

# Consumption, Competition, and Conflict in Fin de Siecle Asia

by Dave Eisenbach

In 1914 Europe enthusiastically plunged into the holocaust of the First World War. Seventy years later the nations of East Asia are competing in a fast-paced arms race which does not resemble the steady stalemate of the Cold War, but rather the fractious, fateful arms buildup of fin-de-siecle Europe. For fifty years the United States and the Soviet Union engaged in armament competition which created a balance of power. Their mutual assured destruction prevented them from directly attacking each other during their aggressive scramble for geopolitical influence.

The East Asian arms race does not resemble this bipolar balance. Rather it echoes the fateful multi-party fray of Europe shortly before the First World War. As in Europe, East Asia has experienced rapid technological advancement and economic expansion has stimulated domestic political strife and militarization. Territorial disputes which lay dormant during the Cold War have awakened. European history shows that the combination of international animosity and breakneck militarization greatly endangers a continent which lacks a balance of power or a security system.

The political-economic system of most East Asian nations resembles the late 19th century neo-mercantilism which generated intense international competition. In the mid-19th century, Europe experienced technological advances which ignited an economic boom. Because modern industrial enterprises required large long-term investment, banks floated many companies, and the government subsidized private undertakings. European governments also sponsored huge public works projects which aided industry. By the last decades of the 19th century, the interests of each country's government, its financial institutions, and its industry merged into a single national interest. European governments began to perceive encroachments on their industry's market share as a threat to

their national security. A similar paranoia will probably emerge in East Asia.

For the past forty years the economies of the East Asian states have developed and prospered under state-coordinated neo-mercantilist industrial strategies. In the 1940s and 1950s many Asian governments directed firms to withhold a large portion of their output from domestic consumption and export it. They then plowed their trade surplus and profits into higher technology and more exports. Many governments established trade ministries, like Japan's highly powerful and influential Ministry of International Trade and Industry (MITI), which pursue aggressive trade policies and high tariffs. Although the extent of government intervention in commerce and industry varies, both Socialist and Capitalist governments in Asia play a major role in their economies, just like 19th century European regimes.

Both Europe and Asia experienced an unprecedented prosperity which was conducive to conflict. By 1870 the economies of France, Germany, Britain, and Italy produced almost 80 percent of the total world manufacturing output. By 1913 their production tripled (Hobsbawm 43). Between 1979 and 1989 the combined GNP of Japan, China, Indonesia, Singapore, Malaysia, South Korea, Thailand, and Taiwan has increased by 166 percent while the GNP of the world increased by 109 percent (Klare 138). Asia prosperity has transformed the daily life of a new privileged class. Just as the telephone, the phonograph, and the cinema revolutionized European society, the cellular phone, the compact disc, and virtual reality mark the growing consumer culture of the Asian "Belle Epoque." Many of today's privileged East Asians, like their European predecessors, believe their lifestyle depends on the economic prosperity of their country. Consequently many of them are more likely to support militant policies regarding not only geo-political adversaries, but also economic competitors.

The European economic system eventually necessitated a huge naval buildup. For various reasons European countries began to expand their colonial holdings throughout the world. As industries became involved in colonial markets, and populations began to perceive the colonies as essential to national security and international status. In order to protect their overseas holdings, the European states began to augment their navies which also became a source of national pride, competition, and conflict.

Because today's Asian countries are islands and/or dependent on overseas commerce, secure trade routes are essential to their economic security. During the Cold War, East Asian states viewed the American navy not only as a defender against the Soviet Union but also as a guarantor of free trade routes. Presently, the reduction of America's naval presence has compelled Asian governments to expand and modernize their naval forces.

Taiwan plans to augment its fleet with E-2C Hawkeye early detection systems and 60 Mirage 2000-5 fighters (*Defense News*). Taiwan has purchased sixteen Lafayette-class frigates from France and is building eight PFG-class frigates with the aid of the United States. In October, France announced it would sell Taiwan 2.6 billion dollars worth of naval weaponry to arm its frigates (*Agence France Presse*). Taiwan has also approached the Germans about the purchase of submarines (*Central News Agency*). Japan recently built several Aegis class

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destroyers, modern frigates, and submarines. Singapore has begun to produce German Type-332 missile corvettes. Thailand bought six Jianghu-class frigates from China and modernized its naval base on its southeastern coast (Klare 139). Modern navies can be used to blockade island nations and to project military power throughout a region. Consequently, just as in Europe, the Asian naval arms race has generated a great amount of international distrust.

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In both turn-of-the-century Europe and present day Asia, militarization has spread throughout the continent. Like Europe, East Asian nations have devoted growing percentages of their GNP to militarization even when other regions have maintained or reduced their military outlays. The total military spending of Indonesia, Malaysia, Singapore, South Korea, Taiwan, and Thailand increased 62 percent from \$37.1 billion in 1979 to \$51.4 billion in 1989. From 1985 to 1991 China's military budget grew 60 percent (Klare 138). In early 20th century Europe, even poor countries increased their defense budgets. From 1985 to 1991, despite the fall of Marcos, the poverty-stricken Philippines increased its military expenditures by 42 percent (Klare 139). In 1914, Germany, France, Britain, Russia, and Austria-Hungary dominated Europe. Resentment and distrust among these powers and their division into two opposing alliances eventually dragged almost the entire continent into war. In Asia, five nations, Japan, China, Taiwan, North Korea, and Russia have been evolving into antagonistic world powers. As in Europe, East Asian governments invest great sums into the military which defends geo-political and economic interests and secures prosperity that is necessary to feed the growing military-industrial complex. Unfortunately for East Asia, history indicates that expansive military-industrial com-

plexes are more likely to provoke rather than balance each other.

Europe's military build-up was particularly dangerous because it was coupled with domestic political turmoil and territorial disputes. Throughout the late 19th and early 20th centuries, the multinational empires of Europe experienced a revival of nationalist secession movements which first arose in 1848. Czechs demanded national rights in Austria-Hungary, the Irish demanded independence from Great Britain, Ukrainians resented the rule of the czar, and the Slavic states of the Ottoman Empire were breaking away from their master.

Regional secession movements probably will challenge the governments of Russia and China. Many of the Russian Federation's 88 constituent regions have demanded extensive sovereignty and some have declared an autonomous status with their own flags and constitutions (*Neiv York Times* A5). Although the Chinese government has successfully suppressed all moves toward regional autonomy, underground secession movements will certainly arise if the central government experiences a serious political crisis.

European society and governments also contended with demands for democratization, a proliferation of leftist movements, and violent class antagonism. In every European nation the social and political turmoil became so intense that many leaders advocated war as a way to deliver their societies from chaos.

Economic prosperity has brought forth popular demands for democratization in Japan, South Korea, and Taiwan and will probably inspire calls for liberalization in China. In 1989 the Chinese government crushed the pro-democracy movement when it slaughtered thousands of students in the "Square of Eternal Peace."

However, recently a newly born entrepreneurial class has called for a decentralized flow of information and probably will challenge the party's stranglehold on power. The South Korean government, which also has a talent for repressing students, has recently been pressured into introducing democratic reforms. In Japan an anti-corruption campaign against the governmental-industrial ruling elite knocked the Liberal-Democratic Party out of power and replaced it with a tenuous seven-

member coalition. *The Financial Post* reported that "as Taiwan's residents achieved economic prosperity they have demanded more representative government" than their single party system. As in Europe, internal strife in East Asian nations threatens not only domestic stability but also international peace.

Asian antagonists would be more likely to engage in direct warfare than the Cold War superpowers because like the Europeans, they harbor a history of conflict and enduring disputes. Shortly before the war, territorial disputes arose between the European powers over Alsace-Lorraine, Morocco, Trieste, the Dardanelles, and, most fatefully, Bosnia-Herzegovina. The new disputes exacerbated traditional resentments and vendettas which the European powers had compiled during centuries of fighting.

Territorial conflicts now threaten to spark major military confrontations among the Asian powers. In 1985 China's Central Military Commission ordered the military to shift its focus from war with the Soviet Union to regional conflicts in East Asia (Klare 143). One regional dispute involves China, Vietnam, Taiwan, Malaysia, Brunei, and the Philippines. All of them have conflicting historical claims on the Paracel

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and Spratly island groups in the South China Sea (Klare 138). Throughout the last decade, each country has used its navy to assert its claim. China has recently raised the ante by building both naval and airforce bases on one of the Paracels (Klare 140). Vietnam and Thailand have been competing in a conventional arms buildup for decades. The friction between the two neighbors has increased over development projects along the Mekong River and their effects on the river's downstream flow (*Business Times*). Indonesia, Malaysia, and Singapore have all made claims on newly

discovered oil reserves in the Southwest Pacific (Klare 142). The dispute over oil has been particularly tempestuous because of its economic and security value as a domestic energy source.

Just as the unification of Germany incorporated two French provinces, the Nationalist Chinese government of Taiwan was founded in a province of mainland China. The Chinese have their own version of French revanchism. The mainland Communist government still refuses to recognize Taiwanese government and regards it as a renegade province. Taiwan recently intensified the conflict by deploying sophisticated air-control and sea-control missiles on its off-shore islands, Kinman and Matsu. Just as French and German military leaders held plans for a resumption of hostilities, the Chinese and the Taiwanese hold their own Schlieffen Plans for revision.

The Kuril Islands have become another potential hot spot. In 1945 Stalin seized the island group. Since the dissolution of the Soviet-Russian Empire, Russia has lost its ports on the Baltic Sea and the Black Sea. Consequently, Russia became more dependent on its East Asian seaports for trade and mooring its navy. Russia's renewed attention to its East Asian frontier has led the government to resist any attempt to return the Kuril Islands to the Japanese and has spawned thoughts of building a naval base on one of the disputed islands. In September the Japanese subtly asserted their claim by conducting its largest military-naval exercise since World War II on and around Hokkaido, an island close to the Kuril Island group.

Memories of the Japanese invasion and occupation probably prompted several Asian countries to deplore the Japanese exercise. North Korea's belligerent reaction exposes a dangerous repercussion of Japanese militarization. The official North Korean newspaper (*Rodong Sinmun*) declared that "because Japan keeps stationing in her territory huge armed forces targeted against the DPRK (Democratic People's Republic of Korea) it is only too natural for the DPRK to increase its self-reliant defense capabilities, including self-defensive missile exercises, under such conditions" ("Japan Launches").

The recent North Korean arms

build-up has disturbed not only South Korea but the entire world. The demilitarized zone which divides the Koreas has been one of the world's tensest, most militarized borders since the 1940s. North Korea recently augmented its border force with 1,300 armored personnel carriers, howitzers, Soviet-made T-62 tanks, and multiple rocket-launchers. The addition also included self-propelled float bridges which would be of use during an invasion. This year North Korean jets have flown 48,000 practice missions, which is about three times last year's total (*Washington Times*). But North Korea's conventional buildup is not its most disturbing threat.

While the situation in East Asia is as volatile as turn-of-the-century Europe, the proliferation of nuclear arms could make it as potentially destructive as the Cold War. Only China and Russia

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possess a fully developed nuclear arsenal. But North Korea's alleged nuclear weapons stockpile has supposedly pushed Taiwan and South Korea to undertake their own nuclear weapons programs (Klare 149).

The presence of nuclear weapons in East Asian military arsenals makes peace in Asia a matter of America's national security. The United States should sponsor a conference on disarmament and on the formation of a security community. Before these measures are implemented, the United States must resist the seduction of isolation. The United States must continue extensive naval operations in East Asian waters and thereby reassure Asian nations that no power will impede free trade. Maintaining a Pacific Fleet is in America's interest because it will prevent the emergence of an Asian naval rival and because America's economic pros-

perity has become increasingly dependent on access to all Asian ports. In order to contain conflict and secure stability in Asia, Americans must forgo the "peace dividend" and forsake the popular myth that the Cold War was the War to End All Wars. •

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**Know this; he who fell  
like ashes to the ground,  
He who is even  
oppressed,  
Will rise higher than the  
great mountains,  
On the wings of a bright  
hope.**

**- Josef Stalin**

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