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Book of the Year

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JANUARY

- 1 New Year's Day
- 1 Emancipation Proclamation (1863), Pres. Abraham Lincoln's historic edict declaring that all slaves in the Confederate States were free
- 1 27th anniversary of the revolution that ended the rule of Gen. Fulgencio Batista in Cuba and brought Fidel Castro to power
- 12 Tenth anniversary of the death of Dame Agatha Christie, British author best known for her immensely popular detective stories and plays
- 15 15th anniversary of the inauguration of the Aswan High Dam in Egypt. For the first time in history, man was able to control the flow and distribution of the waters of the Nile River
- 19 250th anniversary of the birth of James Watt, a Scotsman whose invention of the steam engine contributed significantly to the Industrial Revolution
- 20 U.S. federal holiday honouring the Rev. Martin Luther King, Jr., a civil rights activist
- 26 Australia Day (1788)
- 26 Republic Day in India (1950)

FEBRUARY

- 3 20th anniversary of the first soft landing of a spacecraft on the Moon. It was achieved by Luna 9, a Soviet probe
- 4 Independence Day in Sri Lanka (1948)
- 9 Chinese New Year's Day, ushering in the Year of the Tiger
- 11 Mardi Gras, traditional boisterous celebrations on the day before Lent; the most flamboyant affairs are in Rio de Janeiro, Brazil, and in New Orleans, La.
- 11 Revolution Day in Iran (1979). The Islamic fundamentalist supporters of Ayatollah Ruhollah Khomeini won control of the country when the Army declared its neutrality and the prime minister resigned
- 12 Ash Wednesday, first day of Lent in Western Christian churches
- 14 Valentine's Day in the U.S.
- 17 Official U.S. observance of George Washington's birthday (Feb. 22, 1732)
- 24 Bicentennial of the birth of Wilhelm Carl Grimm, coauthor with his brother of *Grimm's Fairy Tales*
- 27 Independence Day in the Dominican Republic (1844)

MARCH

- 6 150th anniversary of the fall of the Alamo. Davy Crockett and James Bowie were among the Texas volunteers who died when Mexican troops led by Gen. Antonio López de Santa Anna captured the mission
- 13 Halley's Comet, which was first sighted at least 2,200 years ago, will be studied from less than 485 km (300 mi) by the Giotto spacecraft. The comet probe, carrying television cameras and an array of sensors, was launched by the European Space Agency in July 1985
- 16 250th anniversary of the death, at age 26, of Italian composer Giovanni Pergolesi
- 17 St. Patrick's Day
- 21 180th anniversary of the birth of Benito Juárez, Mexican national hero and president (1861-72)
- 24 Tenth anniversary of the death of Montgomery of Alamein, British field marshal, who was one of the great Allied commanders in World War II
- 25 165th anniversary of Greek independence
- 30 Easter in Western churches

APRIL

- 1 April Fool's Day in the U.S.
- 3 Opening of an exhibition in London to commemorate the 900th anniversary of the Domesday Book. The precious manuscript is an extraordinary record of such things as who owned what lands and farm animals and how many slaves and freemen resided in each region. The detailed nature of the survey, which was ordered by William the Conqueror, amazes even modern statisticians
- 5 Ch'ing Ming, Chinese Tomb Sweeping Day honouring the deceased
- 12 25th anniversary of man's first space flight. Yuri A. Gagarin circled the Earth in the Soviet Vostok 1 spacecraft and reached a maximum altitude of 301 km (187 mi)
- 21 60th birthday of Queen Elizabeth II of Britain
- 24 Jewish feast of Passover
- 29 85th birthday of Hirohito, emperor of Japan
- 30 Queen's Day in The Netherlands. Queen Beatrix ascended the throne in 1980 after Queen Juliana, her mother, abdicated

MAY

- 1 May Day, observed as International Labour Day, especially in Communist countries
- 4 Easter in Eastern churches
- 4 Centenary of the Haymarket Riot, a milestone in the history of the U.S. labour movement. When workers gathered in Haymarket Square in Chicago to protest the deaths of six persons the previous day, an unidentified person threw a dynamite bomb that killed seven policemen
- 8 Centenary of Coca-Cola, which was introduced to the public at Jacob's Pharmacy in Atlanta, Ga. That same year Dr. Pepper also went on the market in Waco, Texas
- 11 Mother's Day in the U.S.
- 11 Projected date of the first day of Ramadan, the ninth month in the Islamic calendar
- 19 450th anniversary of the beheading of Anne Boleyn, second wife of King Henry VIII of England and mother of Queen Elizabeth I
- 26 U.S. observance of Memorial Day
- 29 250th anniversary of the birth of Patrick Henry, gifted orator and a major figure of the American Revolution

JUNE

- 11 Dragon Boat Festival, one of the liveliest of Chinese celebrations. It recalls the futile search for the body of Qu Yuan (Ch'ü Yüan), a celebrated 3rd-century BC poet who, overcome by despair, drowned himself in the Mi-lo River after his career as a trusted counselor was destroyed by slander
- 12 Independence Day in the Philippines. The islands were ceded to the U.S. after the Spanish-American War of 1898. Although the present republic was formally established on July 4, 1946, independence was later backdated to June 12, 1898
- 13 20th anniversary of the U.S. Supreme Court's "Miranda decision," which required that policemen advise criminal suspects of certain basic rights before interrogating them
- 14 Official birthday celebration for Queen Elizabeth II of Britain
- 15 Father's Day in the U.S.
- 17 Establishment of the Republic of Iceland (1944), which had been united to Denmark
- 26 150th anniversary of the birth of C.-J. Rouget de Lisle, composer of "La Marseillaise," France's national anthem

JULY

- 1 Canada Day (1867)
- 1 20th anniversary of Medicare, a U.S. government-sponsored health insurance program that benefits all recipients of Social Security
- 4 210th anniversary of the Declaration of Independence (1776). The U.S., however, did not elect its first president until 1789
- 5 15th anniversary of Pres. Richard Nixon's certification of the 26th Amendment to the U.S. Constitution, which lowered the voting age to 18
- 6 15th anniversary of the death of Louis ("Satchmo") Armstrong, great jazz trumpeter
- 12 450th anniversary of the death of Desiderius Erasmus, a Dutch Humanist regarded as one of the greatest scholars of the northern Renaissance
- 14 Bastille Day in France, a national holiday commemorating the start of the French Revolution of 1789
- 28 Tenth anniversary of the devastating earthquake in Tangshan (T'ang-shan), China; an estimated 800,000 people were killed
- 31 100th anniversary of the death of Hungarian composer and piano virtuoso Franz Liszt

AUGUST

- 3 Fifth anniversary of the U.S. air traffic controllers strike; though warned that a violation of the no-strike contract would mean permanent dismissal, few at the time believed it would actually come to that
- 6 Hiroshima Peace Festival, an annual commemoration of the dropping of the first atomic bomb
- 12 25th anniversary of the Berlin Wall. The original barricade, constructed overnight with barbed wire, was later replaced by a concrete wall. Its height was raised to three metres (ten feet) in 1970 to discourage continued defections to the West
- 13 20th anniversary of China's Great Cultural Revolution, which disrupted the country and was later officially condemned. The movement, led by Chairman Mao Zedong (Mao Tse-tung), aimed to consolidate the dictatorship of the proletariat, to prevent the restoration of capitalism, and to build socialism
- 17 Independence Day in Indonesia (1945), the most populous Muslim country in the world

SEPTEMBER

- 1 Labor Day in the U.S. and Canada
- 3 Centenary of the surrender of Apache Indian chief Geronimo to U.S. government forces in Arizona. The event, in effect, ended the American Indian wars
- 5 Islamic New Year's Day
- 11 15th anniversary of the death of Nikita Khrushchev, a Ukrainian who replaced Georgy Malenkov as leader of the Soviet Union in 1953 but was ousted in 1964 and denied a state funeral when he died in 1971
- 14 150th anniversary of the death of Aaron Burr, vice-president of the U.S. during the administration of Thomas Jefferson. During Burr's stormy career, he killed his chief political rival, Alexander Hamilton, in a duel in 1804 and was arrested for treason in 1807 but was acquitted
- 18 Chusok, a Korean national festival dating back to antiquity. Fresh fruits, rice cakes, and wine are placed before ancestral shrines at home, then carried to the grave sites. After fitting rituals, the food is consumed during an all-day picnic characterized by lively songs and dances

OCTOBER

- 4 Rosh Hashana, Jewish New Year's Day
- 12 Columbus Day, celebrated in Spain and in many lands visited by the great explorer. U.S. observance is on the 13th
- 13 Thanksgiving Day in Canada
- 13 Jewish observance of Yom Kippur, the Day of Atonement. The day is marked by prayer, fasting, and mutual requests for and acceptances of forgiveness for offenses
- 24 United Nations Day (1945)
- 28 Centenary of the dedication of the Statue of Liberty. A gift to the U.S. by the people of France, it was designed by sculptor Frédéric Auguste Bartholdi and built in a Paris workshop under the supervision of Gustave Eiffel, who designed the Eiffel Tower
- 31 Reformation Day, commemoration of the day in 1517 when Martin Luther nailed his 95 Theses to the door of All Saints Church in Wittenberg, Germany. This act was subsequently regarded as the first step in the development of Protestantism
- 31 Halloween, which in some places is joined to an appeal to aid the United Nations Children's Fund

NOVEMBER

- 7 Anniversary of the Bolshevik Revolution (1917), which brought Lenin to power as head of a Soviet state. Eight months later the deposed emperor, Nicholas II, his wife, Alexandra, and their young children were murdered
- 11 Veterans Day in the U.S. The armistice signed on Nov. 11, 1918, ended World War I hostilities between Germany and the Allied powers. On this day many nations honour those who died fighting for their countries
- 12 70th anniversary of the death of Percival Lowell, U.S. astronomer who predicted the existence of the planet Pluto and in 1905 initiated a search that led to its discovery in 1930
- 23 50th anniversary of the first issue of *Life* magazine
- 27 Thanksgiving Day in the U.S. It was first celebrated in 1621 when William Bradford, governor of the first permanent colony in New England, invited neighbouring Indians to join the Pilgrims at Plymouth for a three-day festival to express gratitude for the season's bountiful harvest. Pres. Abraham Lincoln made it a national holiday in 1863

DECEMBER

- 4 Tenth anniversary of the death of Benjamin Britten, acclaimed Britain's finest operatic composer since Henry Purcell (d. 1695)
- 14 75th anniversary of Roald Amundsen's unprecedented trek to the South Pole. The intrepid Norwegian explorer undertook the last leg of the trip with four companions and 52 dogs. Amundsen lost his life trying to rescue an explorer friend who had crashed in a dirigible in the Arctic
- 20 Tenth anniversary of the death of Richard J. Daley, longtime mayor of Chicago and the last unchallenged boss of a major U.S. city political machine
- 25 Christmas Day
- 25 60th anniversary of the reign of Japanese Emperor Hirohito, the 124th direct descendant of Jimmu, Japan's legendary first emperor
- 26 Boxing Day
- 27 Jewish festival of Hanukka, also called the Feast of Lights and the Feast of Dedication, commemorates the rededication in 165 BC of the Second Temple of Jerusalem after its desecration three years earlier by Antiochus IV Epiphanes, the Syrian king



The New Asia-Pacific Era

A Perspective from an International Nation Building for the 21st Century

BY YASUHIRO NAKASONE

When I first entered the Japanese Diet in 1947, I was 28 years old. My country was still in ruins from the total defeat of World War II, a disaster brought upon us by the arrogance of our militarists and our shortsightedness in following them. I shall never forget threading my way to the corridors of the National Diet in Tokyo, past the rubble and the black-market peddlers outside. Large areas of Tokyo, like most of our cities, remained blackened moonscapes, with people still digging in the ruins. But even at that time I was encouraged by the vigour and resilience of our people. Freed at last from military imperatives and long constraints on their liberties, they set out from their makeshift shacks to rebuild a country based on the ideals of a shared culture and dedicated to the welfare of all.

Through almost 40 years since then, I have been honoured to serve Japan's people as a Diet representative from my home prefecture of Gumma and, in addition, to have had the privilege of holding Cabinet office. I first entered the Cabinet, as minister of state for science and technology, at the age of 41. Through most of these years I was caught up with my fellow citizens in the work of rebuilding a peaceful, prosperous, and democratic Japan. I shared the excitement and sense of achievement in our country as we grew into the world's second-largest economic power. But in the midst of our affluence, newly found and hard won, I was worried and concerned that our very zeal to "catch up" with the world's economic leaders would distort our view of the future. As early as 1957, after a visit to Europe, Southeast Asia, and the Middle East, I wrote: "If we are complacent and leave things as they are, the time will surely come when we shall be criticized for building a new economic empire to replace our military empire of the war years."

Since I became prime minister in November 1982, I have dedicated myself not merely to furthering Japan's own peace and prosperity but to contributing positively to the peace and well-being of other nations and the construction of an abiding world order. These are not merely laudable goals for Japan; they are necessities. There are no options among them. For today a vast gap still exists between the Japanese reality and what the rest of the world expects of Japan. Japan is no longer "catching up." We have, as they say, arrived. There were times when Japanese merely adopted a low posture in the face of outside criticism. That attitude is no longer possible for us. We must make policy, not merely reflect the policy of others. We must see that our enormous economic strength is more effectively displayed and mobilized.

The shell of Hiroshima's old city hall is preserved as a peace monument in the heart of the vibrant new city that has grown up since World War II.

PHOTOGRAPH, TOM HALEY—SIPA/SPECIAL FEATURES

Much of the criticism directed at Japan today is unfair. But fair or unfair, it demands our concern, our reflection, our action. The world balance of power has shifted. This is true not merely in a narrow economic sense. That is why one of the first things I did on coming to office was to address the Japanese people on Japan's need to become an "international nation"; that is to say, a nation that must bear a heavy share of international responsibilities, in keeping with its international position.

Just as life was hard for us Japanese in the immediate postwar days, it has become rather easy for us today—too easy, one might say, in the sense that it is easy for prospering people to avoid thinking of their responsibilities. I consider it my role, as prime minister, to communicate to the Japanese people our goals and challenges. In a democracy, without good communication, leadership is ineffective. As I once said about my own government's reform program: To announce a new and difficult program in a democracy is rather like launching a glider. As long as the winds of public opinion and mass media blow, it can fly. If the supporting winds diminish, the glider will stall and crash. Thus, when we advocate a program, it must be made easily understandable. We must communicate directly and graphically—with charts, pictures, with whatever aids to understanding our advanced information society can provide—for true popular consensus in Japan is not lightly achieved.

It is in this spirit that I set forth an outline of Japan's policy as an international nation, as well as some guidelines on how our domestic structure must also change, both to better our own condition and the better to play our international role.

A Foreign Policy for Tomorrow. For Japan's foreign policy to be effective, it should have a basic philosophy, which we might express as follows:

The Active Pursuit of World Peace. This is not the mere abstract expression that it may seem. To maintain and secure world peace, nations as well as individuals must actively work at it. Thus Japan pledges itself to a national policy of supporting nuclear nonproliferation and working for the ultimate elimination of all nuclear weapons. We must work for the reduction of conventional armaments as well. Japan's own armament is purely defensive and will remain so. We do not wish to be thought of as a menace to any other country.

The Advancement of Science and Technology. The accomplishments that man has registered in this area must be used to extend prosperity and to enhance human dignity on this planet. The dramatic betterment of communications and information distribution, in particular, should encourage constant dialogue among the nations. International disputes should be discussed and solved, in a cooperative spirit, by democratic means.



In October U.S. ambassador to Japan Mike Mansfield helped kick off a two-month campaign, sponsored by the Japanese government, aimed at encouraging Japanese consumers to buy more imported goods.

HITOSHI FUGO

Aid to the Developing Nations. It is still not so long since Japan's sobering defeat in World War II. We should remember also that Japan has only recently—as history's slow clock reckons—risen from the status of a developing nation to rank with the industrially advanced powers. Therefore, we shall endeavour to contribute to the welfare of international society by helping the developing nations.

Planning for the 21st-Century World. We see a new vision of this world. We shall do everything in our power to bring it to reality. For almost a century Japan has worked to bring about a fusion of Eastern and Western civilization. We feel that our country is uniquely situated to promote cooperation between the Pacific and the Atlantic regions in a spirit of harmony.

Japan can best further these objectives by dealing with several pressing global issues in a practical, realistic, and constructive way.

First, Japan will do its collective best to combat protectionist tendencies, wherever they may occur, by strengthening the free trade system and enlarging the perimeters of world trade. In the course of my administration we have already enacted a series of "market-opening" initiatives and have made a great effort for the promotion of the new round of multilateral trade negotiations. Whatever difficulties this may cause our own producers at home, I am determined to continue on this course until all vestiges of past protectionist thinking among us have been erased.

Second, Japan will seek to prevent war by our commitment to the concept of deterrence and the balance of power. Under present conditions these are the best guarantees of peace. In addition, we will work toward reducing the present level of armaments, nuclear armaments in particular.

Finally, Japan hopes to enhance peace by promoting a spectacular increase in the exchange of both people and information across international borders. The more exchanges we have, the further the world can move in the direction of a truly international culture.

The prospects for world peace are, of course, influenced by developments in the Soviet Union. Since Mikhail Gorbachev assumed the leadership in Moscow, we have heard much speculation about new or altered policies. Without seeming to be too optimistic, I believe that a Gorbachev regime is worth watching very closely, for several reasons.

In the first place, it is obvious that Soviet policy is stagnating, not only in the domestic area but also in international relations. Gorbachev is under heavy pressure to take some action. The Soviets have observed with keen interest the policy reorientation of China, where a general opening of the market, economic liberalization, and the widespread appointment of younger leaders have taken place under a Communist Party leadership.

As a young leader himself, Gorbachev must inevitably regard older "classic" Communists as outdated—almost medieval—people. He seems to be paying more attention to long-range strategic considerations in his planning, as well as showing a talent for a more flexible handling of problems. This is, after all, in the Leninist tradition. The key factor here is age. Compare his age with that of Andrey Gromyko, for example. He may well stay in power for 20 years. Thus he has enough time to introduce innovations in Soviet Communism—in the short, the intermediate, and the long term. For any significant kind of innovation, however, he needs peace. That is what makes me think that nuclear arms negotiations between the Soviet Union and the United States will make some partial progress.

Japan must reexamine and establish a policy toward the Soviet Union in the light of this analysis. We may have before us an excellent opportunity to promote nuclear disarmament, thereby expediting the improvement of East-West relations in general. For this policy to succeed, however, it is of paramount importance to consolidate further the unity of the West. It is Western unity that has, thus far, brought about the amelioration of relations with the Soviet bloc.

This statement may sound paradoxical. It is quite logical and understandable, however, in view of the Soviet Union's international political activity, as it has unfolded over the years. The Soviets, as a matter of consistent policy, have tried recurrently to drive a wedge between the Western allies, as witness their recent unsuccessful efforts to mobilize Western European opinion against the United States. It is only when such efforts are shown to have failed that the Soviets seem more amenable to peaceful discussion and constructive negotiation.

The key role in building Western security is played by the United States, and we must take into account Japan's long-standing ties with the United States as we formulate our policy. It is no exaggeration to say that the relationship

with the United States—an alliance in every sense of the word—is the cornerstone of Japan's foreign policy. The Mutual Security Treaty between the United States and Japan is a key pillar in the global strategy of the free nations. To implement the goals of the treaty properly, Japan must, on its own, build up a defense capability sufficient to discourage any hostile action against us. By assuming its fair share of the burden for the defense of the free world, Japan will be the more readily recognized as a full partner of the alliance, able to offer advice when it is desirable to do so. Another stabilizing influence, particularly in an Asian context, is the U.S. presence on the Korean Peninsula. Strengthening the present cooperation between Japan, the Republic of Korea, and the United States is another indispensable condition for keeping the peace in East Asia.

Let me make one additional point about Asia. The security of Asia is not merely a matter of pacts and defense commitments, important though these are. Asia is different from Europe. Rich in their diversity, its peoples nonetheless share a common heritage. There are many cultural common denominators among the Asian peoples. Not least among these is a bent toward mysticism and the transcendental that gives Asians the patience to wait for events, in a sense, even as we are moving them. This is in contrast to the legal and determinedly historical mind-set of the West.

These differences of viewpoint and tradition inevitably affect even such concrete matters as our requirements for security and defense. Europe is divided between the NATO alliance and the Warsaw Pact in a geometric balance, so to speak. Europe is like an oil painting with no portion of the canvas unpainted. Asia, by contrast, is like a *sumie* (black ink) picture, which has a great deal of white space. This is partly due to Asia's poverty and the widely different stages of development among Asian nations, but it is also due to Asia's "nongeometric" way of thinking.

Asian psychology is different. In Asia it is common practice to contain water that overflows riverbanks in a pond or makeshift reservoir and to leave the water there until it recedes or eventually dries up. We have time. We do not try to expedite this process. Much the same is true of Asian attitudes toward strategy and diplomacy. Unlike Europeans, Asians do not put a high priority on adversarial discussion or military threat. This produces confrontation, even when

it is used only as a bargaining counter. Asians prefer to use dialogue, whether direct or indirect, as a means of easing tension. One might call this a tactic of "wait and see and talk." The style of "wait and see and talk" may seem, in the short run, time-consuming. Some Westerners may feel that such diplomacy by dialogue wastes time. It blurs the edges of controversy and reduces the sharp opposition of issues. Yet this is often not a bad thing. It often prevents the aggravation of disputes and indeed can work toward their settlement.

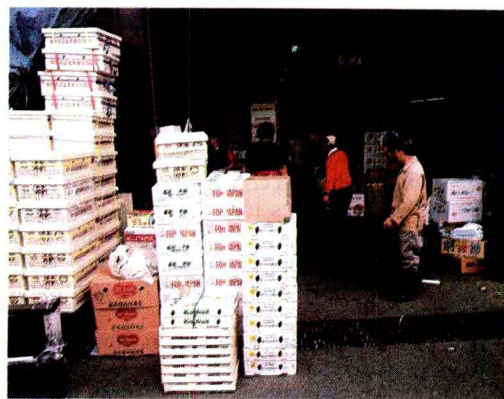
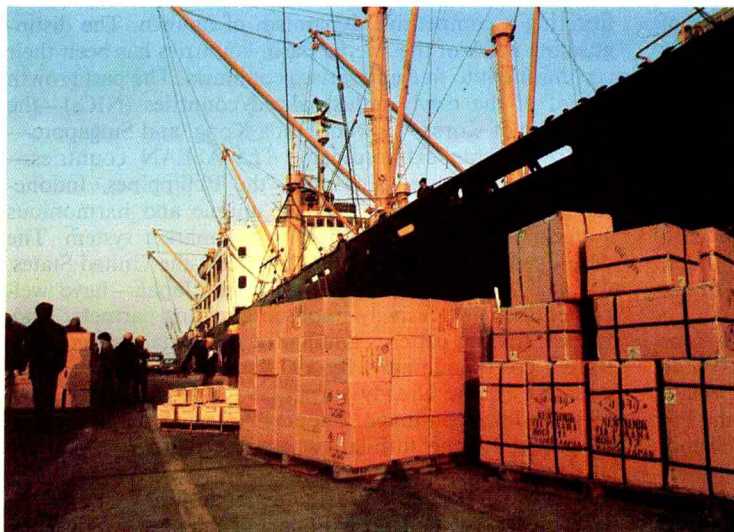
Trade Friction: Prosperity Versus Protectionism. On some economic problems, however, pressing decisions must be made. The postwar world economy owes much to the open and outward-looking policies developed within the framework of the International Monetary Fund and the General Agreement on Tariffs and Trade (GATT). In this climate, the free-market economies achieved an unprecedented level of material wealth. Serious economic dislocation, however, has become manifest in recent years. We have had a growth recession, fiscal deficits, high interest rates, unemployment, and inflation. Under pressure to solve these thorny problems, many nations are tempted to adopt the inward-looking policies of protectionism.

Protectionism is the most direct threat to a stable and growing global economy. If unchecked in time, it may bring down the entire postwar economic order. We must put new life into the free-market economic system for the 21st century, therefore, by continually expanding free economic exchange.

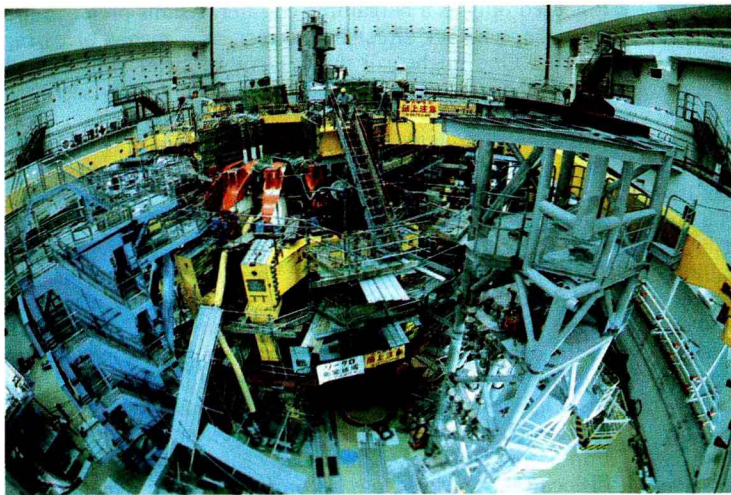
At their meetings in London (1984) and Bonn (1985), the leaders of the seven major industrialized democracies did not merely reaffirm their resistance to protectionist pressures. They also acknowledged the importance of the open multilateral trading system to the economies of both developed and developing nations. They agreed to consult with their partners in GATT on beginning a new round of multilateral negotiations for trade liberalization.

At this point, I would like to refer briefly to the trade friction that is currently disturbing our relations with the United States and the EC. Since Japan lacks natural resources, we must import the essential sinews of industry—our energy and key raw materials—as well as food in great quantities. To pay for these vital imports, we must export a variety of manufactured goods. Otherwise, we cannot feed the 120 million people on this densely crowded, narrow

PHOTOGRAPHS, MILT & JOAN MANN—CAMERAMANN INTERNATIONAL



Scenes in Tokyo's Tsukiji wholesale market (above) and Yokohama's dockyards (left) illustrate the making of a favourable balance of trade: raw materials and commodities, such as fruit from the U.S., New Zealand, and the Philippines, in; manufactured goods, such as electronics components bound for New York, out.



The competitiveness of Japanese goods in the world market has relied more and more on Japan's leadership in research and development, both in primary industries, such as the Hitachi-built experimental hydrogen fusion power plant (left), and in consumer goods, such as Honda's computerized automobile navigation system (above).

MILT & JOAN MANN—CAMERAMANN INTERNATIONAL; (ABOVE) EIJI MAYAZAWA—BLACK STAR

archipelago, which is smaller than France or the single U.S. state of California.

In 1984, however, our export surplus with the United States amounted to \$36.8 billion (nearly one-third of the total U.S. import excess). That with the EC amounted to \$10.8 billion. Such large surpluses are both unnecessary and undesirable. They have brought on a storm of criticism from America and Europe, giving rise to a fierce outbreak of protectionist sentiment. The U.S. Congress, in particular, has become highly emotional on this issue. Its members have put intense pressure on the White House to move against Japan. Only the statesmanship of Pres. Ronald Reagan has thus far kept the so-called trade war under control. For my part, I have done my best to cope with the situation by instituting the series of sweeping market liberalization measures already mentioned. I will continue my earnest efforts to eradicate all traces of any so-called unfair practices in Japan. Nothing is more derogatory to the national honour of Japan than to be accused of being unfair.

Ultimately, I am optimistic about alleviating trade frictions. Economic disputes, however sharp, are generally amenable to solution, provided the parties concerned keep mutual goodwill alive. The United States and Japan are the largest and the second-largest economies in the free world. Together we account for over one-third of the total world gross national product. We are each other's largest overseas trading partner. In a way, we are responsible for the economic welfare of mankind. The importance of our relationship, however, lies not only in the economic dimension but also in our shared values of freedom and democracy. The twin pillars of stability in the Pacific edifice cannot afford to fall out. If we indulge in recriminations, it would only please our political antagonist, the Soviet Union, which is constantly scheming to separate us.

As the world moves toward a postindustrial society, it behooves Japan, as a leading industrial power, to contribute toward shaping a reformed international order, economic and monetary, to serve the requirements of the 21st century.

A New Asia-Pacific Era. One often hears predictions that the 21st century will be the Japanese century. While such predictions may be flattering to my country, I would prefer to think of these decades just ahead of us as the Pacific century, the advent of a new Asia-Pacific era. History teaches us that civilizations not only expand their frontiers but tend to produce new civilizations and cultures on what were once the peripheries of the old. European civilizations

constantly extended their frontiers, from Greece to Rome, from Rome to England, France, and Germany, and from Europe itself toward the American colonies. Gradually the compass needle of history swung from Mediterranean civilization to Atlantic civilization. Now it is pointing toward the Pacific.

The Pacific region, as we know, is endowed with rich natural resources and vigorous peoples. Once remarkable for its sheer diversity, the Pacific region has been drawn together—in part by the rapid development of communications, transportation, and shared technology—so that what was once thought of as an oceanic Great Divide has become a Great Connector. The Pacific peoples also share a faith in the market economy. We now see an interplay of aggressive free-enterprise economies in this area.

The French historian Fernand Braudel wrote eloquently about how Western capitalism was nurtured first in the Mediterranean Basin, then moved outward to the Atlantic. In the Pacific we are witnessing the birth of a new kind of capitalism. Here the vigour and competitiveness of Western—particularly American—capitalism has been enriched by the Asian cultural heritage, in a life-style that values harmony over adversarial procedures, conciliation over confrontation, and circumspection over assertion. We might call this our Confucian heritage. It is, I believe, an extremely useful shock absorber for a modern society with its tendencies toward division and conflict.

Yet Asian free enterprise has shown itself capable of fostering a competitive dynamism of its own. The distinguishing mark of the Pacific Basin countries has been their commitment to free enterprise economics. The past growth record of the newly industrialized countries (NICs)—the Republic of Korea, Taiwan, Hong Kong, and Singapore—has been quite extraordinary. The ASEAN countries—Thailand, Malaysia, Singapore, the Philippines, Indonesia, and Brunei—have forged a unique and harmonious community, also dedicated to a free market system. The developed countries in the Pacific area—the United States, Canada, Australia, New Zealand, and Japan—have welcomed their increasingly important trading partners. And, indeed, trading patterns among the industrial nations have shifted correspondingly. By 1979 the United States' trade with the Pacific already surpassed its Atlantic trade, and this trend has continued. The ASEAN countries as a group have become the fifth-largest trading partner of Canada and the United States.

The growth records bear eloquent testimony to the vitality of the Pacific Rim nations. For the past two decades,

Pacific area growth has averaged 6.7% per year, as compared with 3.7% for the European Communities (EC), for example.

The future also looks promising. According to a study (dated July 24, 1985) conducted by Japan's Economic Planning Agency, real economic growth for the 15-year period 1985-2000 is estimated as follows: world at large 3%; EC 2.5%; Pacific region 4%; Japan 4%; U.S., Canada, Australia 3%; China 7%. Among the ASEAN countries, Malaysia, Thailand, and Indonesia are expected to reach 7%, which is equal to the growth rate of NICs like the Republic of Korea and Taiwan. Such expansion in the Pacific region economy cannot help but have a salutary effect on the rest of the world.

Since assuming the office of prime minister, I have shaped our policies to further enhance Japan's economic cooperation with the nations of the Pacific Basin. We are mutually dependent. There can be no security and prosperity for Japan without security and prosperity for the other Pacific nations, and vice versa.

To render constructive assistance to the nation building of Pacific developing countries, Japan has been expanding our official development assistance (ODA), despite an extremely tight fiscal situation. In 1984 Japan's ODA amounted to \$4,319,000,000, an amount inferior only to that spent by the United States. Following our new medium-term target, our government aims to provide total ODA during the seven years starting in 1986 of more than \$40 billion, ultimately doubling the annual amount. The ASEAN countries, in particular, will remain the highest priority area for our assistance efforts.

The transfer of industrial technology and the dissemination of managerial know-how are of the utmost importance in promoting productivity in the developing nations. As such transfers are primarily undertaken by private enterprise, it is necessary to make full use of the initiative and vitality of our private sector.

Japan participates in a wide variety of international cooperative enterprises in science and technology. We want to share the fruits of such international research with other Pacific countries as much as possible. When I visited the ASEAN nations in the spring of 1983, for example, I ventured a suggestion that we begin consultations for the promotion of Japan-ASEAN science and technology cooperation. The ASEAN leaders responded favourably to my suggestion. In areas like agriculture, engineering, and medicine, such consultations have now become routine.

My government has long stressed the importance of personal contacts with other Asian countries. In my address at Kuala Lumpur, Malaysia, on May 9, 1983, I proposed to invite a total of 3,750 young people in education and other fields from the ASEAN countries to Japan over the next five years. An increasing number of Japanese youth will visit the ASEAN countries for similar opportunities and experiences. When these people take their rightful places at the centres of their respective societies, the amicable relations between Japan and the ASEAN countries will be truly consolidated.

In 1984 "human resources development" projects were agreed upon anew at the ASEAN ministerial meeting with the "dialogue countries"—Australia, New Zealand, the United States, Canada, and Japan. Recently, the same partners chose 32 urgent projects to bring together specialists for the promotion of trade, the construction and management of industrial ports, airport and highway construction, maritime training, and other areas. Of these, Japan will take part in 15. As the idea of human resources development was originally advanced by Japan, we shall do our



The Jieitai, or Self-Defense Force, is the only military force permitted by Japan's constitution. It includes army, navy, and air force components and comprises some 245,000 personnel.

TOSHI MATSUMOTO—SYGMA

best to ensure its success. Such joint ventures will provide the countries concerned with social infrastructures that will serve them as master keys, so to speak, in exploiting their potential.

In this and other areas, notably international investment and the development of energy and communications resources, Japan has participated with enthusiasm in the meetings of groups from the 12 nations represented in the Pacific Economic Cooperation Conference. Here Japan and the United States play consistently supportive—although not the leading—roles.

The success of such activities justifies U.S. Secretary of State George Shultz's comment that "a sense of Pacific Community is emerging." The growing awareness of the approaching Pacific era not only excites our imagination; it calls upon us to refine our global perspective as an Asian nation. For example, Japan must be prepared to change its industrial structure to meet the requirements of Asian solidarity. As the NICs enlarge their trade volume, they shift the content of *their* exports from primary products to manufactured goods. The challenge that confronts the industrialized nations is to accept increased imports from the NICs. This necessitates sometimes painful domestic adjustments. Yet, unless the nations of the North accept their exports, we can hardly expect the developing nations of the South to contribute to our own export growth. Nor, in the absence of expanding two-way trade, can other heavily indebted NICs (such as Brazil, Mexico, and Argentina) earn enough money to repay their debts and thus preserve the viability of the financial institutions on which both North and South rely.

Unfortunately, I must mention one discordant note in the chorus of Pacific collaboration: the Vietnamese occupation of Kampuchea. Japan has supported the proposal put forward by ASEAN for a negotiated solution of the Kampuchean problem. That proposal is based on the restoration of Kampuchea's sovereignty and the right of its people to choose their own government, free of Vietnamese occupation. So far Vietnam refuses to respond, but Japan will continue its efforts to develop a climate conducive to a political settlement.

The Broader Pacific Perspective. We must bear in mind that Pacific cooperation should not acquire too political a character. In particular, it should not develop a militaristic posture. I once proposed the concept of a Pacific Economic and Cultural Enclave (PEACE). In that proposal, I stressed the wisdom of enlarging cooperation in the economic and

cultural spheres, on the assumption that our interests converged most obviously in these fields.

It is 30 years since the historic conference of Asian-African nations was held in Bandung, Indon., in 1955. Eighty-two nonaligned nations participated in a ceremonial commemoration of the conference in April 1985 and reaffirmed the original Bandung Declaration. The first Bandung Declaration was proposed by the Japanese delegation. Its ten points are still valuable in regulating the international conduct of nations. It was therefore natural that participants in the 1985 ceremony pledge adherence to them.

Let me add one caution on the Pacific relationship, however. We should not perceive this as the establishment of an exclusive regional bloc. The dynamic Pacific Basin economy should serve as a stimulus to the global economy. We should on no account think in terms of the Pacific *versus* the Atlantic, or Asia *versus* Europe. It is not a question of confrontation, one arrayed against the other. Far from it. We should look forward to an era of Atlantic-Pacific collaboration. It is my earnest hope that cooperation between the Atlantic and Pacific, a strong Europe and a developing Asia-Pacific linked together, will inspire mankind in the coming century.

Already the trilateral consultations of North America, Western Europe, and Japan have scored great successes. They demonstrate the truth that the industrialized democracies, sharing the common values of freedom and democracy, can combine their genius for the common good. My visit of July 1985 to Western European countries convinced me anew that there exists among the people of Europe an untapped reservoir of goodwill toward Japan, despite the current trade friction. With Great Britain, our historic ally, we have revived a particularly close relationship. The many new Anglo-Japanese business ventures underline this fact.

Finally, in advancing Pacific cooperation, we should work to develop overall interdependence and mutual reliance. It remains the role of the more advanced nations to respect and support fully the initiatives of other countries in establishing a foundation for regional cooperation. I think "realistic gradualism"—to borrow a phrase from Prime Minister Robert Hawke of Australia—is a good principle to guide the Pacific adventure. My visit to Oceania in January 1985, incidentally, served to reinforce the growing friendship that binds Japan with Australia and New Zealand.

A Vital Power Balance. The peace and stability of Asia are maintained by the balance of four major powers: Japan, the United States, the Soviet Union, and China. Of these, only Japan is a lightly armed, nonnuclear nation. In the old days of rampant power politics, such a balance would have been unthinkable. Military force alone counted. That Japan, although militarily vulnerable, is now regarded as a major stabilizing force attests to the decreasing influence of mere military strength. This is a welcome trend for Japan, since we are determined to remain militarily small but economically great.

If other powers followed Japan's example, the world would become a much safer place. Not only would humanity be freed from the nightmare of a nuclear holocaust, but we would also all be spared the burden of military expenditures. It is estimated that all nations, great and small, spend roughly \$800 billion a year on armaments. Think what we could achieve if this money were diverted to peaceful uses.

I would like to examine Japan's relations with the United States, the Soviet Union, and China. We cannot overstate the vital importance of the United States for Japan. A

decade has passed since the United States withdrew from Vietnam in April 1975. A period of drift and debate over the American role in Asia followed, but now the United States is reasserting its presence as a Pacific power, renewing its commitment to the peace of the Pacific region. The U.S. military presence is the great deterrent to Soviet encroachment.

Over the past 20 years, the Soviets have continued a relentless military buildup, nuclear and conventional, far surpassing the legitimate needs of self-defense. This buildup is particularly notable in the Asia-Pacific region. The Pacific Fleet, the largest of the Soviet Union's four fleets, has grown steadily since the mid-1960s, from about 50 major surface combat vessels to over 80, including two carrier task forces. Soviet submarine forces are also impressive. Moreover, the Soviets have deployed a number of missile systems with the capability of reaching targets in much of Asia. The mobile SS-20s, deployed since 1977, now number around 170. Soviet ground forces are also formidable. Totalling some 50 active divisions, they are mainly deployed along the Sino-Soviet border.

Evidently, the Kremlin calculates that if the Soviets are perceived as enjoying military superiority, any enemy can be intimidated without firing a shot. They are adept at employing military force as an instrument of coercion. The buildup of forces on Japan's Northern Territories—the four islands off the northeastern coast of Hokkaido which the Soviet Union occupies illegally—is a case in point. This Soviet military presence in Asia, however, has not been translated into political or economic gains. This is due, I think, to the renewed commitment of the United States to its allies and friends. Our mutually supporting positions on major international issues ensure peace, the prerequisite of prosperity.

This is especially apparent with regard to Japan, which the United States regards as the cornerstone of its Asian policy. Indeed, the United States now treats Japan as a major partner in world politics. Our relationship has doubtless been strengthened by the personal trust which President Reagan and I have established since early 1983, when I first visited the White House immediately after becoming prime minister. I would like to take this opportunity to express my admiration for the president's vision and leadership, stating also my deep gratitude for the warm kindness he so generously bestowed on me. "Ron" and "Yasu" will see to it that our two nations continue to work in unison as the vanguard of peace in Asia and elsewhere.

It was under President Reagan's guidance that the U.S. Defense Department took a firm position not to link the trade and defense issues. Japan's sole rationale for increasing defense capability is to maintain effective deterrence against military attack. The failure of an increasingly prosperous Japan to assume greater defense responsibilities, however, is inexcusable. We should do more for our self-defense not because the United States demands it but because we deem it necessary. What counts, above all, is the national will to defend our own fatherland. Unless we demonstrate this will, our allies and antagonists will not respect our independence.

I have already mentioned the Soviet attitude toward Asia. Although it is difficult to ascertain the ultimate design of the Soviet leadership, I am inclined to think that, generally speaking, the Soviet posture is defensive toward Europe and offensive toward Asia. In the West the Soviet Union wants to preserve the status quo by maneuvering the NATO nations into recognizing and respecting the postwar boundaries bequeathed to it at Yalta. In the East,

(continued on page 18)