draw from this most important and time-consuming of all cases before the
International Court is that the workings of the Court have been totally irrele-
vant to the course of contemporary history.

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Harald Malmgren, Pacific Basin Development: The American Interests. Lexington,

Should anyone be so foolish as to assume that the phrase “political economy”
is a screen word for Marxist analysis, this slim volume will soon correct the
time. Its explicit subject is “the political economy of the Asian-Pacific region,”
and its presumptive audience the colleagues of those businessmen, government
officials and academics who attended the seminars sponsored by the Overseas
Development Council at which the published papers were originally delivered.
Participants included the executive Vice Presidents of two major oil companies,
the Vice President (for “Latin America & Orient”) of Ford, senior executives
of several banks and large corporations, the former deputy head of the CIA and
a sprinkling of diplomats and economists. In calm, somewhat colorless prose,
the authors of these seven essays discuss the present and future shape of a
“world economic order” which will realize for America (and by largely un-
examined automatic extension, the world as a whole) the rich potential of the
Pacific Basin.

With the partial exception of the former Indonesian Ambassador’s lowkey
discussion of “The Role of the Major Powers in the East Asian-Pacific,” these
essays share an interesting conceptual framework. First, that the era of American
hegemony in the Pacific is over. If current trends persist, the President of the
Council warns, they “could lead to Japanese economic domination of the Asian-
Pacific, to the long-run economic and political detriment of all the Basin
countries” (ix). This statement carries with it the corollary that American
domination over the past twenty odd years has had, in the main, beneficial
effects. Indeed this assumption becomes specific when Vietnam is mentioned
(a rare occurrence in these pages). American military expenditures, for exam-
ple, are described as having had “a favorable impact on the economic prospects
of some of these countries” (1). The war itself is said to have been, in its effect,
a “Marshall Plan for Asia” (18).

For better or worse, however, America must now operate in a context of
multipolar power. What, then, is the appropriate policy goal? We must
recognize the interests of Russia, China and Japan and work to “maintain a
delicate balance in their influence and relationships with the area, without any
one of them becoming a dominant force. Each has interests to maintain, or to
enlarge cautiously. ...This multipolar balance must therefore continue to
figure centrally in the development of American foreign policy” (18). Students
of 19th century diplomacy might be surprised to discover how little things
have changed: balance of power, spheres of influence, the effort to adjust
distribution among contending developed countries without driving the under-
developed (in this book frequently referred to, without explanation, as “LDCs”)
into open rebellion. The world has been that route before, with rather unhappy results.

The authors share a belief in the necessity of capitalist development ("modernization") throughout the Pacific Basin. At no time do they discuss the nature of development in the socialist countries, except for a brief mention of China's slow GNP growth rate. At no time do they assess how fast or efficiently the benefits of such industrialization "trickle down" to the majority of the citizens in these countries. Indeed a high rate of GNP growth is the definition of successful national development. Thus the dictatorships of Taiwan and Korea rate high in their scale, become models in fact for other nations in the region.

One of the more interesting essays concerns the role of multinational corporations in the Pacific Basin. "The International Utilization of Labor and the Multinational Corporation in the Pacific Basin," by Robert D'A. Shaw and Donald Sherk begins with the curious observation that the "region's developing countries have an abundance of dedicated but relatively low-skilled, low-wage workers" (93). Few would disagree about the wages, many about the level of skill, but what do the authors mean by "dedicated"? They go on to point out what multinationals can offer: "the most flexible instrument for combining these human resources efficiently, because of its ability to operate transnationally in allocating management, capital, technology, and marketing skills" (93). Nevertheless there are problems and these are discussed in some detail. Many of the them are essentially public relations issues according to Shaw and Sherk. If the American work force could be made to understand that the "globalization of production" doesn't really rob them of jobs, if developing nations could see that their sovereignty isn't really reduced through multinational control of their resources, things would be a lot easier. Students of multinationals would do well to read this essay carefully. It is an inside appreciation of the difficulties multinationals face and a strategy for overcoming them. Nor is this appreciation very different in many of its particulars from Stephen Hymer's critical essay, "The Multinational Corporation and the Law of uneven development," (in Bhagwati, J., ed., Economics and World Order). What is missing from Shaw and Sherk (and fully present in Hymer) is any sense of the structural limitations on multinationals as vehicles for a developmental process that would be both independent and socially just. Nor, of course, is there even a scintilla of doubt as to the appropriateness of capitalism as the best route to national growth in the region.

Former Ambassador's Soedjatmoko's contribution has a somewhat different tone from the others. He is, for one thing, less worried about Japanese economic influence than about the possibility that Japan will "go nuclear." And he is by no means certain that multipolarity brings with it harmony and peace. Discussing America's new policy towards both Russia and China he notes: "The United States... has considerable freedom to choose where it will become engaged, what issues it will act upon, and what methods it will use. Whether this flexibility will be used to enhance stability in the region - or whether it fundamentally adds to instability by building in apprehensions in Peking, Moscow, or both - remains an unsolved matter. In any event, however, it is premature to talk of a true three-way 'balance' in Asia, and one may never really emerge, since the disparities of power as between the big two and the