



**NEMESIS:
OIL AND MISSILES IN THE 21st CENTURY**

PART 3 of 3

SERIALIZED STUDY BY –

CAPT. David L.O. Hayward
Australian Army Reserve (Retd.)

Chinese Perspectives

Chen Zhou has recently given valuable insight on Chinese perspectives as to the world's most important bilateral relationship.¹ That is the China-US equation. To quote: "... the US has been using missile defense systems as one of its effective measures to break the global strategic balance. It declares that the purpose of establishing missile defense systems currently in Europe, Asia, and the Middle East is to deal with the threats from Iran and North Korea." This all-embracing statement, rightly or wrongly, provides a convenient backcloth to Zhou's more complex and detailed perspectives enunciated elsewhere. However, to support this statement, Zhou plays down the ever-increasing threat of ICBMs by asserting very few countries have this capability. This argument is fallacious.

It only takes one country to successfully launch lethal multiple nuclear warheads from a single ICBM. It is not the relatively small number of countries that matters, but the ability for just a single ICBM to enter outer space by satellite or ground launch, to follow its trajectory path to final destructive impact. It is unwise to simply negate the very real missile threat be it regional or global.

To quote again: "The Asia-Pacific Anti-Ballistic Missile Programs is an important part of US new Asia-Pacific strategy, but it brings negative influences on Asia-Pacific peace, security and stability, and increases complex factors in solving relevant regional issues. ... The Asia-Pacific Anti-Ballistic Missile Systems will raise the overall offensive and defensive level of US-Japan and other military alliances...."

This second statement implies the US is the villain in bringing negative influences to the Asia-Pacific region. This is not true. China has outlined its strategic position in Asia and the Western Pacific in a plethora of official and semi-official publications published in Mandarin on mainland China. The "hawkish" views of Senior Colonel Professor Liu Mingfu are well known.² In his book, Professor Mingfu refers to rivalry between China and the US as a competition to be the leading country, a conflict over who rises and falls to dominate the world "... to save itself, to save the world, China must prepare to become (*sic*: world's) helmsman." Similar views are published in Mandarin/Cantonese documents prevailing throughout China.

Nowhere is it more evident than demonstrated by China's expanding militarism.

¹ Chen Zhou, Major General, "Anti-Ballistic Missile Program: Does No Good to World Peace and Security", China-US Focus, General Chen Zhou is Director of the Center for National Defense Policy at the Academy of Military Sciences, People's Liberation Army (PLA), China, 24 August 2012

²Liu Mingfu, Senior Colonel Professor, "The China Dream", 303-page book in Mandarin, Professor Mingfu is at the elite National Defense University in Beijing, book was published in China in March 2010

The US, in evolving a new Asia-Pacific strategy, is in reactive defensive mode. It has responded directly to China's maritime aggressiveness. That is, as demonstrated in littoral waters close to the Chinese mainland, in the Taiwan Strait, and visible in stated PLAN maritime intentions in the Indian Ocean, Malacca Strait, and Western Pacific. The US Asia-Pacific Anti-Ballistic Missile Systems are most emphatically not offensive in nature – the systems are a defensive measure designed to counter increasing Chinese militarism. It is not correct for General Chen Zhou to state the systems are offensive means to strengthen the defensive level of US-Japan, ASEAN, and other military alliances.

It can be argued that Ballistic Missile Defence (BMD) Programs will not break global strategic balance and security. In fact, these Programs will achieve the very opposite. Missile first strikes launched by the Sino-Russia bloc, North Korea, Syria, Gaza, Iran, Pakistan, and rogue states will be neutralised assuming the defense systems are 100 per cent effective. Instead of Mutually Assured Destruction (MAD)³ as portrayed during the Cold War era, with the adaptation of the new replacement doctrines of “countervailing strategy” or Strategic Defence Initiative (SDI) and BMD, the acronym MAD could be interpreted as Mutually Assured Defense?

This is a contentious issue open to further debate.

General Zhou fails to acknowledge that SDI and BMD defensive systems have now taken over from offensive systems. Far from exacerbating mistrust between smaller regional powers, defensive systems will integrate homogeneous anti-missile systems into one-whole mega solution, thus providing the smaller states with greater stability and security, when confronted with offensive larger powers or bloc alliances.

Nor will anti-missile systems precipitate a new missile arms race. An arms race is already *de facto* in place as the Sino-Russia bloc increases production of first strike offensive ballistic missiles, encourages Iran and North Korea to assemble indigenously produced missiles, and distributes missiles to rogue nations and/or terrorist groups.

As General Zhou states, it would be ideal if “China will join hands with all other nations to build an international security environment with peace and stability, equality and mutual trust, and co-operation and win-win results”. But China must first cease offensive missile production, stand down its missile batteries facing Taiwan, avoid confrontation with Japan, and ASEAN nations, stop sending missiles and trajectory software to Iran, North Korea, and Syria, and foster transparency and a more open dialogue with ANZAC, ASEAN, NATO and with the US.

³ The MAD military doctrine originated during the Cold War (1940s to 1990s). It was seen as helping to prevent any direct full-scale nuclear conflicts between Russia and the US. It has since been superseded by new doctrines such as SDI, BMD, and “Star Wars”.

The means by which the Sino-Russian bloc expects to gain world hegemony before the end of the 21st Century are not discussed in this paper. This is an important area for further research.

Western Defence Budgets

Whilst China, Russia, Iran, Pakistan, and North Korea are currently expanding their respective military budgets, the West, led by the US (US\$1 Trillion cut over the next 10 years), NATO (Cuts between 10% to 25%), Japan (1.7% cut), New Zealand (slight reduction: NZ\$0.01 Billion), and Australia (AUD\$5.5 Billion cut), are significantly reducing their defence budgets.

In general, most Western governments are reducing their respective defence budgets mainly as a result of hard economic times.

Hillary Clinton and Leon Panetta visited Australia in November 2012 largely to discuss Australia's proposed cuts to its own defence budget. The Australian government is likely to restrict the defence budget to 1.5% of GDP, possibly rising to 2.0% of GDP as "fiscal circumstances allow" (Draft 2013 Defence White Paper released 11 December 2012). The potential 1.56% of GDP represents the lowest proportion of gross domestic product expended on defence since 1938.

The final version of the Australian Defence White Paper is likely to be released in April 2013. The paper will outline defence programs for the next twenty years. MAJGEN Jim Molan (Rtd), former commander of the coalition forces in Iraq, recently stated: "I simply don't understand how this government can set down long-term plans for a national disability scheme or education reforms and then set about finding the funds, but then it simply refuses to set down an adequately funded long-term plan for defence".⁴

It appears ludicrous when on the one hand, the Gillard government is warning Australians as to the danger of expanding North Korean militarism, but on the other hand, is seriously reducing Australia's defence budget. Former Prime Minister Kevin Rudd consistently expressed concern about the military build up in China, wanted to increase the defence budget, and purchase updated military hardware.⁵

The Gillard government has been widely criticised for cutting or deferring up to AUD\$25 billion in spending on defence since the release of the 2009 Defence White Paper. And it has come under fire for imposing AUD\$5.5

⁴ See also ABC News, "Retired major general Jim Molan says Australia could struggle to defend itself by 2020", Wednesday, 8 August, 2012, featured video

⁵ Rudd, Kevin, was a former diplomat in Beijing and speaks fluent Mandarin

billion in cuts over four years in the 2012-2013 budget - the biggest in percentage terms since 1953.⁶

The Australian defence industry has complained about a dearth of defence projects and the loss of at least five thousand jobs since 2009. Dr. Mark Thomson, budget analyst at the Australian Strategic Policy Institute (ASPI), indicated recently the government had imposed the budget cuts on top of an ambitious ten-year AUD\$20 billion internal savings program.⁷

Some ASEAN countries (particularly ‘lynchpin’ Singapore and resurgent Vietnam), together with India are rapidly increasing their defence budgets to meet the perceived expanding Chinese and North Korean militarism.

It would be appropriate to produce an academic research paper comparing defence budgets in real terms, using the pertinent indices, for the above countries.

Findings and Conclusions

As military history has often demonstrated, once again the clouds of war are gathering. This time in SE Asia: seen as the dark side of our planet. The military balance in the SE Asian littoral in the Western Pacific favours a natural concentration of PLAN naval assets. By contrast, the US deploys its strategic weight globally – dispersed among widely spaced bases. Bahrain, Diego Garcia and Guam are simply too far geographically removed from Chinese controlled local waters.

Notwithstanding, the newly revamped Cam Ranh Bay (Vietnam) and the pre-established Okinawa naval bases are closest to Chinese controlled waters. These bases will enable the US to deploy military assets to counter PLAN initiatives.

The stage is set for future conflict in many theatres. This time Professor Hugh White outlines a worst-case scenario in his new book.⁸ White stipulates the US has responded to China’s strident assertion of its claims to the disputed waters and islands of the Nan Hai by increasing its support for other claimants, such as Vietnam and the Philippines. His brutal conclusion is “that once its willingness (US) to support its Asian friends and allies is put to the

⁶ Kerin, John, “Defence Down by \$1 billion”, Australian Financial Review, Monday 11 February, 2013

⁷ Ibid, Kerin, John

⁸ White, Professor Hugh, “The China Choice”, published by Black Inc., in Australia, 2012, 9781863955621 (pbk.)

test, America can only protect its position in Asia by willing to engage in combat with Chinese forces”.

In view of China’s continuing purchases of Iranian oil, thus circumventing the Western imposed sanctions against Iran, it may be concluded the threat to close the Strait of Hormuz is a lesser problem than the current political disputes in the Nan Hai (South China Sea) and Dong Hai (East China Sea). China does not want the Strait closed. The threatened closure may well be a hollow gesture even if it is backed by an expanding IRGCN and IRIN. The past history of missile attacks on oil tankers may not be repeated.

Today, the most critical flashpoints are at the eastern end of the oil supply conduit. These are in the Nan Hai and Dong Hai. These seas contain not just oil and gas in apparent abundance, but also large amounts of other seabed resources including sand and gravel, shell and carbonate sand, heavy-metal sand, phosphorus, precious coral, rock salt, as well as varying amounts of titanium, gold, platinum, zircon, and other heavy metals. Chinese geologists believe immense wealth on the seabed can be extracted using new technology.⁹

Chinese assessments of the seabed wealth may be grossly inflated. Wood-Mackenzie estimates a total of 2.5 billion barrels equivalent of proven oil and gas in the Nan Hai. This estimate is 100 times less than China claims. Western oil companies, such as Royal Dutch Shell and Unocal, have now withdrawn from joint venture projects with Chinese National Offshore Oil Corporation (CNOOC) and Sinopec to explore gas reserves in the Xihu/Okinawa trough.¹⁰ Japan has also withdrawn from joint venture. Only a couple of joint venture foreign oil companies remain in the Dong Hai. Husky Oil China, a subsidiary of Canadian Husky Energy, holds an exploration block in the Dong Hai. It is also present in the Nan Hai. Primeline Petroleum Corp has entered into joint venture with CNOOC to build a gas pipeline to Wenzhou.

China has blatantly claimed sovereignty over these resources, disputing UNCLOS and EEZ international boundaries. Consequently China has frustrated and upset many ASEAN countries (Brunei, Malaysia, the Philippines, and Vietnam) littoral to the Nan Hai, and Taiwan, Japan, and South Korea littoral to the Dong Hai. These seven countries have been

⁹ In May 2012, CNOOC announced it had developed a deep-sea oil platform at a cost of roughly US\$1 billion capable of extracting oil at a depth of 12,000 metres

¹⁰ EIA, East China Sea, Country Analysis, last updated 25 September 2012, downloaded from <http://www.eia.gov/countries/regions-topics.cfm?fips=ECS> on 16 February 2013

pushed aside. In implementing its new “Asia Pivot” foreign policy, the US may well be forced to arbitrate on behalf of these disadvantaged countries.

The late Chinese leader Deng Xiaoping proposed the competing countries should “put aside differences and jointly develop resources.” This is not happening. To quote: “Given the opaque Chinese decision-making process, it’s tempting to speculate whether the combination of maritime military ambitions, mercantilist resource policies, inflated hopes of energy and new oil technology capabilities may account for the apparent abandoning of Deng’s policies”.¹¹

Whoever controls the irreplaceable umbilical cord controls the lifespan of our demand-driven thirsty consumer world as we know it today. The world’s two remaining fully active imperial navies, China and the US, will probably confront each other before the end of the 21st Century. The modernised Indian Navy will also play a part in this endgame as will a rejuvenated Russian Navy. The next 87 years are critical mass which could explode and destroy us all. That is, a ‘critical mass’ of damaging and interactive factors which could eventually destroy our planet.

Military interdiction to the global oil supply will undoubtedly serve to dampen down the critical mass, as lack of oil will inhibit the movements of conventional military forces. But this is only one isolated factor amongst the total range of problems confronting our planet.

One other important factor worthy of mention is the potential for another US recession stemming from the so-called ‘fiscal-cliff’ in Washington DC. In January 2013, the US narrowly avoided the ‘fiscal cliff’. But as the US National Debt is in excess of some \$16 trillion and Congress has yet to agree on how to implement savage government spending cuts, the US economy could still slide into another recession. If this transpires, it will severely constrict the ‘pulse rate’ imbued in the lifeblood, umbilical cord, global oil supply. Demand for oil will plummet.

The other constituent factors inherent in the critical mass include (apart from military interdiction): climate change (scientists assert the melting Arctic permafrost will increase the world’s temperature by 4 to 6 degrees Centigrade this Century, effectively doubling previous estimates), environmental

¹¹ Manning, Robert A., “In Disputes Over Asian Seas, Winner May Take Zilch”, YaleGlobal Online, published on YaleGlobal Online Magazine, 14 January 2013, downloaded from <http://yaleglobal.yale.edu> on 15 February 2013. Robert Manning is a Senior Fellow with the Brent Scowcroft Center for International Security at the Atlantic Council

degradation, “see-saw” crisis economics, high sovereign debt levels (Europe), fallout from global currency war, production shrinkages (declining manufacturing indices), overpopulation (China is considering revising its one child policy to permit a second child), resource depletion, food and water scarcity (China is destined to run out of water and food to feed its 1.35 billion population), propensity to engage in warfare (proliferation of weapons including WMD; missiles and anti-missiles, asymmetric warfare, terrorism, local wars and cyber espionage); regime changes, and the prevailing geopolitics. The new leadership in China must be taken into consideration.

In respect of missiles and anti-missiles, the so-called “Star Wars” (Strategic Defense Initiative: signature program for missile defense) coined by President Reagan in 1983 is today still conceptually feasible. The original concept has been transmogrified from a national defense system to theatre missile defense. Its scope has been altered from a global to a more regional coverage.

This paper, in analysing the diverse problems surrounding the global oil supply conduit, briefly reviews the latest variants (i.e. theatre anti-ballistic missile systems) of the Star Wars concept. These variants are in progress, pending successful installation, in the regional areas/littoral nations bordering on the sea transit routes for moving bulk shipments of oil around the world. As stated elsewhere, the paper is mainly limited to discussions on missile arsenals/missile shields for those countries adjacent to the global oil supply conduit from the Arabian Gulf ultimately to SE Asia, mainland China, Japan, and South Korea.

In July 2012, US defense firm Raytheon was awarded a \$636 million seven year contract to continue producing its missile based Exo-atmospheric Kill Vehicle (EKV) delivery device. Travelling at 15,000 miles per hour – called a kinetic device – the EKV is designed to simply ram into a hostile incoming nuclear device.

In reality in one form or another, a hybrid Star Wars concept will probably be invoked before the end of the 21st Century. Russia and China are bitterly opposed to any variant of the Star Wars concept¹²

Missile mania is the scourge of the 21st Century.

¹² “Missiles and Missile Defense Systems”, Times Topics, The New York Times, Monday 21 January 2013 and Chen Zhou, Major General, “Anti-Ballistic Missile Program: Does No Good to World Peace and Security”, Director of the Center for National Defense Policy, at the Academy of Military Science, People’s Liberation Army (PLA), China, 24 August 2012

Global political, economic and military equilibrium no longer exists between the Sino-Russian, Iranian and North Korean power blocs and between the West, led by the US and its allies, together with NATO, ANZAC, ASEAN and smaller nations. In the Cold war era, the mutually assured destruction (MAD) military doctrine did promise a modicum of equilibrium.

Perhaps there never has been real equilibrium?

The so-called 'axis-of-evil' (President Bush) has transformed into a new offensive arc. This stretches from western Russia, through the Caspian region, through Iran and Afghanistan, to former Tibet, skirting the borders of Myanmar, Laos, Vietnam and the Chinese coastline, northwards to North Korea, thence to eastern Russia.

Behind this offensive arc, a multitude of hostile missiles are poised ready to target Western interests and military assets. It is impossible to correctly estimate how many missiles are aimed at the West. The number must be in the thousands. This paper has alluded to missile numbers for two nations: China (4,000), and North Korea (1,300), but these are largely guesswork.

In direct response the West has contrived a defensive arc. This originates in Poland, traverses Turkey, and includes Israel, the Gulf littoral states (apart from Iran), Djibouti, India, Singapore, the Philippines and Vietnam, to include Taiwan, Japan and South Korea. Diego Garcia and Guam bolster the defensive arc from afar.

Along the defensive arc, the West spearheaded by the US, is urgently positioning a homogeneous anti-missile shield system. Some nations prefer to develop their own indigenous systems, namely Israel, Taiwan, and South Korea. There is no certainty the in-place anti-missile shields will be able to destroy all incoming hostile missiles.

To add complexity, the oil supply transit conduit bisects the two arcs running as it does from the Strait of Hormuz, across the northern Indian Ocean, through the Malacca strait, into the contested Nan Hai, through the Taiwan Strait, into the disputed Dong Hai, to ultimate destinations in China, Japan, and South Korea.

Oil and missiles are a dangerous volatile mix endangering world peace. In WWII, the U-boat menace in the Atlantic gave example of the pillage and wanton destructive power of torpedoes, able to strike at whim amongst vulnerable 'sitting-duck' oil tanker convoys. The missile onslaught in the Oil Tanker War was equally destructive. It could have been much worse.

The declining world economy will surely one day tilt our planet towards a disastrous global war of unforeseen dimension?

The above noxious ingredients have the potential to destroy our lifestyle within this Century.

It has often been said by pundits that the world with an estimated total current population of over six billion, destined to grow to as much as nine plus billion in a few decades, will no longer be able to sustain its expanding population. This will be the planet's true retribution to forever-greedy mankind. Nemesis indeed in our so-called Asian Century.

Mother Earth will not forgive us for raping our planet. In the context of this paper, the competing nations of the world are perceived as Mother Earth's delinquent children. Humanity is in dire threat of extinction. Must we eventually abandon our planet? Tomorrow, will there be a Chinese penal institution on Mars or will there be a UN contrived free-world colony?¹³

Must mankind always relapse to the past to bring on a future, which in turn relapses to repeat the past history of world conflicts, thus engendering fresh conflicts? This is a never-ending tragedy for us all?

Our progress in the 21st Century is often said to be limited only by our imagination. Are we constrained by a straitjacket, in the form of the potential for future conflict, in a world of ever diminishing resources?

Notwithstanding the findings and conclusions expressed above, there is a glimmer of hope. It may be hard to believe, but according to research due to be published in early 2013, a world without war may be evident this century. Professor Haavard Hegre and colleagues at the Peace Research Institute Oslo have advanced a statistical model predicting that global conflict will halve within the next 40 years.¹⁴

The predictions are based on dynamic multinomial logit model estimation on a 1970-2009 cross-sectional dataset of changes between no armed conflict, minor conflict, and major conflict. Core exogenous predictors are population size, infant mortality rates, demographic composition, education levels, oil dependence, ethnic changes, and neighbourhood characteristics. These

¹³ Robinson, Kim Stanley, "The Mars Trilogy", Spectra publisher, Archives Fine Books, Charlotte street, Brisbane, Queensland, Australia

¹⁴ Hegre, Professor Haavard: Department of Political Science, Oslo, in collaboration with the Peace Research Institute Oslo. Forthcoming publication authored by Hegre, Haavard, Joakim Karlsen, Haavard Mogleiv Nygaard, Henrik Urdal and Haavard Strand 2013, entitled "predicting Armed Conflict, 2011 – 2050", to be published in Wiley International Studies Quarterly, forthcoming, email address haavard.hegre@stv.uio.no

predictors are somewhat analogous to the critical mass factors explained above.

Using this model, the Oslo research suggests conflicts in Libya, Tajikistan, Syria, Senegal, Ivory Coast, Mauritania and Iraq will probably end in the next five years. By 2017, the risk of war will be greatest in India, Ethiopia, Philippines, Uganda, and Myanmar. By 2050, as the number of countries at war falls from one in six to one in 12, the risk of conflict will be greatest in India, Nigeria, Sudan, Ethiopia, and Tanzania.

Theoretically, it may be possible to substitute pertinent critical mass factors outlined above for some of the core exogenous predictors used in the logit model. For example, climate change, environmental degradation, “see-saw” crisis economics, geopolitical indices, overpopulation, resource depletion, food and water scarcity, and weapons proliferation. Essentially, oil dependence should be retained, perhaps with some of the other original predictors.

The logit model could possibly be revised to reflect arbitrary political groupings for the larger powers? For instance, the Sino-Russian bloc coupled together with ‘surrogate’ Iran, Syria, Sudan, Pakistan, North Korea and rogue nations. Similarly, the West, grouped together as another bloc comprising ANZAC, ASEAN, NATO, Canada and the US. These random choices and groupings could introduce new statistical inferences into the logit model.

By doing this, the logit model may more closely parallel the global dichotomy perceived between China and the US. The so-called “China-US Equation” – undoubtedly the world’s most important relationship. It remains to be seen whether the logit model can be pragmatically revised in the manner described? If so, new predictions for armed conflict from 2010 to 2100 may be closer to the truth.

In the interests of world peace, both sides should deescalate their respective military build-ups, retract and stand down missile deployments, destroy WMD, invoke mutual trust, and seek to improve the symbiotic trade opportunities for greater wealth, particularly from the China-US Equation.

It appears there is no one person, persons, political lobby group, independent institute, government, or nation capable of successfully promoting this vital task. Research work to promote world peace, conducted by many independent institutes around the world, such as the United Nations (UN), Stockholm International Peace Research Institute (SIPRI), the Carnegie Endowment for International Peace, TES Strategic Peace and International Affairs Research Institute (SPIRIT), Chatham House, and others, still requires

integration and cooperation under the aegis of a new effective global entity. Many attempts have been made to create such an entity.

Sophie Crockett considers the UN to be the most widely represented institution.¹⁵ To quote: “The UN currently has 192 member states, which means every sovereign country in the world is affiliated to it, thus making it the most widely represented institution to examine. (Archer: 2001: 25)”.¹⁶ Crockett concludes the UN is essentially flawed even though without it peace would not have reigned in several countries. Crockett states “... the UN still hold great potential and are held in high regard by the international community ... little confidence can be held that in the future international institutions will lead the way to world peace”. Today, the UN has 193 member states.

One way ahead could be to reform the UN. On the UN Web site, attention is drawn to the continuous process of renewal, including change and reform.¹⁷

To quote from the UN Web site: “The world is changing, and with it the demands on the United Nations. The UN provides a unique platform for international action. It offers unparalleled legitimacy for global engagement, owing to its universal membership; its inclusive decision-making processes; its unequalled reach; and its ability to provide critical services that are essential to international peace, security, stability and prosperity.”

Since its founding, there have been many calls for reform of the UN. These calls are comprehensively documented on the Internet.¹⁸ The UN must embrace change. It cannot remain an archaic and inflexible organisation oblivious to world power shifts. The 1920’s and the immediate post WWII period belong to different ages. History is no longer relevant – the future is here and the UN must be prepared to meet it.

One important new reform for consideration could be the composition of the permanent members of the UN Security Council (UNSC). Currently there are five permanent members: the People’s Republic of China, France, the Russian Federation, the United Kingdom, and the US.

India’s rapidly expanding economy is likely to overtake China by 2020 or earlier. India is currently a non-permanent member of the UNSC. Brazil is also

¹⁵ Crockett, Sophie, “Can international institutions help make the world more peaceful?”, Royal Holloway, University of London, 22 March, 2011

¹⁶ Archer, Clive, “International Organisations: Third Edition”, Routledge, 2001

¹⁷ UN Web site, Home Page, click on ‘Strengthening the UN’, access “Welcome to the United Nations. It’s your world”, www.un.org/en/, accessed 10 February 2013

¹⁸ See “United Nations – Wikipedia, the free encyclopedia”, Reform and Criticism, Page 9, including linkages to main article: Reform of the United Nations, and Criticism of the United Nations; accessed http://en.wikipedia.org/wiki/United_Nations 10 February, 2013

emerging as a very powerful economy, but is not a member of the UNSC. Reference can be made to the so-called emerging 'BRIC' economies.¹⁹ The European Economic Union (EEU) now represents the majority of the European countries including economic powerhouse Germany.

With these major power shifts and economic changes in mind, it is suggested India, Brazil and the EEU generic-entity could become new permanent members of the UNSC? As France and the UK already belong to the EEU, there is no need for them to continue as individual permanent members of the UNSC.

If this reform is adopted, the new composition of the UNSC will be Brazil, EEU, India, People's Republic of China (PRC), the Russian Federation, and the United States. Permanent membership would increase to six members. It is questionable whether the EEU is acceptable. If not, France and the UK could retain their permanent membership. The UNSC would then comprise seven permanent members.

A further consideration for reform could be Article 27 of the UN Charter in respect of the use of veto power. From 1946 to 2008, vetoes were used on 261 occasions. In the 21st Century, neither France nor the UK has exercised their veto power. The most recent vetoes appropriate to this research paper include: (1) China and Russia vetoed a resolution threatening Chapter 7 sanctions against Syria, 19 July 2012 and (2) the US vetoed a draft resolution condemning Israeli settlements in the West Bank, 18 February, 2011. These vetoes relate to the Middle East.

Veto power within the UNSC, whilst effective as a 'safeguard', both to the Sino-Russian bloc and the West, can often blunt initiatives to halt regional conflicts and to consequently inhibit real prospects for world peace.

The old maxim so often stated: 'the UN is a toothless tiger' will still apply unless major reforms are implemented to the UN Charter, to the composition of the UNSC, and to overcoming the inadequacies of restrictive veto power.

Former Chinese President Hu Jintao asserted "Multipolarity constitutes an important base for world peace and the democratization of international relations is an 'essential guarantee' for that peace".²⁰ Hu went on to say:

¹⁹ The new emerging economies are Brazil, Russia, India and China. These are the so-called BRIC economies.

Named by Goldman Sachs in the late 1990's

²⁰ Jintao, Hu, Chinese Vice President, "Multipolarity Plays Key Role in World Peace", address to the French International Relations Institute, Paris, France, 6 November 2001.

“Issues concerning global and regional peace should be resolved through consultations based on the UN Charter and universal norms”.

It is difficult to see how consultations can be resolved without substantial reform to the UN Charter, as it is now constituted.

David Hayward

CAPT David L O Hayward (Rtd)

China Research Team; Queensland

China.Research.Team@gmail.com

Associate, Future Directions International (FDI)

www.futuredirections.org.au

Approx 18,244-words

19 February, 2013

Acronyms:

ABM	Anti-ballistic missile (designed to counter incoming strike missiles)
ASBM	Anti Ship Ballistic missile
ASCM	Anti Sub/Ship Cruise Missile
ASEAN	Association of Southeast Asian Nations
ASRY	Arab Shipbuilding and Repair Yard (Bahrain)
AWACS	Airborne Warning and Control System
BRBM	Battlefield Range Ballistic Missile
CNOOC	China National Offshore Oil Corporation
CNPC	China National Petroleum Corporation
DRDO	Defence Research and Development Organisation (New Delhi)
EEZ	200-Mile Exclusive Economic Zone
EIA	US Energy Information Administration
EKV	Exo-atmospheric Kill Vehicle (class of ABM)
GDP	Gross Domestic Product
IMF	International Monetary Fund
INS	Indian Navy Support (INS Kadamba Naval Base, near Karwar)
ICBM	Intercontinental Ballistic Missile
IRGCN	Islamic Revolutionary Guard Corps Navy (coastal defence force)
IRBM	Intermediate Range Ballistic Missile
IRIN	Islamic Republic of Iran Navy (“blue water navy”)
LACM	Land Attack Cruise Missile
LRTR	Long Range Tracking Radar
MRBM	Medium Range Ballistic Missile
NOSI	Naval open Source Intelligence (www.nosi.org)
NSA	Naval Support Activity (US Naval Base, Bahrain)
OPV	Offshore Patrol Vessel

RSAF	Royal Saudi Air Force
SIPRI	Stockholm International Peace Research Institute
SRBM	Short Range Ballistic Missile
SUMED	'Suez-Mediterranean' dualised relief oil pipeline operated by Arab
	Petroleum Pipelines Company
ULCC	Ultra Large Crude Carrier (oil tanker)
VLCC	Very Large Crude Carrier (oil tanker)
UNCLOS	UN Convention on the Law of the Sea
USAF	United States Air Force
WMD	Weapons of Mass Destruction

Notes:

The findings, views and opinions expressed in this research paper by the author do not represent those of the Australian Department of Defence (DOD), American Foreign Policy Council (AFPC), US Department of Defense, Future Directions International (FDI), Royal United Service Institute (RUSI) Queensland Inc., EIA, or of any other government agency, "Think Tank", and/or independent institute in Australia/overseas.

Apologies are made for any omissions or technical inaccuracies. Oil consumption statistics (latest available) are quoted in millions of barrels of oil per day (mmbbl/day). All Internet sources are quoted where relevant in this paper.

Supportive background research papers have been posted in one form or another to at least eight or nine Web sites worldwide. These Web sites include: two Chinese Web sites, IAGS (Potomac), FDI (Perth), GERN-CNRS (France), RUSI (Canberra), Sage International (Adelaide), Swiss ISN Metadatabase (Zurich), and TRUNG QUOC (Vietnam).

These Web sites can be accessed by Google search using research paper titles such as "China's Dependence Upon Oil Supply" and or "China in the Indian Ocean: A Case of Uncharted Waters". Alternatively the pertinent Web sites can be accessed by searching on the full name and rank of the above author.

Views expressed in this article are not necessarily those of SAGE International