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Dean W. Collinwood



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JAPAN AND THE PACIFIC RIM

EIGHTH EDITION

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University of Utah

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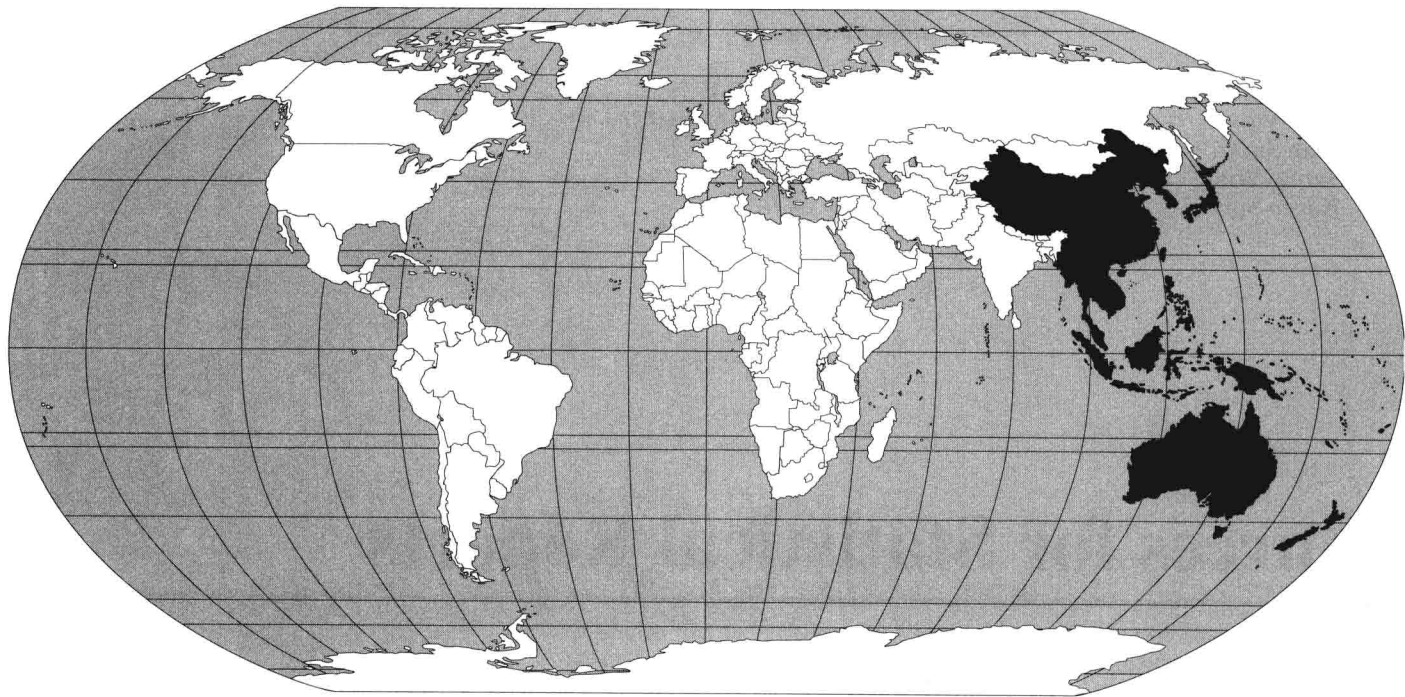
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Japan and the Pacific Rim



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Using *Global Studies: Japan and the Pacific Rim*

THE GLOBAL STUDIES SERIES

The Global Studies series was created to help readers acquire a basic knowledge and understanding of the regions and countries in the world. Each volume provides a foundation of information—geographic, cultural, economic, political, historical, artistic, and religious—that will allow readers to better assess the current and future problems within these countries and regions and to comprehend how events there might affect their own well-being. In short, these volumes present the background information necessary to respond to the realities of our global age.

Each of the volumes in the Global Studies series is crafted under the careful direction of an author/editor—an expert in the area under study. The author/editors teach and conduct research and have traveled extensively through the regions about which they are writing.

MAJOR FEATURES OF THE GLOBAL STUDIES SERIES

The Global Studies volumes are organized to provide concise information on the regions and countries within those areas under study. The major sections and features of the books are described here.

Regional Essays

For *Global Studies: Japan and the Pacific Rim*, the author/editor has written two essays focusing on the religious, cultural, sociopolitical, and economic differences and similarities of the countries and peoples in the region: “The Pacific Rim: Diversity and Interconnection,” and “The Pacific Islands: Opportunities and Limits.” Detailed maps accompany each essay.

Country Reports

Concise reports are written for each of the countries within the region under study. These reports are the heart of each Global Studies volume. *Global Studies: Japan and the Pacific Rim, Eighth Edition*, contains 20 country reports, including a lengthy special report on Japan.

The country reports are composed of five standard elements. Each report contains a detailed map visually positioning the country among its neighboring states; a summary of statistical information; a current essay providing important historical, geographical, political, cultural, and economic information; a historical timeline, offering a convenient visual survey of a few key historical events; and four “graphic indicators,” with summary statements about the country in terms of development, freedom, health/welfare, and achievements.

A Note on the Statistical Reports

The statistical information provided for each country has been drawn from a wide range of sources. (The most frequently referenced are listed on page iii.) Every effort has been made to provide the most current and accurate information available. However, sometimes the information cited by these sources differs to some extent; and, all too often, the most current informa-

tion available for some countries is somewhat dated. Aside from these occasional difficulties, the statistical summary of each country is generally quite complete and up to date. Care should be taken, however, in using these statistics (or, for that matter, any published statistics) in making hard comparisons among countries. We have also provided comparable statistics for the United States and Canada, which can be found on pages x and xi.

World Press Articles

Within each Global Studies volume is reprinted a number of articles carefully selected by our editorial staff and the author/editor from a broad range of international periodicals and newspapers. The articles have been chosen for currency, interest, and their differing perspectives. There are 24 articles in *Global Studies: Japan and the Pacific Rim, Eighth Edition*.

WWW Sites

An extensive annotated list of selected World Wide Web sites can be found on the facing page (ix) in this edition of *Global Studies: Japan*. In addition, the URL addresses for country-specific Web sites are provided on the statistics page of most countries. All of the Web site addresses were correct and operational at press time. Instructors and students alike are urged to refer to those sites often to enhance their understanding of the region and to keep up with current events.

Glossary, Bibliography, Index

At the back of each Global Studies volume, readers will find a glossary of terms and abbreviations, which provides a quick reference to the specialized vocabulary of the area under study and to the standard abbreviations used throughout the volume.

Following the glossary is a bibliography that lists general works, national histories, and current-events publications and periodicals that provide regular coverage on Japan.

The index at the end of the volume is an accurate reference to the contents of the volume. Readers seeking specific information and citations should consult this standard index.

Currency and Usefulness

Global Studies: Japan and the Pacific Rim, like the other Global Studies volumes, is intended to provide the most current and useful information available necessary to understand the events that are shaping the cultures of the region today.

This volume is revised on a regular basis. The statistics are updated, regional essays and country reports revised, and world press articles replaced. In order to accomplish this task, we turn to our author/editor, our advisory boards, and—hopefully—to you, the users of this volume. Your comments are more than welcome. If you have an idea that you think will make the next edition more useful, an article or bit of information that will make it more current, or a general comment on its organization, content, or features that you would like to share with us, please send it in for serious consideration.

Selected World Wide Web Sites for Japan and the Pacific Rim

(Some Web sites continually change their structure and content, so the information listed here may not always be available. Check our Web site at: <http://www.dushkin.com/online/> —Ed.)

GENERAL SITES

CNN Online Page

<http://www.cnn.com>

A U.S. 24-hour video news channel. News is updated every few hours.

C-SPAN ONLINE

<http://www.c-span.org>

See especially C-SPAN International on the Web for International Programming Highlights and archived C-SPAN programs.

I-Trade International Trade Resources & Data Exchange

<http://www.i-trade.com>

Monthly exchange-rate data, U.S. Document Export Market Information (GEMS), U.S. Global Trade Outlook, and the CIA WorldFACT Book are available. This website is available in either English or Japanese.

Social Science Information Gateway (SOSIG)

<http://sosig.esrc.bris.ac.uk>

The project of the Economic and Social Research Council (ESRC) is presented here. It catalogs 22 subjects and lists developing-countries' URL addresses.

U.S. Agency for International Development (USAID)

<http://www.info.usaid.gov>

Graphically presented U.S. trade statistics related to Japan, China, Taiwan, and other Pacific Rim countries are available at this site.

U.S. Central Intelligence Agency Home Page

<http://www.cia.gov>

This site includes publications of the CIA, current Worldfact Book, and maps.

U.S. Department of State Home Page

<http://www.state.gov/index.html>

On this Web site Country Reports, Human Rights, International Organizations, and other features are organized alphabetically.

World Bank Group

<http://www.worldbank.org>

Find news (i.e., press releases, summary of new projects, speeches), publications, topics in development, countries and regions on this Web site. It links to other financial organizations. This site is available in English, Chinese, Spanish, and French.

World Health Organization (WHO)

<http://www.who.int>

Maintained by WHO's headquarters in Geneva, Switzerland, it is possible to use Excite search engine to conduct keyword searches from here.

World Trade Organization

<http://www.wto.org>

The Web site's topics include legal frameworks, trade and environmental policies, recent agreements, etc. Available in English, Spanish, and French.

WWW Virtual Library Database

<http://conbio.net/vl/database/>

Easy search for country-specific sites that provide news, government, and other information is possible from this site.

United Nations

<http://www.un.org>

Official site of the United Nations with reports on international programs in Asia financed by the UN. Available in English, Arabic, Chinese, French, Russian, and Spanish.

JAPAN

Japan Ministry of Foreign Affairs

<http://www.mofa.go.jp>

"What's New" lists events, policy statements, press releases on this Web site. The Foreign Policy section has speeches, archive, and information under Countries and Region, Friendship. Available in English and Japanese.

Japan Policy Research Institute (JPRI)

<http://www.jpri.org>

Headings on this site include "What's New" and Publications before 1996.

The Japan Times Online

<http://www.japantimes.co.jp>

This daily online newspaper is offered in English and contains late-breaking news.

THE PACIFIC RIM

Asia Gateway

<http://www.asiagateway.com>

Access country profiles, including lifestyles, business, and other data from this site. Look in "What's New" for news highlights.

Asia-Yahoo

<http://www.yahoo.com/Regional/Regions/Asia/>

This specialized Yahoo search site permits keyword search on Asian events, countries, or topics.

Inside China Today

<http://www.insidechina.com>

The European Information Network is organized under Headline News, Government, and Related Sites, Mainland China, Hong Kong, Macau, and Taiwan. Requires membership to access data.

Internet Guide for China Studies

<http://sun.sino.uni-heidelberg.de/igcs/index.html>

Coverage of news media, politics, legal and human rights information, as well as China's economy, philosophy and religion, society, arts, culture, and history may be found here. Available in German and English.

NewsDirectory.com

<http://www.newsdir.com>

This site, a Guide to English-Language Media Online, lists over 7,000 actively updated papers and magazines.

Signposts to Asia and the Pacific

<http://www.signposts.uts.edu.au>

This Australian site contains databases, news, key country contacts, articles, and links to other Pacific Rim sites.

South-East Asia Information

<http://sunsite.nus.edu.sg/asiasvc.html>

A gateway for country-specific research is presented here. Information on Internet Providers and Universities in Southeast Asia is available as well as links to Asian online services.

See individual country report pages for additional Web sites.

The United States (United States of America)

GEOGRAPHY

Area in Square Miles (Kilometers):

3,717,792 (9,629,091) (about 1/2 the size of Russia)

Capital (Population): Washington, DC (3,997,000)

Environmental Concerns: air and water pollution; limited freshwater resources, desertification; loss of habitat; waste disposal; acid rain

Geographical Features: vast central plain, mountains in the west, hills and low mountains in the east; rugged mountains and broad river valleys in Alaska; volcanic topography in Hawaii

Climate: mostly temperate, but ranging from tropical to arctic

PEOPLE

Population

Total: 280,563,000

Annual Growth Rate: 0.89%

Rural/Urban Population Ratio: 24/76

Major Languages: predominantly English; a sizable Spanish-speaking minority; many others

Ethnic Makeup: 77% white; 13% black; 4% Asian; 6% Amerindian and others

Religions: 56% Protestant; 28% Roman Catholic; 2% Jewish; 4% others; 10% none or unaffiliated

Health

Life Expectancy at Birth: 74 years (male); 80 years (female)

Infant Mortality: 6.69/1,000 live births

Physicians Available: 1/365 people

HIV/AIDS Rate in Adults: 0.61%

Education

Adult Literacy Rate: 97% (official)

Compulsory (Ages): 7–16; free

COMMUNICATION

Telephones: 194,000,000 main lines

Daily Newspaper Circulation: 238/1,000 people

Televisions: 776/1,000 people

Internet Users: 165,750,000 (2002)

TRANSPORTATION

Highways in Miles (Kilometers): 3,906,960 (6,261,154)

Railroads in Miles (Kilometers): 149,161 (240,000)

Usable Airfields: 14,695

Motor Vehicles in Use: 206,000,000

GOVERNMENT

Type: federal republic

Independence Date: July 4, 1776

Head of State/Government: President

George W. Bush is both head of state and head of government

Political Parties: Democratic Party; Republican Party; others of relatively minor political significance

Suffrage: universal at 18

MILITARY

Military Expenditures (% of GDP): 3.2%

Current Disputes: various boundary and territorial disputes; "war on terrorism"

ECONOMY

Per Capita Income/GDP: \$36,300/\$10.082 trillion

GDP Growth Rate: 0%

Inflation Rate: 3%

Unemployment Rate: 5.8%

Population Below Poverty Line: 13%

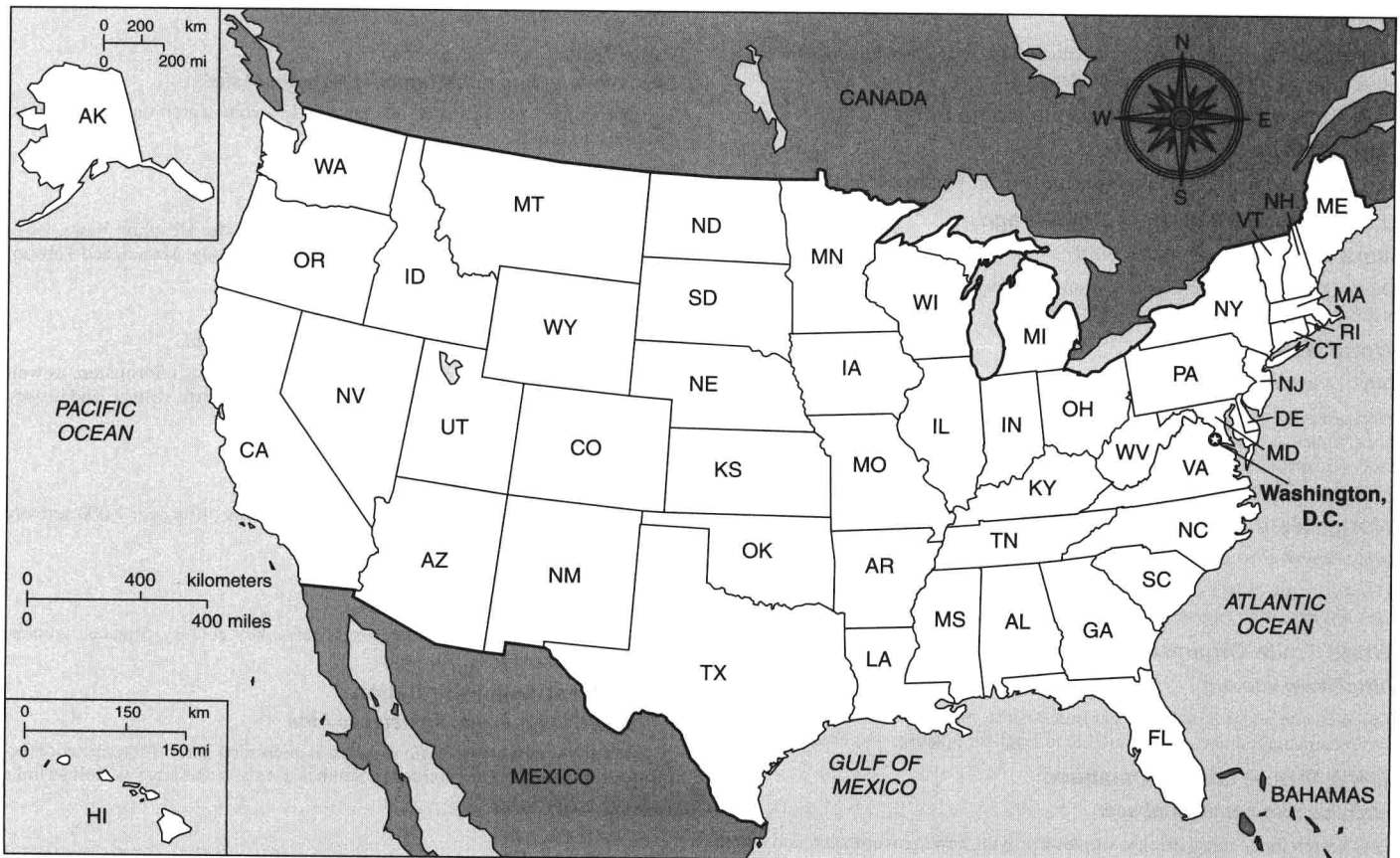
Natural Resources: many minerals and metals; petroleum; natural gas; timber; arable land

Agriculture: food grains; feed crops; fruits and vegetables; oil-bearing crops; livestock; dairy products

Industry: diversified in both capital and consumer-goods industries

Exports: \$723 billion (primary partners Canada, Mexico, Japan)

Imports: \$1.148 trillion (primary partners Canada, Mexico, Japan)



Canada

GEOGRAPHY

Area in Square Miles (Kilometers):

3,850,790 (9,976,140) (slightly larger than the United States)

Capital (Population): Ottawa (1,094,000)

Environmental Concerns: air and water pollution; acid rain; industrial damage to agriculture and forest productivity

Geographical Features: permafrost in the north; mountains in the west; central plains; lowlands in the southeast

Climate: varies from temperate to arctic

PEOPLE

Population

Total: 31,903,000

Annual Growth Rate: 0.96%

Rural/Urban Population Ratio: 23/77

Major Languages: both English and French are official

Ethnic Makeup: 28% British Isles origin; 23% French origin; 15% other European; 6% others; 2% indigenous; 26% mixed

Religions: 46% Roman Catholic; 36% Protestant; 18% others

Health

Life Expectancy at Birth: 76 years (male); 83 years (female)

Infant Mortality: 4.95/1,000 live births

Physicians Available: 1/534 people

HIV/AIDS Rate in Adults: 0.3%

Education

Adult Literacy Rate: 97%

Compulsory (Ages): primary school

COMMUNICATION

Telephones: 20,803,000 main lines

Daily Newspaper Circulation: 215/1,000 people

Televisions: 647/1,000 people

Internet Users: 16,840,000 (2002)

TRANSPORTATION

Highways in Miles (Kilometers): 559,240 (902,000)

Railroads in Miles (Kilometers): 22,320 (36,000)

Usable Airfields: 1,419

Motor Vehicles in Use: 16,800,000

GOVERNMENT

Type: confederation with parliamentary democracy

Independence Date: July 1, 1867

Head of State/Government: Queen Elizabeth II; Prime Minister Jean Chrétien

Political Parties: Progressive Conservative Party; Liberal Party; New Democratic Party; Bloc Québécois; Canadian Alliance

Suffrage: universal at 18

MILITARY

Military Expenditures (% of GDP): 1.1%

Current Disputes: maritime boundary disputes with the United States

ECONOMY

Currency (\$U.S. equivalent): 1.39 Canadian dollars = \$1

Per Capita Income/GDP: \$27,700/\$875 billion

GDP Growth Rate: 2%

Inflation Rate: 3%

Unemployment Rate: 7%

Labor Force by Occupation: 74% services; 15% manufacturing; 6% agriculture and others

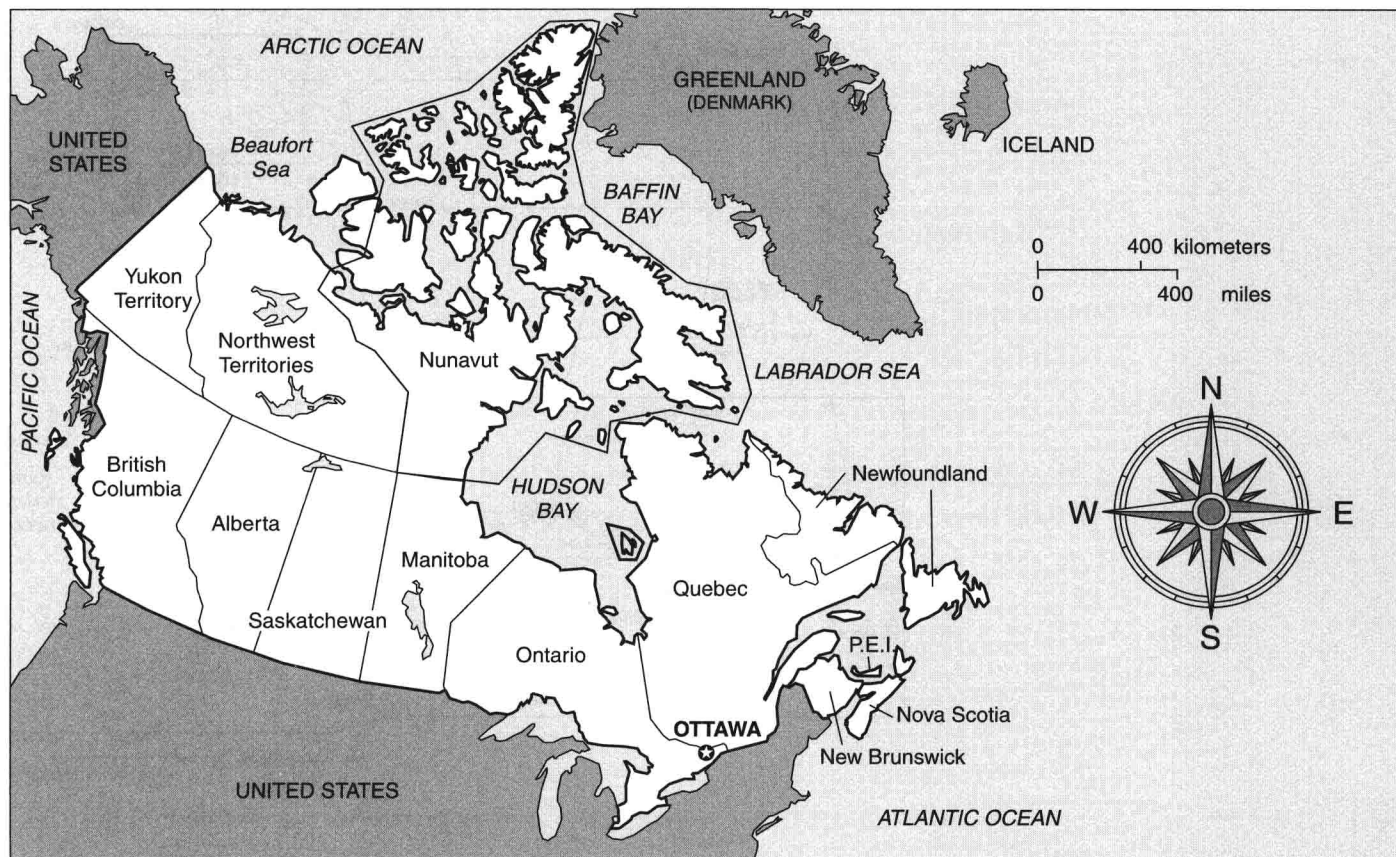
Natural Resources: petroleum; natural gas; fish; minerals; cement; forestry products; wildlife; hydropower

Agriculture: grains; livestock; dairy products; potatoes; hogs; poultry and eggs; tobacco; fruits and vegetables

Industry: oil production and refining; natural-gas development; fish products; wood and paper products; chemicals; transportation equipment

Exports: \$273.8 billion (primary partners United States, Japan, United Kingdom)

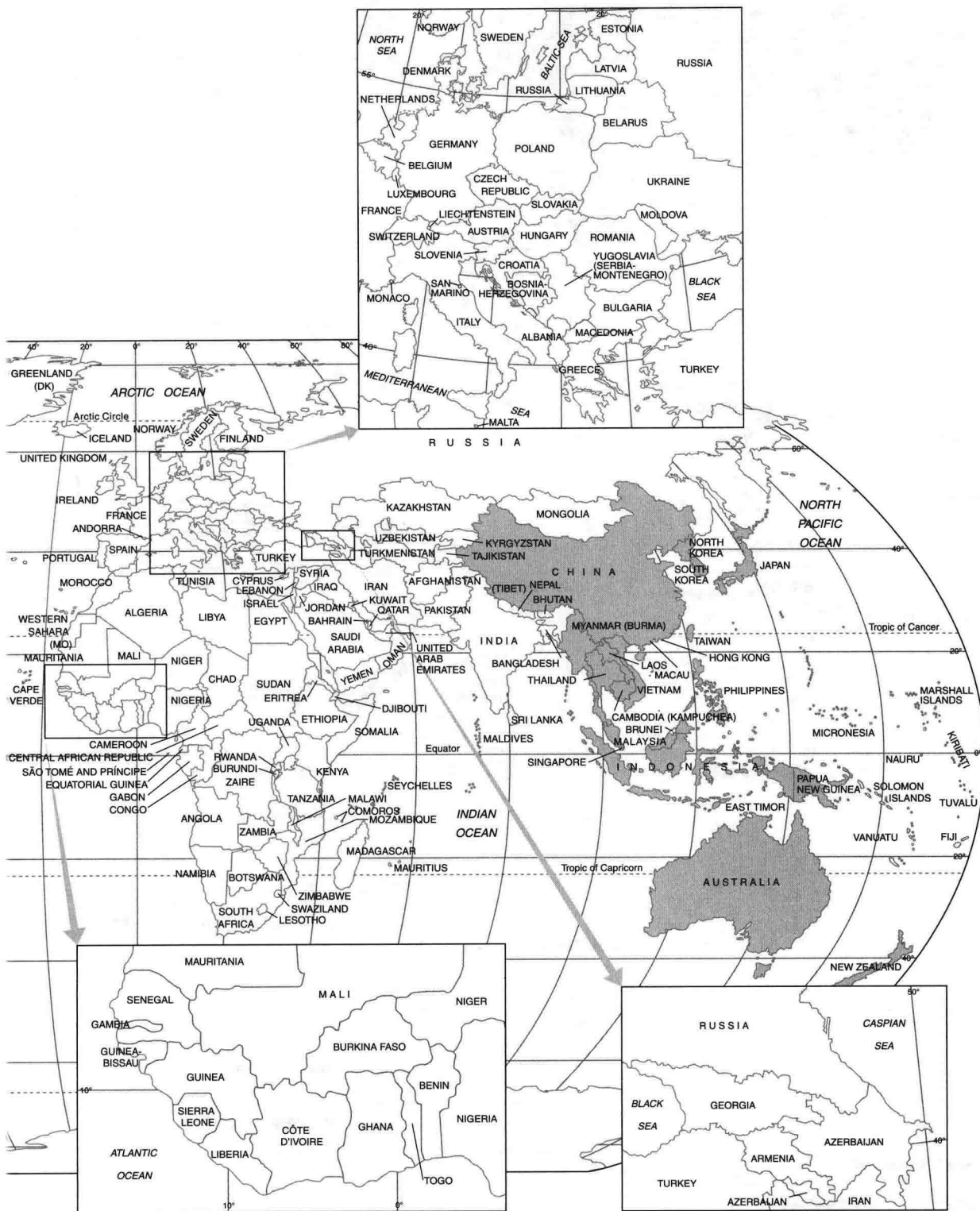
Imports: \$238.3 billion (primary partners United States, European Union, Japan)



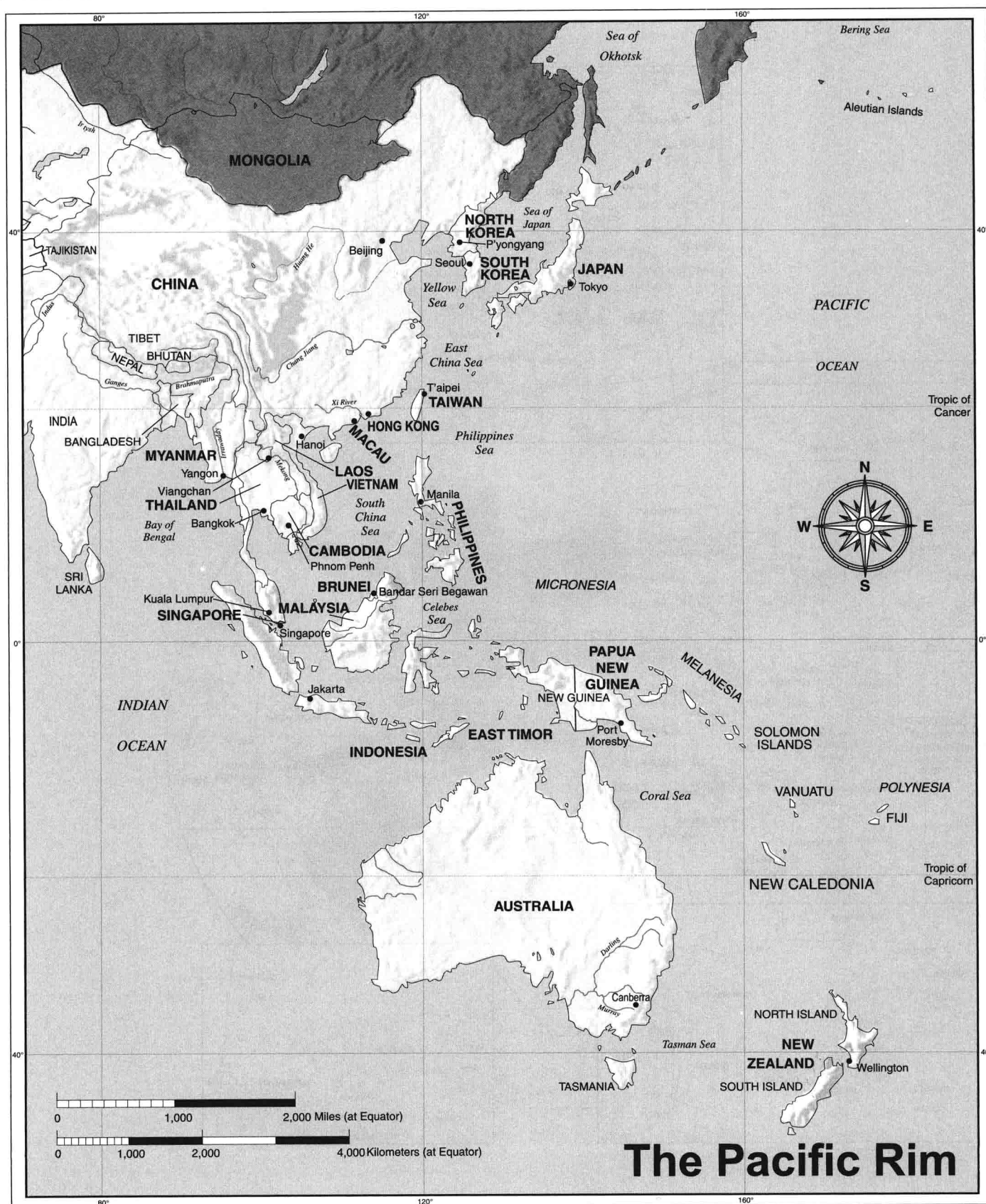
GLOBAL STUDIES

This map is provided to give you a graphic picture of where the countries of the world are located, the relationship they have with their region and neighbors, and their positions relative to major trade and power blocs. We have focused on certain areas to illustrate these crowded regions more clearly. The Japan and Pacific Rim region is shaded for emphasis.

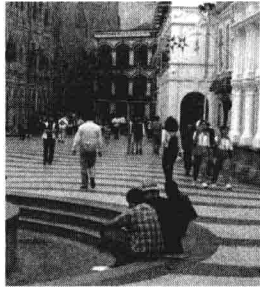




Pacific Rim



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3. **China Goes Shopping**, Dexter Roberts et al., *BusinessWeek*, December 20, 2004. Chinese businesses, with the encouragement of Beijing, are launching a wave of acquisitions of Western companies. What is the cause of this trend and where will it end? 135
4. **Animé—Japan's Animated Pop Culture**, Yonezawa Yoshihiro, *Nipponia*, December 15, 2003. The first Japanese animated film was made about 90 years ago. Japan is now the animé capital of the world. What are the secrets behind the development of animé into a worldwide industry? 137

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17. Open Education , Kim Jung Min, <i>Far Eastern Economic Review</i> , April 17, 2003. South Korean is willing to open the door for Western-style education, but teachers and others strongly oppose the idea.	172
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21. Japan's English Lessons , Bill Emmott, <i>Foreign Policy</i> , January/February 2004. Japan is being forced to choose between a closer tie with the United States or a more autonomous and assertive foreign policy. Which approach will they take, and can Britain's relationship with America serve as a useful model?	184

22. Women's Universities Struggle in Japan , Alan Brender, <i>The Chronicle of Higher Education</i> , November 14, 2003. Shrinking enrollments are forcing many small colleges and universities in Japan to close their doors, limiting educational opportunities for women, in particular.	188
23. Take Three , Kimberly Song, <i>Far Eastern Economic Review</i> , November 6, 2003. New South Korean films show how Koreans are trying to re-discover the splendid part of their 5,000-year history, without recourse to Western art forms.	191
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The Pacific Rim: Diversity and Interconnection

WHAT IS THE PACIFIC RIM?

The term *Pacific Rim*, as used in this book, refers to 21 countries or administrative units along or near the Asian side of the Pacific Ocean, plus the numerous islands of the Pacific. Together, they are home to approximately 30 percent of the world's population and produce about 20 percent of the world's gross national product (GNP).

It is not a simple matter to decide which countries to include in a definition of the Pacific Rim. For instance, if we were thinking geographically, we might include Mexico, Chile, Canada, the United States, Russia, and numerous other countries that border the Pacific Ocean, while eliminating Myanmar (Burma) and Laos, since they are not technically on the rim of the Pacific. But our definition, and hence our selected inclusions, stem from fairly recent developments in economic and geopolitical power that have affected the countries of Asia and the Pacific in such a way that these formerly disparate regions are now being referred to by international corporate and political leaders as a single bloc.

Most people living in the region that we have thus defined do not think of themselves as "Pacific Rimmers." In addition, many social scientists, particularly cultural anthropologists and comparative sociologists, would prefer not to apply a single term to such a culturally, politically, and sociologically diverse region. Some countries, it is true, share certain cultural influences, such as the Confucian family and work ethic in China, Japan, and Korea, and Theravada Buddhism and rice cultivation in Southeast Asia. But these commonalities have not prevented the region from fracturing into dozens of societies, often very antagonistic toward one another.

However, for more than 20 years, certain powerful forces have been operating in the Rim that have had the effect of pulling all of the countries toward a common philosophy. Indeed, it appears to be the case that most Pacific Rim countries are attempting to implement some version of free-market capitalism (as opposed to communism, socialism, asceticism, and other practices) and are rapidly acquiring the related values of materialism and consumerism. For most, although not all, of the Pacific Rim countries, a common awareness appears to be developing of the value of peaceful interdependence, rather than military aggression, for the improvement and maintenance of a high standard of living.

What are the powerful forces that are fueling lifestyle convergence in the Rim? There are many, including nationalism and rapid advances in global communications. Japanese investment money is another; it has perhaps been the most important factor in jump-starting the formerly sleepy economies of many Pacific Rim nations. The Japanese yen, in the form of direct investment, loans, and development aid, has saturated the region for years. Using the infusion of capital, many countries have now copied Japan's export-oriented market strategy and are producing economic growth never before even dreamed of. Similarly, with massive investments from Europe, Japan, and the United States, the Chinese economy has become a power-

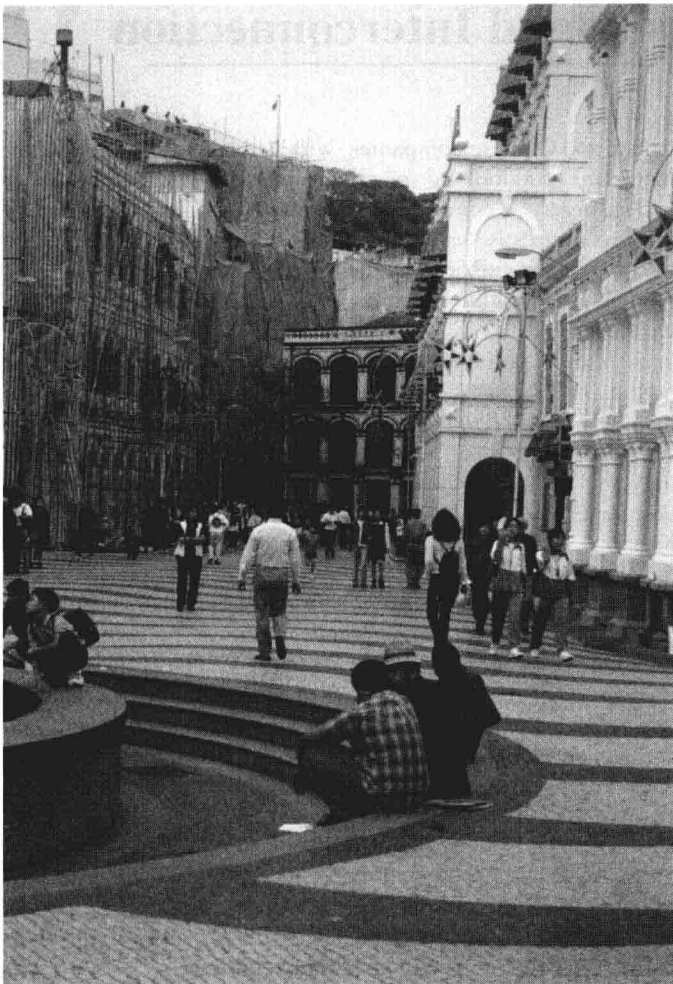
house, and Chinese companies, with the support of the government, are now looking for other places in the Pacific Rim to invest. Today, a complex web of intra-regional investment by many countries is sustaining dramatic growth, even in the face of some recent cutbacks by the Japanese.

It is true that by the mid-1990s the Japanese government, worried about the loss of jobs at home, began to urge private businesses to pull back on investment in other countries in the region. The Japanese government itself cut overseas development assistance (ODA) by 10 percent in 2002; but even as recently as 1999, Japan's ODA was \$11 billion, as compared to only \$8.4 billion for the United States. More cuts in overseas investments may be forthcoming (despite pleas from world organizations for Japan not to abandon the region) as Japan continues to struggle with a decade-long recession caused by sloppy lending and bad loan management by Japan's banks. But dire predictions of Japanese economic weakness notwithstanding, Japan is not likely to withdraw from active involvement in the economies of the region. To do so would only exacerbate its problems. Japan continues to be an economic powerhouse; some companies have never made more money than they have during the current recession. Toyota, for example, now has a larger share of the U.S. auto market than ever. Economic aid to Pacific Rim countries, such as the US\$1.56 billion aid package granted to Indonesia in 2000 and the US\$1.5 billion program for Mekong River projects in Thailand, Vietnam, Cambodia, Laos, and Myanmar, will continue. Thus, the homogenizing economic lifestyle trends will also likely continue.

In the 1960s, when the Japanese economy had completely recovered from the devastation of World War II, the Japanese looked to North America and Europe for markets for their increasingly high-quality products. Japanese business continues to seek out markets and resources globally; but, in the 1980s, in response to the movement toward a truly common European economic community as well as in response to free trade agreements among North American countries, Japan began to invest more heavily in countries nearer its own borders. The Japanese hoped to guarantee themselves market and resource access should they find their products frozen out of the emerging European and North American economic blocs. Now China, Taiwan, Singapore, and others are doing the same thing. The unintended, but not unwelcome, consequences of this policy were the revitalization of many Asia-Pacific economies and the solidification of lines of communication between governments and private citizens within the region. Recognizing this interconnection has prompted many people to refer to the countries we treat in this book as a single unit, the Pacific Rim.

TROUBLES IN THE RIM

Twenty years ago, television images of billionaire Japanese businesspeople buying up priceless artworks at auction houses, and filthy-rich Hong Kong Chinese driving around in Rolls-Royces overshadowed the reality of the region: a place, where, for the most part, life is hard. For most of recorded history, most Pacific



(Photo by Lisa Clyde Nielsen)

The small island of Macau was acknowledged by China as a Portuguese settlement in 1557. The Portuguese influence is evident in the architecture of the downtown plaza pictured above. Today Macau is a gambling mecca, drawing an enormous number of avid fans from Hong Kong. This last outpost of European colonial power returned to Chinese control on December 20, 1999, after 442 years under Portugal.

Rim countries have not met the needs of their peoples. Whether it is the desire of rice farmers in Myanmar (formerly called Burma) for the right to sell their grain for personal profit, or of Chinese students to speak their minds without repression—in these and many other ways, the Pacific Rim has failed its peoples. In Vietnam, Myanmar, Laos, and Cambodia, for example, life is so difficult that thousands of families have risked their lives to leave their homelands. Some have swum across the wide Mekong River on moonless nights to avoid detection by guards, while others have sailed into the South China Sea on creaky and overcrowded boats (hence the name commonly given such refugees: “boat people”), hoping that people of goodwill, rather than marauding pirates, will find them and transport them to a land of safety. That does not always happen; in 2004, for example, Indonesia reported some 70 pirate attacks in its waters, and Malaysia reported 30. With the cut-off of refugee-support funds from the United Nations (UN), thousands of refugees remain unrepatriated, languishing in camps in Thailand, Malaysia, and other countries. Thousands of villagers driven from their homes by the

Myanmar Army await return. Meanwhile, the number of defectors from North Korea has been increasing steadily.

Between 1975 and 1994, almost 14,000 refugees reached Japan by boat, along with 3,500 Chinese nationals who posed as refugees in hopes of being allowed to live outside China. In 1998, the Malaysian government, citing its own economic problems, added to the dislocation of many people when it began large-scale deportations of foreign workers, many from Indonesia. Many of these individuals had lived in Malaysia for years. This “Operation Get Out” was expected to affect at least 850,000 people. These examples, and many others not mentioned here, stand as tragic evidence of the social and political instability of many Pacific Rim nations and of the intense ethnic rivalries that divide the people of the Rim.

Warfare

Of all the Rim’s troubles, warfare has been the most devastating. In Japan and China alone, an estimated 15.6 million people died as a result of World War II. Not only have there been wars in which foreign powers like Britain, the United States, France, and the former Soviet Union have been involved, but there have been and continue to be numerous battles between local peoples of different tribes, races, and religions.

The potential for serious conflict remains in most regions of the Pacific Rim. Despite international pressure, the military dictators of Myanmar continue to wage war against the Karens and other ethnic groups within its borders. Japan remains locked in a dispute with Russia over ownership of islands to the north of Hokkaido. Taiwan and China still lay claim to each other’s territory, as do the two Koreas; and both Taiwan and Japan lay claim to the Senkaku Island chain. The list of disputed borders, lands, islands, and waters in the Pacific Rim is very long; indeed, there are some 30 unresolved disputes involving almost every country of Asia and some of the Pacific Islands.

One example is the Spratly (sometimes spelled Spratley) Islands dispute. When the likelihood of large oil and cobalt deposits in the 340,000-square-mile ocean near the Spratlys was announced in the 1970s, China, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei instantly laid claim to the area. By 1974, the Chinese Air Force and Navy were bombing a South Vietnamese settlement on the islands; by 1988, Chinese warships were attacking Vietnamese transport ships in the area. And by 1999, the Philippine Navy was sinking Chinese fishing boats off Mischief Reef. Both China and Vietnam have granted nearby oil-drilling concessions to different U.S. oil companies, so the situation remains tense, especially because China claims sovereignty, or at least hegemony, over almost the entire South China Sea and has been flexing its muscles in the area by stopping, boarding, and sometimes confiscating other nations’ ships in the area. Some agreements among the claimants on protocol were reached in 2001, but as long as each—especially China—claims ownership, the dispute will continue to simmer.

In addition to these cross-border disputes, internal ethnic tensions are sometimes severe. Most Asian nations are composed of scores of different ethnic groups with their own languages, religions, and worldviews. In Fiji, it is the locals versus the immigrant Indians; in Southeast Asia, it is the locals versus the Chinese or the Muslims versus the Christians; in China, it is the Tibetans and most other ethnic groups versus the Han Chinese.



(UN photo by Shaw McCutcheon)

The number of elderly people in China will triple by the year 2025. Even though—and, ironically, because—it limits most couples to only one child, China will be faced with the increasing need of caring for retirement-age citizens. This group of elders in a village near Chengdu represents just the tip of an enormous problem for the future.

With the end of the Cold War in the late 1980s and early 1990s, many Asian nations found it necessary to seek new military, political, and economic alliances. For example, South Korea made a trade pact with Russia, a nation that, during the Soviet era, would have dealt only with North Korea; and, forced to withdraw from its large naval base in the Philippines, the United States increased its military presence in Singapore. The United States also began encouraging its ally Japan to assume a larger military role in the region. However, the thought of Japan re-arming itself causes considerable fear among Pacific Rim nations, almost all of which suffered defeat at the hands of the Japanese military only six decades ago. Nevertheless, Japan has acted to increase its military preparedness, within the narrow confines of its constitutional prohibition against re-armament. It now has the second-largest military budget in the world (it spends only 1 percent of its budget on defense, but because its economy is so large, the actual absolute expenditure is huge).

In response, China has increased its purchases of military equipment, especially from cash-hungry Russia. As a result, whereas the arms industry is in decline in some other world regions, it is big business in Asia. Four of the nine largest armies in the world are in the Pacific Rim. Thus, the tragedy of warfare, which has characterized the region for so many centuries, could continue unless governments manage conflict very carefully and come to understand the need for mutual cooperation.

In some cases, mutual cooperation is already replacing animosity. Thailand and Vietnam are engaged in sincere efforts to resolve fishing-rights disputes in the Gulf of Thailand and water-rights disputes on the Mekong River; North and South Korea have agreed to allow some cross-border visitation and are cooperating on a mammoth industrial park just inside North Korea; and even Taiwan and China have amicably settled issues relating to fisheries, immigration, and hijackings. Yet greed and ethnic and national pride are far too often just below the surface; left unchecked, they could catalyze a major confrontation in the region.

Population Imbalances

Another serious problem in the Pacific Rim is population imbalance. In some cases, there are too many people; in others, there will be too few in the future. At the moment, there are well over 2 billion people living in the region. Of those, approximately 1.3 billion are Chinese. Even though China's government has implemented the strictest family-planning policies in world history, the country's annual growth rate is such that more than 1 million inhabitants are added *every month*. This means that more new Chinese are born each year than make up the entire population of Australia! China's efforts to reduce its out-of-control population have produced some unwanted results: a huge imbalance in the ratio of boys to girls. With births limited to just one for