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## ASEAN: Integration instead of confrontation

Intereconomics

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believed that also Japan could increase, in this way, its exports of industrial plants and equipment. As the representative of numerous companies which manufacture arms, the Defence Production Committee also demands, after the pattern followed by the UK, France and West Germany, joint arms development programmes with other industrialized countries.

Thus, the Japanese Government is exposed to mounting pressure which is increasingly difficult to resist because the country suffers badly from the recession both in its home and foreign markets and, because it lacks raw materials, is strongly dependent on its exports. On the other hand, if the arms embargo should be loosened, there will be internal trouble, because both the opposition and parts of the ruling Liberal Democratic Party are determined to resist this with determination. Though the Government maintains that it will keep the guidelines in being, what good is all idealism if economic pressures grow too strong and the country could no longer pay for its vital raw material imports? For there is a rule: "First one must eat, then comes morality." hg

#### ASEAN

### Integration instead of Confrontation

Since most states of South East Asia have shifted over to the Socialist Camp, the remaining pro-Western countries of the ASEAN Pact are strengthening their political and economic cooperation. Though their alliance dates already from 1967, all of them had so far followed their own, often opposed aims and can therefore start with their cooperation from almost zero now.

The first thing that will have to be done is to cut away the existing confusion of administrations. There have been so far a number of partly intersecting committees which worked out a multitude of projects, most of which was put into operation. In addition to political questions, the coming summit conference of ASEAN states on the island of Bali is to deliberate especially about closer economic cooperation. In the foreground, there probably will be the formulation of a unified policy on farming, in order to stabilize prices and thus to secure the most important source of income and exports. It will also be important to look for new sales outlets and the creation of an ASEAN merchant fleet of its own.

The need and usefulness of closer joint operations in their foreign trade policies for ASEAN countries seem convincing, because all ASEAN states have been strongly affected by the decline

of commodity prices and the rise in prices for industrial products. A common commodity and marketing policy possibly reaching to the formation of cartels for selected products promises to be successful, especially because some of the raw materials produced by the five ASEAN states claim a high share in total world trade turnover. Particularly the oilfields of Indonesia and Malaysia strengthen those countries' economic potential. It is now their task to transform this potential into cash and into political influence on the stage of the world. zz

#### Atomic Energy

### Guidelines for Nuclear Exports

Not least under the impression of India's nuclear tests, the main supply countries of nuclear material, nuclear plants and technology have agreed in London on "Guidelines for nuclear exports for peaceful purposes to non-atomic arms states". Though this is not binding in international law, an exchange of notes on January 27 has put these guidelines in force onesidedly by all signatory powers.

It is notable for these guidelines that the so-called "trigger list", containing all the plants and parts of plants which are to trigger security measures does not only refer to "sensitive plants" but also restricts the transfer of knowhow. It seems clear that any uncontrolled sale of technology is to be prevented by reporting all transfers of chemical, physical, and similar process techniques to a recipient country which does not belong to the signatory states to the International Atomic Energy Organisation (IAEO), in the same way as all the other items on the "trigger list", for its control. Whether this way of operation will be efficacious, remains to be seen because, for example, the exchange of scientific experiences is very difficult to control in many cases.

From the point of view of economic policy, it appears to be important that, since these guidelines are in force, a kind of competitive equality, though within certain limits, has been set up between the seven signatory states. Looking back, the international excitement, especially in the US, caused by the German-Brazilian nuclear energy agreement, seems now difficult to understand because the control measures incorporated in it go further, in part, than the guidelines which have now been agreed. It may be surmised that competitive envy was the decisive motive for the protest. The new London agreement gives reason to hope that now an unbridled and uncontrolled dissemination of fissionable material can be prevented. iwe