OF GRAVITY IS SHIFTING BACK TO THIS GREAT OCEAN OUR PEOPLES SHARE, IT IS TIME FOR OUR STATESMEN TO START CONCEPTUALIZING THE COMPONENTS OF A PAX PACIFICA.

AND THIS "PACIFIC PEACE" MUST BE THE STABILITY NOT OF ANY SINGLE POWER'S HEGEMONY BUT THE PEACE OF VIRTUAL EQUALS -- THE PRODUCT OF SECURITY COOPERATION THAT COMES -- IN THE WORLDS OF THE PROPHET ISAIAH -- FROM SITTING DOWN AND REASONING TOGETHER.

THANK YOU AND MABUHAY (BEST WISHES) !!!

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