

### The Development of Southeast Asia

The development of Southeast Asia is the centerpiece of the effort that must be made in Asia today. What was once the scene of the genocidal American intervention into Vietnam promises to become a major area of economic activity in the developing sector, provided the region is not once again subjected to the destructive effects of balance of power politics.

Southeast Asia — the area from Burma to the

Philippines — can be a focus of development which will link into, on the west, the Indian subcontinent; on the north, into China and northeast Asia (including Korea); eastward, to the eastern rim of the Pacific basin, to the United States and Mexico. The United States, Japan, the Soviet Union, and China, in combination with regional centers like India, Vietnam, and Indonesia, can effect the most rapid pace of development possible in a short period of time.

### Japan Business Chief: Trade, Growth, and Technology for the Region

*The head of Japan's leading business organization, the Keidanren, has posed his country's solution to the growing world problems of trade and financial imbalances: international cooperation for developments based on energy and high-technology exports from the advanced nations.*

*Keidanren president Toshiwo Doko presented this perspective in an article written for and published in the New York Journal of Commerce June 12. Doko's article, datelined Tokyo, appeared as the U.S. Treasury's Anthony Solomon and C. Fred Bergsten once again forced an upward rise of the Japanese yen against the dollar, while pressuring Japan to stop its sales of industrial equipment to the developing countries.*

*Here are portions of the Keidanren chief's article:*

Four years after the oil crisis, Japan's domestic economy still remains in the doldrums. Both the government and private industry are preoccupied with beating the downward pull on economic activity. Uncertainties also grew in the field of trade because of the weak domestic demand and a sharp 34 percent appreciation of the Japanese yen in relation to the dollar, which took place in the last year and a half. The Japanese economy indeed finds itself today in an extremely difficult situation.

The international economy, meanwhile, is burdened with the problems of unemployment and balance of payments gaps. This is a time when countries feel most tempted to seek refuge in protectionism. If we are to hold back the rising menace of protectionism, we must create conditions in the world economy which would make international cooperation possible. Solutions must be found first of all to the problems of a slowdown in the pace of technological innovations and of the uneven distribution of international liquidity. . . .

Our hopes for successfully removing the limits to growth imposed by the energy and resources problems and saving the free-enterprise economy from the slow strangulation of low growth lie in the development of new technologies. . . .

As a resources-scarce nation, Japan must work harder than other nations to further refine its existing technologies for saving energy and resources consumption as well as to push ahead with the development of alternative energy sources. The energy-resources problem has, of course,

international dimensions, as shown by the issues encountered by nations in the Law of the Sea negotiations and in the sometimes conflicting demands of nuclear energy development and the prevention of the further proliferation of nuclear weapons capability.

International cooperation is thus essential in the energy-resources area. There are some successful instances of international cooperation, such as the highly-advanced joint research being carried on by the United States and the Soviet Union in the field of nuclear fusion technology.

Japan must step up its efforts in technological development, within the framework of international cooperation, and help lift the world economy out of its current impasse. It is perhaps a new obligation for Japan, which has so far proved to be the most dynamic factor in international trade. . . .

Japan has already announced a policy for "doubling the volume of its official development assistance (ODA) in five years." But it is an expansion of trade that provides a truly dynamic impetus to the economies of the developing nations. The role of the "industrialized nations, including Japan, is to keep the way open for their trade expansion."

As the newly emerging national economies, such as South Korea, make their presence increasingly felt on the world economic scene, Japanese industries, especially those operating in the labor-intensive lines, would inevitably become less competitive. However, the entry of such a new competitor is certain to spur new technological developments and drive the Japanese economy to move forward.

One thing is essential if we are to keep the way open for the late starters in industrialization and to lift our own economy to a higher level of evolution through the transfer of economic resources to the technology-intensive sectors. It is to give full play to the imagination and creativity of the Japanese people and translate them into technological innovations.

At this stage of Japan's economic and social evolution, it is more important than ever that the center of decision-making in the Japanese society be occupied by those kinds of people who are free and open-minded and not bound by uniformist thoughts. In order to make this happen, we will most probably need a reform of the traditional management practices. Obviously, the Japanese system of education would also require a major re-examination. . . .