
William McGurn

I Hear Asia Calling

The most populous and industrious part of the world can't face the future without American leadership. Is anyone in Washington listening?

As dawn creeps up on the main gate of Subic Bay Naval Station, 62-year-old Dominga do Lopo is already here waiting, chatting away with a group of friends. A hundred yards down the road, members of a Manila high-school marching band alight from their bus. Dozens of other townfolk, many in their Sunday best, are giving the street vendors brisk business despite the early hour.

They are all here to see a bit of history. Until recently, Subic was home to America's largest base in Asia. Today it looks like a ghost town. Vast expanses of parking lots once jammed with cars lie empty; roadsides are bereft of the usual Marines jogging by; the base McDonald's stands closed and shuttered. In a few short hours the last 500 or so American sailors and Marines will ship out on the USS *Belleau Wood*, ending an American military presence that began almost a century ago and a foreign presence that dates to Magellan. The Manila papers have been treating it as a day of emancipation.

Most of the Filipinos here, however, have more regret than pride. "I am feeling very lonely for the Americans," says Mrs. do Lopo, who spent years as a base worker. The others nod in agreement. Even after months of evacuation,

William McGurn is a senior editor of the Far Eastern Economic Review.



people here just can't believe that the Americans are really going—this time with no promise to return.

The rest of Asia watched with similar anxiety. Although the pullout from Subic threatened no vital American commitments, Asians wonder whether the closing of America's premier base might soon prove a metaphor for a lessening commitment to the region. Not so, says Washington, but it's hard not to notice that the U.S. withdrawal from Subic and

scaling down of American forces comes at a time when an increasingly belligerent Peking is shopping for all sorts of new military hardware, North Korea has opted out of the Nuclear Non-Proliferation Treaty, and the Japanese (whose defense budget is the third largest in the world) are talking about revoking, or at least modifying, their pacifist constitution.

Without doubt the disintegration of the USSR has lessened the security threat both to America and its allies in the region. But the shift in Moscow notwithstanding, America's vital interests in Asia have not so much diminished as changed. In sight today is a world characterized by open markets and international institutions such as the General Agreement on Tariffs and Trade and the United Nations. From the Asian perspective, the benefits of an American-led Pacific order are obvious: a security umbrel-

la that will allow the region's economic boom to continue and its fledgling political systems to mature naturally. Although the benefits to America are less direct—the shift from checking Soviet ambitions to guaranteeing the freedom of international commerce—they are no less compelling. As the Bush administration noted in a 1992 report to Congress, "U.S. interests in Asia, have been remarkably consistent over the past two centuries: commercial access to the region; freedom of navigation; and the prevention of the rise of any hegemonic power or coalition."

The pursuit of these interests, moreover, ranks among the least-appreciated success stories in history. The end of the Cold War in Asia entailed far more than the simple collapse of the Soviet Union; it meant too the transformation by American might, influence, and markets of almost the entire region. Although the debacle in Vietnam was a glaring exception, America's effort was not entirely in vain. Among other things, it brought home to Vietnam's neighbors the urgency of dealing with their own insurgencies to save themselves from the same fate. The prosperity and security that most of these peoples now enjoy was purchased in no small part by the sacrifices of the Vietnamese people who held out as long as they did, the Americans who fought for them, and especially the 55,000 U.S. soldiers who never made it home. If the other dominoes never fell it was largely because the long, drawn-out Vietnam war bought them time.

A little history suggests the magnitude of that achievement. At the beginning of the 1960s Asia was as unpromising a region as any: a belligerent Mao had brutally subdued Tibet and started shelling the Nationalist strongholds in Quemoy and Matsu; tiny Hong Kong had been flooded with a million refugees in less than a decade; an uneasy ceasefire held in Korea after a civil war that wrought incalculable physical destruction and left more than a million dead, a peace all the more unsteady for South Korea's habit of lurching from coup to coup; Malaysia was keeping Singapore at arm's distance because of fears the latter would prove a Communist Trojan Horse (old copies of the *Far Eastern Economic Review* refer to Singapore's "left-wing" leader, Lee Kuan Yew); General Ne Win had seized power in Burma and was about to take it from one of the richest nations in Asia to the poorest; and most of the rest of Southeast Asia was characterized by shaky dictatorships plagued by Communist insurgencies of various degrees of strength. America did not look to be on the winning side of history.

Today the picture has reversed itself. The three remaining Communist powers find themselves isolated and,

with the exception of North Korea, begging for foreign capitalists to come in and exploit them. Even Mongolia has gone democratic, and the prosperity and reform of South Korea and Taiwan amply demonstrate the validity of the Reagan administration's judgment that putting markets before politics in the long run best serves both. With the exception of the Philippines—itsself a laboratory for a failed liberal experiment in aid-generated development—the history of Asia over the last four decades has seen those closest to America (Taiwan, South Korea, Singapore, Hong Kong, Thailand) prosper while those most distant (Vietnam, North Korea, Burma, etc.) decayed. Although there are enough exceptions that we cannot draw a straight line from prosperity to democracy (Singapore, Hong Kong, Malaysia), the broad outlines are clear. All in all, the postwar history of Asia marks a triumph of American ideas, most eloquently confirmed on Tiananmen Square in 1989, when for five glorious

weeks the Chinese people showed where they stood and raised a Statue of Liberty to show where they wanted to go.

*Trade is a two-way street,
and in helping to construct a more
prosperous Asia, America has expanded
rather than contracted its interests in
an area that is home to more than
three-fifths of the world's people.*

But if Asia is no longer under military threat, its developing economies and infant systems of representative government remain vulnerable to pressures of history,

geography, and culture. For most, the U.S. remains the largest market for exports. But trade is a two-way street, and in helping to construct a more prosperous Asia, America has expanded rather than contracted its interests in an area that is home to more than three-fifths of the world's people. When Ronald Reagan took office in 1981, trade with Western Europe about equalled trade with Asia. A decade later, two-way trade across the Pacific topped \$310 billion, nearly a third larger than trade with Europe. America exports more to Japan than to Germany, France, and Italy combined; more to Indonesia than to all of Central and Eastern Europe; more to Singapore (population 2.8 million) than to Spain or Italy. One-third of the revenues from American companies that make up Standard and Poor's 500-stock index come from foreign sales.

Fortunately, one of the two things that unite Asia is an understanding that a dominant America is in its interest (the other is a distrust of Japan). Leaders in other parts of the world may secretly feel the same, but in Asia this desire is expressed publicly. Lee Kuan Yew, among the most consistent advocates for American supremacy, predicts that with the shift of trade to the Pacific the relationship between the U.S., Japan, and China will be to the twenty-first century what the U.S.-Europe-Russia relationship was to the twentieth. Opening Asian markets to American goods, he says, "is the quid pro quo for the stabilizing role we hope America will continue to provide over the next 20 years." →

Echoes of support run across the Asian political spectrum. In Bangkok, Japanese Prime Minister Kiichi Miyazawa put forth proposals for a greater Japanese role in the region but again emphasized the American security guarantee without which any increased role for Japan would be impossible. The Association of Southeast Asian Nations likewise stressed the American component at its recent meeting of foreign ministers, which included the hitherto reluctant holdouts Indonesia and Malaysia. Even the leader of the Korean *opposition*, Kim Dae-Jung, emphasizes that "the continued security cooperation of the United States" is essential for South Korean stability. And Vietnam itself hints that normalization of relations might open the way for a U.S. return to Cam Ranh Bay.

The bedrock of all such arrangements is, of course, the U.S.-Japan relationship. Not only does the U.S. presence relieve Japan of worries for its own security, it reassures the rest of Asia about Japanese intentions. Indeed, even though China right now appears to be more intent on developing power projection capabilities and a blue-water navy—witness recent leaks that China has approached both Russia and Ukraine in search of an aircraft carrier—within the region both China and South Korea are far more worried about a Japanese buildup than the Koreans and Japanese are worried about the Chinese. Should Japan's security relationship with the U.S. falter, it would spread panic and uncertainty across the entire region and probably bring about a renewed arms race.

There are myriad other threats, now minor, potentially major. Nuclear proliferation on the subcontinent remains a concern, and America's almost exclusive focus on Pakistan's nuclear program has had detrimental effects, not least for letting India completely off the hook. North Korea now rejects the non-proliferation treaties it has signed, and most of Kim Il-Sung's 1.5-million-man army is massed along the edge of the demilitarized zone that runs across the country. Clearly worried about China's military buildup, Taiwan has been beefing up its own military, not only with F-16s sold by the Bush administration last year but also with a contract for submarines from the Dutch. Cambodia remains a mess; the unwillingness of the United Nations to exclude the Khmer Rouge from a process it is actively subverting has unwittingly strengthened the one force in Cambodia the 1991 peace accord was meant to diminish.

The economic front, too, betrays its weak spots and potential flash points. For all their dynamism, Taiwan and Singapore remain heavily dependent upon a Japan that still appears to see the world as a Greater East-Asia Co-Prospérité Sphere. Although the mainland will likely not

resort to force to retake Taiwan, a simple blockade would do considerable damage to Taipei's economy, just as Peking's public bullying of Hong Kong has already sent the colony's stock market reeling. America's activity in the Gulf has not gone over well in Muslim countries such as Malaysia and Indonesia. China, Vietnam, Taiwan, Malaysia, Brunei, and the Philippines continue to lay claim to the Spratly Islands, rumored to have oil, and all save Brunei have backed up their claim with a military presence. In some quarters, the North American Free Trade Agreement is depicted as threatening Asia with a trade bloc along with the European Community, and Malaysia has responded by proposing an East Asia Economic Caucus that would exclude the U.S.

Noting these competing claims, Australian prime minister Paul Keating put it on the line. The Clinton administration, he said, "faces a quite fundamental decision on where

and how it wishes to place itself in the emerging economic alignment of the Pacific." Keating too plumped for progress on opening some of Asia's closed markets but again stressed that the "where" and "how" of U.S. policy will determine whether there is expanded trade or simply "accumulat[ed]

From the Asian perspective, the benefits of an American-led Pacific order are obvious: a security umbrella that will allow the region's economic boom to continue and its fledgling political systems to mature naturally.

resentment and resistance."

This where and how has begun to emerge, and it has done nothing to dispel Asian anxieties. Already the administration has slapped heavy anti-dumping duties on Japanese steel, Korean steel, and semiconductors; has commissioned the U.S. ambassador to Tokyo to announce that there will be no invitation for Prime Minister Miyazawa to come to Washington until Japan has some concrete trade concessions to make; has threatened to revive the Super 301 (to target specific countries for retaliation) and in general raised hope for a U.S. protectionist wish list that includes everything from capping the market share of Japanese cars and taxing oil imports to a \$5-per-ton duty on foreign steel, whose proceeds would then be used to underwrite the health-care and other costs of mostly unionized domestic steelworkers. Clintonites such as John A. Rollwagon, deputy commerce secretary, enjoy speaking of trade in "war" metaphors, increasing the likelihood we will have one. Still to come is delivery on the president's campaign vow to tie trade with China to human rights. The ghost of Jimmy Carter haunts Asian capitals from Tokyo to Phnom Penh.

The temptation, ever American, is to confuse engagement with meddling; witness the White House effort to transform NAFTA from a free-trade association to the last frontier of its regulatory apparatus. The irony of a new world order is that America's strength depends on ensuring a minimal role, much the way the island of Britain man-

aged to preserve a reasonable sense of law and order over one-quarter of the land surface of the earth in the last century.

The two narrow areas where America might assert its leadership are those areas most important to American interests: trade and security, requiring in turn commitments to an open U.S. market and a strong navy. Regarding the latter, although there are any number of Asian flashpoints, the resolution of disputes—over, say, the Spratly Islands—would not necessarily demand American involvement. Of course, the hope of an American security commitment to Asia would be to prevent most of these conflicts from flaring up in the first place. But the basic outlines are pretty clear. It means keeping fears of Japan down by maintaining a strong presence in Japan and keeping Japan in the American web. It means too a commitment to South Korea as it faces the threat of a nuclear North. It means keeping sea lines of communication open. In the post-Subic, post-Cold War era, it means doing this with leaner, meaner forces with access to an increasing number of ports.

This is not to say that there are not areas where America might seek greater advantages or ways to ease the burden. In Korea, our 37,000 remaining troops are moving to a secondary rather than primary role, and by 1995 the Seoul government is expected to cover a third of the *won*-based costs. (Korea was the first country to respond to Desert Storm.) By 1995 Japan will be paying an

estimated 73 percent of the costs of troops on its soil. Singapore, concerned about the withdrawal from Subic, allowed the U.S. to relocate a small staff of roughly 100 people there.

The other great pillar of U.S. interest is trade. Trade is Asia's lifeline, not only for the dragons such as Taiwan (America's sixth-largest trading partner) but for Japan as well, which depends on the U.S. alone for more than a quarter of all its exports. Right now this trade is threatened by a host of actions, from Japan's continued reluctance to open its markets, the rise of a Fortress Europe, and the not-unrelated failure to complete the latest round of GATT, to the aforementioned trade frictions with America and various Asian proposals to respond to the rise of a protectionist EC and exclusive NAFTA with a bloc of its own.

The American approach, under Presidents Bush and Reagan no less than Bill Clinton, has been to use a carrot

and stick in granting foreign access to our markets. In this regard American negotiators like to have some protectionist chips of their own, to trade off their opposite numbers. In some areas, such as last year's up-to-the-last-minute brow-beating of China on a list of items, the Section 301 club—threatening partners with a hit list of goods to be slapped with punitive sanctions—is said to have worked. Indeed it did. But it only has to fail once to be catastrophic.

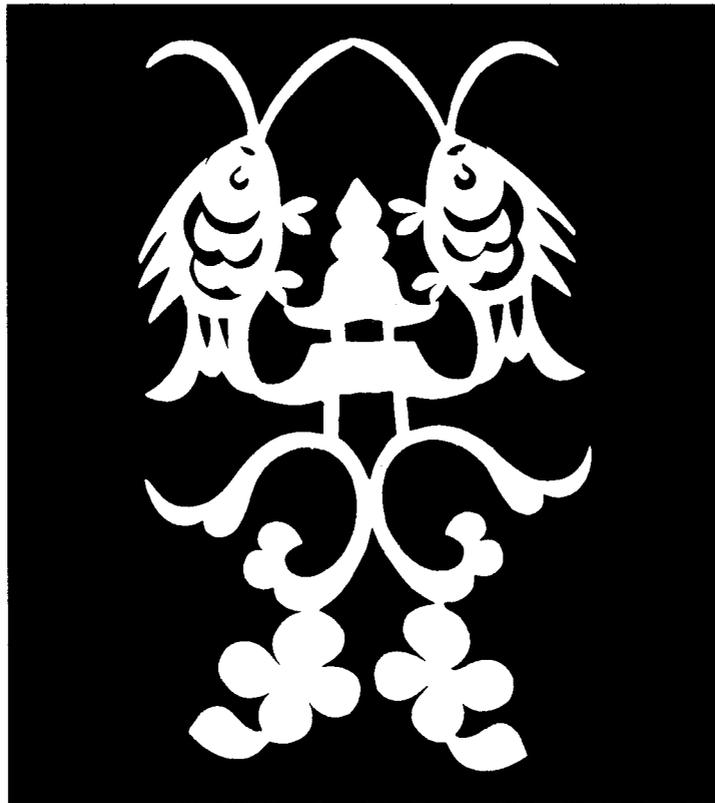
The president's preference for the human-rights card is fraught with more peril. Nobody endorses child labor, slave labor, or dumping environmental waste, but those arguing to inject "human rights" into the trade debate want more than disapproval of these abuses. What they want is to force America to police violators overseas; where U.S. enforcement agencies cannot fulfill

the policeman's role they wish to force American business into doing it. The immediate effect, of course, would be to taint all American businessmen as spies and make these countries less likely to permit Americans in or enter into joint ventures with us. As was the case in South Africa, the end result would be not so much a dent in these abuses as the substitution of, say, Japanese for American investment in these countries, with natural implications for American influence.

Still, American business ought not to cede the human rights issue. The natural evolution of trade is to create middle

classes that agitate for (and can finally afford) these reforms themselves. Korea, Taiwan, and Hong Kong are today mostly over the horrible Third World abuses of labor and are busy tackling pollution. Even China's repression has been lessened by the decision to open its markets, which may come to be depicted in history books as the death knell for the Communist Party. By contrast, I cannot think of a single example of an undeveloped economy that successfully dealt with labor rights and the environment without first having opened up its markets. Surely it cannot have escaped notice that all of the remaining Communist states, with the exception of China, happen to be the same states upon which the U.S. has imposed a trade embargo: Cuba, Vietnam, North Korea.

The far better approach would be to adopt the nineteenth-century British position: unilateral free trade. Naturally, a number of American manufacturers, especially the



auto industry, would scream. But American consumers would profit immensely, not to mention the producers who would benefit from the lower costs of imports. Certainly it would prove far more effective than the tedious, knock-down negotiations we have today, which usually result in making protectionism less transparent: moving from tariff to non-tariff barriers, stepped-up anti-dumping actions, "voluntary" export caps, etc. Hong Kong, for example, benefits immensely from unilateral free trade. The only practical argument against it is that Hong Kong can do so because it doesn't have large domestic industries demanding protection. But that only confirms whence the impetus for the status quo comes.

Although the Hong Kong Chinese—like the Swiss and Lichtensteiners—happily prosper from their own unilateral free trade policies, their small size reduces their impact on the world. As the world's largest economy, however, an America practicing unilateral free trade would exert almost irresistible pressures on the rest of the world to open up or be left behind themselves. Were this commitment expanded across the board, into services and farm goods, the GATT would instantly revive, catching up with free trade developments rather than vainly trying to cajole others into accepting them.

Trade agreements might serve as the thin end of the wedge to unfettered commerce. Bill Clinton has come out for NAFTA, but with so many conditions that they may rule out NAFTA's benefits. Moreover, NAFTA is not without its contradictions. The test of a trade agreement should be whether it is exclusive, and since NAFTA theoretically is open for membership it passes muster. But we hear no talk from Ron Brown, Laura Tyson, or Mickey Kantor about expanding NAFTA to, say, Eastern Europe or Taiwan. The best of all possible worlds is multilateral free trade where no one discriminates against anyone else. But the next best is a unilateral free-trader who seeks to enter into bilateral pacts with anyone who wishes, in the process surrounding would-be blocs with free trade and thereby raising the costs of their protectionism to prohibitive levels. In short, America must be strong, but modest.

The Pax Britannica struck that balance about right, and in guaranteeing world commerce ended the slave trade and brought unprecedented benefits to millions. Today the U.S.

might reap much the same benefits without, however, the irritants of colonial occupation. Although this would imply greater real roles for our allies, even collective security operations (perhaps especially collective security operations) require undisputed leadership, and the quagmires in Yugoslavia and Cambodia ought to dispel once and for all the idea that institutions such as the U.N. can function absent this American leadership. Essentially this would be projected at maintaining sufficient respect for law to guarantee international trade. The alternative to shaping the world as we would like is to find it shaped for us, and probably not to our advantage.

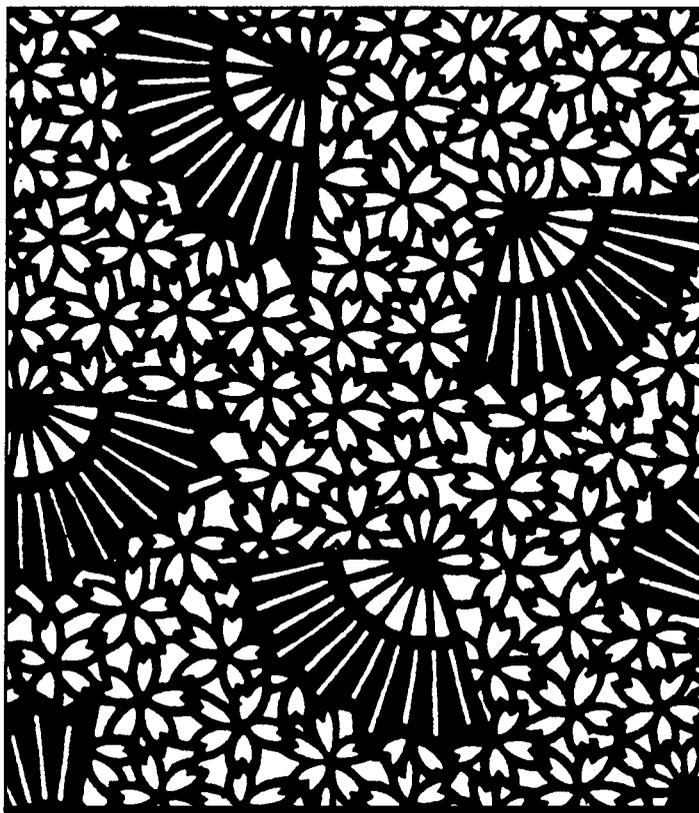
The obstacles to such a role do not come from Asia. They are homegrown. As Singapore defense minister Yeo Ning Hong put it in a recent speech, "Ultimately, U.S. leaders must convince the American people that a weak

U.S. presence in Asia and the Pacific is not in the national interest." This will be all the more difficult to do if, given the president's stated commitment to slash the defense budget by \$60 billion, he finds he has become hostage to a budget-driven strategy rather than a strategy-driven budget. It will become impossible if he dilutes these limited resources even further by turning the new world order into a mandate for a supra-national nanny state.

Fortunately for Clinton, the ejection from our comfortable perch in Subic has freed us to begin the twenty-first century with arrangements based more on interest and less entangled by nostalgia. Of course, the price of such leadership is putting up with more or less constant criticism, some of it valid,

much of it unfair, like the anti-American taunts from the Philippine elite that accompanied the final pullout from Subic.

In fact, the lowering of the Stars and Stripes at Subic occasioned a remarkable outpouring of public regret. Although cynics would undoubtedly attribute it to the financial dependence of a base city upon American military dollars, the tear-streaked Filipinos in their floppy T-shirts who rushed up to embrace departing base commander Rear Adm. Thomas Mercer bespoke something more than pecuniary interest. America has always wanted the love of other nations, and perhaps it was our special tragedy to find in the Filipinos a people more than willing to provide it. □



Richard W. Carlson

Nureyev-Fonteyn, RIP

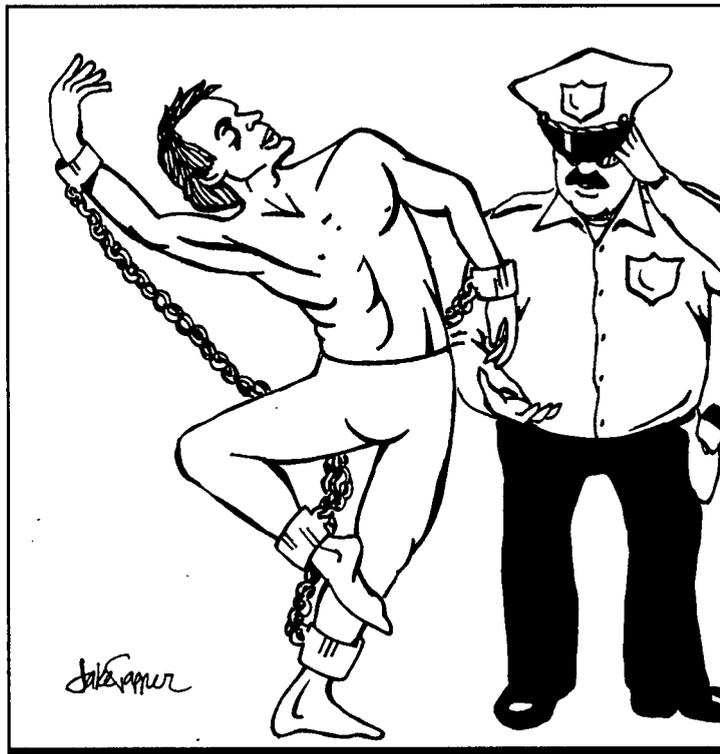
A remembrance from the Summer of Love.

The first time I met Rudolf Nureyev and Margot Fonteyn they were hiding behind a chimney on a tenement roof in the Haight-Ashbury district of San Francisco. Nureyev was kneeling in the gravel facing the chimney, his body pressed against the bricks. Fonteyn was lying next to him wrapped in a full-length ermine coat. She was on her back and when I stared down at her she smiled broadly, and quite incongruously. Let me back up a half hour.

It was about 3 a.m., July 11, 1967. It was cool and foggy in San Francisco. I was sitting on a bench in the dingy squad room of Park Police Station on the rim of Haight-Ashbury. Lance Brisson and I had been filming a documentary on runaway teenagers. We had become partners after working together at the *L.A. Times* a few years before. We had teamed up in 1965 to make a documentary film on hoboes, shooting on trains, on skid rows, and in the hobo jungles remaining from the thirties. Now we were working full-time for ABC-TV.

We had just completed an awkward session with a man from Connecticut who had been reunited with his daughter. She was living in a crash pad with a dozen other pasty-faced

Richard W. Carlson is president and chief executive officer of the Corporation for Public Broadcasting.



kids and was not happy with being dragged home. She was nasty and sullen and made faces during the interview I did with her father. She'd been brought in by police because her father had put up a reward of \$500 to anyone who found her. She was considered quite a prize among the underpaid Park Station police, who devoted considerable energy to finding her. She was away from her new friends and locked in a holding tank as quick as you could say Timothy Leary. Lance and I filmed the stilted reunion. At the time, I was too young to

feel sorry for the father. I watched him bundle the kid off to a cab heading for the airport.

We were packing up and gossiping with a friendly young black patrolman named Artie Fobbs. He and his partner Bill Delaney had just brought in a prisoner and had booked him. The deskman answered a ringing phone nearby and yelled at Fobbs. "This is the third call about a loud party on Belvedere Street," he said. Would Fobbs and Delaney drive over and tell them to knock it off? They would.

Shortly after, as Lance and I drove towards downtown we heard Fobbs's voice over our police radio. He was at the Belvedere address. He sounded excited. He was calling for an ambulance. A woman had fallen from a fourth-floor balcony and was badly injured.