



NEWS REPORT

September 1, 1978

DRAMATIC CHANGES SWEEP THE WORLD SCENE

Part I

The "China Era" Opens Wide

Summary:

Changes of enormous magnitude are sweeping the world scene. A dramatic realignment of political forces is underway -- very possibly beginning to place nations and power blocs in their final end-time configuration.

Foremost among these changes is what is happening now in China. China is bursting full-bloom on the world scene. For the first time in history, the leader of China -- whether Emperor or Communist Party Chairman -- has visited Europe west of Moscow. In Romania and Yugoslavia, the smiling, confident Chairman Hua Kuo-feng boldly denounced Kremlin policies -- right on Russia's doorstep. Only days before Chairman Hua's historic trip, China and Japan signed a "friendship treaty"-- making Japan the leading supplier of aid and technology in China's dramatic bid to modernize her society and become a genuine world power by the year 2000. China will commit \$350 billion dollars in her all-out national reconstruction effort!

On the diplomatic front China is seeking new allies of any political color who can provide the help she needs to strengthen herself against her number one foe -- Soviet Russia. Waves of Chinese students will soon descend upon universities in Western Europe and the United States. Chinese delegations with long shopping lists are scurrying around the Western world seeking everything from oil rigs to computers to advanced weaponry.

China might also "buy" a whole new politico/economic system. Her leaders are seriously considering adapting the Yugoslav "self-management" form of Communism in order to improve worker efficiency. The "Thought of Mao" is being shunted aside by China's new, pragmatic rulers.

As one analyst said: "When China makes news it is BIG NEWS!"

The Kremlin in Turmoil

China's spectacular thrust into the world arena has thrown its arch-enemy, the Soviet Union, into turmoil. The Kremlin is at a complete loss as to what to do. Moscow once thought that it had "contained" the feared "Yellow Peril." Now the tables have turned. It is instead the Soviets who feel encircled by China's bold initiatives with Japan and in the Balkans.

The Russians have only themselves to blame for their plight. With only a little foresight and willingness to compromise on their part, Japan could now be the ally of the U.S.S.R. opening up Siberia, instead of throwing in its lot with China. (Be sure to read the article by Joseph C. Harsch beginning on page 10.)

The Japanese asked only one favor of Moscow which was that the Russians return four foggy, windswept, essentially good-for-nothing islands which the Red Army seized at the end of World War II. The stubborn, penny-wise, pound-foolish Russians refused -- and thereby lost the deal of the century! Worse yet for Moscow, Japan will now develop the U.S.S.R.'s dreaded enemy, China, into a first rate world power.

Where is it all Leading?

Reconciliation with the new men running China is clearly out of the question for Moscow, at least for the foreseeable future. Realizing that affairs are going from bad to worse along her eastern flank, Moscow is therefore making renewed efforts to shore up her position in the West. We'll delve into that in Part II.

In the meantime a whole new international order is emerging in Asia. One must ask whether this marriage of Chinese manpower and resources to Japanese technology and expertise will lead up to the formation -- joined by other powers such as India to whom China is also making advances -- of the "200 million" of Revelation 9:16. And, will China's newly opened door not only to Japan but to all advanced nations of the Western world, including the United States, also finally open the door for announcing the Gospel message of the coming Kingdom of God before the leaders of one-fourth of the human race?

What exciting times we are living in!!

-- Gene H. Hogberg

THE FIRST OF MANY HUA TOURS?

"Chinese Chairman Hua Kuo-feng's tour of Eastern Europe is proving so successful that an alarmed Soviet Union is switching to the offensive after initially 'playing it cool.' The tumultuous welcomes that the Chinese leader received first in Romania and now Yugoslavia are generating an intensifying barrage of criticism in Moscow.

"The Chinese, in turn, are deriving immense satisfaction from these first European contacts. It now seems it will not be long before other tours follow. According to Peking journalists making the trip to Romania and Yugoslavia (Iran is the next stop), a visit to France, which was anticipated earlier and later postponed, will definitely take place this year. There are hints that travels to other West European capitals, most notably Bonn, will follow....

"There is no doubt the Russians are furious about this Balkan tour and are alarmed by the potential significance of China's achievements this past month. It is not lost on them that the China-Japan treaty signed just before Mr. Hua set out on his travels unites the world's largest and most disciplined people with one of its most diligent and technically advanced."

(Christian Science Monitor, by Eric Bourne, August 24, 1978)

HUA'S GRAND TOUR PART OF LARGER CAMPAIGN

"For all its showmanship, Hua's trip was only one part of a campaign by China's pragmatic new rulers to end their country's isolation. In the last three months alone, top Peking officials have visited 25 countries scattered over the world....

"China's relations with Western Europe warmed rapidly after Peking officials signed a five-year trade pact with the Common Market last April.... China and the U. S. still have not found a workable formula for full diplomatic relations. Peking continues to demand that Washington drop all ties with Taiwan and withdraw U. S. troops from the island. 'We see no early move to normalize relations,' a U. S. diplomat said last week. 'But informal relations are getting better all the time.' There are some hints, sources say, that China may be willing to allow U. S. journalists to open bureaus in Peking before full diplomatic relations are achieved.

(Newsweek, August 28, 1978)

WHEN CHINA MAKES NEWS, IT IS BIG NEWS

"Everything about China is Big. Big country (about the size of the U.S.), big population (one fourth the human race), big revolution (astounding dramatic changes in just thirty years), big plans (to become a major industrial power within just two more decades). And, when China makes news, it is Big News. The historic treaty with Japan. Hua Kuo-feng visits Romania and Yugoslavia. Iran... These are momentous developments, call for careful study. Let's consider the various factors:

All Power Concentrated in Hua

"First, note that Hua Kuo-feng has greater legal authority than his predecessors. Mao Tze-tung was Chairman of the Communist Party. Chou En-lai

was Prime Minister. Hua is both. First man to hold both titles. Which means that when he acts and talks, it has fullest official meaning. Second, previous Chinese leaders would emulate the old Emperors, stay home, hold court, have the world come to them. Even the President of the world's mightiest nation came to pay homage. Here we have a new statesman-of-the-world. Not too imperious to travel the globe, not too timid to make waves on the Soviet doorstep in Europe, nor too pompous to join in dancing the hora in Budapest. Third, note the timing of the Romania and Yugoslav visits: on the tenth anniversary of the Soviet intrusion in Czechoslovakia to crush Dubcek. Clearly deliberate. Chinese place great store on symbolism. Sino-Soviet relations collapsed with that 1968 invasion....

"China noted that it was these two East Europeans, Ceaucescu of Romania, and Tito of Yugoslavia, who dared to stand up to the big giant and denounce that invasion at the time. Up to then, China had been berating the Yugoslavs mercilessly for their 'revisionism' -- worst name in the Communist lexicon... Suddenly in 1968, the attacks stopped. Just like that. Since then Ceaucescu has been welcomed in Peking as an honored guest. It was Ceaucescu who arranged for Kissinger and Nixon to go there in 1972. Tito came calling last year. Now Hua returns the visits. Throughout China one can see the slogan displayed: 'We Have Friends All Over The World!' Hua is making it come true. Particularly when the friends cooperate with China's global policies, as these do.

The Japan Connection -- Merger of Giants

"The treaty with Japan has been six years in the making. Japan delayed signing because China insisted on the 'hegemony' clause, through which Japan would oppose any nation (meaning the Soviet Union) exercising preponderant influence over any other in Asia. Japan hesitated to provoke its powerful northern neighbor... Finally Japan worked out a compromise in Peking: it would sign that 'hegemony' clause, provided another clause was added making clear that Japan's relations and attitude toward any third power will remain unchanged. That was intended to mollify Moscow. But Moscow was angered. Anyway, Japan's industrial, technological greatness is now linked to the enormous human and material resources of China in what will no doubt become the most powerful economic alliance in modern times....

"What we are witnessing is the beginning of a new era in world relationships. This will be the China Era. It's just beginning. Today China is a relatively poor, developing nation. In the next fifteen or twenty years it will be a major world power. Add the vast Japanese scientific and industrial achievements to the important resources of China -- its intelligent, industrious, ingenious people, and its immense wealth in unexplored oil, tungsten, coal and other valuable minerals -- and there is the potential for a formidable merger of giants. Japan tried to conquer China. Now China will begin to absorb Japan, as she has absorbed all her world-be conquerors in history. Aside from these material prospects, China has something most of the world's people would do well to observe carefully. She has taught her people to think of their neighbors, their community, rather than themselves. In thirty years she has accomplished a miracle. Everyone has almost immediate and direct access to medical attention, everyone has access to free education, everyone has a home, a job, enough to eat. Gone is the aggressive competitiveness of the past, the struggle of the impoverished for a handful of rice. No beggars or cripples on the city streets, no prostitutes and pimps, no drug traffic or organized gambling. Imagine, in just thirty years -- the streets of every city

are safe from muggers and bandits, day and night. Opium, heroin, have been crushed. Illiteracy virtually wiped out. Nothing like this has ever happened anywhere else at any time in history."

(From William Winter Comments, a private West Coast newsletter, August 24, 1978)

PEKING'S BOLD BALKAN REACH ALARMS MOSCOW

"Paranoid at the best of times about being isolated from both the West and the East, Moscow can only view with the utmost alarm China's latest overt bid to woo the West. China's choice of the Balkans and Iran as ports of call is especially significant. It is inspired by Peking's global strategic concept that is designed gradually to limit the political and military strength of the Warsaw Pact countries. Hua has made it clear that China is seeking new allies of any political colour who can help provide the technology needed to present a modern and effective challenge to Russia."

(To The Point, August 25, 1978)

CHINA'S NEW REVOLUTION: A CLEAN BREAK WITH THE PAST

ONLY GUNS -- NOT MAO'S THOUGHTS -- WILL STOP THE RUSSIANS

"With the need for realism taking precedence over ideology in both domestic and foreign affairs, Communist China has launched breathhtaking initiatives designed to revolutionize the world's most populous country.

"In dealing with outsiders, Chinese officials from Communist Party Chairman Hua Kuo-feng on down are roaming the world or staging endless receptions at home for foreign guests whose personal politics range from liberal socialism to hereditary monarchism. It's a clean break from the years of self-imposed isolation that was a hallmark of Mao Tse-tung's rule....

"China's foreign-policy campaign is three-pronged -- aimed at countering Russian expansion, wooing the Third World and tapping Western technology. As one Asian specialist explains it: 'The present leadership in Peking is genuinely afraid the Soviet Union will attack China. And while they can't say it too openly, they recognize that all of Mao's talk about people's will defeating modern weapons is nonsense. If the Russians attack it will take thousands of antitank guns, not Mao's thoughts, to stop them. Making the Chinese military a match for Russia will take years and billions of dollars. It will be impossible without a much stronger economic base, and that is China's first priority.'



DER SPIEGEL #34

"It's at home that the cleanest break with the past is taking place.

"Instead of dispatching urban students to rural communes for years of menial labor, Peking now wants to send thousands of its brightest young men and women abroad to study science and languages.

"Quietly ignoring all of Mao's oft-repeated commands to be self-reliant, Peking is eagerly seeking the latest mining, oil-drilling and manufacturing technology from the West. Some foreign companies, particularly those with advanced technology, may be invited into China to set up enterprises. Capital investments would be repaid through exports of goods, including oil, produced by these enterprises.

"At home, China's leaders have introduced cash bonuses for outstanding workers and have reopened elite schools in which standards for entry are based on ability rather than on ideological purity or class genealogy.

"There is opposition to many of these dramatic changes. Some officials have deeply felt egalitarian principles and are against special treatment for productive workers. Nevertheless, Peking's new, pragmatic leaders seem to be looking firmly toward the West, hoping thereby to strengthen their defenses that face in the other direction -- toward Russia."

(U. S. News & World Report,
September 4, 1978)

"THE CHINESE ARE COMING! THE CHINESE ARE COMING!"

"In the next few months, the largely unsuspecting American public is about to be overtaken by a dramatic change in its country's relations with the People's Republic of China....

"Within the past few days, presidents of several leading American universities have been meeting to finalize plans under which 20,000 students from mainland China will study in the United States. Said one of the participants: 'Peking wants them here overnight. It's extraordinary.' The first few hundred Chinese students will arrive within weeks. They will scatter across the country and study everything from geology to philosophy.

"Meanwhile, American trade with China will double this year and there will be a sharp increase in the 15,000-or-so Americans who have already visited China in the past few years. This increased traffic will include tourists as well as the exchange of delegations from various professional and commercial organizations. For instance, the Chinese recently dispatched to the United States at short notice a delegation of top editors -- the first since 1973....

"Peking's new outreach to the United States is balanced and partly motivated by its xenophobic hatred of the Soviet Union. Might not China's relations with Moscow improve? Not, says one influential Chinese, 'unless there is a revolution in the Soviet Union.'

(Christian Science Monitor, by John Hughes,
August 29, 1978)

ALL-OUT NATIONAL RECONSTRUCTION

"Chinese delegations traveling abroad have long shopping lists. They want everything from oil rigs to computers to advanced weaponry. To fulfill Chairman Hua Kuo-feng's promise of making China 'agreat and powerful country by the turn of the century,' Peking has adopted an all-out national-reconstruction program...."

"Western diplomats expect China to spend anywhere from \$100 billion to \$160 billion on imports over the next eight years. Despite this welcome news, most Western economists and businessmen have now shed their illusions about the speed -- and the ultimate outcome -- of the process....Western businessmen now recognize that a large portion of China's expenditures on imports is earmarked for one-shot purchases of complete industrial plants and equipment. Thus the Chinese will acquire the technology to produce manufactured goods, rather than importing the goods themselves from overseas...."

(Newsweek, August 21, 1978)

HOW POWERFUL WILL CHINA -- AIDED BY JAPAN -- BECOME?

"It is not unreasonable for the non-Chinese three quarters of the world to wonder what the Chinese quarter, thus modernised, would mean for it. As the great new Sino-Soviet game of Encircling the Encircler continues -- the thought of a China at even Britain's current level of economic development, but 25 times as big, raises all the predictable eyebrows. At whose cost would this industrial monster find its raw materials? What is to prevent the new giant reared as a counterweight to Russia, turning on its rearers? Might a marriage of Chinese diligence and Japanese technology produce, son of the Yellow Peril, a new version of the 'co-prosperity sphere' that really would, this time, dominate the world? Or would Russia march in to stop the nonsense before it happened?"

"On the other hand, there are so many things about China which are going to impose limits on the speed and extent of its industrialisation. There is its sheer size, and the inevitable clumsiness a centralised Leninist system is prone to in so huge a country. There is its age-old tendency to come apart at the seams at regular intervals, before a new centralising dynasty pulls it together again...."

(The Economist, London, August 19, 1978)

WILL CHINA DECENTRALIZE ON THE YUGOSLAV MODEL?

"One of the most fascinating things to emerge from Chairman Hua's visit to Belgrade is just how seriously the Chinese are studying the Yugoslav system of self-management. They could scarcely import it whole, but even if they were to state that it was a primary source of inspiration the implications would be far reaching. Hitherto Yugoslavia's system...[was] seldom treated as anything approaching a fully-fledged model of communism for others to emulate. And it has, of course, been roundly condemned in the past by Peking as well as Moscow...."

"That China's interest is more than just polite is clear. In March this year a Chinese delegation visited Yugoslavia and reported favourably on the country's successes, attributing much of it to self-management...Books by

President Tito and Mr. Kardelj are being hurriedly printed in China....

"What is it in the Yugoslav system that appeals to the Chinese? And would it work in China? Some of the affinity is fairly easy to identify. The Yugoslavs developed their system after their break with Stalin in 1948. They needed something that was sufficiently different from the Soviet Union to justify the break yet was ideologically defensible and not threatening to the power of the ruling party....

"Mao's successors need something that follows from Maoism...They also need a doctrinally acceptable way of motivating the workers and getting out from under the command system of industrial planning....

"The Yugoslav system fits all these requirements...It is freely admitted in Yugoslavia that theory and practice do not always meet. But the system is being constantly re-thought and adapted, so the Chinese would not find themselves with a fixed and finished model...The Chinese would adapt this import like most others."

(London Times, August 26, 1978)

INTELLECTUAL LIFE BLOSSOMS IN THE NEW CHINA

MASS PROGRAM TO TEACH ENGLISH TO CHINA'S CHILDREN

"China's efforts to make friends overseas have been matched by a surprising degree of openness at home. Among the recent visitors to China were American poet Paul Engle and his Chinese-born wife, Hualing Nieh, a novelist... After their return, they wrote this account of their encounters with...members of the Chinese intelligentsia:

"In Wuhan, we began to see how much intellectual life in China has loosened up recently. We attended an opera adapted from a historical novel by Yao Hsueh-yin about the leader of an uprising against the last Ming Emperor. Yao's books were suppressed during the Cultural Revolution, and he was denounced as a 'rightist.' Now Yao is publishing again, and he has become the most popular novelist in all of China....

"Among the intellectuals, the scars of the recent past [caused by rampaging Red Guards] are still raw. At a literary conference in Peking, a succession of poets and novelists mounted the podium to relate their individual horror stories. Some had been crippled by beatings and walked with canes; many of their colleagues, they said, had been tortured so severely that they were no longer mobile....

"Almost all of the writers and artists we met in China were elderly. Younger people who might have pursued the same careers were caught up instead in the turmoil of the Cultural Revolution. 'We are a wasted generation,' said a former Red Guard who now works in a factory, having missed his chance for an education.

"But Chinese intellectuals seem intent on making up for lost time. This autumn, all of the country's schoolchildren aged 10 and older will begin learning English, a vast language concentration that cannot help but turn China away from the intellectual rigidity of the past decade. Writers still cannot select anti-Marxist themes but their choice of subjects has been greatly broadened. Hung Yang, a Wuhan novelist, told us that he now feels free to write a simple love story. In Peking we attended a play that, as far as we could see, did

not contain a shred of Marxist ideology. We asked the producers how the play helped to 'build socialism.' There was a long silence. Finally, one of the producers said: 'We give pleasure to the people.' That is a new concept -- in what seems to be a new China."

(Newsweek, August 28, 1978)

INTERVIEW WITH ROSS TERRILL, AN AUTHORITY ON CHINA

"Q. Professor Terrill, China seems to be in ferment. We see so many new things: incentive pay for workers, borrowing money from capitalists to import factories, a request to Western companies to help develop oil resources. Students are even being sent to other countries. What are the Communist leaders up to?"

"A. First of all, we're looking at the climax of a long historical effort to give China, the sick man of Asia, the strength to stand up again in the world. And the Chinese Communists are no longer living under Mao Tse-tung, who was not an internationalist and always put politics above economics. So this is a period of great Chinese openness to the Western world. It's a period when development of their country takes priority over the fine points of ideology.

"Q. Do the Chinese want to be a superpower?"

"A. The Chinese say 'No,' they would never be a superpower. They define a superpower in terms of a certain kind of social system, not just in terms of a military capability. But, in fact, China's aim is to become the equal of any power in the world, to be treated as second to none.

"Q. Will Russia and China ever be allies again?"

"A. The Communist 'church' has been split once for all, and it could never come back together as a church. The intimacy of the 1950s is out of the question. But I think an improvement of relations between Russia and China in the 1980s is more likely than not. It would not be a comfortable event for the United States or for Japan.

(U. S. News & World Report,
September 4, 1978)

MODERNIZE FOR WAR, SAYS VICE-PREMIER

"Teng Hsiao-Ping, China's senior Vice-Premier and Chief of the General Staff, speaking at a reception in the Great Hall of the People in Peking to mark the 51st anniversary of the Red Army, yesterday urged it to prepare for war.

"He told the Army and about 200 million people listening on radio and television that the nation 'must prepare against war and speed up the race to make China a great, powerful and modern socialist country.'

"He added, in an obvious reference to the Soviet Union, that 'a late-coming super power is engaged in hectic arms expansion and war preparation.'"

(Daily Telegraph, London,
August 2, 1978)

THE JAPAN-CHINA TREATY AND ITS IMPACT ON MOSCOW

**BOLD INITIATIVE BY TOKYO
TREATY WILL HAVE "ENORMOUS SIGNIFICANCE"**

"The signing last weekend in Peking of the Sino-Japan Peace and Amity Treaty doubtless will prove of enormous significance for the two countries... Analysts in Asia agree the Japanese have now moved just that much closer to the Chinese orbit, especially in an economic sense....

"Although the treaty and most certainly its implications should allow the Japanese to enjoy a much larger share of the business resulting from China's plans to send more than \$350 billion on industrial modernization projects between the present and the year 2000, the pact should also result in more positive, bolder diplomatic initiatives by Japan, especially in Asia.

"Although there can be no doubt that the U. S. and Western Europe will play exceptionally important roles one way or another in assisting the Chinese in their attempts to build a modern industrial state, it is quite evident that the front of the stage in this regard will be dominated by an enthusiastic Japan....

"From a strictly non-economic point of view, it is apparent in Tokyo that the new bilateral treaty puts an end to Japan's short-lived and less-assertive postwar foreign policy of remaining equidistant in diplomatic relations between China and Russia. Some observers in Asia, in fact, ultimately see a new international order emerging in Asia.

(Journal of Commerce, August 18, 1978)

JAPAN THROWS IN ITS LOT WITH CHINA

SHORTSIGHTED STUBBORNNESS COST MOSCOW TOKYO'S SUPPORT

"There are two particularly important dates in the post war relationships of the three main powers in Asia: Japan, China, and the Soviet Union.

"In January of 1976 Soviet Foreign Minister Andrei Gromyko went to Tokyo and proposed a treaty of trade and friendship with Japan. This proposal was the climax to a period of several years during which Moscow talked to Tokyo about possibilities of Japan playing a major role in the economic development of Siberia.

"Nothing came of Moscow's overtures to Tokyo, and for one main reason. Moscow refused absolutely to consider returning to Japan the southern Kuril Islands which Soviet troops had grabbed from Japan in the last days of World War II. Relations between Japan and the Soviet Union have deteriorated gradually, but steadily, ever since.

"On the 12th of this August a Japanese delegation signed in Peking a treaty of peace and friendship with China.

"Behind these two dates are economic conditions of enormous future importance to everyone. Siberia and mainland China are both economically underdeveloped. The development and modernization of those huge areas requires technical knowledge and assistance which neither China nor the Soviet Union has available at this time for such vast undertakings.

"China does not have the investment capital or the technical knowledge to achieve what its new leaders are now trying to reach: the modernization of China by the end of this century. Moscow's available supply of investment capital and technology is heavily burdened now with the task of modernizing European Russia and keeping up in the military arms race with Western Europe and the United States. It does not have enough surplus of ability or resources to do much about Siberia.

"Japan is a neighbor both of China and of Siberia. Japan is bursting with the latest technology and technical ability. It is short of raw materials but long on investment capital. It has exploited the consumer goods market of Western Europe and of the United States beyond the limits of tolerance of either. It has about reached the limits of the markets of Southeast Asia.

"Japan needs a new outlet for its ingenuity and its energy. It could find that outlet either in Siberia or in China. It could do the job in either place. Physically, it could probably do the job in both, but that is ruled out by politics. Neither China nor the Soviet Union would share Japanese resources with the other.

Dimwitted Russians

"The biggest single question over Asia for a decade has been whether the energy and ingenuity of Japan would be melded with the needs of Siberia, or of China: one or the other, not both. Which was it to be?

"Moscow could have won the competition with China easily, had the men of Moscow had the wit and imagination and the political flexibility. Nothing more graphically attests to the clumsiness and slowness of the Russian bear than its failure to see the advantages to itself of having done the deal with Japan, when it had the first chance; and also its failure to see the danger to its own interests of having China obtain Japanese help.

"The reconciliation between Japan and China has been difficult and long in coming. Bitter memories have had to recede into the past. Japan began the military conquest of China in 1931 -- 47 years ago. There were no regular or friendly relations between mainland China and Japan from 1931 until the way was suddenly reopened by Richard Nixon's trip to Peking in 1972. Tokyo and Peking began to look at each other through new lenses. They reopened diplomatic relations shortly after the Nixon visit, in 1972. They started talking about a treaty of friendship in 1974. Japan doubled its imports of Chinese oil in 1975. Trade and business delegations shuttled with rising frequency between the two capitals.

"But the Japanese were cautious. They did not want to startle or offend Moscow unnecessarily. They refused to sign any treaty with China which overtly called the Soviet Union a mutual enemy. They listened to Moscow in 1975 and early 1976. They asked to have the Kuril Islands back.

"The United States in 1968 gave back to Japan the Ryukyu Islands, including Okinawa. In 1976 the Soviet Union refused to give back the southern Kurils. Thus, for the sake of a few square miles of volcanic forest swept by fog and bone-chilling winds, whose economic value is solely in fishing (mostly for crabs) Moscow missed the chance to enlist Japan as its partner in Asia.

"China has picked up the opportunity Moscow rejected....On June 22 Tokyo informed Peking that it was ready to resume negotiations for a peace and friend-

ship treaty. On August 12 that treaty was signed....

"Moscow finds it difficult to give up land, no matter how low the value or usefulness. There are about 15,000 people in the southern Kurils, fishing. The price of keeping them fishing may be the emergence of China as the economic equal of the Soviet Union."

(Christian Science Monitor, Joseph C. Harsch, August 24, 1978)

WHAT IF JAPAN REARMS TO MEET SOVIET THREAT?

"The strategic balance in Asia, long dominated by the United States, began to change when the Americans tired of their involvement in the protracted Vietnam war. And when American forces pulled out of Vietnam and Thailand, and reduced their numbers in Taiwan and South Korea, the writing was on the wall for a basic realignment.

"These latest events -- the treaty which eases into being a potentially potent combination of China's 950 million people and resources with Japan's unparalleled manufacturing, technological and marketing energies, plus the growing Sino-Soviet rivalry, as evidenced in Vietnam and Cambodia -- portend a sea change in this part of the world.

"There is good reason to believe that the Soviets are less concerned about being called 'hegemonists' than they are that China's economic strength, and thus its military ability, will benefit from greater cooperation with Japan.

"It would seem to be in Moscow's interests not to retaliate against Japan, but the Soviets have never allowed their heavyhandedness to stop them before. According to Kyodo, a Japanese news agency, Japan Defense Agency officials say that Moscow's anger over the treaty could lead it to deploy more sophisticated aircraft carriers and long-range jet bombers at its Far East bases, and to conduct more military maneuvers near Japan.

"The change in the strategic balance raises many questions, particularly for the United States....What are the implications for the U. S. in the fact that the Japan-China treaty brings closer together America's most important ally in Asia, Japan, with Moscow's most bitter foe, China?

"And what does Japan's belated assertion of itself as a regional, if not world, power say about its possible future rearmament?"

"The possibilities are ominous." (Wall Street Journal, August 18, 1978)

MOSCOW'S FEAR OF ENCIRCLEMENT ON BOTH FLANKS GROWS

"The treaty of peace and friendship...opens the way for growing Japanese economic and political cooperation with China at a time when Peking is persistently seeking to build an anti-Soviet 'containment' network surrounding the Soviet Union and extending from the United States through Western Europe and Japan.

"All this leaves the Soviet Union with the delicate task of preventing its own encirclement on both east and west. For if Washington finally does play a growing role in building up Chinese economic and military power, the Soviet Union could find itself increasingly 'isolated'...."

(Christian Science Monitor, August 14, 1978)