

104  
**SECURITY IN NORTHEAST ASIA:  
FROM OKINAWA TO THE DMZ**

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Y 4. IN 8/16:SE 2/3

Security in Northeast Asia: From Ok...

**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
ASIA AND THE PACIFIC  
COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED FOURTH CONGRESS

SECOND SESSION

APRIL 17, 1996

Printed for the use of the Committee on International Relations



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# SECURITY IN NORTHEAST ASIA: FROM OKINAWA TO THE DMZ

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WEDNESDAY, APRIL 17, 1996

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON ASIA AND THE PACIFIC,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC*

The subcommittee met, pursuant to notice, at 1:30 p.m., in room 2172, Rayburn House Office Building, Hon. Doug Bereuter, chairman of the subcommittee, presiding.

Mr. BEREUTER. The subcommittee will come to order. We have a number of votes that will take place on the House floor today, so I think it is important that we do begin. I believe that the ranking member will probably join us shortly, and I know that one of our witnesses who just returned from Korea last night has not arrived yet. But if he can recover from jet lag, and I think he is working on his testimony, he will join us midway.

The subject of the subcommittee's hearing today is Security in Northeast Asia: From Okinawa to the Demilitarized Zone on the Korean Peninsula.

The Subcommittee on Asia and the Pacific meets today to focus on the topic of security in Northeast Asia. This hearing occurs on the heels of some extremely troubling events in the region and against the backdrop of President Clinton's ongoing visit to Korea and Japan.

I hope today the subcommittee can explore the implications of developments in Northeast Asia for U.S. security interests with the help of our panel, as well as to assess the Administration's management of our bilateral and multilateral involvement in this critical area.

First, I would say I am fully confident about the strong foundation underpinning U.S.-Japan ties. However, there is no denying that our relationship has undergone considerable strains. While bilateral trade issues certainly deserve attention, I believe that our security interests in the region have not received adequate attention. I hope that the President's meeting with Prime Minister Hashimoto will serve to redirect our energies to resolving the problems that have plagued the security component of our alliance.

Ongoing events in Okinawa have caused particular concern. I sincerely hope the Administration's decision this week to reduce or return 20 percent of the land now occupied by U.S. forces to local landowners in Okinawa means that the personnel eventually located elsewhere on the islands of Japan will still be able to carry out their duties effectively.

However, it is clear that this arrangement is only a band-aid approach that does not address the deeper long-term problems with the Japanese public's perception of the U.S. military presence in that country.

Indeed, some Okinawan citizens have already reacted to this decision with anger, because other Okinawan bases will grow larger as a result, or at least the number of personnel on those bases will grow larger.

Okinawa's governor has also said the decision does not go far enough, and is demanding the closure of all of the island's bases by the year 2015. It was only a few weeks ago the thousands of Okinawan residents were demonstrating against the U.S. military presence. Prime Minister Hashimoto was even forced to take emergency action to allow U.S. forces to remain there in light of Okinawa's refusal to renew land leases for U.S. bases.

I would also note that remarks by the former Prime Minister Hosokawa last month here in the nation's capital in essence called for a reexamination of the U.S.-Japan relationship. In his speech, Prime Minister Hosokawa called for pulling U.S. Marines out of Japan entirely, and implied that Tokyo was shouldering too much of the costs associated with maintaining U.S. troops in the country.

Unfortunately, Japanese critics of the U.S.-Japan security relationship represent the growing number of Japanese who fail to realize that the benefits of our bilateral security alliance are heavily weighted in Tokyo's favor—a point that Administration officials often seem to forget when responding to Japanese complaints about our presence there.

To the west of Japan, a joint U.S.-South Korean proposal for four-way security talks that would include North Korea and China would aim for a permanent peace settlement on the peninsula. This announcement follows a series of armed incursions by the North Koreans into the demilitarized zone, in flagrant violation of the armistice agreement that has been in force since the Korean War ended in 1953.

Almost as troublesome as the North Koreans' provocative actions was the mixed message the Clinton administration conveyed in response. Despite State Department condemnation of the DMZ incidents, discussions between the U.S.-led KEDO and the North Koreans proceeded in New York a few days later. These discussions even focused on personnel being sent to North Korea for preparations for the two light water reactors that will eventually be provided to that country.

Finally, we cannot overlook the reverberations on the entire region generated by the recent crisis in the Taiwan strait.

I believe all the examples I have mentioned make the case for no further reductions in U.S. troop levels or naval deployments in Asia and the Pacific region, a concept embodied by the Defense Department's "Nye initiative."

In addition, although multilateral approaches, such as the ASEAN regional forum, or ARF, are helpful to our security interests in Northeast Asia, we should not let such efforts supplant the bilateral alliances that remain the foundation of our security policy there.

I would now like to introduce our distinguished panel of, I am pleased to say, four witnesses, who all come to us from the private sector. And for once we do not put our private sector panelists behind an Administration witness or witnesses, because we did want to hear specifically from people who are outside the Administration to provide an analysis of the Administration's policies and actions, as well as to provide more attention from the national media and, therefore, to the American public on what you have to say, gentlemen.

Mr. KIM. Mr. Chairman, I would like to make an opening statement.

Mr. BEREUTER. I was just about to finish and I will recognize you, gentlemen.

Dr. Jonathan D. Pollack is Senior Advisor for International Policy at RAND in Santa Monica, California, where he is a specialist in East Asian political and security affairs. He was part of the RAND team to brief Mr. Berman and this member last year at RAND in Santa Monica, for which we are grateful. U.S.-Korean security cooperation and China's defense modernization are among Dr. Pollack's current areas of focus.

Dr. James J. Przystup is director of The Heritage Foundation's Asian Studies Center. He has served with the State Department's policy planning staff, the Office of the Secretary of Defense, and the House Subcommittee on Asia and the Pacific. He specializes in the U.S.-Japan security relationship.

Dr. Patrick M. Cronin is a senior research professor at the National Defense University's Institute for National Strategic Studies. As the Institute's Asian team leader, Dr. Cronin conducts research for the Office of the Secretary of Defense, the Joint Chiefs of Staff, and the U.S. Pacific Command.

Dr. Marvin C. Ott just joined us, having returned only last night, I believe, from Korea. He is a professor of national security policy at the National War College. He previously served as deputy staff director of the Senate Select Committee on Intelligence. He is an expert in East Asian and Southeast Asian affairs, and has contributed articles to such publications as The Washington Post, the Los Angeles Times, and Foreign Policy.

Gentlemen, your entire statements will be made a part of the record, and I would ask that you limit your introductory remarks to about 10 minutes each.

But, first of all, I want to recognize Mr. Kim for an opening statement that he might like to make.

Mr. KIM. Thank you, Mr. Chairman.

Mr. BEREUTER. The gentleman from California is recognized.

Mr. KIM. Thank you, Mr. Chairman, for yielding.

I would like to ask for the unanimous consent to submit my written statement as official record.

Mr. BEREUTER. Without objection.

[The prepared statement of Mr. Kim appears in the appendix.]

Mr. KIM. I would like to summarize just a couple of minutes to what I would like to say.

I am really concerned about the increased tension between North and South Korea. An announcement made by one of the high level North Korean officials saying that North Korea will no longer abide

by the responsibilities under the armistice agreement, that kind of bothers me, and this could be led to misunderstanding and perhaps even potential military confrontations.

I am really in complete agreement with Presidents Kim and Clinton that we must defuse the recent tension in the Korean Peninsula, and must establish a long-term peace agreement to avoid any possible military confrontations. This is why I support the full party meeting concept, the proposal discussed by Presidents Kim and Clinton during the recent meeting.

In fact, this is a concept that I brought up in this very subcommittee 3 weeks ago, of which China and the United States will facilitate honest and open dialog between North and South Korea. This plan puts the ball in North Korea's court, and it will force them to pursue the permanent peace agreement they have publicly supported. This plan will certainly put their word into action.

Again, as for the situation in Okinawa, I can only extend my heartfelt sympathy to those young children or family whose lives were horribly changed by the deplorable action by three U.S. military personnel. It is unfortunate that actions of three men have jeopardized our relationship to a close ally and have tarnished the image of all American personnel overseas.

I hope that this hearing closely examines the repercussion this incident will have on the U.S. presence throughout Asia.

Thank you, Mr. Chairman.

Mr. BEREUTER. Thank you very much, Congressman Kim.

We are now joined with the distinguished ranking minority member of the subcommittee, the gentleman from California, Mr. Berman. I welcome any opening comments that he might have before we proceed.

Mr. BERMAN. Thank you, Mr. Chairman. Given that I am late here and want to hear from the panel, I think I will, if I can, reserve my chance to extract any of this that is particularly relevant after the witnesses have testified, and introduce a full statement for the record.

Mr. BEREUTER. Without objection, your whole statement will be a part of the record, and I will certainly honor the gentleman's other request.

[The prepared statement of Mr. Berman appears in the appendix.]

Mr. BEREUTER. I think we will recognize our distinguished panelists in the order in which they are listed on the subcommittee meeting notice. As I mentioned, your entire statements will be made a part of the record,

Please proceed, Dr. Cronin, as you wish.

**STATEMENT OF DR. PATRICK CRONIN, SENIOR RESEARCH PROFESSOR—INSTITUTE FOR NATIONAL STRATEGIC STUDIES, NATIONAL DEFENSE UNIVERSITY**

Dr. CRONIN. Thank you, Mr. Chairman. Thank you for this opportunity to testify before the House International Relations Subcommittee on Asia and the Pacific.

As you noted, these proceedings coincide with important diplomatic events in Asia, which I hope to place in a very broad context with seven observations. Before beginning, however, I must men-

tion that I speak today as an individual observer of Asian security policy, and my comments are my own and not those of the National Defense University, or the Department of Defense.

As President Clinton concludes his Asian summitry today, he and his Defense Department team can point to a number of positive achievements in U.S. security policy. One is that the United States has revitalized its keystone security relationship with Japan. Another achievement is the reaffirmation of U.S. solidarity with the Republic of Korea in her search for an enduring solution to ending the antagonism on the peninsula.

These developments signal a potential watershed in our security relationships with Japan, and to a lesser extent, South Korea. If we have not yet turned the corner, at least we have begun walking down the block toward redefining our East Asian alliances away from narrow threat-based deterrence toward opportunity-based bulwarks of regional stability.

In short, U.S.-Asian security policy has finally entered the post-cold war world.

This is important because my first point is that Northeast Asia is likely to be the wellspring of international security in the next century. Whether the international system is more or less stable, whether the American people are more or less prosperous, and whether the United States remains more or less a great power is likely to be determined over the next half century in this region of the world. Consequently, future U.S. administrations will have no choice but to operate in the world in which Asian prerogatives are at a minimum on a par with European prerogatives.

My second observation is that the U.S. Government needs to re-examine its national security strategy in this region. What kind of region does America want to see develop in two decades, and what will be the role of an ascendant China, a more activist Japan, a united Korea?

If the United States is to maximize its chances of retaining influence in East Asia in the next century, then it is essential that such a review be strictly bipartisan. I believe this subcommittee can play a pivotal role in such a review by agreeing on our fundamental principles and objectives in advance, and relating those objectives to realistic means. U.S. officials can go beyond reactive and reductionist policies and get on with leading the international system into the 21st century.

Third, we need to marry up the energies of the Republican revolution with the Vice President's re-invention of government in order to optimize our ability to make rational national security policy for this explosive region of the world.

The current system succeeded in winning the cold war against a now defunct Soviet empire, but it is not the right system to remain competitive in the next century's world of great Asian powers. Unless we reorganize our governmental institutions to reflect the world's shifting balance of power; unless we create a new centralized system for the adjudication of interagency policymaking; unless we make it easier to conduct governmental business in East Asia; unless we reduce the number of laws that tie policymakers' hands in dealing with major powers like China and Japan; unless we do all of these things, then it does not matter how skillful our

political appointees are, for the fruits of their labor will be inadequate.

Fourth, we must seize the momentum in U.S.-Japan relations to forge a lasting transformation of the security relationship into a true alliance with a level of reciprocity commensurate with each country's overall national strength.

The United States and Japan have before them a landmark opportunity to forge a new partnership that is at once more equal, more global, and more comprehensive than has heretofore been the case.

For instance, through a concerted review of Japan's two decade-old defense guidelines, the United States may be able to raise the collective Japanese consciousness as to Japan's obligations to international security. I believe our goal should be steady progress toward even more emphasis on Article VI of the security treaty (that is, regional security) instead of overriding concentration on Article V (the almost exclusive defense of Japan).

We should seek greater Japanese contributions to American operations in and through East Asia and the Pacific without undermining the stability provided by Japan's self-constrained security policies.

Concomitant with this official review of defense guidelines, we should be sure to expand debate between our two countries, and here I think it is time to enhance our parliamentary exchanges in order to ensure that our security debate has the widest possible public support and understanding. We need, in sum, to create a richer set of alliance values befitting a special relationship.

Fifth, having shored up our cornerstone alliance with Japan, we now must harmonize our Asian alliance policy, in particular, that with the Republic of Korea. U.S. policymakers can only make future progress in our bilateral relationship with Japan if we also redouble our efforts to redefine the U.S.-South Korean alliance from a peninsula tripwire to a regional stabilizer.

The U.S.-ROK and U.S.-Japan alliances must become mutually reinforcing if they are to be sustainable in coming decades. In any event, they must not be allowed to work at cross purposes. We need to work with our South Korean allies on two simultaneous tracks.

One, laying out a road map for bringing a lasting peace to the peninsula, and the other, exploring the U.S.-Korean alliance after the North Korean threat is blunted.

Sixth, the U.S.-ROK proposal for a "two-plus-two" process for creating a permanent peace treaty closing out the Korean War should become the basis for establishing a political framework for Northeast Asia. Great power cooperation over North Korea's nuclear program can be the crucible out of which can emerge not only a reduction in the enormous conventional military threat posed across the demilitarized zone and an end to one of Asia's two divided nations, but eventually a more stable security mechanism for all of East Asia.

This framework has at least a chance of averting a hard landing in North Korea. Moreover, while we cannot integrate China into the region if Beijing officials refuse to uphold basic international norms, we and our allies can help to make the political environment as conducive as possible to China's peaceful integration.

A regional political framework can and should be part of a larger strategic understanding between the United States and China.

Seventh, and finally, the potential for a more peaceful Korean Peninsula means that we need to accelerate our thinking regarding our future military posture in the region. While any major post-war transition in our force posture should remain on hold until further progress can be made in North-South relations, the prospect of such progress is sufficiently high as to require us to examine the character of future military forces on the peninsula.

When the North Korean threat dissipates, the United States will have a strong interest in preserving forward bases for flexible and mobile forces ready to respond to regional emergencies. Similarly, in Japan, what is significant is the depth of our commitments and trust, intangibles that cannot be quantified by such outmoded matrix as the quantity of military personnel stationed on foreign soil.

The United States can make its commitment to this region abundantly clear for a variety of different sized forces. Whatever the size and shape of those forces, however, they ought to represent our most advanced platforms and most disciplined troops who will convey the appropriate American image to the world's most dynamic region.

In summary, the diplomacy of the past few days can mark a watershed in our East Asian strategy and posture. But if this diplomacy is to lead to long-lasting benefits for our national security, then we will have to follow through with a number of fundamental changes in how we do business.

I believe the stakes are too high to fail during this window of opportunity, when U.S. power remains preeminent.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Cronin appears in the appendix.]

Mr. BEREUTER. Dr. Cronin, thank you very much for your testimony.

Next, I would call upon Dr. James J. Przystup, director, Asian Studies Center, The Heritage Foundation, for his statement.

You may proceed, Dr. Przystup.

#### **STATEMENT OF DR. JAMES J. PRZYSTUP, DIRECTOR—ASIAN STUDIES CENTER, THE HERITAGE FOUNDATION**

Dr. PRZYSTUP. Thank you, Mr. Chairman. It is a pleasure returning to this room, but I have to say that it looks a lot different looking at it from this side of the table as opposed to that side of the table. It has always been more interesting, I think, on the other side.

My remarks will focus on U.S. security interests in Asia, particularly, Northeast Asia; the relations with Japan, China, the Korean Peninsula; as well as Bill Clinton's management of those relationships.

For close to a century the United States has consistently pursued three major strategic objectives toward Asia: freedom of the seas, access to markets, and preventing any single power or group of powers from dominating the region.

The United States has pursued these interests with remarkable consistency while adjusting tactics to fit the moment. For example, in 1909, Teddy Roosevelt played balance of power with Japan

against Russia. Then as Japan's power waxed under the mainland in China and Manchuria, Presidents Taft and Wilson shifted toward China. In the 1920's, the United States tried multilateralism with the Washington Conference System. And after 1945, Washington evolved a bilateral alliance structure to contain first the USSR and then China. In the 1970's, President Nixon joined with China to oppose Soviet hegemony. These historic interests remain enduring and valid today.

Today's Asia security system is based on the bilateral alliance structure which the United States evolved during the cold war. And the U.S.-Japan alliance remains the cornerstone of that system, and the foundation of Asia's economic dynamism.

As President Clinton has lately rediscovered, this stability and prosperity is a direct enemy and consequence to the security and well being of all Americans. Even with the end of the cold war, this alliance remains critical to American national interests. The alliance enhances our ability to keep Asia open to American influence. U.S. forward-deployed forces in Japan have helped to deter aggression against American allies and friends in the region.

The strategic importance of the U.S. force presence in Japan was recently and clearly demonstrated last March when the President ordered deployment of the aircraft carrier *Independence* from Japan to waters near Taiwan at the time of Taiwan's Presidential elections.

As for Bill Clinton and Asia, I think in judging Bill Clinton's Asia policy I would simply return to Ronald Reagan's famous question, "Are we better off today than we were 4 years ago in Asia?" And across the board I would argue that the answer is clearly "No."

Indeed, Bill Clinton's Asia policy, like his foreign policy in general, reflects a fundamental misunderstanding of the international system. What drives that system is not Somalia, not Haiti, not Bosnia, not even Vietnam, but relations among the great powers. And here our relations with Tokyo, Beijing, and Seoul have been both troubled and troubling. Here is why.

With respect to Japan, yesterday Bill Clinton reaffirmed the U.S.-Japan security alliance in Tokyo. Given the challenges now facing the United States and Asia from the Korean Peninsula to China's increasing aggressive conduct toward Taiwan and in the South China Sea, this reaffirmation is both timely and necessary. This is so because for the better part of the Administration's first 2½ years Bill Clinton's Japan policy put at risk this critical relationship.

The Administration came into office committed to forging a new U.S.-Japan relationship. The Japan policy, however, was based on a series of interlocking miscalculations.

The first was with the collapse of the Soviet Union. Security issues could be de-emphasized in the U.S.-Japan relationship. The second was the overemphasis placed on reducing the bilateral trade deficit. Trade policy, originally conceived of, is but one part of an overall Japan strategy, quickly expanded in time and effort to become almost the entirety of the Administration's approach to Japan.

Seeing Japan through a mid-1980's time warp has immutable economic juggernaut the Clinton team committed to applying in-

tense external pressure to get its way. This, even as Japan was mired in the most serious economic recession of any developed country since the 1930's.

The final miscalculation was that in the post-cold war world this pressure could be applied with little political collateral damage. Unfortunately, the Administration was wrong across the board. We need only remember Prime Minister Hosokawa saying no to Bill Clinton's demands for managed trade in 1994, and then last spring, the Administration's threatening a trade war over auto and auto parts. And finally, the President canceled this to Tokyo last November even as the crisis in Okinawa smoldered.

Shortly before that cancellation the Assistant Secretary for East Asian and Pacific Affairs announced that such a decision would be tantamount to a body blow to the alliance. Japanese media and political elite were quick to note the President's political priorities when shortly thereafter, and in similar political circumstances with the Congress, he did find time to visit Ireland and Israel.

As for the impact of Bill Clinton's policies, suffice it to say that the Administration's claims that its trade policies are responsible for the recent decline in Japan's trade surplus represent the highest—the political spin of the highest order, a striking example of post hoc/procter hoc reasoning. The root causes are to be found in the impact of global economic forces operating in Japan.

In reality, a substantial appreciation of the yen, high Japanese production costs are transforming Japan's economy, even as Clyde Prestowicz noted in last Sunday's Washington Post.

As for the political side, according to U.S.I.A. polls, in June 1995, during the auto negotiations close to 40 percent of Japanese polls saw trade conflicts as eroding the alliance, and in that same poll 51 percent considered relations poor, and only 41 percent saw them as good.

In January 1996, 48 still thought the relationship in poor shape. By contrast, in May 1992, 43 percent thought the alliance strong, despite trade frictions. And yesterday ABC released a poll which found that 70 percent of Americans find the Japanese unwilling to reduce the trade deficit, and a majority see Japan as an untrustworthy ally.

Across the board Bill Clinton's Japan policy has ill-served the relationship once described by Ambassador Mike Mansfield as America's most important, bar none.

As for Okinawa and the present summit, the Administration did the right thing: consolidating bases, restructuring training but maintaining forces at current levels.

In Japan, after the emotional fire storm reaction to last year's incident, the Japanese public took a sober second look at Northeast Asia, and found it a rough, tough, nuclear armed, potentially volatile neighborhood, one in which Japan had few real friends.

Though at first counter-intuitive, the alliance is more important for Japan today than it ever was during the cold war. In his recent Seattle speech former Prime Minister Hosokawa noted that the value of U.S. bases in Japan had actually increased in the aftermath of the cold war. Prime Minister Hashimoto has agreed now to study Japan's military role during the potential conflict in Asia.

Even as his political rival, Mr. Hosokawa has called for Japan to accept collective security.

Things are moving ahead in terms of the U.S.-Japan security relationship.

On to China, Bill Clinton's approach to China could be characterized best as rhetoric in search of policy. Indeed, what has passed for policy has been a series of credibility-draining exercise. And credibility is the coin of great power relationships.

In effect, Bill Clinton has turned the White House into a waffle shop when it comes to China. We need only recall the flip-flops on MFN, Lee Teng-Hui, on the hesitancy on China's occupation of Mischief Reef; 3 months to get a diplomatic protest out; a similar expression over China's missile test last July in response to President Lee's visit to Cornell; and they lost in the fog approach last December when the carrier task force transited the South China Sea after China's legislative elections had again drawn Beijing's military ire; and now the public agonizing over nonproliferation sanctions, just to let Beijing know that the Administration feels its pain.

For the better part of 3 years, until last month, with the Independence and Nimitz making clear U.S. interests with regard to Taiwan, the Administration appeared to be a disinterested spectator to events transpiring in this strategically critical region.

Indeed, China's emergence as a great power, given its resources, population, economic dynamism, and military potential, will be the dividing structural issue for the international system for the first quarter of the next century. I do not think there is a close second, and if there is, it is certainly not Bosnia.

As for China, as the next threat and the need for a new containment strategy, let me say that I am agnostic about China, and I think we need to think about China as a much more complex reality; that China is neither black nor white, but a very ambiguous gray.

Today, much of the policy debate revolves around the question of whether China will be cooperative or hegemonic; whether it will be black or white, as if the two were mutually exclusive. In the western hemisphere, however, they go hand in hand. For over 200 years in our neighborhood we have been both cooperative and hegemonic. Ninety-five percent of the time we are cooperative. Trade flourishes and everyone prospers. But 5 percent of the time we take the gloves off and we act like a dominant power we are.

So where do we go from here with China? A good starting point would be to begin to treat China with the respect to a great power, and for China to begin to act like a responsible 21st century power. We can do if our interests are clear, are pursued consistently, and we can do so without being confrontational.

In the end we cannot make China do what it does not want to do. The best we can do is, together with our friends and allies, to attempt to create an environment which will incline China to do the right thing. If afterwards we find China failing to do so, we can adjust our policies accordingly.

Finally, a few remarks on Korea and yesterday's two-plus-two proposal. Without knowing any of the details, let me just offer a few observations.

First, could it work? And I think the answer is of course it could. China has an interest in keeping the North going and making sure that the North does not start any trouble on the peninsula. China also has an interest in expanding its own influence in Seoul and demonstrating cooperation with the United States at MFN time. But China has refrained from joining the already ongoing multilateral effort with regard to KEDO. If the lineup is three against one, I do not know why the North will go along unless it is truly in dire economic straits or the Chinese put real pressure on their allies, which Beijing has thus far been reluctant to do.

If the Chinese were not fully consulted in advance and signed up, this proposal, at least as put out yesterday, has more of election year politics about it than diplomacy. And from Beijing's initial response, it does not appear that the Chinese have signed on the dotted line.

There are also a couple of downsides that we should keep in mind. Once again, the North has demonstrated that even as it misbehaves, they get something for it. Now, I know the talk has been that this has been discussed even before the demonstration at the DMZ. But nevertheless, this is similar to their decision with regard to the IAEA, which in fact produced the opening of the first direct channel with North Korea after that decision in 1994.

Finally, the fact that the two-plus-two offer was made at the request of Seoul made presage an even larger strategic shift on the part of Seoul toward Beijing. Because China has better relations with North Korea than the United States, and expanding relationship with South Korea, Seoul may see China as the player that can ultimately deliver the North.

Perhaps one indicator of the way in which the wind is blowing in Seoul is to be found in last year's China/ROK summit, and the very strong anti-Japanese declaration both political leaders put their names to at the end of that conference.

I think I will stop with that, and turn it over to the next panelist. Thank you, Mr. Chairman.

[The prepared statement of Dr. Przystup appears in the appendix.]

Mr. BEREUTER. Thank you very much, Dr. Przystup.

Now I would like to call upon Dr. Jonathan Pollack, who is the senior advisor, International Policy at the RAND Corporation.

Dr. Pollack, you may proceed as you wish.

**STATEMENT OF DR. JONATHAN POLLACK, SENIOR ADVISOR—  
INTERNATIONAL POLICY, RAND CORPORATION**

Dr. POLLACK. Thank you, Mr. Chairman.

I am very grateful for the opportunity to present my views to the Asia and Pacific Subcommittee. I am submitting a short written statement for the record, and I am also providing the subcommittee with copies of a more detailed assessment of future U.S. strategy in Asia recently published by the Council on Foreign Relations and a review of U.S. policy in Asia in 1995, published in Asian Survey. I would hope that they could be entered into the record.

Mr. BEREUTER. Without objection, those supplementary items will be made a part of the subcommittee record.

Dr. POLLACK. Thank you.

Mr. Chairman, President Clinton's visit to the Republic of Korea and to Japan provides an important reminder of the enduring American commitment to the stability and well being of Northeast Asia. Throughout the cold war, our bilateral security treaties with Korea and Japan defined America's principal security obligations in the region, and the continuity of both relationships over the last half decade underscores the intrinsic value the United States attaches to these ties, with or without the Soviet Union.

But this judgment can obscure the forces at work that will redefine these ties in the years to come. A shared desire by leaders on both sides of the Pacific to reaffirm the centrality of U.S. relations with Korea and Japan cannot be expected by itself to sustain these ties on an open-ended basis.

If the U.S.-Korean and U.S.-Japanese alliances are to retain their vitality and relevance, neither we nor our regional partners should assume that the status quo is indefinitely sustainable.

The Clinton administration's commitment embodied in the East Asian's strategy review of February 1995, and reiterated in the security declaration signed in Tokyo early today by the President to maintain the forward deployment of 100,000 U.S. forces in the Pacific, though comprehensible in relation to current defense planning requirements, would no longer be credible in the event of appreciable change and the regional security environment.

This judgment seems particularly relevant on the Korean Peninsula, the principal locale that has shaped U.S. regional military strategy for decades.

Senior American officials continue to assert that either implosion or explosion of the North Korean state is inevitable. Although no one is bold enough to predict when such events might transpire, the fact that our defense planners point to North Korea's inevitable demise underscores an obvious judgment. The time to be planning for Northeast Asia beyond the divided Korean Peninsula is now, not when end game unfolds in the North.

It is gratifying that President Clinton has opted to again visit Northeast Asia after a nearly 3-year hiatus, but this visit will quickly recede into memory unless the Clinton administration, working in close conjunction with the Congress and with our regional allies, signal unambiguously its intention to address the immediate problems as well as the longer-term challenges.

In my judgment, a viable long-term U.S. strategy entails three central components.

First, preparing fully to address existing threats to regional peace and stability in which North Korea is the central factor. Second, adapting our bilateral security alliances to the emergent challenges of the next century. And, third, achieving a more satisfactory and sustainable relationship, including in the security arena, with the region's ascendant powers, in particular, China.

These three components are interrelated. In my remarks today I will limit myself to how these factors interact in the context of the security of Korea and Japan.

Let me begin with North Korea. It is very difficult to recall when the United States and the Republic of Korea were not preoccupied by the North Korean issue in one form or another. Many observers, of course, insist that North Korean behavior is impossible to fath-

om and predict, but this is true only in a tactical, not a strategic sense.

North Korean strategy, in fact, remains eminently predictable. Its leaders, whoever they may be, continue to maximize their leverage very skillfully. They seek to parlay their vulnerable, isolated circumstances to advantage, hoping to seize the policy initiatives wherever possible, but without conferring legitimacy or normalcy on relations with their far more powerful neighbor to the south.

Given the North's extraordinary isolation and increasingly parlous economic and social circumstances, this is no mean feat. North Korea's goal is to avoid irrelevance and ultimately extinction. Its survival as a system is predicated on somehow keeping intact and afloat without taking political steps that will lead to the unraveling of state power. Hence, the extreme aversion in Pyongyang to regular dealings with Seoul and the continued cultivation of direct ties with the United States.

North Korea in this regard continues to pursue a very high risk strategy on nuclear weapons, on ballistic missiles, on the armistice agreement, and even on humanitarian assistance. The United States needs to walk a very fine line between prudent exploration of ties with a very dangerous regime without undermining our far more consequential ties with the Republic of Korea.

It is therefore especially important that the President decided to visit Korea after initially and unwisely opting to limit his Northeast Asia visit to Japan alone. To have missed the opportunity to reaffirm U.S.-ROK political and security ties, especially at a time of mounting concern about potential volatility in the North, would have been precisely the wrong signal to send—to Seoul, to Pyongyang, and to the region as a whole.

A Presidential visit, however, should also signal our readiness to attend to the near-term uncertainties on the peninsula, and to begin by word, and deed, to plan for the longer run. In this context, I applaud the Administration's joint initiative with the ROK for a two-plus-two peace framework on the peninsula. This formula keeps attention focused primarily, but not exclusively, on the relationship between the two Koreas, with the United States and China prepared to serve as guarantors for whatever agreement might transpire between Seoul and Pyongyang.

For good measure, this close consultation with the ROK ensures that North Korea makes no headway whatsoever in its efforts to inject friction and cleavage in the U.S.-ROK alliance.

Of course, we need to signal clearly that we are ready to move ahead with North Korea, but only if this process fully and appropriately serves our longer-term interests on the peninsula as well as those of our South Korean allies.

Let me now turn to our alliances. As we begin to discern, if not presume, a Northeast Asia beyond the North Korean threat, the central challenge in America's alliances with both Korea and Japan will be to ensure their viability into the next century. This is easier said than done.

There is the inevitable risk of pushing too far and too fast in a manner that could undermine our political, security, and economic interests. But there is an equal risk of being overly inertial in our alliance strategies. In this regard I believe there is a natural

complementarity of interests between the expectations of the American people that our regional security partners fulfill their responsibilities in a manner commensurate with their capabilities, needs and desires, and the parallel desire of our regional partners for a larger say in decisions that affect their long-term national interests.

A new alliance bargain would be less asymmetrical in patterns of influence and decisionmaking, more responsive to preferences and sensitivities of local constituencies and more attentive to how we and our regional partners will resolve the conflicts of interest that inevitably arise in bilateral relations.

Indeed, on the expectation that immediate threats to the physical security of either Korea or Japan diminish, we should anticipate the potential for heightened disputes on issues from base location to technology transfer to burden sharing will increase accordingly.

These differences, however, reflect the inevitable growing pains as both Korea and Japan strive to define an alliance framework relevant to very different circumstances. The recent tensions over Okinawa and comparable pressures to renegotiate land use agreements in Korea reflect the realities that the United States will need to address if it is to ensure continued support for security ties, not only with leaders in both countries, but with their domestic publics.

But the United States and Japan, and the United States and Korea, clearly benefit far more from sustained close relationships than by going our separate ways. Under the latter circumstances the bonds and obligations that have developed over decades would attenuate, and the regional security environment would become much less predictable.

The United States must therefore convey unambiguously that a redefined security tie with either or both countries is not the precursor to U.S. disengagement.

But there is a parallel, and potentially more daunting challenge. Throughout the cold war the U.S.-Japan alliance and the U.S.-Korea alliance were kept highly distinct from one another. This seemed appropriate to the very different security challenges faced by the two countries, and the character and expectations of the U.S. political and military role in those states.

However, should the North Korean threat either diminish sharply or disappear altogether, the peninsular logic that has defined U.S.-Korean relations for decades would cease, with the framework of U.S.-Japan alliance ties and of U.S.-Korean alliance ties much more regional in its thrust.

The logic of U.S.-Japan defense collaboration, as evidenced by Japan's newly enunciated national defense program outline and security declaration that President Clinton signed today in Tokyo, also entails dimensions that are much more regional in their logic and less exclusively focused on the defense of the home islands.

But the relationship between Japan and Korea remains extremely unhealthy, as reflected most recently in the sharp dispute earlier this year between Tokyo and Seoul, on delineating their respective maritime boundaries and exclusive economic zones. It ill behooves long-term American interests that we retain separate vigorous security ties with two very important market economies and

democratic neighbors without being able to achieve full normalcy in their bilateral relations.

It should therefore be an explicit goal of U.S. policy to bridge these differences which neither country nor the United States can possibly benefit, and it is incumbent on the United States to play a lead role in this process.

Let me now turn to China. These hearing are limited principally to Japan and Korea, but it is impossible to think about either country's long-term future or long-term U.S. regional strategy without a clear sense of how China fits in relation to both.

Indeed, the U.S.-ROK initiative for a two-plus-two framework presumes a full and constructive relationship between China, the United States and China's regional neighbors. Without such a relationship, it would be impossible to achieve a stable, long-term political and strategic framework for the region.

China, for its part, voices growing concern that the United States intends to employ its security ties with Tokyo, to inhibit China's full development and incorporation within the emergent regional order. This is clearly not a preferred outcome or long-term goal of U.S. strategy. But the uncertainties about Beijing's longer-term ambitions and capabilities remain ample, even as all regional states, as well as the United States, seek to become fully involved in China's economic development.

As the United States seeks to fashion its future ties with both Korea and Japan, it is critical that we be able to explore fully and frankly our respective interests and relations with Beijing. This is as relevant to dealing with a successfully modernizing and cooperative Chinese state as it is to one that could well pose serious political and security challenges to its neighbors. Without such a dialog, each country could well proceed to pursue its interests and policy concerns in largely independent and uncoordinated fashion.

It will only be through such a process that China can become more sensitized to the long-term need to maximize the opportunities for realizing a durable peaceful regional order.

Such a prospect, however, will not emerge of its own accord. Even if the United States seeks to reinvigorate alliance ties that have been frayed with both Korea and Japan, we must look beyond present realities to longer term regional possibilities on which America's security and livelihood will depend.

This is a challenge that goes well beyond the single and rather brief Presidential visit to Northeast Asia, and must involve the Congress in a full and constructive role as well. The time to begin is now.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Pollack appears in the appendix.]

Mr. BEREUTER. Thank you, Dr. Pollack, for your presentation.

Next, I would like to call on Dr. Marvin Ott, professor, National Security Policy of the National War College.

Dr. Ott, thank you for your extraordinary effort to be here with us today, and for your testimony. You may proceed as you wish.

**STATEMENT OF DR. MARVIN OTT, PROFESSOR—NATIONAL SECURITY POLICY, NATIONAL WAR COLLEGE**

Dr. OTT. Thank you, Mr. Chairman. It is a real pleasure to be here. I apologize for my somewhat tardy arrival, and if either my oral or written statement is less than fully coherent, it is because it was written on an overnight flight from Seoul last night. So bear with me.

Rather than read anything, let me make a few sort of largely extemporaneous observations.

The comments from the other panelists, I think, are to be expected. They focus fairly heavy on policy issues, and immediate policy concerns. That obviously will be the burden of our question session. But since I am now called a professor and play that role, let me be professorial for just a moment and try to simply look at trends and dynamics in the region as they impact upon us and as they have been reflected in U.S. security policy in the region.

This subcommittee needs no sales pitch on the importance of the region in security terms. The region, two countries alone, Korea and Japan, 85,000 forward-deployed U.S. forces. While the U.S. force level in Europe has been drawn down dramatically, those in Northeast Asia and East Asia more generally have not been drawn down. In fact, there has been a very firm reaffirmation repeatedly that they will, in fact, remain at the present 100,000, roughly, forward-deployed.

This against a backdrop of having fought two wars in this region in the last half decade, this region was used as a staging area for a third. I might also make the sort of—maybe kind of hop in through a policy observation. This is a hard region, this is a serious play. They are serious people, serious stakes. There is nothing soft about Northeast Asia.

So with that sort of backdrop the region has loomed very large in U.S. security policy. I am reminded that George Cannon, when he wrote the original containment article, the ex-article that gave the central strategy for containment, identified potentially two regions being of critical priority to defend in a containment policy: one being Western Europe and the other being this area, Northeast Asia. And the truth of that observation at that time is even more applicable today.

What I would like to do is make a couple of observations about the shifting security environment in the region and how that's impacted then upon U.S. security policy more generally.

During the cold war the United States put together a framework of essentially a bilateral security relationship with the U.S.-Japan initial security treaty at the core. The essential bargain that was worked out between Prime Minister Yoshida and General McArthur whereby Japan focuses energies on economic development, economic reconstitution and growth, and the United States would take over the leadership of security matters, and Japan, in turn, would be host to American security forces and cooperate with the United States in a variety of foreign policy and security fronts.

That essential agreement in Tokyo then provided the foundation stone for a security presence that, as you know, included the substantial U.S. deployment in Korea, outgrowth of the Korean War; substantial facilities at Clark and Subic Bay in the Philippines;

U.S. forces scattered across the South Pacific headquartered back at CINCPAC, PATCOM; and with an unstated, somewhat ambiguous security relationship with Taiwan. And even from the time of the 1972 period, the Nixon visit to China, a growing quasi-alliance relationship with China. So a rather remarkable and elaborate security structure emerged in Asia. This included bilateral defense treaties with Thailand, the Philippines, Australia, New Zealand, Korea and Japan.

That was essentially a threat-based system. Now, the threat was the Soviet Union, this cold war. It was strategically clear there was a kind of conceptual clarity to the whole thing.

That environment then began to change, and it was not just the end of the cold war. The removal of the U.S. presence from South Vietnam, the loss of the facilities at Cam Ranh Bay, the loss of the facilities at Clark and Subic in 1992, when the Philippine Senate voted against the U.S. treaty, the apparent political changes occur in Japan with the declining fortunes unexpectedly of the bastion of support for the U.S. security treaty in the form of the LDP party and its apparent eclipse, the disintegration of the quasi-security relationship with China in the wake of Tiananmen.

The growing trade tensions with Japan for the first time in the early 1990's began to spill over into the security relationship and are highlighted perhaps more recently in Japanese tensions emerging out of the Okinawa events and the problems with soldiers there.

That all, in addition to the end of the cold war, represented a real—a slow motion, but a real sea change in both the security environment and the kind of security strategy that the United States could develop in response to that environment.

The strategy that began to emerge in response to these events has already been alluded to: the East Asia strategy initiative and subsequent sequels and elaborations, which essentially sought to develop a non-threat-based strategy. The Soviet Union has gone away. The security rationale for the prior system had disappeared, and then the question became how do you, if you want to maintain a rationale for 100,000 forward-deployed forces in Asia when there is no threat, and the East Asia strategy initiative attempted to get at that, and essentially came down to an argument, which was echoed in the region, that the United States was needed as a kind of security reassurance, a stabilizing force within the region.

And out of that came a variety of initiatives, summarize it in a word, the cooperative engagement, places, not bases, an East Asia strategy initiative that involved a kind of dispersal of U.S. forces, particularly in Southeast Asia, while reaffirming the Korean and Japanese relationships.

Just to bring this to a close, what is striking to me is how rapidly that particular era seems to have passed. That was supposed to be the time, post-cold war, when we developed these rather subtle and lower priority security relationships and economics went to the fore, and U.S. policy became essentially an economic game.

I think very rapidly in the face of events in the Taiwan straits and in Korea, South China Sea, political atmospherics out of Beijing, we are seeing a reemergence of security as a priority in the region, and that has been highlighted and sort of affirmed by what

I think is a really remarkable series of summit meetings in Korea and Japan.

Let me then turn to a couple of specific observations about the countries of immediate concern.

With regard to Japan, I guess the U.S.-Japan alliance remains the linchpin of the U.S. security presence in this part of the world. And because that alliance seemed to be eroding in terms of its support—Okinawa, trade tensions and all the rest—you had with the “Nye initiative,” with which this committee is familiar, the attempt to rebuild the relationship. Then came these other events, Taiwan and so on.

It seems to me what has happened is an extraordinary turn-around in Japan. You have suddenly seen almost in a matter of weeks public opinion, official opinion suddenly refocused on the security relationship, and you are seeing a sudden reaffirmation of its critical importance both to Japan and to the United States.

I might just note before leaving Japan that in some respects—I think we might keep in mind how remarkable this security relationship is. It is a kind of a miracle, if I can use that phrase. You have, after all, almost 50,000 American forces deployed in one of the two most advanced countries in the world in terms of economics, one of the two economic superpowers of the world, a country that has perhaps the third or second largest military budget in the world, a highly advanced country; yet this is a garrison force left over from an occupying army from World War II, and it is still there. And it is still there at the request and support of the host government.

I would suggest to you that if you wrote the political science textbook in advance of these events and posited such a thing, no one would believe it is possible. So I think it is worth keeping that in mind.

Turning to China, very briefly, I, like most, see China in terms of an emerging great power on the international scene, and as a number of analysts have pointed out, whenever a new great power emerges, whether it is Japan, or Germany, either Imperial or Nazi, or Bolshevik Russia, Communist Russia, it places huge strains upon the existing international system. In each of those other instances the result was a cataclysm, international conflict. The great task of policy is to somehow cope with the emergence of China without such an outcome.

I had some material, and I think time is fleeting, so I am not going to read it, but suffice it to say China is not easy. There is much in terms of Chinese—the Chinese historic sense of the middle kingdom, of its historic civilizational preeminence, the great pride, the depth of nationalistic fervor that goes with that, combined with a sense of humiliation and degradation of the hands of the West, the colonial powers, that is a potent brew. Grandeur and resentment create a difficult equation. That, combined with the relative isolation and parochialism of this regime, its culture remoteness, the absence of a figure like a Chow En Lai, who can act as an interpreter and a bridge to the West. It is as if when the guns fired at Tiananmen more than just the students and the people in the square were killed. There was something killed, something died in

terms of the regime, in Beijing's ability to deal with the rest of the world.

So China is going to be a tough problem, and there is both a clash of interest and the clash of emotion, and it is a potent brew.

With regard to Korea, maybe just a couple of very brief points. No one knows what is going to happen in Korea. And specifically no one knows what is happening in the North. I am reminded of the fact that in 1989 a conference was convened and then divided Berlin, most of the world's top experts from Germany, and the subject was the future of the East German regime. And the consensus opinion among this truly expert body of analysts was that the German regime would last for probably at least another 10 years, and you might look to some sort of gradual loosening and pluralization of the regime over that timeframe. One month later the wall came down and the East German regime was history.

So it is a useful warning to us in terms of some humility in terms of trying to read outcomes.

I would be happy to play with some of the hard and soft and no-landing scenarios, and we can go into that. One other observation on Korea.

Again, trying to sort of talk systemically, I think the fundamental fact that has to be kept in mind about Korea is there has been a sea change in the balance of power on the peninsula. What has been happening over time was the growing strength and capabilities of the south and the continued deterioration of the economic foundations in the North. The outcome of the Korean contest between Pyongyang and Seoul is already over. We already know the outcome.

United Korea will be ruled from Seoul. The question is the modalities of that, but that we know. But Pyongyang also knows surely that there has been this remorseless shift of power, balance of power and capability against them in the peninsula, and I think what you are seeing in the DMZ is a desperate attempt to try to escape the box by establishing a relationship with, of all places, the United States as the one place that can save them from a sort of remorseless grinding down. And the reason the United States is identified, not China, not Russia, the reason the United States is identified is that we are seen to have leverage on the South, to keep the South under control, and keep Tokyo under control.

Let me conclude with those remarks, and I will be happy to participate in the discussion.

[The prepared statement of Dr. Ott appears in the appendix.]

Mr. BEREUTER. Thank you very much, Dr. Ott.

I will begin my questions by mentioning that I think, in light of a couple of things you have said, the subject of the quick end to the German Democratic Republic seemed to be on the mind of not only the North Koreans, but the South Koreans as well. They have some pause now, I think, about how to proceed in light of that possible quick demise of the German Democratic Republic, and potentially the North Korean Government.

And, second, I think you were right to try to focus some comments upon the Chinese historical perspective and their experience with colonialism in the 18th and 19th centuries. I think that is unappreciated in this country by and large.

I would like to focus first on the Korean Peninsula. The two-plus-two proposal which was voiced a day or two ago is not a new proposal, but is resurrected, and there are several questions that come to mind. Several of you also mentioned this two-plus-two proposal.

When I asked the Chinese in August whether they were interested in playing some role in KEDO, even as an observer, they quickly responded, "We will have our impact in another way directly with the North Koreans, and not through some multilateral effort."

So, do you think in fact there is any interest on the part of the Chinese to participate in a two-plus-two arrangement with respect to the Korean Peninsula? What possible role could they offer if they chose to? And, third, do you feel that the PRC's role would be constructive? And, fourth, what role do the Russians plan in any kind of peaceful solution to the Korean Peninsula standoff and conflict, the estrangement that exists there today?

They continue to say they want to be involved in it. I would welcome responses to this general set of questions from any or all of the panelists.

Dr. POLLACK. Yes. I think it would be premature to assume that the Chinese would not be interested in such a relationship, or framework, though, at least according to this morning's Washington Post, the framework came as a surprise to the Foreign Ministry press spokesman. Whether or not we had broached this fully with the Chinese, therefore, is not entirely clear, and the Chinese tend not to like surprises.

Now, you could argue that the Chinese enjoy enviable circumstances at the moment on the peninsula in the sense that they rather like a weak North Korea, because it gives them running room. As that weak North Korea tries to accommodate the United States, it gives Beijing latitude and running room with the South that they did not enjoy previously.

On the other hand, they still retain at various levels, including at the military level, a continued relationship with North Korea, but it is not widely appreciated.

That said, I think the Chinese have watched as North Korea has progressively tried to work its way out of an existing set of constraints. It is my own judgment that the Chinese do from time to time deal privately and quietly with the North Koreans on these matters. They do not want to humiliate them publicly.

So a two-plus-two framework would have the virtue of locking in North Korea to a set of relationships that it may be made more difficult for them to oppose—in fact, it would be more difficult for them to oppose—if the Chinese were to signal some kind of a degree of interest.

Would it be constructive? Well, you know, again, I think the Chinese enjoy a very enviable circumstance in the peninsula right now. They deal with both Koreas. Their relationship with South Korea in various respects is booming in economic terms, and beginning to develop in political terms.

For these reasons, you could argue that it only reflects the realities that exist, and that the United States and China would be the appropriate guarantors of any agreement that might emerge.

But I think anything that makes the Chinese role more explicit, more committal, since they enjoy this neither fish nor fowl position would be very helpful. Though I do think fundamentally their role is constructive already, this may provide an opportunity to test North Korea, though, frankly, given North Korea's record, I am not overly optimistic that they are going to be seized by this and see the light of day, and that is a real problem.

The other aspect, leaving out the Russians is a problem, and it seems to me if this begins to assume any momentum at all it will be necessary to somehow vest the Russians in this process. I do not have any immediate ideas on how that might be done, but you just simply cannot leave them out of that process given that they have their own links into the north that also continue.

Mr. BEREUTER. Would anyone else like to respond? Dr. Ott.

Dr. OTT. Just a couple of very brief thoughts.

First of all, what does this offer the Chinese that they might want to respond to?

I think what the proposal offers to them is a chance to participate in working out the security future of this part of Northeast Asia, which is obviously a vital concern to them.

Back to the point about Chinese views on the world and on security issues, one of the great sources of Chinese resentment is a feeling that the rules have been written for the international game without their being at the table, and they are being asked to accept and abide by rules and norms that they have had no role in writing and creating.

So with that in mind, this is an opportunity to go to the Chinese and say, OK, we have a basic decision here that is going to have to be made, a fundamental negotiation about the security framework for this peninsula, we want you to participate with us.

And my guess is that essential offer would be sort of in a strategic sense attractive in Beijing.

Just quickly on the comment of what the Chinese interests are. Specifically, in Korea, despite the fact that China, I characterize China as a rising power, and in that sense revisionists, with regard to Korea, it is a status quo power. I think Jonathan has suggested that. The Chinese do not want a conflict on the peninsula. They want it to remain stable. They do not want North Korea to get away. They want to keep a buffer against their border, a Marxist-Leninist buffer.

If North Korea goes down, it does not take much imagination to see all eyes turning to Beijing and wondering when Beijing will be yet the next Communist regime to go, and the Chinese know that. So the Chinese will be very nervous, I think, if North Korea in fact disappears.

Having said that, if a united Korea is clearly in the cards, the Chinese will want a voice in what that Korea looks like, and the main thing they will want, and this will be my last comment, is they will want a united Korea that excludes the security, military presence of any other outside powers. That means us. And that will become a fundamental point of disagreement between the South Korean regime and ourselves on the one hand, and China on the other.

Dr. PRZYSTUP. I would just add that there is a strong incentive for China to go along with this given the interest that it has at stake on the peninsula, not only the interest in terms of the north, but in terms of expanding its influence in the South. And from a long-term strategic perspective, I agree with Marvin. Their game is to get us off the peninsula.

So this puts a lot in play in this dynamic from Beijing's perspective. They have to sort this out from their own perspective.

Mr. BEREUTER. Thank you. Dr. Cronin.

Dr. CRONIN. If North Korea is truly interested in becoming a peaceful, cooperative power, then this is an opportunity in which to act. It is unlikely given the historical record, however, that they will act in a cooperative manner. But if they do, it is there.

For the Chinese, the simultaneous opportunity to retain a buffer on their border is of strategic importance while at the same time being able to leverage their role over North Korea with the South, and their increasing Sino-Korean (South Korean) relationship, I think, would be of great interest to Beijing.

That being said in an abstract sense, I do not think this proposal's timing is most auspicious in terms of Chinese participation given the fact that Sino-American dialog is at something of a standstill. Hopefully, a strategic framework like this though can be erected over time. And I think this is the kind of vehicle that will provide a regional or sub-regional architecture that can be used in the next century.

And, finally, you asked, sir, about the Russian role, and Foreign Minister Primakov has talked about an "all-azimuth" Russian foreign policy. They continue to keep an eye on any opportunities that will allow Russia to have greater visibility in the growing Asian region. And their recent proposal in Pyongyang to create a multilateral framework that they could be included in has not taken hold anywhere. I think it would be even less likely to succeed than this two-plus-two. So I am not confident that Russia has a very constructive role to play at this point.

Mr. BEREUTER. Thank you.

Do you have a final comment, Dr. Przystup?

Dr. PRZYSTUP. Yes, just to pick up on that.

If Russia is to be included in this context, then that is going to add another dimension to this as it starts to expand outward, and the Japanese have a strong interest in what happens on the peninsula, and that has been historic. And so that leads to another complication, as to how do you include first the Russians, and then perhaps the Japanese.

And when you look at it from a Korean perspective, what the Koreans have tried to do for 400 years basically, is to get the great powers off the peninsula.

Mr. BEREUTER. Thank you. Thank you, gentlemen.

I would say to my colleagues that our light is not working here and I will recognize, as I did myself, for each of you 6 or 7 minutes. Then we should have time for a second round if you would like as well.

So I recognize the gentleman from California, Mr. Berman.

Mr. BERMAN. Thank you, Mr. Chairman. Thank you for conducting this hearing.

Just to follow up on this last thought. If one or more of you could just take me through the logic here.

The Chinese, assuming a reunified Korea, will not want U.S. presence there. You all seemed, or some of you have said it. No one has disagreed with that.

And we have a presence there now, at least recently focused on North Korea, and it had turned on North Korea, what is, as opposed to the general interest and high interest we have in a forward presence in the Pacific in this area, what would our specific interest in having a presence in Korea be in a peacefully reunified Korea?

Is that China containment? What is that?

Dr. Pollack.

Dr. POLLACK. Congressman Berman, I am going to dissent from what my colleagues said. To posit automatic Chinese opposition to a continued America military presence in Korea begs a prior question: what is the character and purpose of that presence, and that's really the question that you have posed.

If, for example, in the aftermath of Korean unification, assuming it comes soon, and notwithstanding North Korea's vulnerabilities, that may itself still be a big assumption, one of the largest challenges will be to find a way to define a credible role for the United States that does not precisely trigger a set of adverse responses from the Chinese.

The Koreans, in fact, most of the time continue to indicate that they would like the United States to stay over the longer run. That may be in part because of concerns about Japan on Korea's part, highlighting again one of the real elements of instability that I see given the kinds of frictions that exist between Korea and Japan. But the Chinese also may have to look carefully at the question of whether it is better for their interests or not that the United States remain militarily engaged in Northeast Asia.

If the assumption is that with Korean unification we no longer have a role to play on the peninsula, this may as a consequence trigger a set of Japanese responses that may find the Chinese in a position with Japan that they do not find particularly congenial to their interests.

Apart from all of this, I think our judgments about Chinese perspectives simply reflect the lousy state of our relations with the PRC. Whether they are always going to be in that kind of a circumstance is debatable. But I would argue that what the United States has to be doing, in conjunction with its allies and in conjunction with discussions with the Chinese, is to talk about what the future shape of East Asia would look like. What are the kinds of security arrangements of which one could conceive? What kinds of capabilities are appropriate and permissible that do not pose a direct and immediate risk to China?

Frankly, as we think about the future of a U.S.-Japan, U.S.-Korean relationship, if the logic is regional in terms of peacekeeping capabilities, for example, and the like, some have argued that you could see more of a U.S. naval presence in Korea over the longer run. I am not arguing that we should just be looking for things to do. We should ask whether these are things that really are going to serve our long-term interests.

But I must say if the judgment of my colleague is right, we have got a big problem on our hands because Secretary Perry, among others, has already indicated very, very clearly that he expects us to stay militarily on the peninsula. That may not address the exact nature of that military presence, but, frankly, that is one of the problems I have with the commitment to the 100,000 troop level. It does not ask what is the composition of your forces, what do you have them there for.

To presume that for the next 15 to 20 years, independent of any changes we are going to see in the region, that our forces stay at those levels, does not lend added credibility to our posture, frankly, and undermines it.

Mr. BERMAN. You have covered a lot of ground here, and in a certain situation it is possible to think that every single major force in Northeast Asia has a situation where they could want a continued American presence vis-a-vis the others; and that you might have the scenario where you do not have problems with that presence except perhaps domestically.

Dr. POLLACK. That is right. That is right.

Mr. BERMAN. And then just one last thing and then the others, and then I will wait for another round.

Given the criticisms that come, I mean, I read about this whole "Nye initiative," the assumption of the security presence is not the big issue whether we should have the presence and questions of what the force should look like over the next 10 or 20 years can be dealt with, and just be dealt with, but it is a secondary issue compared to the debate about whether our long-term U.S. interests, and our focus on economic commercial questions argue for not allowing these countries to take us for granted, beginning to move to pull out, and there have been folks who have been writing that way.

I will just throw that out to you. That, in other words, the Administration is addressing the real central question by continuing to, or at least since the initial Nye statement, focus on the importance of our continued presence there, and there is more credit for that than the criticism for at least not publicly talking about what the force might look like under a variety of different scenarios.

Dr. POLLACK. Right. That is a fair comment. I would say, among other reasons for just military planning purposes. Defense planners, quite apart from civilian decisionmakers in this or any administration would argue that at a certain point levels of forces cease to be operationally relevant and so forth. That can be, of course, a very self-serving argument.

But I do think that the Administration in its own groping fashion deserves some credit for articulating a commitment here over the longer run.

I am just simply raising the issue if everyone seems to be persuaded and nods approvingly that North Korea's demise is only a matter of time, we had better really be thinking now and acting now and pursuing now very carefully discussions with our allies and with the Chinese, and for that matter, the Russians, on our concepts and ideas about longer run policy on the peninsula, and in the region, and that, frankly, has not happened.

Mr. BEREUTER. Your time has expired, but I think there are several other gentlemen that want to respond to the question.

Dr. Przystup.

Dr. PRZYSTUP. I think the question you raise is really fundamental when you look at it from the strategic perspective. Korea has been the focus of our strategic planning in the region. And when we look at head post-unification, I think there are two questions.

One is, is the Congress going to support 37,000 troops on the peninsula? And second, will the unified government of Korea be able to afford it in the way that we like to be accommodated in terms of our military?

Those are real questions, and that has to be the starting—unification really has to be the starting, Patrick raised that issue. We have to start looking ahead what the future is going to look like. And I think it is important that we maintain a security presence in the region.

One hundred thousand, I agree with Jonathan, is a target number. I think it was put out, frankly, because we had taken some real hits to our credibility over the first couple of years of this administration. One hundred thousand was a clear definition of interest, but it has real risks in a real changing environment, because any time the number is moved down the question becomes then, are we less committed to the region. Then you have to defend that.

So it is important that we start speaking now with our allies in Japan, and in Korea as a starting point. What is it going to look like?

A still life picture is the way I view it—if you want to conceptualize it, is that you have the plate, the knife, and the bottle, and the apple, and we want to maintain the essence of that picture. That is our forward presence in the region. But we are going to change the way it looks.

How are we going to change the way it looks? Does the bottle get shorter? Does it get longer? Does the knife get shorter? Does the fruit change? Those are the kinds of concepts that I think we have to deal with when we start to look ahead.

Mr. BEREUTER. Dr. Ott.

Dr. OTT. It is a good question, and it raises all sorts of issues, so I am going to give a quick but rather scattered shot response because it is effervescent with a lot of different things.

Very quickly, if you ask the South Korean military planners the answer to your question, the answer is Japan, East Asia security. We let you because of Japan, and post-unification we see your forces as part of—as a platform as integrated in your regional strategy. We become, we, South Koreans, become a participant in America's East Asia security framework, strategy. Forces get adapted for that role, more naval, more air, you know, so on. So that is the South Korean answer.

Just a couple quick observations. A question that Dr. Pollack raised about whether we should necessarily assume some things here about Chinese attitudes. And I just will note that U.S.-China relations has been a remarkable fever chart over the years. It has been up and down, and up and down. And I have always thought that was largely due to the foundations of the relationship going

back to the missionaries in China and a heavy emotional investment that Americans have made in China.

I am not sure the Chinese have quite reciprocated it, but we have had on our side a very—there has been a very emotional content to the China relationship that has not been true of most other countries. And the result is it has been like a bad love affair. We were in and out of love, or angry. We kiss and make up, and then are angry again. We are now deep into an angry phase.

So a fair warning that, you know, this fever chart has changed several times in the past, and it could change again pretty quick.

And just one other sort of a slightly random observation but it is triggered by this. Back to the Japan alliance, I mean, among the many different things that we have to start thinking through, and I agree with my colleague, we have got to start thinking through some fundamentals here, about what do we do post-unification. We and the ROK's have got to start talking about this. The Japanese alliance, as I think I tried to show it historically, has been sort of remarkably reconstituted in terms of sort of a political content and support.

It is not at all clear, though, that either side knows what we would do in the event the balloon really goes up. I mean, the issue began to get forced in the Taiwan straits, it is beginning to get forced in Korea. What happens if the United States actually feels it has to deploy forces and wants Japan's acquiescence and even active support in a Taiwan crisis, a South China Sea crisis, a Korea crisis.

I think it is fair to say, at least at the policy level, Japan does not know what it would do. And that is a pretty big X factor, you know.

Well, we have said, with regard to Taiwan, Joe Nye said it to the Chinese, he said we do not know what we would do in the event of a crisis, and that is why you should be careful, because we do not know.

Mr. BEREUTER. Dr. Cronin has a remark or a comment here, and then we will go to the next questioner.

Dr. CRONIN. Briefly, regarding China's attitude toward U.S. military presence, Chinese military planners tell me that ultimately in the long run they would like to assume the mantle of military pre-eminence in the region, overtaking the United States. But that is a very long-term, abstract goal.

In the short term, though, they profess to support U.S. presence, provided that presence is seen as providing the regional stability that allows the Chinese economy to grow rather than as you alluded to, sir, being some force to contain China. Obviously, in those circumstances no presence would be welcome by the Chinese Government.

In terms of U.S. interests, the rationale for retaining U.S. presence on the Korean Peninsula even after a settlement of the tensions I think could be made in three arguments.

The first would be to retain regional stability. Here, among other things, not to isolate the only other place where we do have bases in the region, in Japan.

Second, is to increase or to enhance and preserve leverage in the region. We are talking about a country, South Korea, after all,

whose GNP will overtake that of Russia, and we spend so much time in this country talking about Russia and being worried about Russia, but on any other set of charts in the next century, South Korea is going to have an economy the size of Russia. And we need to start to appreciate the role of this middle power.

And, third, is to share the burden of retaining prosperity and peace and stability in the region with the wealthy democratic allies. And there, if we convert the South Korean military from a focus on the DMZ to maintaining regional stability, I think they can play a constructive role as well.

For all three of those reasons there is some argument to be made for retaining some, but not the same kind of, presence after peace on the peninsula.

Thank you.

Mr. BEREUTER. Thank you.

Congressman Kim, you are recognized.

Mr. KIM. Thank you, Mr. Chairman, for yielding. I do have half a dozen questions, and I would like you to please give me a short answer too.

Dr. Cronin, you mentioned that any usual U.S. presence on this Korean Peninsula would have to be compact enough to avoid any antagonizing China.

What is it? In other words, too large, then obviously China would be upset. Too small, then they might be jeopardizing military strength.

Is 100,000 about right? What is your opinion on this?

Dr. CRONIN. If we were to increase over 100,000, clearly that would be seen as antagonistic. The number, though, is probably less important than the context in which that is occurring.

As I just mentioned, the fact is that the force numbers are likely to go down, not up, unless China somehow were the bully of the region, and we were trying to contain China.

Mr. KIM. Let me tell you what I learned from that area. There is a basic fear of China because you know that China has been around 5,000 years. They will be around another 5,000 years. But the United States can pack up and leave. So far away, the United States is so far—6,000 miles away. What happened in Vietnam. They have a little underlying fear. The United States can, whatever changes happen, policies change, pack up and leave.

I want you to know there is a basic uneasy feeling. It is not a mistrust, but policy can be changed. When you are talking about compact enough to avoid antagonizing China, but then you are creating fear, oh, my God, fear of too many foreigners out there. Maybe China will get upset. These are concerns I have.

We have to pull out. You mention on page 6, I believe, that both Koreas remain eminently predictable. This is the first time I heard that. Both Koreas can be predictable. Everybody else is saying that there is no way we know what they are going to do next step. And you are the only one that says predictable.

What do you mean by that?

Dr. POLLACK. Well, as I said, I differentiated between tactical unpredictability, given that the North Koreans like to keep folks off balance and their strategic orientation. But there really is logic to their strategy. Their strategy is one of both keeping in business,

doing whatever they can to keep a very, very distant relationship from South Korea, disturbing equilibrium in a variety of ways where they believe they may have leverage.

One aspect of our policy that leaves me uncomfortable, frankly, is that the North Koreans having been installed in business by the Soviet Union, having been rescued by the Chinese, have now decided that there is a new savior, and it is us.

We cannot let ourselves get into that position. But what I am saying is that there is a method to their madness, if you will. Whether it is on questions of the armistice, whether it is on questions on their ballistic missiles, all these issues about how they try to leverage concerns about their weakness and vulnerability, and possible damaging behavior and very—

Mr. KIM. I understand.

Dr. POLLACK. So I find them eminently predictable.

Mr. KIM. The North Korean troops were into the DMZ right before election time in South Korea. Nobody can explain that.

Dr. POLLACK. Tactically, I cannot explain it. I cannot explain it.

Mr. KIM. You also mentioned that two-plus-two peace framework in China and the United States serving as a guarantor, which I agree. How about two-plus-three? Japan is also included. Do you support the concept or are you—

Dr. POLLACK. I think under the circumstances with the historical legacy of Japan's role and so forth, a way will have to be found to involve powers such as Japan. If the two-plus-two framework proves viable, I could imagine a circumstance or a meeting or a conference, or what have you, in which Japan and Russia would be also included as—I do not want to call them co-guarantors. They would be participants in some because their interests are at stake.

But I would be wary that it is going to go very far given the levels of animosity between Japan and Korea. But, frankly, that is why I highlight it. This is not a healthy situation whatsoever for the interests of the United States. And, frankly, it obviously is an area that we are concerned about, but we do very, very little about. There are a lot of reasons for it.

Ultimately, in the same way that the South and North have to deal with one another, the ROK and Japan are going to have to develop modalities of a more normal and stable relationship. But there is a lot of tough sledding still to go there.

But my real concern is, if we talk about a regional concept of a U.S. strategy after unification, how are we supposed to have a regional concept with the Koreans and the Japanese looking upon each other in different ways and in a very, very hostile fashion? It makes no sense from the point of view of our role as a security manager.

I think that is where we have a role to play. We can make it very abundantly clear to both the Japanese and the Koreans it is not acceptable to the interests of the United States to let either one of them use their link to the United States to balance against the other. That is a dumb idea for the United States.

Mr. KIM. It is my understanding that China actually declined such a proposal to join this two-plus-two concept.

Dr. POLLACK. That I do not know for a fact yet. I think it is too early to say.

Mr. KIM. Well, that is the written statement that I have.

But the next question, in the interest of time I have got to move fast.

Dr. Ott, you mentioned that China has become nervous about North Korea disappearing or collapsing. That is the last communism still existing on this earth. I understand contrary to your opinion. I understand that when something happened to North Korea, millions of refugees flowed in to China. That is going to be a big headache to them.

At the same time the relationship is gone now prior to, I mean, the relationship after the Kim Il-sung, and now North Korea becomes a total nuisance to them because there is a healthy trading relationship between South Korea and China.

What makes you think that China will be supporting North Korea, and they will become nervous to make sure that North Korea does not collapse? I do not understand that concept.

Dr. OTT. I basically would agree with your observations. Let me make just one quick response.

You raised a question about the North Koreans and why they did the DMZ operation right up against the South Korean elections. The explanation I like the best is that it just never occurred to them to time their events according to an election. Elections are so alien to their notion of what counts that the idea that they would actually do something that was of vital interest to them in the DMZ and time it to some crazy operation that was going on politically in the South never occurred to them. But, you know, that is just a guess.

I guess the point I am trying to make, or the point I would make with regard to your observation on how China views the North is the North simply as a buffer, a Marxist-Leninist, nominally collegial buffer north of the 38th parallel is a positive as far as the Chinese are concerned.

Does that mean they like everything that is going on in Pyongyang right now? No, it is very clear they do not. The Pyongyang regime has become a big nuisance to them. And to the extent that the policy in Pyongyang seems to be leading that regime over a cliff, and beginning to—you know, there are a lot of defections now going, as I am sure you well know, going into China out of the north. I mean, people are in desperate shape economically. The northern provinces in particular are very bad off.

So when the Chinese look at events now in North Korea, they do not like it. But that does not mean in principle they would not like to have a sort of stable, viable Marxist-Leninist regime if it was in any way a going concern.

Mr. KIM. And, Dr. Przystup, I do have a couple questions for you.

Mr. BEREUTER. I would like to take 5 minutes or 6 here.

Mr. KIM. Sure.

Mr. BEREUTER. We had some discussion before about the 100,000-man troop level, and I think my judgment is that is really more of a shorthand indication that we are going to be there, and we are not going to cut back on our capability. But I think several of you have accurately made the point that it really depends upon the mixture, the nature of the deployment and the location of the

deployment. If we keep our capability there, that is the most important thing.

But now it is difficult for us to reduce numbers, even though we do not reduce capabilities in light of that marker that has been placed out there.

The former Prime Minister Hosokawa has—as you heard from my opening statement, I repeated it—suggested perhaps the time will soon come when marines ought to be pulled out of Japan altogether, and relocate, perhaps to Guam, where we have excess capacity.

But would that not be seen as pulling them really out of the immediate area, even though Guam is a long way out in the Pacific?

Would a location of ground troops in Australia, which could be explored, meet part of the commitment, and still make it clear that the United States is firmly committed to stability in Asia?

And what are your thoughts about what the Chinese really want from us in terms of stability for the region?

One thing that has not been mentioned, of course, is the reason, I would say, why we still have a garrison of troops in Japan 50 years after World War II, and that is to keep the Japanese, among other things, from going nuclear, because I think no one, including most Japanese people, want Japan to go nuclear.

Anybody want to try some responses to those points?

Dr. PRZYSTUP. Well, I think in terms of—

Mr. BEREUTER. Dr. Przystup.

Dr. PRZYSTUP [continuing]. Hosokawa statement, I have got the full text of the address that he made, and I think it's quite interesting.

Again, the point that he is making, which is quite striking from a Japanese political leader, is that, again, that it is no exaggeration to say that the importance of the U.S. bases in Japan have increased in the aftermath of the cold war.

I think the discussion you talk about, the questions he raises are more in the context of a political leader challenging the Japanese Government to discuss with its own people why this is true, and why the relationship with the United States is so important. That is the context. He goes on and asks three or four series of questions.

He makes the point, "At least there has been no dialog with the Japanese public about these issues." He said, "There is a need to engage the Japanese public in this debate." And the issues he raises are host nation support, is this sustainable? If so, at what levels? He talks about is it possible to reposition the forces in Japan.

Then he says, "We should begin to debate soberly the obligations of the self defense forces within the constraints of our Constitution."

So I think this is a very positive statement from a Japanese political leader saying it is time to talk about these issues opening, in the context of understanding how important this relationship is for Japan and how important the bases are in this post-cold war environment. So I see it as a much more positive statement.

I do not see it as one that is trying to drive the public debate away from the U.S. force presence in Japan, but he is asking the

question that we are asking here. What is the future going to look like? How can we deal with it? And I think these are legitimate questions.

Mr. BEREUTER. Do you care to address the question of whether at the highest levels in the People's Republic of China they want to keep the United States there as a counter-weight to the nuclearized—

Dr. PRZYSTUP. Well, I think they certainly see a non-nuclear Japan. That is certainly in their interest, and that, from a strategic perspective, would go, I think, unchallenged.

The real question is what is the nature of the U.S. relationship with China: what is the context, what is the environment in terms of the troop level, the number, the nature of our deployments in Asia, and that is driven by political.

Mr. BEREUTER. Is the Japan/PRC/U.S. three-way relationship the most important relationship in the world for the next 20 years?

Dr. PRZYSTUP. I do not quite see it triangular. I think these are a series of really bilateral relationships, because I do not think that China and Japan exert the leverage on us that would be necessary to make it a truly triangular relationship.

Mr. BEREUTER. So a United States to China and United States to Japan relationship versus that triangular?

Dr. PRZYSTUP. And then China, too.

Mr. BEREUTER. Yes, I think that is a good distinction.

Dr. PRZYSTUP. But I would say that, you know, from a Japanese perspective their strategic options, I think, are quite limited over an extended—just given China's position in the region. They can try on our neutrality, and they have tried that, and that was a popular phrase in the late seventies and eighties, only directional diplomacy and unarmed neutrality, and that did not go very far. And I do not think the Chinese are going to be prepared to tolerate a nuclear Japan.

I think the choices basically are between where they are going to go in an Asia that is going to be driven by two major powers, China and the United States.

Mr. BEREUTER. I will call on Dr. Pollard—excuse me.

Dr. POLLACK. Pollack.

Mr. BEREUTER. Pollack. Pollard is someone else, yes.

Dr. POLLACK. I can assure you, sir, you are not the first person to make that mistake.

Mr. BEREUTER. I was a member of the Intelligence Committee, so I do remember that name as well.

Dr. POLLACK. I think that one needs to bear in mind that part of Chinese strategy right now is to have an insurance policy against the unlikely prospect that we could indeed proceed to some kind of a containment strategy. And I do not see evidence that we are doing this both because, on the one hand, the Chinese have not arrived militarily at a point that we deem them such a threat to peace and stability in the region, notwithstanding their recent military exercises.

And, of course, it is too late in the sense that China has already economically and politically integrated with so many of its neighbors. Indeed, I was in both Singapore and in Japan at the time of the Chinese exercises, and I was very struck in Singapore that we

were getting remarkably little support from our friends in South-east Asia for our felt concerns about Chinese behavior.

We should remind ourselves that the Chinese are clever and resourceful about positioning themselves politically and otherwise, that it will make it very difficult for us to proceed without considering Chinese interests.

So when the Chinese come in full voice about warning the United States that it is not a good idea to do too much with Japan militarily, they are trying to constrain the level at which that relationship develops because it could indeed afford the United States some options if push comes to shove.

We have a similar problem, of course, with Korea. There the Chinese do not at the present time raise in a significant way concerns about our longer-term presence because they know why we are there now. But that issue also has to be faced.

The other aspect that I would raise is that I am not at all convinced that the Chinese are all speaking with one voice on these questions. China is an increasingly contentious place. For us to determine where the center of gravity lies strategically and politically in China is increasingly difficult, especially at times when the Chinese are in full voice about all the nasty things the United States is doing to them.

So this is one of the problems we have in discerning credibly the range of opinion within Chinese leadership; in particular, the military leadership. I believe it is possible to sustain a dialog there, and we had better do it, and it is going to require, frankly, the Administration to take some political heat. But I just cannot imagine involving a stable, durable, peaceful security order in East Asia over the longer run if we do not find a way to deal credibly, honestly, and above board with the Chinese and vice-versa.

Mr. BEREUTER. Dr. Pollack, thank you.

Mr. KIM. Mr. Chairman, I have to attend a meeting.

Mr. BEREUTER. All right.

Mr. KIM. Can I ask my questions?

Mr. BEREUTER. We will give Dr. Ott a chance to respond, and then I certainly plan to return to the—

Dr. OTT. Two very quick observations. You have got a lot of balls in play here, and one of them you mentioned was Australia. And I want to be careful when I say this because I don't want to make any headlines in Canberra or somewhere. But one of the things—Australia is going to be increasingly interesting, and it already is, because, as you know, the Australians have really had a full corps press on for the last 2 or 3 years to reorient their security policy, foreign policy toward Asia, and particularly toward Southeast Asia, and the recent agreement with Indonesia was a kind of important marker in that process.

You are now beginning for the first time, at least that I have heard it, to get voices kind of at the working level within the U.S. military who work the Southeast Asia beat, who are beginning to look upon—beginning to feel that the Australian/U.S. relationship is taking on a competitive tone in Asia that was not there before. I mean, this has been an extremely close and collaborative relationship. And I am not sure I want to take that anywhere but I—

Mr. BEREUTER. This is in the U.S. military, Dr. Ott?

Dr. OTT. Yes, that is right.

But I think it is interesting, and it reflects that this is a dynamic relationship. So when we talk about the Australians hosting forces and so on, that environment may be a moving target.

The other quick observation with regard to nuclear Japan, I suggest to you that if the nuclear issue arises, it does not arise in Japan. It arises in Korea.

I had a conversation with a Korean security analyst recently, a couple days ago, who made an explicit reference to Korea's desire under a unification scenario to acquire nuclear weapons, and that there was a certain context in which that was put. I called attention to the comment, and the response I got was, "Well, all security analysts in South Korea believe that. They just do not want to say it." So I just make that as an observation.

Mr. BEREUTER. Thank you. I am not sure I had heard about the attitude, or expressed attitude behind the scenes on competition between the military.

Dr. OTT. I think it is very preliminary, and this is by no means unanimous or anything of the sort, and I do not want to overplay it, but it is interesting.

Mr. BEREUTER. In my judgment, the Australians and Indonesians are playing a very constructive role in the region.

The gentleman from California.

Mr. KIM. Well, thank you, Mr. Chairman, for yielding back. I appreciate that.

I understand that the relationship between China and the United States has been pretty low right now, and it is my understanding the Japanese share of the cost of U.S. forces in Japan right now is about 75 percent, and it may reach to 80 percent by the end of this decade. I understand some countries do not pay anything.

This non-uniform policy may be the reason why we are creating such animosity. Why is the cost sharing so high in Japan compared to other nations? Anybody can answer that.

Dr. POLLACK. That has to do, sir, with the character of Japan's contribution since the argument has been Japanese forces can only be there to defend their own territory. They cannot play a role beyond their territory or beyond what we delimit as their sea and air space.

And unlike the Europeans who are very much embedded in a collective security arrangement, the fact that Japan stands out being very, very different, that the obligations are not mutual, we have an obligation to come to Japan's defense, Japan does not have an obligation to come to ours, puts a very different spin on this.

More than that, the extraordinary costs of being in Japan are a factor.

But this is where I am left very uneasy. If people say, well, look, Japan ponies up all this money, and, indeed, I know the Administration will use this as an illustration, \$5—\$6 billion a year and so forth, money is nice, I suppose, but there is more than money that is at stake in the alliance. If that is the only basis or the primary basis on which we proceed ahead with the Japanese, there are just going to be some inherent weaknesses and liabilities in this kind of a relationship. That is the unhealthy part, it seems to me, because we do not really broach the much more contentious

and loaded questions about Japan's long-term future, its relations with its neighbors and so forth and so on. That is the tough stuff that we are going to really have to deal with, I think, in the years to come.

Mr. KIM. Going back to this two-plus-two people. If North Korea or if China refuse to participate, what do we do then?

Dr. POLLACK. In my estimation, what we do is that there are limits beyond which we should not chase after our North Korean friends; that we prudently maintain the kinds of forces we deploy in Korea. We need to deal with a range of scenarios on the peninsula, particularly the so-called non-conical scenarios given the kind of weakened state that North Korea is in.

If one seriously believes that there is a real possibility of this regime going belly up, it is going to be very, very unpleasant. It is going to be very, very messy, and we better be dealing very, very closely, not only with the ROK but also, if need be, privately with the Chinese to address those kinds of questions.

So for all the talk about the inevitability of reunification and whether hard landing, soft landing, what have you, I mean, fundamentally speaking this is going to be a very, very unpleasant process. How we get from here to there is critical, and we have got to address it.

Dr. PRZYSTUP. I just would add that over the last decades our strategy toward the North have been to maintain deterrence, and to make clear to the North that we will not accept any wedge-driving tactics to come between ourselves and our allies in the South; and that that has to be our baseline position, and continue to be that position.

Mr. KIM. That brings me to the last question, Mr. Chairman. The last question I have is what bothers me is all this time we have been taking sort of low key response to North Korea threat. And, for example, all this violation of DMZ, armistice agreement and violate it, and we did not say anything.

The period of threat in the past, again, the United States did not do anything, no response whatsoever. Why do we take such a tough position? All this, we have given them money. \$2 million behind the back of South Korea. Very low key. They did not say anything. We should really speak up and let the North Korean know that we are friends of South Korea, but we did not say a word, very low key. Certainly now combats, well, two-plus-two is declined, then we are going to take a strong position.

Can you explain that to me? Why we have such an inconsistent policy shift from low key to high key?

Dr. POLLACK. I think that the preeminent reason and fundamental driving concern of U.S. policy vis-a-vis North Korea is to keep this nuclear program on ice. And we have been prepared to go to ample lengths in order to do so.

Now, that does not necessarily mean it is therefore a conflict of interest with those of the ROK, but it does mean that those felt concerns about the implications of the North Koreans completing much larger reactors that are plutonium-producing reactors gives them leverage for better or for worse, and we are prepared to pay a price. It may be more a political price, frankly, than an economic price, to maintain them—to see this program stopped in its tracks.

That said, I think that the political costs over time could prove significant, and do create, I think, potentially sources of tension with our allies.

But I must say, again, the logic of the KEDO process is such that ultimately if it proceeds, and that is, of course, a big *if*, it would find a very, very significant ROK presence in the North. And I have to believe that is in our joint interest. That is to say with our South Korean allies. But it is a long way from here to there. It is a very tough issue to deal with, and I think we need to send clear signals about do's and don'ts, lest we find ourselves on some kind of an ongoing process from which there is really no escape without a lot of payout.

But, finally, I just think that the assumption in many, many circles is that this regime is on borrowed time. And the presumption would be to go along with us now to buy a certain measure of stability, and wait them out. Now, whether that is a realistic or appropriate judgment, we could presumably talk about. But I think that is what drives a lot of our policy.

Mr. KIM. Thank you, Mr. Chairman.

Mr. BEREUTER. Mr. Kim, Dr. Ott would like to respond.

Dr. Ott, would you like to—

Mr. KIM. Oh, I am sorry. I missed you. Please.

Dr. OTT. Ten seconds worth, Congressman, and I have had this conversation before.

The nuclear agreement has obviously been a very controversial one, and the piece by G. G. Gyer just in the last few days is very critical of it. For whatever it is worth, and I, like Patrick Cronin, speak only for myself. I do not speak for any institution. I am one of those who believes that agreement was a remarkable achievement, that we have a core interest in putting a cap on that program. It was a tough negotiation. It was by no means guaranteed that we would be able to do that. We have done it. We have observers on the ground to make sure that it is implemented. And just my personal view is that that is an achievement, a diplomatic achievement of the first order.

Mr. BEREUTER. Congressman Kim, I issued a press statement on Thursday in response to inquiries of my district about the Administration's policy with respect to the Koreans. I said that I thought the message is very mixed that the Administration has sent.

The President first visited, then made very strong statements about stopping the nuclear program in its tracks, and then, of course, we have seen him proceed with sending food aid really without any substantial support, if at all, from the Hill, without really checking whether or not it was going to be diverted.

I think that these are sending the wrong signals. So that is just what I have done on the subject.

I yield to the gentleman from California. He will be able to conclude the questions here, I think, for the hearing today.

Mr. BERMAN. Just on this last point, is there a debate that that nuclear program has been stopped in its tracks, frozen in its tracks? I mean, is there a belief that we do not know, or at least it has not reached me, that something is going on which violates the commitments regarding their nuclear program?

Dr. POLLACK. The obligation was to cease the production of any additional plutonium, to reload the reactor, for example, or to proceed further to complete the construction of the two much larger reactors.

Mr. BERMAN. Right.

Dr. POLLACK. The agreement, as I understand it does not cover whatever they may be doing with whatever plutonium they may have.

Mr. BERMAN. With respect to the commitments that were made, I guess—

Dr. POLLACK. Right.

Mr. BERMAN [continuing]. is there any—

Dr. POLLACK. No, they have honored them to the letter by all accounts.

Mr. BEREUTER. Would the gentleman yield?

Mr. BERMAN. Sure.

Mr. BEREUTER. Perhaps I precipitated that. What I heard the President say earlier was that we would not tolerate nuclear weapons.

Dr. POLLACK. Right.

Mr. BEREUTER. And their use, and we would even go to war, if necessary, if in fact they continue to produce them, they maintain them and they use them, and "use" them is an important part. And, of course, they have not used them.

Dr. POLLACK. The exquisite tension, it seems to me, of the agreement that, again, as even its proponents, Ambassador Galucci being prime among them, would acknowledge that even assuming everything works according to plan, that it will be—

Mr. BEREUTER. You have still got some—

Dr. POLLACK. It will be over 10 years, over 10 years before we have a full accounting of the history of their program.

Mr. BEREUTER. Right.

Mr. BERMAN. Second, is there anyone on the panel that thinks that the money we have given is the food aid? I am not sure what my colleague, Mr. Kim, was talking about. He said behind the backs of the Republic of Korea. What has been behind their back?

Dr. POLLACK. I do not think we have done anything at all behind the back of the ROK. The ROK may not like it because in fact the ROK does not speak with one voice on this issue of what they do with their North Korea problem.

Dr. PRZYSTUP. I think what happened is the announcement of the terms of the South Korea's reaction to the food aid issue.

Mr. BERMAN. So it is the food aid. It is not the—

Dr. PRZYSTUP. Well, I do not know. He did mention food aid, I believe. The way it was announced, the Assistant Secretary announced the fact that we were moving ahead with the food aid package. But the day before we were supposed to have consultations with the government of the Republic of Korea in Hawaii just about that subject. So I think there was a sense that they felt they may have been blind-sighted and preempted by that rather than been consulted about that decision.

Mr. BERMAN. But that gets to the broad point. This is the question, I guess, I really wanted to ask. Move away from the sort of

specifics about these fascinating issues. We can talk about any of them for hours.

Dr. Cronin, you wrote, "Unless we reorganize our government institutions to reflect the world's shifting balance of power, unless we create a new centralized system for the adjudication of interagency policymaking, unless we make it easier to conduct government business in East Asia, unless we reduce the number of laws that tie policymakers' hands in dealing with major powers like China and Japan," I would be interested in knowing about that specifically since I guess we do have the theoretical ability to undo them if they should be undone. Then it does not matter how skillful our appointed—you are calling for—now, is this—I mean, there has been criticism of the Administration on the notion that, particularly vis-a-vis China, you hear one emphasis from the State Department, and another emphasis from the Commerce Department, and another emphasis from the Trade Representatives office, and maybe a fourth from the Arms Control Agency.

Is this what you are referring to, or are you talking about something structural, or are you just talking about getting our act together?

Dr. CRONIN. Congressman Berman, I am talking here specifically about a structural problem. That regardless of whether you like Secretary Lord or not, regardless of whether you like Secretary Perry, or other particular individuals, I think that any candidate in that position is going to have difficulty doing something more than reacting to the rape of an Okinawan school girl, or doing more than reacting and trying to reduce a problem to a nuclear issue, when in fact the Korean Peninsula is much more than that.

We have to be taking positive steps toward shaping the environment now. We basically, unfortunately, have squandered the last few years—the nineties, since the end of the cold war. We were not able to make the transition from cold war competition with one ideological superpower, the Soviet Union, to the multi-polar world in which Asia counted more. And, therefore, our bureaucracy is still top-loaded for Europe and Russia.

Our governmental officials cannot make policy because they are hamstrung by legislation that prevents it. I mean, ask the French about the Airbus and what is happening with their contracts with China. I am not sure that the loss of U.S. aircraft sales to China is benefiting U.S. interests in the region that matters the most in this next century.

We need a fundamental top-down reorganization of how we do business so that Asia can be accorded at least a parallel platform with our European policy.

I do not want to reject Europe. I studied at Oxford. I love the Europeans. I have European ancestors. But Asia is the cockpit that is driving the international system. That is, an ascendant China, which we do not know whether it is going to be a constructive power or not. We know it is going to be—

Mr. BERMAN. How would you do it? I mean, I agree.

Dr. CRONIN. How would we do it?

Mr. BERMAN. We had a foreign service and a foreign policy apparatus, and perhaps a military apparatus that was mostly focused

on NATO, Western Europe, the cold war and the Soviet Union. How do you do it?

Dr. CRONIN. Well, that is a very long story, sir. But I would begin by saying take a group of some of the best people representing different points of view, and start having regular meetings about how we recraft an unfettered foreign policy that accurately reflects the influence that Asia is gaining, so that we are not hamstrung.

We cannot start from where we were with a cold war structure and try to fix it, like the old garrison forces in Okinawa. We have to start with a clean slate, to some extent. We really need a bottom-up review of our overall policy. And the Asia and Pacific Subcommittee cannot handle that alone because it has to be accorded with our other national priorities. We have to somehow show that Asia now matters more in the next century, and in the very long term. I am talking about a strategic game plan for the United States for the next 20 years, to transform us into the 21st century power that I would like to see us remain.

Mr. BERMAN. Well, I think I have opened up something that is probably unfair to open up in the waning minutes of this hearing. But it would be interesting, and perhaps some of the other things I have here that you have written, elaborate on this, because you mentioned it in your testimony, but it is not really developed. I would be curious to know about it.

Dr. PRZYSTUP. I would just add that, you know, the starting point, if we recognize that—define the challenge and the interest we have in Asia, the starting point really is that China's emergence is going to define the structure of the international system for the first quarter of the next century. You look at the country and its size, its population, its resources, economic dynamism, and its military potential, that alone should get your attention, and that alone should draw our interest, because—

Mr. BERMAN. I will try to cut this off although it is very interesting.

Two things I would like to say. One is, one way or another there are different criticisms of Administration foreign policy with respect to Asia, but there was also a sense of praise for specific things, some of which started maybe a year ago, some of which occurred yesterday, and I am wondering—so just to put this in a perspective. I mean, even conceding some of the earlier problems, things may be turning around. There may be some hope.

And I am wondering if this two-plus-two arrangement is a bit of a—if one of the benefits of dealing with China that was not mentioned by any of you is dealing with this question of the great power that people say we should understand China is, and by getting them into this, inviting them in or hoping to go into this process with them, sort of giving them a status, it is not the general review you want in the broad policy, but it is taking one important issue now and all of a sudden starting to treat them and deal with them a little bit differently.

I am wondering if that is not a potential benefit, apart from the other reasons given for this two-plus-two formulation.

Dr. PRZYSTUP. As far as things turning around, I do not think they turn that quickly, and I think the last three-plus years have been very difficult in terms of our relationship with—

Mr. BERMAN. Five-plus years?

Dr. PRZYSTUP. Pardon?

Mr. BERMAN. Five-plus years?

Dr. PRZYSTUP. Five-plus years. I said three.

Mr. BERMAN. Well, since Tiananmen Square we have had some real problems with China.

Dr. PRZYSTUP. OK. You know, it is not going to turn around on a dime, and it cannot, and it really requires, you know, follow through. You just cannot go out to the region and make a statement, make a proposal, and then let things slide.

Mr. BERMAN. I agree.

Dr. PRZYSTUP. And I think part of that is going to be defined here in the Congress as we deal with MFN.

Mr. BEREUTER. Dr. Ott.

Dr. OTT. Just very quickly, just a couple of for instances. I mean, I think that the proposition is correct; that this kind of engagement with China on real issues, Chinese at the table participating is an important message to send.

A couple of other examples, MTCR, I mean, Missile Technology Control Regime, that is a bone that is stuck in the Chinese throat for a long time. It would seem to me worth at least thinking about sitting down with the Chinese and saying, OK, you were not at the table, you resent it, you have had these rules sort of imposed on you. OK, let us sort of reopen the MTCR specifically with you at the table, and let us—now, there is potential downside to that and I am not a specialist on the missile control issue. But that kind of engagement.

The other one is the WTO. I think you are going to hear increasing voices saying it is only going to be wise to hold the line so long on WTO. There is going to come a point here the cost and gains ratio is going to shift against us, and we better start beginning to think seriously about allowing the Chinese in on WTO in response to some sort of proper deal with them, but keeping them outside is a problem.

Mr. BERMAN. Thank you very much, Mr. Chairman.

Mr. BEREUTER. Thank you, Mr. Berman. I think you are right about the advantages of engagement to the Chinese on something like two-plus-two.

Mr. Berman and I will gather over coffee and try to develop a comprehensive concerted U.S. policy for Asia, and may call upon you for some advice.

Thank you very much quite seriously for the excellent written testimony and for your responses to our questions. I think it has been very helpful to the panel, and I am glad that you had the spotlight at our hearing today.

Thank you very much for coming.

[Whereupon, at 3:45 p.m., the subcommittee was adjourned.]



# APPENDIX

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## SECURITY IN NORTHEAST ASIA

Opening Remarks  
April 17, 1996

Rep. Howard L. Berman  
Ranking Member, Asia and Pacific Subcommittee

I commend Chairman Bereuter on the timeliness of holding this hearing during President Clinton's triumphant visit to Asia.

From all reports, the trip has been a great success, going far to re-establish the importance of our security relations with our Asian allies.

The President's proposal of a Four Party Peace Proposal for the Korean Peninsula is an important new Administration initiative.

Unfortunately, neither North Korea nor China have responded affirmatively. However, I hope they will reassess their positions. Relations with North Korea over implementation of the Agreed Framework and the establishment of liaison offices are already complicated enough without adding to it a North Korean reluctance to arrive at a permanent peace arrangement.

The resolution of basing issues on Okinawa is a notable accomplishment, as is the new cooperative arrangement with Japan's Self Defense Forces. Both are major steps forward in the Clinton Administration efforts to renew our security relationship with Japan.

I know some of my colleagues will disparage these initiatives. American relations with Asia have been difficult but they were equally troublesome during the Bush Administration.

It is easy to forget the contentious character of

our bilateral relations with Vietnam, Cambodia, Malaysia, the Philippines, China, and Japan under President Bush.

Malaysia's Prime Minister Mahathir had a veritable war of words with Secretary Baker over the Prime Minister's proposals for an East Asian economic union that excluded the U.S..

In Cambodia the Bush Administration contemplated a covert action program to overthrow the government led by Hun Sen - a leader the US later ended up recognizing as a result of the Paris Peace Accords.

In the Philippines, the historic pillar of our security arrangements in Asia, we were forced to abandon our bases.

On the Korean Peninsula, it was under the Bush Administration that the strategy leading to the Agreed Framework was first developed. Indeed, I think one of today's witnesses - Jim Przytrup from the Heritage Foundation - was an architect of that design.

Anti-Japanese feeling was high over the FSX jet fighter deal. So much so that some observers wondered if the Japanese-American security alliance would ever recover. I remember Senator D'Amato on the Senate floor evoking images of Pearl Harbor as he spoke of the threat posed to America by the fighter plane deal.

And, of course, reverberations from the massacre in Tiananmen Square and the Scowcroft-Eagleburger secret mission to Beijing are still being felt in U.S.-Chinese relations.

What all these incidents indicate is that difficulties in our relations with Asia are becoming more the norm in part because of the economic and political modernization of Asia.

No longer can America expect to speak and then have others follow. Asia's economic wealth and growing democratization mean that individual Asian nation's interests may differ from that of the U.S. We must learn

to lead - which is different from issuing orders.

Consultation and cooperation are going to have to be the watchwords of our future policy towards Asia.

Consultation and cooperation were the hallmarks of President Clinton's mission to Asia. On that basis we can look forward to the Administration's efforts to rejuvenate our Asia policy.

I look forward to the views of today's expert witnesses and again I commend Mr. Bereuter for his thoughtful consideration of these issues.

**STATEMENT BY REPRESENTATIVE JAY KIM (CA)  
SUBCOMMITTEE ON ASIA AND THE PACIFIC  
HEARING ON SECURITY IN NORTHEAST ASIA  
APRIL 17, 1996**

**MR. KIM.** Mr. Chairman, thank you for calling this very important and timely hearing. The recent increase in tensions throughout Northeast Asia makes it imperative that this Subcommittee review and examine all of the issues that threaten U.S. security interests.

First, let me express my deep concern regarding the increased tensions between North and South Korea. Recent statements by high-level North Korean officials have raised serious questions of security on the Korean Peninsula and the future of the Armistice Agreement. Vice Marshal Kim's announcement that "self-defense" measures were to be taken and that North Korea would "no longer abide by its responsibilities under the Armistice Agreement" are just the sort of comments that led to misunderstandings and possible military confrontations.

However, actions speak louder than words. The recent incursion of 180 to 300 North Korean troops into the Demilitarized Zone (DMZ) are provocative. This blatant breach of compliance with the Armistice Agreement further enhances my concerns over this Administration's policies with respect to North Korea. I was pleased, however, to hear President Clinton and President Kim reaffirm that the fundamental principle of establishing a stable, permanent peace on the Korean Peninsula is the task of the Korean people. In particular, I strongly support the notion that North and South Korea should take the lead in a renewed search for a permanent peace agreement. And, I laud the "four-party meeting" proposal. The involvement of the United States and China will facilitate the dialogue for peace between the Koreans. In fact, this is a concept that I proposed to the Assistant Secretary of East Asian and Pacific Affairs, Mr. Winston Lord, when he appeared before this very Subcommittee three weeks ago.

I believe that this approach will force the North Koreans to abide by their statements in support of a permanent peace agreement. This plan will put the ball in North Korea's court. In the meantime, I call upon this Administration to refuse further direct negotiations with North Korea until they begin an honest and open exchange with South Korea.

As for the situation in Okinawa, I can only extend my heartfelt sympathy to the young child and her family whose lives were so horrible changed by the deplorable actions of three U.S. military personnel. However, I believe a strong U.S. military presence in Japan, and throughout Southeast Asia, is imperative to ensure stability in the region. It is unfortunate, therefore, that the actions of three men have jeopardized our relationship with a close ally and have tarnished the image of all American military personnel overseas. In that regard, I hope that this hearing closely examines the repercussions this incident will have on the U.S. presence throughout Asia.

Again, thank you Mr. Chairman for holding this most important hearing.



REPLY TO  
ATTENTION OF:

DEPARTMENT OF DEFENSE  
NATIONAL DEFENSE UNIVERSITY  
WASHINGTON, D.C. 20318-6000

PATRICK M. CRONIN

Biographical Summary

Patrick M. Cronin is Senior Research Professor at the Institute for National Strategic Studies at the National Defense University in Washington, D.C. As the Institute's Asian team leader, Dr. Cronin conducts research for the Office of the Secretary of Defense, the Joint Chiefs of Staff, and the U.S. Pacific Command. He is also Executive Editor of the professional military journal, *Joint Force Quarterly*, which is published for the Chairman of the JCS.

After earning a doctorate in International Relations at Oxford University in England, Dr. Cronin worked at the Congressional Research Service of the Library of Congress (1984-1985). From 1986-1990, he served as a senior analyst at the Center for Naval Analyses. He joined INSS in 1990. He has also held teaching posts at the University of Virginia and the School for Advanced International Studies at the Johns Hopkins University. He continues to hold his commission as an intelligence officer in the U.S. Naval Reserve, and he is Associate Editor of the journal, *Strategic Review*.

Dr. Cronin has published and lectured widely in Asia and the United States. His co-authored monograph, *Redefining the U.S.-Japan Alliance*, has been referred to as a template for the present reaffirmation of the bilateral alliance. He is also the author of a "Security Relationships and Overseas Presence" in *Strategic Assessment 1996* and the co-author of "The Realistic Engagement of China" in the Winter 1996 Issue of *The Washington Quarterly*. Finally, he is the co-author and editor of two forthcoming books, *Shifting Relations Among the World's Major Powers* and *2015: Power and Progress in the Early 21st Century*.

April 1996

EDUCATING STRATEGIC LEADERS FOR TODAY AND TOMORROW

TESTIMONY  
OF

*DR. PATRICK M. CRONIN*

**SENIOR RESEARCH PROFESSOR,  
THE INSTITUTE FOR NATIONAL STRATEGIC STUDIES,  
THE NATIONAL DEFENSE UNIVERSITY**

PREPARED FOR A HEARING OF  
THE COMMITTEE ON INTERNATIONAL RELATIONS,  
SUBCOMMITTEE ON ASIA AND THE PACIFIC,  
THE UNITED STATES HOUSE OF REPRESENTATIVES

APRIL 17, 1996

THE RAYBURN HOUSE OFFICE BUILDING

Good afternoon, Mr. Chairman. Thank you for this opportunity to testify before the House International Relations Subcommittee on Asia and the Pacific. These proceedings coincide with important diplomatic events in Northeast Asia, which I hope to place in context with seven broad observations. Before beginning, however, I must mention that I speak today as an individual observer of U.S. Asian security policy. My comments are my own and do not necessarily represent the views of the National Defense University or the Department of Defense.

As President Clinton concludes his Asian summitry, he and his Defense Department team can point to a number of positive and concrete achievements in United States security policy. Thanks to the work of officials like Deputy Assistant Secretary of Defense Kurt Campbell, the United States has revitalized its keystone security relationship with Japan. Another achievement is the reaffirmation of U.S. solidarity with the Republic of Korea in her search for an enduring solution to antagonisms on the peninsula. These developments signal a potential watershed in our security relationships with Japan and, to a lesser extent, South Korea. If we have not yet turned the corner, at least we have begun walking down the block toward redefining our East Asian alliances away from narrow, threat-based deterrents toward opportunity-based bulwarks of regional stability. In short, U.S. Asian security policy has finally entered the post-Cold War world.

### **1. Recognizing Northeast Asia as the Locus of 21st Century Power**

This is a commendable development, because *my first point is that Northeast Asia will be the wellspring of international security in the twenty-first century*. Whether the international system is more or less stable, whether the American people are more or less prosperous, and whether the United States remains more or less a great power is likely to be determined over the next half century in this region of the world. The locus of economic, political, technological, and military power is continuing to shift from the Atlantic to the Pacific and Indian Oceans. Consequently, future U.S. administrations will have no choice but to operate in a world in which Asian prerogatives are, at a minimum, on a par with European prerogatives.

### **2. Crafting a U.S. Strategy That Relates Ends to Means**

Unfortunately, neither Republican nor Democratic administrations have fashioned a coherent strategy for dealing with this next phase in American security. Thus, *my second observation is that the United States Government needs to reexamine its national security strategy vis-à-vis the Asian-Pacific region*. What kind of region does American want to see develop in two decades' time, and what will be the role of an ascendant China, a more activist Japan, and a united Korea? If the United States is to maximize its chances of retaining influence in East Asia in the next century, then it is essential that such a review be strictly bipartisan, tapping our best people in both the Executive and Legislative branches of government. This Subcommittee could play a pivotal role in such a review. By agreeing on our fundamental principles and objectives in advance, and relating those objectives to realistic means, U.S. officials can go beyond reactive and reductionist policies and get on with leading the international system into the 21st century.

### 3. Reorganizing our Policy Apparatuses for a World of Asian Powers

In the realm of defense planning, much effort is consumed these days with analyzing a potential revolution in military affairs. This is indeed an important subject, but by focusing on technology and information we may be neglecting the unfolding *political* revolution as Asia rises on the world stage. Yet there has been no corresponding reorganization of our bureaucracy, no heightened program for educating our children, and no simplification of the panoply of well-meaning but ultimately self-defeating laws hampering creative and effective national security policy. Hence, *my third point is that we need to marry up the energies of the Republican revolution with the Vice President's reinvention of government, in order to optimize our ability to make rational national security policy for this explosive region of the world.* The current system succeeded in winning the Cold War against the now-defunct Soviet empire, but it is not the right system to remain competitive in the next century's world of great Asian powers. Unless we reorganize our governmental institutions to reflect the world's shifting balance of power; unless we create a new centralized system for the adjudication of interagency policymaking; unless we make it easier to conduct governmental business in East Asia; unless we reduce the number of laws that tie policymakers' hands in dealing with major powers like China and Japan; unless we do all of these things, then it does not matter how skillful our political appointees are, for the fruits of their labor will be inadequate.

### 4. Forging a U.S.-Japan Alliance Based on Reciprocity

*Fourth, we must seize the momentum in U.S.-Japan relations to forge a lasting transformation of the security relationship into a true alliance, one based on a level of reciprocity commensurate with each country's overall national strength.* The roots of the U.S.-Japan Security Dialogue, which has just culminated in the release of a Joint Security Declaration, are manifold. They include growing public doubts about the utility of a security relationship after the breakup of the Soviet Union, increased frictions over trade, as well as fears of a potential crisis of expectations in the event of a regional conflict. Whatever the genesis, the United States and Japan have before them a landmark opportunity to forge a new partnership that is at once more equal, more global, and more comprehensive, than has heretofore been the case. For instance, through a concerted review of Japan's two-decade-old Defense Guidelines, the United States may be able to raise the collective Japanese consciousness as to Japan's obligations to international security. Our goal should be steady progress toward even more emphasis on Article 6 of the Security Treaty--"regional security"--instead of overriding concentration on Article 5--"the (almost exclusive) defense of Japan." We should seek greater Japanese contributions to American operations in and through East Asia and the Pacific, without undermining the stability provided by Japan's self-constrained security policies. Concomitant with this official review of defense guidelines, we should be sure to expand debate between our two countries. One of the silver linings on the dark cloud of the Okinawa incident last year has been the internalization of the security debate in Japan. It's time to enhance our parliamentary exchanges in order to ensure that our security debate has the widest possible public support and understanding. In sum, we need to

create sets of relationships, deeper, almost intuitive understandings of one another, and a richer set of alliance values befitting a special relationship.

## 5. Harmonizing U.S. Alliances in East Asia

*Fifth, having shored up our cornerstone alliance with Japan, we must face the enormous task of harmonizing our Asian alliance policy, in particular with the Republic of Korea.* One of the reasons Asian strategists have long been enamored of the indirect approach, is that they have understood that the direct approach often engenders a stiff reaction. Thus, as U.S. Administration officials sought to redefine the U.S.-Japan alliance last year, they faced vigorous opposition among those who found comfort in events such as economic tensions or the tragic rape of a 12-year-old schoolgirl. It was only after China's assertiveness and North Korea's continued intransigence that a favorable environment for a reaffirmation of the alliance with Japan became possible. I believe that this is an important path, but U.S. policy makers can only make progress if we also redouble our efforts to redefine the U.S.-ROK alliance--from a peninsula tripwire to a regional stabilizer. The U.S.-ROK and U.S.-Japan alliances must become mutually reinforcing if they are to be sustainable in coming decades. In any event, they must not be allowed to work at cross purposes. We need to work with our South Korean allies on two simultaneous tracks: one laying out a road map for bringing a lasting peace to the peninsula, and the other exploring the U.S.-Korean alliance after the North Korean threat is blunted.

## 6. Establishing a Political Framework for Northeast Asia

*Sixth, the U.S.-ROK proposal for a 2 + 2 (U.S. and South Korea, China and North Korea) process for creating a permanent peace treaty closing out the Korean War, should become the basis for establishing a political framework for Northeast Asia.* Great-power cooperation over North Korea's nuclear program can be the crucible out of which can emerge not only a reduction in the enormous conventional military threat posed across the Demilitarized Zone and an end to one of Asia's two divided nations, but, eventually, a more stable security mechanism for East Asia in the next century. This framework at least has a chance of averting a "hard landing" in North Korea. Moreover, while we cannot integrate China into the region if Beijing officials refuse to uphold basic international norms, we and our allies can help to make the political environment as conducive as possible to China's peaceful integration. A regional political framework can and should be part of a larger strategic understanding between the United States and China.

## 7. Reexamining Forward Presence

*Seventh and finally, the potential for a more peaceful Korean peninsula means that we need to accelerate our thinking regarding our future military posture in the region. While any major post-Cold War transition in our force posture should remain on hold until further progress can be made in North-South relations, the prospect of such progress is sufficiently high as to require us to examine the character of future American military forces on the peninsula. When the North Korean threat dissipates, the U.S. will have a strong interest in preserving forward bases for flexible and mobile forces ready to respond to regional emergencies. Any residual U.S. presence on the peninsula would have to be compact enough to avoid antagonizing China, but capable enough to demonstrate America's long-term interest in preserving regional stability. Similarly, in Japan, what is significant is the depth of our commitment and trust, intangibles that cannot be quantified by such outmoded metrics as the number of military personnel stationed on foreign soil. The U.S. can make its commitment to this region abundantly clear through a variety of different-sized forces; whatever the size and shape of those forces, however, they ought to represent our most advanced platforms and most disciplined troops, who will convey the appropriate American image to the world's most dynamic region.*

In summary, the diplomacy of the past few days can mark a watershed in our East Asian strategy and posture. But if this diplomacy is lead to long-lasting benefits for our national defense, then we will have to follow through with a number of fundamental changes in how we do business. The stakes are too high to fail during this window of opportunity when U.S. power remains preeminent.

Thank you Mr. Chairman.

**Biography**  
**James J. Przystup**

James J. Przystup is Director of the Asian Studies Center at The Heritage Foundation. Mr. Przystup graduated *Summa Cum Laude* from the University of Detroit and holds an MA in International Relations from the University of Chicago and a Ph.D. in Diplomatic History also from the University of Chicago; he studied Japanese at Columbia University and at Keio University in Tokyo.

Mr Przystup has worked on Asia-related issues in the Congress, at the House of Representatives' Subcommittee on Asian and Pacific Affairs; in the private sector at Itochu and IBM World Trade, Americas/Far East Corporation; and in government at the Policy Planning Staff at the Department of State and in the Office of the Secretary of Defense, as Director for Regional Security Strategies on the Policy Planning Staff. In 1983-84, he served as Deputy Director of the Presidential Advisory Commission on U.S.-Japan relations. Mr. Przystup has specialized in Asian security issues, in particular the U.S.-Japan security relationship.

Mr. Przystup was presented with the State Department's Meritorious Honor Award in 1989 and 1991; he also received the Defense Department's Outstanding Achievement Award in 1992.

James J. Przystup  
Director,  
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April 17, 1996

House Committee on International Relations  
Subcommittee on Asian and Pacific Affairs

In my remarks, I want to focus on United States security interests in Asia, in particular Northeast Asia and our relations with Japan, China, and the Republic of Korea as well as Bill Clinton's management of our relations with these key countries.

## ENDURING STRATEGIC REALITIES

First, United States interests in Asia.

As John Dori of The Heritage Foundation has pointed out, in 1994, U.S. exports to Asia grew at a rate of 16.2% to more than \$153 billion, the steepest increase since 1988. The prosperous nations of the region purchased over \$45 billion more from U.S. exporters than did the 15 nations of the European Union, and almost \$30 billion than Europe as a whole. And exports to Asia mean jobs for Americans. In 1994 more than 3 million Americans owed their jobs to exports to Asia, with 428,000 jobs being created in 1994 alone.

The United States also has enduring strategic interests in Asia. For over a century, the United States has pursued three major strategic objectives toward Asia: protecting freedom of the seas; access to the markets of the region; and preventing any single power, or group of powers, from dominating the region. And it has followed this strategy with remarkable consistency, while adjusting tactics to fit the moment.

For example, in 1905, Theodore Roosevelt played balance of power with Japan against Russia; then as Japanese power waxed on the mainland in China and Manchuria, Taft and Wilson shifted toward China; in the 1920's the U.S. tried multilateralism with the Washington Conference System. After 1945, Washington evolved a bilateral alliance structure to contain first the USSR, then the PRC. In the 1970's President Nixon joined with China to oppose Soviet hegemony.

Today, Asia's security system is based essentially on the bilateral alliance structure which the United States evolved during the Cold War. And the U.S.-Japan Alliance remains the centerpiece of that system and the foundation of Asia's economic dynamism and prosperity. This is of direct and immediate consequence to the security and economic well-being of all Americans. Even with the end of the Cold War, the alliance with Japan remains critical to American national interests.

Our alliance with Japan enhances our ability to keep Asia open to American influence. United States forward deployed forces in Japan have helped to deter aggression against our allies and friends in the region. This was recently demonstrated last month when President Clinton order the deployment of the aircraft-carrier *Independence*, home-ported in Yokosuka, Japan, to waters near Taiwan at the time of the Republic of China's Presidential elections. This strategic importance has also been

evidenced by our continuing ability to deter a possibly nuclear-armed North Korea from attacking South Korea and reunifying the Korean Peninsula on communist terms.

## **BILL CLINTON AND ASIA**

In judging Bill Clinton's Asia policy, I would simply re-ask Ronald Reagan's penetrating question: are we better off today than we were four years ago? Across the board, I would argue that the answer is clearly "No." Indeed, Bill Clinton's Asia policy, like his overall foreign policy, reflects a fundamental misunderstanding with regard to what drives the international system. That dynamic is not Somalia, not Haiti, not Bosnia, not even Vietnam. What drives the international system are relations among the great powers. And here our relations with Tokyo, Beijing and Seoul are both troubled and troubling.

This is true because the coin of great powers is their credibility and their constancy. And over the past four years the Clinton administration has liberally squandered the efforts of Ronald Reagan and George Bush to rebuild the credibility of the United States in Asia following the end of the Vietnam war and the debacle of Jimmy Carter's decision to withdraw U.S. forces from South Korea.

Conceptually, in trade negotiations with Tokyo and in its MFN strategy toward Beijing, the administration adopted an interesting strategy. It was a strategy that gave it little room to maneuver politically or diplomatically -- one that ultimately cost the U.S. credibility in both capitals.

With its threats of trade wars and linking MFN to human rights, the administration, in effect, took all the furniture (political cover) out of the negotiating room, painted itself into a corner, turned to the other guy and said:

"We're stuck; and politically, we can't move. Now if you really value this relationship, it's up to you to do something (agree to trade quotas/targets or improve your human rights record) before we do something stupid (like starting a trade war with 100% tariffs on automobiles, or costing American jobs by denying MFN)."

In both cases, Tokyo and Beijing refused to go along. The administration had crawl out its corner, declaring political victory at the cost of staggering blows to its credibility and that of the United States.

With that as a prologue of sorts let me turn to first to Japan, then to China and finally to the Korean Peninsula.

## **JAPAN:**

Earlier this week, Bill Clinton reaffirmed the U.S.-Japan security alliance in Tokyo. Given the challenges now facing the United States in Asia, from the Korean Peninsula to China's increasingly aggressive conduct toward Taiwan and in the South China Sea, a reaffirmation is both timely and necessary. This is true because for the better part of the administration's first two and a half years, Bill Clinton's Japan policy put at risk this critical relationship.

The Clinton administration came into office committed to forging a new U.S.-Japan relationship. Its Japan policy, however, was based on a number of interlocking miscalculations:

- The first was that with the collapse of the Soviet Union, security issues could be de-emphasized in the U.S.-Japan relationship.
- The second was the over-emphasis placed on reducing the bilateral trade deficit. Trade policy, originally conceived of as but one part of an overall Japan strategy, quickly expanded in time and effort to become almost the entirety of the administration's approach to Japan. In effect, Japan policy became an extension of the 1992 campaign theme "It's the economy, Stupid." Seeing Japan through a mid 1980's time warp as an immutable economic juggernaut, the Clinton team was committed to applying intense external pressure to get its way.
- The final miscalculation was that, in the post Cold War world, this pressure could be applied with little collateral political damage.

Unfortunately, the administration was wrong across the board. Security in today's post-Soviet world remains important, as North Korea's quest for nuclear weaponry and China's aggressive behavior toward Taiwan have reminded Americans and Japanese alike. Japan's economy was not immutable. By 1993, it was undergoing significant structural change. This was the result of a five-year recession, brought on by the collapse of its wildly-inflated late 1980's economy and a skyrocketing appreciation of the yen. Finally, the administration paid a significant political cost in Japanese support for the U.S.-Japan relationship and the alliance.

## **ECONOMICS IN COMMAND**

Downplaying the U.S.-Japan Security Alliance, the administration quickly placed economics and trade at the top of its agenda with Tokyo. The centerpiece of its strategy was its New Economic Framework, a combination of economic and trade policies, hastily cobbled together in Tokyo in July 1993. In effect, the New Economic Framework was an attempt to manage trade with Japan.

Through a series of negotiations the Clinton administration attempted to pressure the Japanese government into accepting targets for American exports to Japan. The

Framework talks were essentially geared to redeeming the President's promise to produce results in politically sensitive sectors such as computers, telecommunications, automobiles, and auto parts. Fearing that failure to meet such quotas would make Japan a target for trade sanctions, Tokyo refused to go along.

From the outset, the Framework talks were acrimonious, marked by a high degree of suspicion, mistrust, and unprecedented in-your-face personal animosity. They did not improve with age. In February 1994, at the Summit between Bill Clinton and then Prime Minister Morihiro Hosokawa, the Japanese found that they could and did say "no" to the administration's demands for managed trade. By the Spring of 1995, the administration was poised for a trade war with Japan, threatening a 100 per cent tariff on the import of Japanese luxury automobile unless Tokyo relented and signed up for managed trade.

In both countries, the media duly reported on and expounded on the tactics and personalities of the negotiators and their countries. In both countries the media retreated to familiar stereotypes -- the untrustworthy, scheming Japanese versus the unreasonable, demanding Americans.

In the end, agreements were signed but none contained enforceable quotas. Typical was the conclusion of the auto parts negotiations. Two days after insisting that the government of Japan had to be part of an agreement to guarantee compliance of Japanese auto companies, USTR Mickey Kantor was forced to back down. To underscore the extent of the administration's retreat the Japanese negotiator, Ryutaro Hashimoto, now Japan's Prime Minister, made clear at a joint press conference that Kantor was speaking solely for himself with regard to expectations for growth in American exports to Japan. The Japanese government, he emphasized, was not guaranteeing the deal.

### **ECONOMIC REALITIES and POLITICAL COSTS**

I will not spend much time on the economic side of the relationship. Suffice it to say that administration claims that its trade policies are responsible for the recent decline in Japan's trade surplus with the United States represent political spin of the highest order -- a striking example of *post hoc ergo propter hoc* reasoning. The root causes for this decline are to be found in the impact of global economic forces operating in Japan. In reality, a substantial appreciation of the yen and high Japanese production costs are transforming Japan's economy. Robert O'Quinn, my colleague at The Heritage Foundation has taken a more detailed look at the impact of these macroeconomic forces on Japan, in our recent paper "Bill Clinton and Japan: Getting The Record Straight"

Beyond Japan's new Prime Minister, whose tough guy stance increased his political standing in Japan, Framework talks, with the exception of auto parts deregulation, were without real winners. But there were real losers, the biggest being political support for the alliance and the bilateral relationship.

Yesterday's ABC poll reports that 70% of Americans now see Japan as unfairly refusing to lower its trade surplus with the U.S., while a majority view Japan as a untrustworthy ally.

According to polls conducted by the United States Information Agency, in June 1995, during the auto and auto parts negotiations, 39 per cent of Japanese respondents saw trade conflicts as eroding the alliance, while 30 per cent saw the alliance as strong. In the same poll, 51 per cent then considered relations as "poor" and only 41 per cent viewed them as "good." In January, 1996, 48 per cent thought the relationship in "poor" shape. By contrast, in May, 1992, 43 per cent saw the alliance as strong despite trade frictions.

Against this backdrop, the rape of a twelve-year old Okinawan school girl by American servicemen last September triggered the most serious crisis in the United States-Japan security relationship in decades. Calls for the withdrawal of U.S. forces from Okinawa dominated Japan's political debate in October.

With the Okinawa crisis still smoldering, the President did not help matters when he canceled his November state visit to Japan to deal with the budget battle in Washington. Shortly before, Winston Lord, Assistant Secretary of State for East Asian and Pacific Affairs, announced that cancellation would be tantamount to a "body blow" to the alliance. Shortly thereafter, the President, in similar circumstances, did find time to visit Ireland and Israel. Japanese media and political elite were quick to contrast the President's political priorities. In January, 45 percent of Japanese thought the cancellation had caused at least a fair amount of negative fallout.

Across the board, Bill Clinton's Japan policy has ill served the relationship once defined by Ambassador Mike Mansfield as the United States' most important "bar none." Were it not for the dedicated work of officials in the Pentagon, most notably Joseph Nye, then Assistant Secretary of Defense for International Security Affairs, there is no telling how far the free fall in the relationship would have taken the alliance. Fortunately, these officials recognized the damage being done by the administration's trade tactics and in 1994 began the long, arduous task of bring the administration back to focusing on the strategic centrality of the alliance. This is what has brought Bill Clinton to Tokyo. Better late than never.

### **The Korean Peninsula:**

First a review of the historical record. From late 1990 through January 20, 1993, the Bush administration, working with our allies in the Republic of Korea and Japan, was able to develop and implement a successful strategy toward North Korea. Our target was North Korea's plutonium producing reactor at Yongbyon and the threat of nuclear proliferation on the Peninsula. Our objective was to gain access to that reactor to determine how much plutonium had been produced there. And we put this objective into

a broader strategy aimed at moving North Korea to deal with South Korea. On both fronts we were able to get the ball rolling.

We were successful for a number of reasons. First, because we had the trust and confidence of our South Korean allies. If someone asks why alliances remain important even in today's post-Cold war world, our cooperation with the Republic of Korea is a striking example of their enduring importance. Quite frankly, the steps we took to get us to our goal were politically sensitive in both Washington and Seoul and could only have been taken with the full trust and confidence of our allies.

We were also successful because we had a strategy and we knew where we were going. This is fundamental. With a strategy, we were able to maintain the diplomatic initiative. In effect the North was forced to react, retreat and open its reactor to international inspection. At the same time, we were able to maneuver Pyongyang into dealing directly with Seoul. This resulted in two significant agreements in late 1991 and early 1992. The first was an agreement to denuclearize the Peninsula; the second was an agreement on political reconciliation. However, by mid-1992, implementation of these two agreements was effectively frozen.

In early 1993, North Korea tested the new Clinton team. In March, Pyongyang announced that North Korea would be leaving the IAEA. In effect, they were throwing over the card table, calling for a new game, with Pyongyang as the dealer. Having paid little attention to the Peninsula the administration was caught without a strategy and was forced to react as the North called the tune. Anxious to keep North Korea in the game and in the IAEA, the U.S. went along. This process continued through the signing of the Nuclear Framework in October, 1995.

While North Korea has adhered to the terms of the Framework Accord, freezing its heavy water reactors in exchange for international financing and construction of two light water reactors as well as internationally financed oil shipments, it has also been able to put off for years any inspection of nuclear waste sites, which it is obligated to allow as a signatory of the IAEA.

Because of its preoccupation with the nuclear issue, the administration failed to develop a broader strategy to address critical questions such as: the North's million man army, its chemical and missile arsenal, North-South dialogue, and tension reduction measures along the DMZ. Eighteen months after signing the Framework agreement, it is painfully obvious that the administration continues to lack a strategy for dealing with these larger security questions. It is also painfully obvious that it lacks a strategy for managing the political transformation of the Peninsula. This even as North Korea shows evidence of increasing internal stress and strain.

Thus, there has been no significant progress in the key issues which will determine the fate of the Peninsula. Indeed, the North's recent trashing of the Armistice reminds us that the most difficult challenges remain ahead.

For years North Korea's strategy has aimed at driving a wedge between the United States and the Republic of Korea, thus marginalizing the government in Seoul which the North continues to brand as an illegitimate puppet of the United States. Indeed, it skillfully used the negotiations leading up to the Framework Agreement to do just that. During this period, a senior ROK official, with whom we had worked in evolving our strategy toward North Korea during the Bush years, remarked to me that the trust and confidence that allowed us to be successful in 1991 were now sadly lacking. Wedge driving was working.

And the North is still at it. Last week, in a New York Times op-ed page article by Selig Harrison, North Korea test-marketed a new version of its old product. According to General Ri Chan Bok, the North Korean Army representative at Panmunjon, North Korea is no longer insisting on a peace treaty with the U.S. that excludes the South. However, it is insisting that the armistice be replaced. And, because the South is not a signatory to the armistice, the North is insisting that Seoul cannot be a full party to the two-track system that the North has designed to replace it.

According to the article, the North's new Mutual Security System, which would replace the armistice and its Military Affairs Commission, would be composed of U.S. and North Korean military officers operating alongside the North-South Military Commission which the North and South agreed to in 1992 but never implemented. The correct first step would be for the North to deal directly with the South as it did in late 1991 and early 1992.

This proposal is basically old wine in new bottles. Our terms for any replacement of the armistice must result in U.S. and South Korea side by side on the bottom line. Because true peace will come to the Peninsula only when the North accepts and deals directly with the South, U.S. strategy should avoid a broker's role. We can facilitate but we cannot and should not negotiate for the South. Rather, our objective should be to move the North to deal directly with the South.

#### **CHINA:**

Even before the start, Bill Clinton put his credibility on the line with China. As a candidate, he made clear that he would not be George Bush when it came to dealing with the "Butchers of Beijing." In the public debate over how to get tough with China, there were strong sentiments in the Democratic party that MFN should be linked to China's performance on human rights. Bill Clinton certainly did not stand against the tide.

Things looked different once in the White House. The U.S. business community made clear to the new president that MFN was, at the political bottom line, a jobs issue. In 1993, the president waffled, extending MFN conditionally -- over the next twelve months China would have to make progress in its human rights record or lose MFN next year. By early 1994, little progress was evident. And so in March, he sent Warren

Christopher to Beijing, where as the Herblock cartoon of that visit so graphically put it, the Chinese leadership handed him his head on a platter. Less than three months later, China got exactly what it wanted -- MFN delinked from Human Rights. And Bill Clinton, backing out of the corner he had painted himself into, announced a new strategy -- comprehensive engagement.

From Beijing's perspective, Bill Clinton had agreed with their principled position, delinking trade from human rights, but he paid a significant price in credibility in getting to their bottom line. In a system in which politics is a zero-sum game, Bill Clinton's walking away from such publicly taken political positions came at a high cost. Make no mistake about it, delinking MFN and human rights was the correct decision but it was made in the worst possible way -- the result of self-inflicted wounds.

Then, in response to Chinese navy occupation of Mischief Reef, an atoll well within the Philippines internationally recognized 200 mile Exclusive Economic Zone, the Clinton administration took close to three months to put out a mild expression of regret in the form of a diplomatic protest. It would seem that China's sole miscalculation was not over what Washington would do, but over Philippines President Ramos' willingness to stand up.

In any case, comprehensive engagement was making some strides over the autumn of 1994 and spring of 1995 -- a military-to-military strategic dialogue was initiated. But, then came Taiwanese President Lee Teng-hui. After publicly making clear that the granting of a visa to President Lee to visit his alma mater, Cornell University, would violate the administration's one China policy and communicating that position to China's Foreign Minister (albeit with some finely nuanced language that the position was without political support) the administration again waffled, wavered, and ultimately issued the visa. Beijing was furious. Without access to reporting from Beijing, I think it fair to say that China's Foreign Minister found that he had a lot of explaining to do.

Beijing's initial response to President Lee's visit, a series of military exercises and test shots of nuclear capable missiles directed at Taiwan last July, drew another expression of regret from the administration. In December, after Taiwan's legislative elections had again drawn Beijing's military ire, a U.S. carrier task force transited the South China Sea near Taiwan. When this became public knowledge, the administration and the task force appeared lost in a fog. It seems the White House just did not want to take credit for this long overdue signal of American interest in developments in the South China Sea.

Finally, in March, as Taiwan moved toward its Presidential election, the first direct election of a Chinese leader in China's five thousand year history, China again resorted to missile diplomacy, firing test shots into international waters near Taiwan's two major ports, the administration acted and took credit for it, deploying the carriers, *Independence* and *Nimitz*, to the waters near Taiwan. This was a clear signal of U.S. interest.

So four years into Bill Clinton's presidency, how do things stand with China? In two words "Not well." Yet this relationship is singularly important for the United States, for China, and for the international system. Indeed China's emergence as a great power, given its resources, population, economic dynamism, and military potential, will be the defining structural issue for the international system for the first quarter of the next century. Personally, I don't think there is a close second. If there is, it is not Somalia, Haiti, or Bosnia.

Since Deng Xiaoping initiated his economic reforms in 1978, modernization has been at the core of China's national strategy. To foster economic growth and stability in China and in the region was deemed paramount. To this end, from the mid-1980's China normalized diplomatic relations with Singapore, Indonesia, the Republic of Korea, and eventually Vietnam -- all countries with whom it had long and difficult relationships. In the diplomacy which produced the Paris Peace Accords on Cambodia, Beijing walked away from its long-standing ally, the Khmer Rouge. And it has exercised a restraining influence on North Korea. At the same time, China has demonstrated that it is prepared to use force -- against Vietnam, in the South China Sea, and toward Taiwan.

What kind of a power is China? Well, it certainly is one with a long history of wrongs suffered at the hands of 19th and 20th century imperial powers. As a result it is particularly sensitive to issues affecting China's sovereignty and territorial integrity. That's understandable. Unfortunately, its definition of sovereignty tends to be both extensive and expansive. In Beijing last year I was told that we couldn't discuss Taiwan, a sovereignty issue; nor IPR, a sovereignty issue; nor China's missile sales to the Middle East, a sovereignty issue; nor the South China Sea, a sovereignty issue; and of course not human rights, likewise a sovereignty issue. Of course, we can, have, and must discuss these issues.

There is much talk these days about China as the next threat and of the need to evolve a new containment to deal with China. Let me say that I'm agnostic about China. I also think we need to think about China as a much more complex reality. China is neither black nor white but a rather ambiguous gray.

But the policy debate over China today tends to revolve around the question of whether China will be cooperative or hegemonic in Asia, whether it will be white or black. As if the two were mutually exclusive. In fact, reality is much more complex. And, the two categories are not mutually exclusive. In the Western hemisphere, in fact, they go hand in hand. For over two hundred years, in our neighborhood, we have been both cooperative and hegemonic. 95 percent of the time, the United States is cooperative. Trade flourishes, everyone profits. But 5 percent of the time, we take the gloves off and act like the true hegemons we are in our neighborhood.

Where do we go from here? A good starting point would be to begin to treat China with the respect due a great power and for China to act like a responsible great power. We can do so, if our interests are clear, are pursued consistently, and we can do

so in a non-confrontational way. In the end, we cannot make China do what it does not want to do. The best we can do, together with our allies and friends, is to attempt to create an environment which will incline China to do the right thing. If we find China failing to do so, we can and must adjust our policies accordingly.

### CONCLUSION:

How far has our credibility fallen in the region four years into Bill Clinton's Presidency? Let me close this analysis with the observation of a very senior Southeast Asian official, one who knows the U.S. well. Less than a year ago, he told me: "In Washington, policy is all fog and spin. You do it ten hours a day, go home have a Martini and start all over the next day, probably safe in the assumption that beyond the belt-way nobody's paying the least attention. But out here, perhaps to a fault, we do listen to what you say and watch what you do. And that's what's so disconcerting. If you can't manage relations with Japan and China, you're out of business out here and that's not in our interest." This was said as talk of a trade war with Japan escalated in Washington and before Lee Teng-hui's visit.

But I just don't want to be anecdotal. As the Taiwan crisis heated up last December, Australia's Sidney Morning Herald published a leaked government intelligence assessment in which Canberra concluded that the Clinton administration "appears incapable of developing and pursuing ... policies which would promote effective management of the problem. The very stakes involved, Australian officials argued, "should impress on the U.S. the need for an active policy of preventive diplomacy," but unfortunately, their assessment was that "Washington gives no confidence that it is able to devise and implement such a policy." This from among the United States most trusted of allies.

In sum, in this strategically critical and economically dynamic region of the world, the United States is not better off today than it was four years ago. And Bill Clinton has been in charge.

## JONATHAN D. POLLACK

## BIOGRAPHICAL STATEMENT

Jonathan D. Pollack is Senior Advisor for International Policy at RAND, Santa Monica, California. Between 1990 and 1994, he served as RAND's Corporate Research Manager for International Policy and headed the International Policy Department.

A specialist on East Asian political and security affairs (especially China), Dr. Pollack joined RAND in 1978. He received his M.A. and Ph.D. from the University of Michigan. He has also been a post-doctoral fellow at Harvard University, and has taught at Brandeis University. In addition, he has served on the faculty of the RAND-UCLA Center for Soviet Studies and the RAND Graduate School of Policy Studies.

Dr. Pollack's current research activities are focused on four principal areas: (1) designing and implementing a framework for U.S.-Korean security cooperation in the 21st century; (2) China's defense modernization and its regional implications; (3) export control strategies and options in the post-Cold War era; and (4) the dynamics of Chinese-Iranian relations.

Dr. Pollack has published widely on China's political and strategic roles; the international politics of Asia; U.S. policy in Asia and the Pacific; and Chinese technological and military development. His recent studies include: *Should the United States Worry About the Chinese-Iranian Security Relationship?* (1984); *A New Alliance for the Next Century: The Future of U.S.-Korean Security Cooperation* (co-author, 1995); *China's Air Force Enters the 21st Century* (co-author, 1995); *East Asia's Potential for Instability and Crisis* (co-editor, 1995); and *Designing a New American Security Strategy for Asia* (1996).

April 1996

**Prepared Statement**

**of**

**Dr. Jonathan D. Pollack  
Senior Advisor for International Policy  
RAND**

**April 17,1996**

**House Committee on International Relations  
Asia and the Pacific Subcommittee**

Mr. Chairman:

I am honored to be asked to present my views to the Asia and the Pacific Subcommittee. I have prepared a short written statement that I will read this afternoon. With the Chairman's concurrence, I am also entering into the record a more detailed assessment of U.S. strategy for Asia that I recently prepared for the Council on Foreign Relations, as well as a review of U.S. policy developments in Asia in 1995, published in *Asian Survey*.

U.S. SECURITY INTERESTS IN NORTHEAST ASIA:  
BACK TO BASICS, BUT WITH THE LONG TERM IN MIND\*

Jonathan D. Pollack

President Clinton's visit this week to the Republic of Korea and to Japan provides an important reminder of the enduring American commitment to the stability and well being of Northeast Asia. Throughout the Cold War, our bilateral security treaties with Korea and Japan defined America's principal security obligations in the region, and the continuity of both relationships over the past half decade underscores the intrinsic value the United States attaches to these ties, with or without the Soviet Union.

But this judgment can easily obscure the forces at work that will redefine these ties in the years to come. A shared desire by leaders on both sides of the Pacific to reaffirm the centrality of U.S. relations with Korea and Japan, though helpful in stabilizing existing relationships, cannot be expected to sustain these ties on an open-ended basis. If the U.S.-Korean and U.S.-Japanese alliances are to retain their vitality and relevance in the future, neither we nor our regional partners should assume that the *status quo* is indefinitely sustainable. The Clinton Administration's commitment, embodied in the East Asian strategy review of February 1995, to maintain the forward deployment of 100,000 U.S. forces in the Pacific, though comprehensible in relation to current defense planning requirements, would simply not be credible in the event of appreciable change in the regional security environment.

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\*The views in this testimony are my own, and should not be attributed to RAND or to any of its sponsors.

This judgment assumes particular relevance on the Korean peninsula, the principal locale that has shaped U.S. regional military strategy for decades. Senior U.S. officials, very recently including General Shalikashvili, Chairman of the Joint Chiefs of Staff, continue to assert that either implosion or explosion of the North Korean state is inevitable. Although no one is bold enough to predict when such events might transpire, the fact that our defense planners point to North Korea's inevitable demise underscores an obvious judgment: the time to be planning for Northeast Asia beyond a divided Korean peninsula is now, not when endgame unfolds in the North.

It is gratifying that President Clinton has opted to again visit Northeast Asia after a nearly three year hiatus. Even a brief visit can do much to underscore a renewed U.S. commitment to the security of the region. But this visit will quickly recede into memory unless the Clinton Administration, working in close conjunction with the Congress and with our regional allies, signals unambiguously its intention to address the immediate problems as well as the longer term challenges. I would characterize a viable, long-term U.S. strategy as entailing three central components: (1) preparing fully to address existing threats to regional peace and stability, in which North Korea is the central factor; (2) adapting our bilateral security alliances to the emergent challenges of the next century; and (3) achieving a more satisfactory and sustainable relationship--including in the security arena--with the region's ascendant powers, in particular China. These three components are interrelated. In my remarks today, I will limit myself to considering how they interact in the context of the security of Korea

and Japan, as influenced by the domestic forces on both sides of the Pacific that will shape our future policy options.

#### **North Korea**

The "North Korean issue" has been with us for so long and in so many ways that it is difficult to imagine when the United States and the ROK were not preoccupied by it. Many observers insist that North Korean behavior is impossible to fathom or predict, but this is true only in a tactical, not a strategic, sense. Regardless of the obscurity of decisionmaking in Pyongyang, North Korean strategy remains eminently predictable. Its leaders--whoever they may be--continue to maximize their leverage very skillfully. They seek to parlay their vulnerable, isolated circumstances to advantage, hoping to seize the policy initiative wherever possible, but without conferring legitimacy or normalcy on relations with their now far more powerful neighbor to the South. Given the North's extraordinary isolation and increasingly parlous economic and social circumstances, this is no mean feat. North Korea's goal is to avoid irrelevance and, ultimately, extinction. Its survival as a system is predicated on somehow keeping intact and afloat, without taking political steps that will lead to the unraveling of state power: hence the extreme aversion in Pyongyang to regular dealings with Seoul, and the continued cultivation of direct ties with the United States.

North Korea continues to pursue a very high risk strategy, at least at the level of appearances, on nuclear weapons, on ballistic missiles, on the armistice agreement, and even on humanitarian assistance. The United States needs to walk a very fine line between prudent exploration

of ties with a very dangerous regime, without undermining the far more consequential ties we retain with the Republic of Korea. It is therefore especially important that the President decided to visit Korea, after having initially and unwisely opting to limit his Northeast Asia visit to Japan alone. To have missed the opportunity to reaffirm U.S.-ROK political and security ties through the President's physical presence on Korean territory, especially at a time of mounting concern about potential volatility in North Korea, would have been precisely the wrong signal to send--to Seoul, to Pyongyang, and to the region as a whole.

A presidential visit, however, should also stimulate clear indications of our readiness to attend to the potential near-term uncertainties on the peninsula, and to begin by word and deed to plan for the longer run. In this context, I applaud the administration's joint initiative with the ROK for a "two plus two" peace framework on the peninsula. This formula keeps attention focused primarily but not exclusively on the relationship between the two Koreas, with the United States and China prepared to serve as guarantors for whatever agreement might transpire between Seoul and Pyongyang.

For good measure, this close consultation with the ROK ensures that North Korea makes no headway whatsoever in its ongoing efforts to inject friction and cleavage in the U.S.-ROK alliance. We can do little to determine North Korean strategy and we have even less ability to prevent severe instability in the North. But we also need to signal clearly that we are ready to move ahead with North Korea, assuming that the

options fully and appropriately serve our longer-term interests on the peninsula.

#### **Redefining America's Security Alliances**

As we can begin to discern if not presume a Northeast Asia beyond a North Korean threat, the central challenge in America's alliances with both Korea and Japan will be to define them in a manner that is sustainable and viable into the next century. This is easier said than done. There is the inevitable risk of "overdriving one's headlights"-- i.e., pushing too far and fast in a way that could undermine our political, security, and economic interests. But there is an equal risk of being overly inertial in our alliance strategies, relying on approaches that have outlived their utility. In this regard, I believe there is a natural complementarity of interests between the expectations of the American people to ensure that our regional security partners fulfill their responsibilities in a manner commensurate with their capabilities, needs, and desires, and the parallel desire of our regional partners for a larger say in decisions that affect their long-term national interests. A new alliance bargain would be less asymmetrical in patterns of influence and decisionmaking, more responsive to preferences and sensitivities of local constituencies, and more attentive to how we and our regional partners will resolve the conflicts of interest that inevitably arise in bilateral alliances. Indeed, on the expectation that immediate threats to the physical security of either Korea or Japan diminish, we should anticipate that the potential for such conflicts--on issues from base locations to technology transfer to burden sharing--will increase accordingly.

But these differences are not unbridgeable: they reflect the inevitable growing pains as both Korea and Japan strive to define an alliance framework relevant to very different circumstances. The recent tensions over Okinawa, and comparable pressures to renegotiate land use agreements in Korea, reflect the realities that the United States will need to address if it is to ensure continuity in security ties not only with leaders in both countries, but with their domestic publics. This said, I believe the United States and Japan and the United States and Korea will benefit far more from sustaining close relations than by going our separate ways. Under the latter circumstances, the bonds and obligations that have developed over the decades would attenuate, and the regional security environment could become much less predictable. The United States must therefore convey unambiguously that a redefined security tie with either or both countries is not the precursor to U.S. disengagement.

But there is a parallel and potentially more daunting challenge. Throughout the Cold War, the U.S.-Japan alliance and the U.S.-Korea alliance were kept highly distinct from one another. This seemed appropriate to the very different security challenges faced by the two countries and the character and expectations of the U.S. political-military role in its relations to Tokyo and to Seoul. Should the North Korean threat either diminish sharply or disappear altogether, the peninsular logic that has defined U.S.-Korean relations for decades would cease to be relevant. The framework of alliances ties would no longer be preponderantly peninsular, and would be much more regional in its thrust. The logic of U.S.-Japanese defense collaboration (as

evidenced by Japan's newly enunciated National Defense Program Outline and the security declaration that President Clinton will sign in Tokyo) also entails dimensions that are more regional in their logic, and less exclusively focused on the defense of the home islands.

But the relationship between Japan and Korea remains extremely unhealthy, as reflected most recently in the differences between Tokyo and Seoul on delineating their respective maritime boundaries and exclusive economic zones (EEZs). The reasons for these differences are far too complex for discussion today. But it ill behooves long-term American interests that we retain separate, vigorous security ties with two very important market economies and democracies that are near-neighbors without either or both being able to achieve full normalcy in their respective bilateral relations. It should be a stated goal of U.S. policy to seek to bridge these differences from which neither country (nor the longer term stability of the region as a whole) can possibly benefit. It is incumbent on the United States to play a lead role in this respect, so that we as well as our two close allies can achieve true normalcy and compatibility in their long-term national strategies. Without such an effort, we will simply be trading the acute tensions of the Cold War for a new rivalry and regional instability from which the United States cannot possibly benefit.

#### **Dealing with China**

These hearings are limited principally to Japan and Korea, but it is impossible to think about either country's long-term future or long-term U.S. regional strategy without a clear sense of how China fits in relation to both. Indeed, the U.S.-ROK initiative for a "two plus two"

framework in Korea explicitly recognizes that without a full and constructive relationship between China, the United States, and China's regional neighbors, it will be impossible to achieve a stable long-term political and strategic framework for the region. China, for its part, voices growing concern that the United States will somehow employ its existing (and now newly invigorated) security ties with Tokyo to inhibit China's full development and incorporation within the emergent regional order.

This is clearly not a preferred goal of long-term U.S. strategy toward China. But the uncertainties about China's longer-term ambitions and capabilities remain ample--even as all regional states as well as the United States seek to become fully involved in the economic development of China. As the United States seeks to fashion its future ties with both Korea and Japan, it is critical that we be able to explore fully and frankly our respective interests and relations with China. This is as relevant to dealing with a successfully modernizing, cooperative Chinese state as it is to one that could well pose serious political and security challenges to its neighbors. Without such a close and sustained policy dialogue, each country could well proceed to pursue its interests and policy concerns in largely uncoordinated fashion. It is impossible to see how this will benefit the collective interests of the United States, Korea, and Japan. It will also be through such a process that China can become more sensitized to its long-term interests in a manner that will maximize the opportunities for realizing a durable, peaceful regional order.

It belabors the obvious that such a future prospect will not emerge of its own accord. Even as the United States very appropriately seeks to reinvigorate alliance ties that have been somewhat frayed with both Korea and Japan, we must look beyond present realities to longer-term regional possibilities on which America's security and livelihood will assuredly depend. This is a challenge that goes well beyond a single, and rather brief, presidential visit to Northeast Asia, and must involve the Congress in a full and constructive role, as well. The time to begin is now.

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**Selected Publications**

"Southeast Asia: Security Among the Mini-Dragons," in U.S. Foreign and Strategic Policy in the Post-Cold War Era, Greenwood Publishers, 1995.

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Author of approximately 80 op eds in major newspapers including Los Angeles Times, Washington Post, International Herald Tribune, Christian Science Monitor.

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Testimony before the House International Relations  
Subcommittee on Asia and the Pacific, April 17, 1996

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[The views expressed here are personal and not necessarily  
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Mr. Chairman:

This subcommittee needs no reminder of the intrinsic importance of Northeast Asia to U.S. security interests. The U.S. fought two major wars there in the last half century and the region was the staging area for a third. While U.S. forward military deployments in Europe have been steadily drawn down, those in Northeast Asia have remained stable with no projected reductions in the aggregate. Between them Korea and Japan host 85,000 American military personnel and both countries are longstanding treaty partners of the U.S. When the Defense Department plans its force structure around two MRCs it has the Persian Gulf and Northeast Asia principally in mind. This region, along with North America and Western Europe, is the site of the world's most advanced and productive economies. It also embodies some of the deepest national animosities and suspicions. But most important, this region comprises the next global great power, China, and two of the most threatening potential conflict situations in Korea and the Taiwan Straits. Both, of course, have been in the news in recent weeks with the Taiwan Straits the site of the Chinese effort at raw intimidation of the government and populace of Taiwan and the Korean DMZ the site of a staged provocation by North Korean soldiers accompanied by talk from a senior DPRK officer of the inevitability of war on the Peninsula.

All these factors lie behind the remarkable spectacle of the President, the Secretary of State and Secretary of Defense all visiting the region for a series of head of state and ministerial level meetings focused on security issues.

For purposes of our discussion here this afternoon I propose to offer some thoughts that bear on U.S. security interests concerning Japan, China, and Korea.

### Japan

The U.S.-Japan relationship has long been bifurcated along security and economic dimensions. Whereas the security relationship has been a close and cooperative one for five decades, the economic relationship has produced a secular trend of growing tension punctuated by periodic crises. These same two tracks characterize the purely Asian dimension of the relationship.

As in so many other areas of foreign policy, the Cold War provided a conceptual clarity in U.S.-Japan relations. From Washington's perspective, there was never any serious doubt that security issues had to be accorded the highest priority and everything else, including important economic interests, were of secondary concern. Washington's priority fit Tokyo's requirements like a glove. Faced with a serious Soviet security threat but hamstrung by a population with fresh memories of Japan's prewar militarization and where that led, the Japanese government was happy to hand the security burden to the U.S. and focus national energies on economic construction. This broad strategy was enunciated by Japan's first important post-war Prime Minister, Yoshida Shigeru, in close consultation with General Douglas MacArthur -- Japan's American Shogun. The Yoshida Doctrine remained the largely unchallenged framework for Japanese foreign and security policy into the late 1980's -- and arguably until the present time.

From Tokyo's perspective there was no reason to tamper with success. And the success was spectacular. From postwar ruin Japan emerged as one of the world's two most powerful and advanced economies with a per capita income second to none. In return for such benefits, Japan hosted (and defrayed an increasingly large proportion of the costs of) substantial U.S. forces and provided consistent loyal support to U.S. policy initiatives from Indochina, to Iran, to the Caribbean Basin.

The U.S. security presence in Asia had other important elements, of course: a large military presence in the Republic of Korea, major naval and air bases in the Philippines, and military facilities on U.S. territories in the South Pacific stretching back to the headquarters of the Pacific Command in Hawaii. This physical presence was

buttressed by formal defense treaties with Japan, Korea, Thailand, The Philippines, Australia, and New Zealand. And there was more. Beginning in the early 1970's the U.S. and China forged a de facto security relationship aimed at curbing Soviet (and later Vietnamese) ambitions. In addition, Washington retained a close, de facto, security relationship with Taiwan. Political support for the U.S. security presence in East Asia was widespread throughout the region. And everywhere it was understood that the indispensable cornerstone of this entire edifice was the U.S.-Japan Mutual Security Treaty.

In recent years, however, the processes of historical change have begun to alter the verities of the Cold War period. The list is a familiar one.

- + ) The collapse of South Vietnam eliminated American military access to facilities at Cam Ranh Bay while damaging the credibility of U.S. security guarantees.
- + ) The Philippine Senate's rejection of a new U.S. lease at Subic Bay (combined with the eruption of Mt. Pinatubo that put Clark AFB out of commission) removed the southern anchor of U.S. military power.
- + ) Long established political verities changed with the end of the LDP's 38 year reign in Japan and the emergence of civilian democratic government in Korea after three decades of military rule.
- + ) The 1989 massacre in Tiananmen Square brought the U.S. honeymoon with China to an abrupt end followed by several years of tense acrimony over a range of economic, political and security issues.
- + ) U.S.-Japan security relations began, for the first time, to feel some negative effects from growing animosity between Tokyo and Washington over trade.
- + ) Influential voices in Japan -- notably Morita and Ishihara in their book, The Japan That Can Say No -- began to articulate a conservative nationalist critique of a relationship that seemed to them to relegate Japan to the status of America's junior partner.
- + ) Japanese tolerance for hosting nearly 50 thousand U.S. Armed Forces personnel was severely tested by a brutal incident involving three Marines on Okinawa.
- + ) Most important, the Cold War came to an end; the Soviet Union disappeared and with it part of the core rationale for the Mutual Security Treaty, not to mention the

entire U.S. security presence in Asia. In operational terms, the Soviet Pacific Fleet ceased to be a major factor in the East Asian military equation which in turn raised questions concerning the continued mission for the U.S. Seventh Fleet.

However, in the years since the fall of the Berlin Wall, the U.S. security presence in Asia (and the Mutual Security Treaty) have not dissolved, but have been significantly reconstituted. This has been largely a consequence of the following East Asian security realities.

+) Tensions remain high in Korea and with the advent of the North Korean nuclear weapons and missile development (and export) programs, the stakes have grown considerably. The death of Kim Il-song, the prolonged succession, the deepening economic crisis in North Korea, and Pyongyang's willingness to tamper with the 1953 Armistice arrangements have all created new uncertainties and dangers.

+) China's policies and behavior in the Taiwan Straits and South China Sea coupled with increased military capability (as demonstrated by recent missile tests near Taiwan's coast) has generated growing uneasiness along the Pacific Rim. Here too the uncertainties of political succession add to the apparent dangers.

In short, the Cold War may be over in Europe, but the perceived threat environment in Asia as viewed from Washington and Tokyo remains far from benign. A number of policy and programmatic initiatives have followed.

+) Following the lead of Singapore, most of the ASEAN countries have negotiated agreements providing access for U.S. forces to selected naval and air facilities.

+) The U.S. responded to the loss of Clark and Subic with a modified Asian security strategy first articulated in the East Asian Strategy Initiative and in subsequent sequels. The new policy was captured in two phrases: "places not bases" and "cooperative engagement." It took advantage of the new opportunities for access in Southeast Asia by, in effect, disbursing the U.S. security presence in the region.

+) This new strategy was built on an old foundation -- the Mutual Security Treaty with Japan. EASI and its successors strongly reaffirmed the critical importance of the U.S.-Japan relationship and, not coincidentally, certain functions and facilities (principally involving training) formerly established at Subic were transferred to Yokosuka Naval Base. The Pentagon mounted a highly visible effort led by Assistant Secretary of

Defense, Joseph Nye, to rebuild with Tokyo the firewall that has long insulated defense equities from trade tensions.

+) On the Japanese side, senior government official, including then Prime Minister Murayama, repeatedly and emphatically reaffirmed support for the U.S.-Japanese alliance. By reversing the Socialist Party's long opposition to the Mutual Security Treaty, Murayama in effect made it unanimous across the Japanese political spectrum. This development was given some additional credibility by the perception that the "revolution" in Japanese politics embodied in the sudden rise of former Prime Minister Hosokawa and the equally sudden eclipse of the Liberal Democratic Party, was less far-reaching than it had first appeared.

At the same time, responding in part to U.S. prodding, Tokyo began to assume a more proactive role in international affairs generally and in security matters specifically. Benchmarks included the passage of legislation permitting the participation of uniformed JSDF personnel in the United Nations peacekeeping operation in Cambodia and Japan's close collaboration with the U.S. and ROK in the difficult nuclear negotiations with North Korea.

What Japan has not yet done is come to terms with its obligations under the Mutual Security Treaty in the event of actual or imminent hostilities in the Taiwan Straits or in Korea. There is every indication that Japan has no definitive policy level contingency plans for how it would respond in such circumstances. Nor has Japan publicly articulated a policy clarifying its position in the event the dispute over ownership and control in the South China Sea sharpens. This despite the fact that Japan is more dependent than any other country on the seaborne commerce that flows north and south through the South China Sea.

Nevertheless, the summit declaration produced by the Clinton-Hashimoto talks and the U.S. Japan agreement to adjust the U.S. military presence on Okinawa mark an important consolidation of the two nation's alliance -- which remains the lynchpin of East Asian security.

### China

China poses the most difficult of international security challenges, a new great power on the rise. Three times in the last century the world has faced this

phenomenon -- with German, Russia and Japan -- with catastrophic results on each occasion. Under the best of circumstances, adjusting to the emergence of a new great power places huge strains on the existing international system and poses a major challenge to established powers. If recent history is any guide, the new power will be fired by a combination of great ambitions, powerful resentments, and fervent nationalism that, under the best of circumstances, make it difficult to live with. China appears to be no exception.

No government draws from a deeper well of national pride and resentment than does the Chinese. With 5000 years of contiguous history -- much of it as the most technically advanced and economically productive society on earth -- they are the inheritors of the Middle Kingdom, the self-perceived apogee of human civilization. But they are also the inheritors of a century and a half of humiliation and subservience at the hands of European and then Japanese imperialists. When Mao Tse-tung entered Beijing at the head of the triumphant Red Army, his first words to the populace were: "China has stood up!" Grievance and grandeur are a potent combination.

A galaxy of other, related, characteristics make China a problematic new presence on the international scene. Culturally remote from the established Western centers of international power, China's leadership is also unusually isolated and parochial. This has been true for most of the Party's history, but in the past there have been a few leaders with remarkable cosmopolitan skills and imagination, notably the peerless Chou En-lai and Deng Xiaoping. But not now. It is as if the bloodletting in Tienanmen killed more than the young people in the Square that night.

Parochialism is compounded by vulnerability. The Chinese leadership presents a paradoxical picture -- astride a rising colossus but fearful for their future. They cling to an ideology that is politically moribund; they surely know that they have little popular support. The West embodies ideas -- democracy, freedom, individual enterprise -- that threaten their hold on power. Correctly they identify the U.S. as a source of subversive influences and American talk of "peaceful evolution" as little short of a strategy for the overthrow of the regime. Look at the former Soviet Empire.

The result is two-fold; a virulent resentment toward the West in general and the U.S. in particular and a strident embrace of a jingoistic nationalism. That nationalism

has one further characteristic that compounds the problem. The history of Chinese thinking about politics -- the Confucian value system -- is one of hierarchy. The family, the village, the province, the empire are ruled from the top -- benevolently but not democratically. The same applies to China's relationship with non-Chinese peoples. There is no relationship of equals; there is the Celestial Kingdom and less-civilized barbarians. When the empire collapsed, it was replaced by a new system of dominance and subservience, colonialism. It is not surprising that as China regains its strength, its neighbors in Asia see emerging hints of a Middle Kingdom mindset alien to sovereign relations among equals.

All of this come together, in a sense, in the Taiwan Straits. The nationalist drive to complete the unification of the homeland, the anger at foreign intervention, the fear of the democratic transition underway on Taiwan, and the prideful demonstration of a growing military capability.

What it all adds up to is perhaps obvious. The reemergence of China is a seminal development in international affairs and one that will pose a basic challenge to the fabric of security in East Asia. More specifically, how to deal with China is a conundrum high on the policy agenda in Tokyo and Seoul, not to mention Taipei. The recent events in the Taiwan Straits have given a new urgency to this concern.

If confrontation with China is viewed as a serious negative for U.S. policy, then admitting President Lee Teng-hui to visit the U.S. last year was mistake. It is important to understand that the status quo that has prevailed in the Taiwan Straits for nearly five decades serves the interests of all parties, especially Taiwan. The declaratory support for one China, but the de facto autonomy of Taiwan and the ambiguities surrounding the degree and terms of U.S. association with Taiwan has allowed all three parties to live and let live despite a fundamental clash of interests and views. But Taiwan, unwisely, has become a revisionist influence in this situation. By pressing for overt, politically potent symbols of international legitimacy, Taiwan forced Beijing's hand. The resulting crisis ended up forcing America's hand as well when two aircraft carriers were moved near Taiwan. Where formerly there was a question what the U.S. would do if Taiwan was threatened, there is no longer. The veil of ambiguity has been badly torn and it may be impossible to stitch it back up.

The result is a sharpened confrontation in the Straits that serves no one's real interests.

In the case of Korea, China is playing a more subtle game. But again, China has been, up to the present, a basically status quo power. China does not want conflict on the Peninsula -- hence Beijing's cooperation in negotiating the Framework Agreement freezing Pyongyang's nuclear weapons program and its public statements opposing North Korea's heavy-handed efforts to disrupt continued implementation of the 1953 Armistice. A divided Korean Peninsula with a Communist buffer state against China's border is consistent with China's strategic interests in the short and medium term. But again, the status quo is eroding. The potential disintegration -- whether with a bang or a whimper -- of North Korea alarms Beijing. China has moved to protect its interests in the event of a unification of the Peninsula by normalizing relations with the South (over angry cries of betrayal from the North) in 1992. At the same time, they have maintained ties with the North. It is important, however, for both the U.S. and the R.O.K. to realize that if Korea is unified, China's ultimate objective will be to exclude any outside power, including the U.S., from a security role on the Peninsula. If Seoul wants, as it presently insists, to retain a U.S. military presence after unification, there will be a fundamental clash of interests and policy with China. In the interim the U.S. and South Korea share a basic interest in working to overcome China's hegemonic impulses and integrate China into the existing political and security structure of East Asia. Both also have a shared interest in persuading Taiwan to be as nonprovocative as possible, consistent with its survival, toward Beijing.

### Korea

Certitudes are hard, perhaps impossible, to come by when assessing North Korea. One fundamental thing that can be said with some confidence, however, is that the nearly five decade contest for supremacy between the two Korean states is over. There can be no doubt that a unified Korea will be ruled from Seoul, not Pyongyang. As one Korean analyst put it: "The system in North Korea is already dead; it is living beyond death." Having said that, it must also be said that no one can know when or how this outcome will be reached. There are simply too many unknowns and too many variables. The best prediction is that the experts will probably be surprised by

events. A prestigious international conference of German specialists met in a divided Berlin in 1989 to assess the future of the East German state. The consensus was that in perhaps ten years the GDR would evolve toward a more democratic model. A month later the Wall came down and East Germany was history.

The forces that are impelling change on the Peninsula are largely beyond North Korea's control. The Pyongyang regime is conservative to the point of stasis and would, if it could, keep Korea frozen in amber circa 1960. Instead, three profound changes are at work. First, the end of the Cold War destroyed the international communist support structure that sustained Kim Il-sung's hermit kingdom. Russia abrogated its defense treaty and China ended its economic aid and concessionary sales to the DPRK. Second, the South Korean economy has achieved spectacular sustained economic growth. Third, North Korea has experienced an almost comparable economic failure with six straight year of declining GNP. Today the output of the North Korean economy is only one-half to two-thirds of what it was in 1990 -- when it was already very poor. The result has been a remorseless shift in the fundamental balance of power on the Peninsula toward the South with a comparable growth in Seoul's ambition to dictate ultimate outcomes there.

North Korea's recent provocative challenge to the Armistice agreements covering the DMZ is almost certainly an attempt to escape the box it is in by inducing the U.S. to establish regular official contact with Pyongyang leading to a normalization of relations. The North Korean leadership has apparently become convinced that their future and their salvation lies in Washington. Why? Because the U.S. is seen as the only power capable of controlling the South and ultimately protecting the North against the shift in peninsular power. Ties to America would presumably open the doors to foreign aid and investment and could save Pyongyang from its home-made economic disaster. Why not turn to China, instead? Because China cannot control Seoul -- or Tokyo. North Korea's actions in the DMZ are not simply a tactical ploy, but are part of a strategic plan aimed at regime survival.

The unification scenarios in current favor among Korea analysts use an aircraft analogy. The first, a "soft landing" scenario, envisions a negotiated outcome and peaceful takeover by Seoul. The business metaphor would be a merger with Seoul

taking over full ownership of the resulting unified enterprise. It is the most attractive unification scenario and would certainly enjoy popular support on both sides of the 38th Parallel -- and it is within the power of the two Korean governments to effect. Nevertheless, it is also the least likely outcome. There is nothing to suggest the leadership in Pyongyang would ever countenance the loss of power and position -- and probably more -- that this would entail. The current criminal trials of South Korea's two most recent leaders do not help in this regard. Nor is Korean political culture with its aversion to compromise likely to foster a negotiated solution.

The obvious alternative is a "hard landing" scenario which might take at least two forms: collapse and acquisition (the business analogy) or cataclysm, i.e. war. A collapse scenario envisions some sort of implosion, e.g. food riots leading to a disintegration of government authority or a factional infighting leading to a fragmentation of the regime leadership. The alternative is a decision by a desperate Pyongyang to launch an attack south. The result would certainly be suicidal; the DPRK would be defeated and eliminated. But just as Hitler chose to take Germany down with him rather than surrender, the leaders in the North might choose to inflict as much damage on their enemies to the south as they can before their own demise. The costs of such a scenario would be beyond calculation and would certainly include heavy casualties among U.S. and R.O.K. forces and the Korean civilian population. But even an implosion/acquisition scenario would involve huge cost associated with absorbing and rebuilding the North. Although clearly the least desirable, many of the closest observers of North Korea judge a hard landing in one form or another as the most likely outcome.

A third major scenario is a "no landing" or muddle through possibility. This is essentially a transition scenario that envisions an indefinite continuation of the DPRK with a gradual evolution toward greater openness producing a regime perhaps similar to the Park dictatorship that ruled South Korea in the 1960s.

While no one can predict which, if any, of these outcomes will occur, it is clearly time for the U.S. and R.O.K. to begin systematic consultations designed to prepare both governments to deal in a coordinated fashion with various unification contingencies. The principal objective should be a policy capable of responding

effectively to surprise and one that attempts to influence events such that a soft landing or no landing is made more likely and a hard landing less so.

Probably the one reality in Seoul that is easiest to underestimate in Washington is the degree to suspicion bordering on paranoia in the South Korean government concerning direct U.S. talks with North Korea. In this regard, the proposal agreed to by President Clinton and President Kim Yong-sam for quadripartite talks on the future of the Peninsula -- involving the two Korean governments and the U.S. and China -- is a very useful one. It would help assure that on the key issues of peace and security there is no daylight between Seoul and Washington. At the same time it provides a potentially important gesture toward Beijing offering them a seat at the table of what could be very important negotiations. Much of China's resentment toward the U.S. and the West more generally derives from a feeling that Beijing is being asked to observe international rules and norms that they had no voice in creating. China is also the one outside power, besides the U.S., that could influence the course and modalities of unification if it chose to do so.

At the same time. South Korean officials must acknowledge that the U.S. has global security concerns (notably missile sales) and bilateral concerns (notably American remains from the Korean War) that require it to negotiate directly and bilaterally with Pyongyang.

### Conclusion

Throughout most of the brief post-Cold War period, it has been the prevailing view, particularly concerning Asia, that economics has supplanted security as the priority of policy. It has been the international counterpart of the Clinton campaign slogan, "It's the economy, stupid!"

But events of recent months have cast that verity into question. Missile tests and military exercises in the Taiwan Straits, conflicting claims and maritime confrontations in the South China Sea, and troop violations along the Korean DMZ against the backdrop of a gathering deathwatch regarding North Korea -- all have suddenly pushed military security back to the fore. Throughout much of East Asia, China is a concern with its growing strength and uncertain intentions.

The summit meetings and consultations of this week will stand as the historical

punctuation on the reemergence of security priorities and with it the renewed salience of the U.S. alliances with Japan and Korea.

**T**oday more than ever the economic and political rhythms of the Asia-Pacific region affect our national interests. Growing interdependence with the economies of the region is altering the international security landscape. The GNP of Asian countries presently amounts to a quarter of global GNP and may climb to half by the middle of the next century. Meanwhile, American jobs tied to the region's economy will double from 3 to 6 million in the next five years. Japan and China are the world's second and third largest economies, while India shows great potential. New concentrations of

Strategically, the interests of the major powers intersect in East Asia. The subregion is the nexus of three of five permanent members of the U.N. Security Council (China, Russia, and the United States), and Japan is a leading aspirant for that status. For the moment, none of these major powers sees the others as a threat. Historical and contemporary trends, however, as well as the virtual absence of regional security institutions, suggest that a long-term great power concert is far from certain, particularly if economic fortunes change. China is a rising power, at once eager to continue its economic boom and ultrasensitive to questions of sovereignty. Russia is a declining power whose weakness, ironically, poses a greater threat to the region than its military strength. Japan is a maturing industrial democracy still defining its identity within the international security realm. The United States remains the preeminent guarantor of regional stability, yet alone it lacks the resources to contend with the entire region. Adding these strategic factors to Asia's economic dynamism, many analysts view the region as the global crossroads of the next century. One thing seems certain: the United States will face greater competition and expend much effort to win the cooperation of other major power centers in the region.

At the same time, new patterns of competition are emerging. China's economic growth and opaque military modernization set the stage for the rise of a major regional power. Japan will retain its security relations with the United States but may inch toward greater autonomy. India appears ready to buttress its ambitions by expanded involvement in the global economy. The Korean peninsula seems likely to stay divided for some time, although it will eventually unite into a formidable power. Moreover, the members of ASEAN promise to grow in stature and potential, making it increasingly necessary to engage such countries as Indonesia and Malaysia.

Intense competition could lead to regional conflict. Asia has fault lines based on historical differences: territorial claims in the South China Sea, the future status of Taiwan,

# Asia-Pacific Challenges

By HANS BINNENDIJK and  
PATRICK M. CRONIN

wealth have led some nations of the region to redefine their contacts around the world. U.S. prosperity and security will be increasingly inseparable from this dynamic growth. Because of widespread, sustained economic development the region is relatively peaceful. Gloomy predictions of famine, inflation, and state failure do not seem to apply to Asia. Despite the potential for large-scale conflict there, none has occurred since the Vietnam War. Instead, prosperity, productivity, and development have redefined the landscape.

Hans Binnendijk and Patrick M. Cronin are, respectively, the Editor-in-Chief and the Executive Editor of *Joint Force Quarterly*.

China's boundary disputes with India and Russia, the question of Korean unification, friction between India and Pakistan, turmoil in Cambodia, and Japan's quarrel with Russia over the Kuril Islands. Other conflicts could arise from economic competition, particularly in Northeast Asia. While there is no Bosnia in Asia, many territorial, maritime, and resource disputes could escalate. In Europe, NATO has weathered the discord over the violent breakup of the former Yugoslavia. In Asia, it is not clear that America's key alliance with Japan is equal to that level of divergence, and thus putting our compact with Japan on a solid footing for the next century must be a national priority.

At the same time, the United States must ensure that its security relations with South Korea withstand the lingering challenge posed by North Korea's nuclear and conventional programs and, on the other hand, a

sudden rush toward reunification. In the short term, Washington must continue to ensure full implementation of the October 21, 1994 Agreed Framework. If it endures, this accord will help focus more attention on working with

Seoul to provide a "soft landing" for Pyongyang as well as on the future of the Korea peninsula within the region.

Moreover, we must integrate China into both regional and international systems. There is no more critical security task than engaging that nation in transparency and confidence building measures to increase great power cooperation in regional and global issues. Territorial questions remain a concern, given that actions taken with regard to Taiwan could bring China and America into confrontation. Similarly, the way in which China views the use of force and, conversely, its willingness to seek peaceful resolution of other territorial and resource disputes will be pivotal to a regional stability

upon which to found continuing economic growth and prosperity.

Asian states have reached an unspoken consensus that stability is essential in coping with domestic issues that may take years to resolve. In this context, all can agree that there is little to be gained—and much to lose—by altering the status quo. As Asia moves through this transitional period, a basis for a new regional security order will emerge. This order will inevitably reflect the aspirations and strengths of major Asian powers. Our challenge is to secure stability, and by doing so to secure our own interests.

The keys to this task will be severalfold: to recast our alliance with Japan in post-Cold War terms and put it on a firm foundation for the next century; strengthen our alliance with the Republic of Korea to bolster deterrence in the short run and provide long-term regional support; engage China in ways that link it to regional and international systems; promote ties with South Asia; advance multilateral institutions where they can make a difference (as in Northeast Asia); further relations with other regional allies, particularly Australia, our southern anchor; develop our relations with the dynamic states of Southeast Asia; and maintain a credible overseas presence both to reassure the region and to be ready for rapid crisis response.

Notwithstanding a more vibrant multilateral and regional security architecture, an important role remains for the Armed Forces. Even if a concert of great powers can be achieved and works well—both big ifs—the United States will have a key part in underpinning that stability, providing balance for regional powers, responding to aggressive middle powers, containing chaos from failed states, or building coherent regional support for contingencies in other parts of the world. If we are willing to adjust alliance relationships and able to use political and economic relations wisely, our forces will continue to be welcomed as agents of peace and stability. ■



U.S. Army, B. Lee/W. T. H. Co.



# STRATEGIC FORUM

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## Unifying U.S. Policy on Japan

by Patrick M. Cronin and Ezra F. Vogel

### Conclusions:

- The U.S.-Japan relationship may be the most important bilateral relationship in the world.
- But the strains of acrimonious trade negotiations and troubles related to U.S. bases in Okinawa have reduced public support on both sides for a strengthened security relationship.
- So the United States must develop an integrated and coherent strategy toward Japan (1) to encourage the Japanese to assume a more responsible international security position, (2) to discourage Japan from leaving a strong American alliance, and (3) to work with America in providing leadership in the Pacific and, by extension, throughout the world.

### Toward a New Joint Security Declaration

On the eve of a bilateral summit meeting, the furor over the alleged rape of a Japanese schoolgirl by American servicemen is catalyzing public scrutiny of the U.S. military forces in Japan. The U.S. government has issued high-level apologies and taken steps to prevent the recurrence of such incidents. If Japanese political leadership is reticent, the anti-U.S. base sentiment could become a larger anti-Mutual Security Treaty movement. Although U.S. Armed Forces will have to show increased awareness of their impact on local communities, the fact remains that much of the Okinawan opposition is actually aimed at the Government of Japan in Tokyo. A more basic structural issue concerns economic disputes and the need to balance and integrate economic and security interests and policies.

Barring a last-minute crisis, the President of the United States and the Prime Minister of Japan will issue a joint security declaration in Tokyo in November, culminating a year of diligent alliance management by American defense officials. Yet only a few months ago, U.S. trade officials had been threatening economic sanctions, because of Japan's dilatory efforts to open its markets to the outside world and lower its record trade sur-

plus with the United States. The acrimony arising from those trade negotiations has raised three questions:

- (1) Will Americans and Japanese continue to support a defense relationship despite strained trade disputes?
- (2) Will Japan maintain confidence in the relationship even as leading American editorial writers and academics disparage public support for it or advocate using it as a bargaining chip to strengthen leverage in trade negotiations?
- (3) Will Americans support the alliance despite Japanese reluctance to open their markets further or to risk deploying their military forces to danger zones?

During the Cold War, the U.S. government built a fire wall between trade and security issues that prevented trade disputes from interfering with the bedrock security relationship. That fire wall has disappeared, and both Democratic and Republican presidents have had trouble setting clear guidelines to balance security and economic interests.

The problem of balancing U.S. economic and security interests with Japan is far more acute and involves much higher stakes than with other nations. Japan has

Opinions, conclusions, and recommendations expressed or implied in this paper are solely those of the author and do not necessarily represent the views of the Institute for National Strategic Studies, National Defense University, the Department of Defense, or any other government agency.

the second largest economy in the world. Calculated at 100 yen to the dollar, Japan's GNP last year was roughly \$5 trillion to America's \$7 trillion. While GNP may not be an accurate measure of the purchasing power of the Japanese *people*, it is a good indicator of the nation's capacity to buy things around the world. Former Ambassador Mike Mansfield's conclusion, "The U.S.-Japan relationship is the most important bilateral relationship in the world," has been ratified by recent developments. If the two wealthiest democracies—which share many common interests in regional and global affairs—cannot align their policies, then one wonders how the international community can avoid slipping into Hobbesian anarchy. The United States must produce an integrated strategy toward Japan and devise appropriate policies and political structures to realize it.

The following discussion argues against coercive linkage and suggests a four-part plan for comprehensive management of the U.S.-Japanese relationship. It advances a strategy that would encourage Japan to accept more responsibility for the course of international affairs, and to become a stalwart participant in and defender of an open, free-trading system. And it would assure U.S. cooperation with Japan to achieve its announced goals of playing a broader role in reinforcing regional and global stability.

Such a strategy will not be easy to implement. Japan is now ruled by a fragile political coalition that makes it difficult to take bold initiatives, and internal cleavages over how many of its troops Japan should contribute to resolve international conflicts run deep. But the failure to enunciate a lucid overall strategic approach perpetuates an ambiguity that erodes confidence in American leadership and invites the dismantling of the existing system without offering a palatable or realistic alternative. As Asian nations grow stronger economically, politically, and militarily, American leaders must grasp the significance of an integrated and consistent strategy toward Japan, not just for the results it can produce *vis-à-vis* Japan itself, but for the impact such a policy can have on America's standing throughout the region.

#### The Case Against Coercive Linkage

Critics of American policy who have called for ending the presence of U.S. troops and bases in East Asia,

particularly in Japan and South Korea, give a false impression to some in Asia that Washington could soon abandon or fundamentally decrease its commitments to stability in Asia. Ted Carpenter of the Cato Institute has been the most vocal advocate of such a retrenchment. Earlier this year, in the pages of *Foreign Affairs*, Chalmers Johnson urged bartering U.S. security assets for entry into Japanese markets and maintaining Japan in a "protectorate status." The Asian scholar argued that maintaining a U.S. commitment to Japan and other countries of the region is an anachronistic strategy that provides America's chief economic competitors a free ride on defense. In addition, Thomas Friedman of *The New York Times* has indirectly criticized the ongoing U.S.-Japan Security Dialogue by referring to "brain dead" Pentagon officials who persist in pursuing strong security ties despite trade frictions.

These and other detractors favor reversing the Cold War paradigm by placing economic competition first in the relationship and giving short shrift to security concerns. Unfortunately, their approach could jeopardize America's bilateral alliance with Japan, regional stability, and U.S. regional influence. Clarity of policy must not come at the expense of national interests.

The notion of leveraging our security clout for economic advantage plays into the hands of Japanese proponents of a military capability independent of the United States. They believe that the United States is a rapidly declining great power, beset by domestic ills, a huge deficit, glaring trade problems, and a slashed defense budget. They view the abrupt U.S. withdrawal from the Philippines as presaging a regional withdrawal of America's military force. They caused the authors of a blue-ribbon panel report to the prime minister to recommend hedging their defense options in a new defense outline. Although the August 1994 report reiterated the centrality of the bilateral alliance, the scope given Japan's autonomous capabilities and multilateral forums had clearly been staked out.

A similar cycle occurred about 25 years ago in the waning days of the Vietnam War, after President Nixon had enunciated the Guam Doctrine calling for the U.S. military role be limited to nuclear, naval and air forces rather than troops on the ground. Some within Japan, including then-Defense Minister Yasuhiro Nakasone,

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seized the opportunity to press for a far more offensive and autonomous military capability. That movement failed, however, and even closer defense collaboration followed, as manifested in the 1976 National Defense Program Outline, the 1978 Defense Guidelines, and the 1981 commitment to emphasize the role of the Self-Defense Forces in patrolling sea lanes, air defense, and anti-submarine warfare surveillance and sanitization. In short, it produced defensive-oriented actions that supported U.S. military strategy in the event of a major war with the Soviet Union. Today, a policy of coercive linkage by the United States would support certain deleterious trends in Japan toward a military policy more independent of America *for fear that it could not rely upon the United States as a partner*. Although alliances are built on shared interests, not friendships, an effective security partnership requires a high degree of trust and commitment. Using the security relationship as leverage to gain economic concessions is likely to cause Japan to move away from the United States as a military partner. This would lead to polarization in Japanese politics. It would in turn limit U.S. influence in an increasingly powerful region of the world, trigger Japan's neighbors into enlarging their defense programs, stunt the growth of a more interdependent Pacific community, and actually undercut Japan's own security.

Some critics contend that the threat of withdrawal of American troops would force Japan to accept more responsibility for its own military affairs. But as Ambassador Hisahiko Okazaki has pointed out, when Japan has been most firmly engaged in an alliance with either Great Britain or the United States, it has reinforced democratic tendencies within Japan; but when it has acted independently of these alliances, it has reinforced powerful nationalistic, inward-looking trends. A threat of withdrawal of the American commitment to Japan could strengthen the forces of Japanese ultranationalism and trigger hostile reactions by China and other regional neighbors. So a withdrawal of American commitment is likely to further destabilize relations. A Japan detached from a strong American alliance is likely to intensify the rivalries between China and Japan and to accelerate the risk of an arms race in Northeast Asia. Few in Asia would see a rupture in the U.S.-Japan security alliance as anything else but the cessation of decades of stability and prosperity throughout the Asia-Pacific region.

It is unfair to characterize any commitment to retain American forces in Asia at their current levels as ossified, as some have done. The situation confronting America's former Cold War allies in Europe is dramatically different. In particular Germany, France, Britain, and other countries deal with a declining Russia; moreover, they enjoy well-established and overlapping insti-

tutions and mechanisms for security cooperation, preventative diplomacy and crisis management. Japan and South Korea, as well as other U.S. allies in Southeast Asia and Oceania, however, face the uncertainty of an ascendant China while they have only fledgling regional or subregional security mechanisms. While the United States and Japan should not impose a new regional framework over the rest of Asia, no regional framework could emerge from the instability that would attend the end of this bilateral relationship.

Force presence is hardly obsolete for a second reason. During the Cold War, U.S. forward presence had been geared toward a Central Front contingency, with forces in Asia designed primarily to hold the line until forces in the Atlantic theater could "swing" to their assistance. Yet, U.S. force levels in Asia, ashore and afloat, after the Cold War have been reduced about one-third to approximately 100,000, including some 48,000 in Japan. Given that Asia will become the next century's political, economic, technological and possibly military locus of power, maintaining that forward presence is clearly in America's national interest. Because Japan offers unprecedented levels of assistance—some \$25 billion pledged in direct and indirect host nation support over the next 5 years—it is cheaper to keep our forces based in Japan than to bring them home. Dismantling them altogether might save money, but it would be a Pyrrhic victory in that America's influence in the region would fade at the very moment in history when the global center of gravity was shifting from the Atlantic to the Pacific and Indian Oceans.

The foregoing criticisms of the security relationship do not represent either mainstream U.S. views or support U.S. long-term interests. Nor do they reflect a realistic assessment of developments in Asia. The colossal Soviet submarine and air threat has receded. Now, issues such as North Korea, UN peacekeeping, the proliferation of weapons of mass destruction, and numerous border clashes are important security concerns.

#### Toward Comprehensive Management of the Japan Relationship

Since 1945, Japan has achieved unprecedented economic growth and it has forged a growing global political role since 1989. Until Japan holds its first election under its new election rules (likely to occur early in 1996), it will be difficult for the Japanese government to take major steps to alter the overall international relationship and to make major changes in Japanese domestic policy. A well-integrated American strategy now could be effective if coordinated with Japanese officials, politicians, and opinion-makers to prepare for the time when a new government in Japan can make larger decisions. Such a strategy would rest on four pillars:

1) *A high-level commitment to a positive overall bilateral relationship.* This requires greater efforts by senior American leaders to understand Japan and a deeper effort at top levels to manage the overall relationship. The November summit is a positive step, but persistent and prolonged follow-through will be needed if the bilateral partnership is to fulfill its potential.

2) *A reaffirmation of a broad bipartisan commitment to the relationship.* Both major parties have a common interest in preserving Asian stability and prosperity, and that stability is in turn founded on the U.S.-Japan alliance. The level of financial commitment required to maintain that stability is relatively minor compared to the gains of maintaining stability. We cannot maintain the trust required for a security relationship by bargaining the security relationship as a lever in trade negotiations. Above all, the relationship should not become an issue for opportunistic politicians seeking high office.

3) *A determination not to abstain from tough bargaining, including the threat of trade sanctions, when our trade interests require draconian efforts.* As long as we maintain a firm overall relationship with Japan we can afford to be forthright in our pursuit of specific trade goals. At the same time, more consideration needs to be given about how to work with allies in Japan and to formulate our position on trade matters so that it strengthens our base of support for our position in Japan. We need to devote more resources to monitoring the results of earlier trade agreements as a basis for pres-

uring for implementation. We need to devote a higher proportion of our activities, as Australia and South Korea do, to market development and positive trade promotion in Japan. We also need closer coordination between our efforts to open markets and promote trade.

4) *A decision to reorganize the management of relations with Japan.* During the latter decades of the Cold War, external policy was made by the State Department or the National Security Council. Post-Cold War confusion has led to the bifurcation of U.S. defense and economic policies, and the State Department has not been granted a crystalline mandate to adjudicate differences among Executive Branch agencies. One solution would be for an expanded National Security Council that deals with comprehensive military and economic security. For the president to preside over a less ambiguous U.S. foreign policy either on Japan or any other country, it is essential to have an overriding body—whether in the White House or the State Department—that can make overall policy and resolve competing government priorities.

The overall goal of America's Japan policy should be to encourage the world's second largest economy to continue to play an important role in maintaining the security of Asia, providing aid and assistance to developing countries, and strengthening international and multilateral institutions. A unified U.S. strategy toward Japan will have a more realistic chance of achieving these objectives than the conflicting approaches that have heretofore marked U.S. post-Cold War policy.

#### Recommendations:

- The United States should resist any temptation to end the U.S. military presence in Japan and Korea or barter U.S. security assets for entry into Japanese markets.
- The United States should enunciate a strategy clear and coherent enough that Japan might choose to abandon any hedging strategy that anticipates a dwindling U.S. commitment in the region.

- The new strategy requires a bipartisan, long-term commitment free of momentary political ambition.
- The new strategy requires a more powerful State Department or an expanded National Security Council with the authority to resolve policy differences among competing government agencies and speak with one unambiguous voice on the U.S.-Japan relationship; anything less would encourage the Japanese to question the reliability of the American commitment.



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# ASIAN SURVEY

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## A SURVEY OF ASIA IN 1995: PART I

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# THE UNITED STATES AND ASIA IN 1995

## *The Case of the Missing President*

\_\_\_\_\_ Jonathan D. Pollack  
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The past year was decidedly inauspicious for U.S. policy in Asia. Despite renewed efforts to define a larger regional strategy, the Clinton administration was repeatedly buffeted by major controversies and setbacks. Some of the administration's difficulties were not foreseeable. In September the arrest of three American servicemen for involvement in the brutal rape of a 12-year-old Okinawan schoolgirl provoked widespread discontent within Japan over the terms of the U.S. military presence, even if few Japanese critics were prepared to question the broader relevance of the U.S.-Japan alliance. But other worrisome developments—in particular, a serious deterioration in the U.S.-China relationship—seemed attributable in significant measure to major weaknesses in the U.S. policy-making machinery, beginning with a minimally engaged American president.

A splintered decision-making process driven primarily by issues of the moment; the absence of sustained high level attention to Asia on the part of the president and his senior foreign policy advisers; and President Clinton's preoccupation with U.S. domestic politics (accentuated further by the midterm election of Republican majorities in both houses of Congress) all stymied development of a coherent foreign policy strategy for Asia. Although there were some important accomplishments—in particular, the establishment of full diplomatic relations with Vietnam—the overall record seemed very mixed, and elicited growing concerns within the region about the future prospects for U.S. leadership, especially with the approach of another presidential election campaign.

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Two principal factors dominated regional concerns: the reversals in America's relations with China and Japan, Asia's major powers; and the repeated lurching of U.S. attention from one set of policy issues to another. Both problems suggested the absence of a coherent strategic concept and the lack of effective policy coordination at the top of the administration. Although senior American officials in the areas of diplomacy, defense, and commerce all asserted the region's very high priority in U.S. policy goals, the absence of consistent or sustained presidential involvement diminished the credibility of their declarations. In late November, President Clinton's last minute cancellation of a long-scheduled visit to Japan—his sole trip to the region planned for 1995—epitomized America's reduced attention to Asia. Although the cancellation was attributed to the president's budget battles with the congressional leadership, it contrasted with his increased involvement with Bosnia, the Middle East peace process, and Northern Ireland. The comparison suggested to many regional observers the president's unwillingness to expend substantial energy and political capital on ties with Asia, undermining U.S. credibility and influence in the process.

For much of the summer and continuing into the fall, damage control was the operative norm in U.S.-China relations, as escalating tensions over Taiwan, trade, and human rights injected major uncertainties in bilateral ties. In neither capital were senior leaders able or willing to commit the political resources needed to forestall a potentially very serious rupture in relations. Difficulties with Japan, though different in tone and substance, were no less consequential to regional perceptions of U.S. policy. Although American and Japanese officials navigated the 50th anniversary of the end of the Pacific war without serious incident, the broader tenor of relations, especially in the economic arena, was uneasy. The ruling political coalition in Japan, though prepared to reaffirm the centrality of the security relationship with Washington, was too weak to put forward coherent policy alternatives, whether on trade policy or in response to the Okinawa incident.

The administration's continued emphasis on export promotion as a principal dimension of its foreign policy toward the region reflected the absence of a larger strategic concept.<sup>1</sup> President Clinton had yet to achieve a satisfactory, mutually reinforcing balance among the political, economic, and security components of U.S. regional strategy, and he remained seemingly uninvolved in efforts to devise such a strategy. Although these circumstances did not imply American disengagement, they suggested inattentiveness to regional concerns at the highest levels of the U.S. government. As President Clinton's third year in office neared completion, the expectations of numer-

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1. Arthur J. Alexander, *Sources of America's Asia Policy in the Clinton Administration* (Washington, D.C.: Japan Economic Institute Report, April 1995).

ous Asian states for a close and confident relationship with the United States had not materialized.

### Dealing with an Ascendant China

The least steady major power relationship in international politics over the past year was that between the United States and China. During 1994, Washington and Beijing had achieved appreciable headway in bilateral relations. Defined by Washington as a policy of "comprehensive engagement," the major pieces of this policy seemed largely in place at the onset of 1995: the United States had "delinked" from Beijing's human rights policies the annual recertification process for most favored nation (MFN) trading status for China; the military-to-military relationship had been reestablished after a post-Tiananmen hiatus; sanctions imposed on China for missile sales to Pakistan had been removed; and political relations appeared to be progressing, albeit unevenly.

This headway proved fleeting. Chinese assertiveness and self-confidence, befitting the country's rapid economic growth and enhanced regional prominence, were counterbalanced by a defensive, reactive nationalism, much of it directed against the United States. This seeming paradox reflected internal leadership divisions as China approached the passing of paramount leader Deng Xiaoping. Even as Party leader and State President Jiang Zemin solidified his claim as Deng's successor, he did not display a self-confident or certain grasp on power or policy.

Jiang also remained dissatisfied with Beijing's relations with Washington. In earlier meetings with President Clinton, the two leaders failed to establish an easy interpersonal relationship, but Jiang saw the prospect of improved Sino-American relations as strengthening his claim to the top power position. In particular, he conveyed a desire that the U.S. acknowledge his accession to top leadership and more generally signal that it viewed China as a legitimate major power. Toward this end, Jiang repeatedly urged a Clinton visit to Beijing, a full-scale Chinese state visit to Washington, or both.

Jiang got neither. The mushrooming of the U.S. trade deficit with Beijing—according to U.S. data, \$30 billion in 1994 and estimated to reach \$38 billion in 1995—placed the terms of trade high on the U.S.-China policy agenda.<sup>2</sup> The United States also greatly increased pressures on China to address intellectual property rights issues, raised most tangibly by production of contraband compact disks at factories in southern China. Despite a March agreement in which China pledged a crackdown on pirating activities, in October U.S. Special Trade Representative Mickey Kantor renewed accusations of Chinese failure to enforce fully the agreement. Although Kantor diplomat-

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2. "The Numbers Game," *Economist*, October 14, 1995, p. 38.

cally referred to the "inconsistencies" in Chinese enforcement policy, he also warned that China's failure to carry out all provisions on a timely basis would prompt additional U.S. responses—a thinly veiled reference to the imposition of trade sanctions. For good measure, the Clinton administration insisted that it would continue to block China's entry into the World Trade Organization (WTO), the successor organization to the GATT, unless China adopted more transparent regulations governing trade, investment, and protection of intellectual property rights.

In the face of such developments, the prevailing weight of leadership opinion in Beijing had already begun to turn against closer relations with the United States. For example, even though Washington had lowered the volume on human rights disputes, Beijing refused to conciliate the U.S. on particularly sensitive individual cases. A growing chorus of views treated the United States as a malign influence seeking to divide, weaken, and contain China. These characterizations spoke much more to Chinese leadership policies than to the reality of U.S. policy: the Chinese dwelt on a containment strategy far more than American officials. To the Clinton administration, the Chinese seemed unprepared to accommodate the United States, despite Washington's efforts at engagement.

But the largest firestorms were provoked by developments in Taiwan-U.S. relations. During 1994 there had been a modest upgrading of U.S. relations with Taiwan, prompting Chinese suspicions of an erosion in the U.S. commitment to a one-China policy. In the early months of 1995, Taiwan's leadership was eager to heighten its international visibility and capitalize on the democratization of the island's politics, drawing on the sympathies of newly elected Republicans and long-cultivated ties with Democrats. In early May, both houses of Congress passed a near unanimous but nonbinding resolution calling on the administration to issue a visa for Taiwan President Lee Teng-hui to attend a reunion at his alma mater, Cornell University. The State Department initially insisted that it would resist such pressures, fearing the consequences for the Sino-American relationship. Within a matter of days, however, President Clinton—in direct contravention of the stipulations of the administration's Taiwan Policy Review and the repeated assurances from senior American diplomats to their Chinese counterparts—decided to switch rather than fight. The May 22 announcement on issuing a visa for Lee—though depicted by the State Department as a private, unofficial visit—was Taipei's biggest breakthrough with Washington since the diplomatic de-recognition of late 1978. Beijing's initial response was to interrupt high-level military contacts, including indefinite postponement of the impending visit of Defense Minister Chi Haotian; working-level discussions on ballistic missile proliferation were also canceled.

By the time of Lee's visit in early June, leaders in Beijing had begun to assess their options more fully. Li Daoyu, China's ambassador to the United States, was called home for consultations, with no commitment to his possible return. Underscoring Chinese displeasure, officials in Beijing refused to consent to the appointment of former Tennessee Senator James Sasser as U.S. ambassador to Beijing, succeeding J. Stapleton Roy. Other important policy shifts loomed, as more conservative foreign policy voices, disgruntled by the failure of the Ministry of Foreign Affairs to anticipate the Lee visa, assumed a far harsher stance toward the United States. Despite American insistence that the Lee visit did not reflect a shift in policy, Chinese commentaries accused the U.S. of orchestrating the Lee visit for its own purposes, all as part of a supposed containment strategy designed to deny China its rightful status as a major power.

Even allowing for overheated rhetoric, the center of gravity in Chinese foreign policy had clearly shifted, with the voices of restraint unable to defend a policy of engagement with the United States. As if to underscore China's diminished stake in relations with the U.S., public security forces in early July detained and arrested Wu Hongda (Harry Wu), a long-time prisoner in the Chinese labor camp system but now a U.S. citizen, accusing Wu of having illegally entered China for purposes of espionage.

Renewed military tensions in the Taiwan area were a source of even deeper concern. Coastal areas opposite Taiwan and waters near the island were now the focal point of significant exercises by Chinese military units. Exercises in July, August, October, and November entailed a higher tempo of military activity than in preceding years, including naval actions, amphibious operations, and a series of M-9 tactical ballistic missile firings north of Taiwan. Beijing's advance publicity for these operations, and clear indications that additional actions were planned, raised the military temperature in the Taiwan area to higher levels than at any point since the onset of the Sino-American rapprochement in the early 1970s. Not only were Chinese officials unprepared to forswear the use of force but military officials began to hint openly of the inevitability of military hostilities against Taiwan, given Beijing's declared judgment that Lee Teng-hui was moving Taiwan toward *de jure* independence.

However, as tensions with Taiwan rose, the seeming freefall in U.S.-China relations of June and July abated. In an early August meeting in Brunei between Secretary of State Warren Christopher and Foreign Minister Qian Qichen, the U.S. provided assurances to China (outlined in a three-page letter from Clinton to Jiang Zemin) that the Lee visit reflected special circumstances. However, there were no guarantees from the U.S. that such a contingency would not recur. At the same time, Secretary Christopher offered an

explicit, strongly worded reaffirmation of a U.S. "one China" policy.<sup>3</sup> In subsequent private meetings, U.S. diplomats reassured their Chinese counterparts that future visits to the U.S. by senior officials from Taiwan would be "unofficial, rare, personal, and private."<sup>4</sup> The trial and rapid expulsion of Harry Wu suggested that prevailing opinion within the leadership did not want the Wu case to interfere unduly with restoration of a tolerable working atmosphere in bilateral relations. This included Ambassador Li Daoyu's return to Washington and China's ultimate concurrence in Sasser's nomination to the Beijing post.

However, subsequent developments, including a two-hour meeting in New York in late October between Jiang and Clinton and the November resumption of senior military contacts, underscored the continuing limits in U.S.-China relations during the present period. Notwithstanding U.S. reassurances of its one-China policy, there was neither warmth nor trust in the bilateral relationship. In different ways, both leaders were constrained by domestic political forces that sought to limit forward movement. Moreover, neither Jiang nor Clinton appeared willing to invest the political resources needed to heal the serious breach in relations created by the events of the preceding six months, let alone devise a more durable basis for a productive relationship. The Chinese may well have concluded that the U.S. was not encouraging Taiwan's moves toward independence, and the repeated assertions by the administration of its commitment to an engagement strategy (as opposed to containment) may have provided a measure of assurance to leaders in Beijing. These steps, although welcome, were demonstrably insufficient to ensure productive political interaction.

The latter judgment was especially relevant in light of bureaucratic interests in both countries that were able to influence bilateral ties. In December the conviction and sentencing of Wei Jingsheng, China's most prominent dissident, to a 14-year imprisonment on contrived sedition charges provoked immediate calls in the United States to revisit President Clinton's 1994 policy of comprehensive engagement. The administration, however, continued to opt for relative restraint, perhaps concluding that a tenuous truce with Beijing was preferable to another cycle of recrimination and escalatory rhetoric. It remained to be seen whether such restraint was sustainable over the longer term.

But the likelihood of heightened military tensions in the Taiwan Strait—including the prospect of overt hostilities between China and Taiwan, accord-

3. Michael Dobbs, "U.S., China Agree to Talks on Relations," *Washington Post*, August 2, 1995.

4. Don Oberdorfer, "Juggling Between the Two Chinas," *Washington Post*, October 22, 1995.

ing to some observers with special access in Beijing<sup>5</sup>—loomed as an even more vexing long-term challenge to the Clinton administration. Many in the region were understandably discomfited by the absence of productive relations between military officials in Washington and Beijing, especially as senior leaders of the Chinese armed forces began to assume a more visible and assertive role within the policy process. But the tenuous connections between senior political leaders seemed equally or more worrisome, underscoring the risks of miscalculation and potential crisis in the Taiwan Strait. With leading U.S. officials insufficiently focused on the prospective risks, the outlook for stable, productive Sino-American relations seemed increasingly problematic.

### U.S.-Japan Relations: The Unsteady Three-Legged Stool

The competing impulses in U.S. Asia policy were most keenly felt in relations with Japan. As America's most important Pacific ally, Japan provided the United States with indispensable financial support, base access, and military presence, without which U.S. forces in the Pacific would not be able to execute U.S. defense strategy throughout the region. Beginning in late 1994, Washington endeavored to reaffirm and reinvigorate these ties, which a growing number of observers on both sides of the Pacific believed were not as robust or assured as in the past. The February publication of a Department of Defense strategic review, designed to supplant papers prepared in the Bush administration, committed the United States to maintain extant force levels in the region, including 47,000 uniformed personnel based onshore in Japan.<sup>6</sup>

Though critics faulted the document for being wedded too closely to the status quo, the study sought to impart a baseline commitment to regional security allies such as Japan and Korea, conveying that America's vital national interests presumed a continued need for a substantial U.S.-forward military presence. The document therefore signaled that U.S. forces would remain largely unchanged in their orientation and composition, fulfilling a stabilizing role that no other country was able to perform.

A principal intent of the strategy report was to ensure that U.S. regional allies continued to approach their security needs in ways that were complementary and congruent with American interests, and that America's security partners would not undertake military acquisitions that undermined or impeded U.S. regional strategy. But American officials recognized that this

5. See, for example, the comments of Singaporean Senior Minister Lee Kuan Yew in *Straits Times*, weekly edition, October 14, 1995.

6. *United States Security Strategy for the East Asia-Pacific Region* (Washington, D.C.: Department of Defense, Office of International Security Affairs, February 1995).

process would succeed only through patient, long-term coalition building rather than abrupt insistence on upholding a set of American preferences. Japan was central to this entire effort, a fact reinforced by ongoing internal Japanese deliberations over revising Tokyo's principal defense planning document (the 1976 National Defense Program Outline).

But other pressures were also impinging on Japan. From the onset of his administration, President Clinton had deemed the yawning trade deficits with Japan unacceptable to American interests. The president had repeatedly sought to accord increased weight and emphasis to the economic dimension of relations with Japan, which presumed diminished emphasis on the political and security aspects of the "three-legged stool" of bilateral ties.

Since the 1993 signing of the U.S.-Japan framework agreement on trade and market access, the two sides had done battle on the most appropriate way to gauge Japan's market opening measures, with Tokyo fiercely resisting strict quantitative criteria. But the Clinton administration had increasingly gravitated toward a "results oriented" trade policy, which presumed vigorous, high profile efforts to ensure enhanced access to the Japanese market. The president may also have calculated that a more assertive U.S. policy could pay dividends with the electorates of midwestern states crucial to his reelection prospects.

With the Office of the Special Trade Representative in the lead role, the administration embarked on a series of conflictual exchanges with Japanese trade negotiators. These efforts climaxed in a protracted, high-stakes confrontation during the late spring and early summer over American access to the Japanese automotive market, with the U.S. committed to imposing 100% tariffs on Japanese luxury automobiles pending a June 30 deadline. Only a last-minute agreement forestalled such actions, which would have openly departed from conflict-resolution procedures mandated under WTO guidelines.

Indeed, even prior to the final settlement, the bruising character of the negotiations appeared to chasten both sides. The consequences were palpable, affecting the personal and political tenor of the bilateral relationship. The frequently confrontational negotiations between Kantor and his Japanese counterpart, Ryutaro Hashimoto, Japan's Minister of International Trade and Industry and a vigorous exponent of economic nationalism, strengthened Hashimoto's hand in Japanese domestic politics, very likely contributing to his subsequent election as president of the Liberal Democratic Party. Sobered by these experiences, the United States and South Korea in late September were able to negotiate a more substantial automotive agreement against a comparable deadline, but with far less rancor.

The larger issue, however, concerned the conflicting messages imparted by different interactions between Japanese and American leaders. U.S. policy toward Japan was more schizoid than hydra-headed. One set of officials

sought to enhance an existing collaborative relationship through patient coalition-building, and a separate leadership cluster was determined to redefine the basis of bilateral relations through highly public pressure. At the same time, hectoring and recrimination were a game that both states play.

Without question, the aftermath of the trade negotiations put relations under increased strain and when the Okinawa rape incident was fully publicized in mid-September, it unleashed widespread public outrage. The apologies extended by Clinton, Secretary of Defense William Perry, and Ambassador Walter Mondale seemed deeply felt, and helped contain more severe reactions, although the intemperate comments of Admiral Arthur Macke, commander-in-chief of U.S. forces in the Pacific (CINCPAC) cost him his job. U.S. and Japanese officials also moved quickly to minimize any ripple effects by establishing a joint commission to address land-use issues that could fester or erupt again in the future. Discussions about possible modifications in the Status of Forces Agreement (SOFA) were also initiated.

Although the United States signaled its readiness to explore use of alternative locales in Japan in order to reduce its extraordinary dependence on bases in Okinawa, American policy makers and their Japanese counterparts did not want the Okinawa incident to prompt a major reassessment of the alliance. But the reverberations of the incident in Japan were palpable, suggesting a recognition across the political spectrum of the need to reevaluate the value and relevance of a highly encumbering alliance designed for a different era.<sup>7</sup> To be sure, domestic discontent with a highly asymmetrical security relationship did not signal coalescence around an alternative security compact for Japan; support for the Mutual Security Treaty, though diminished in the aftermath of the Okinawa incident, was still substantial. When Clinton celebrated his late November visit to Japan, he also postponed issuing a joint security declaration he and Prime Minister Tomiichi Muruyama were to sign in Tokyo, reaffirming the commitment of both countries to the maintenance of a robust alliance. Symbolism aside, few saw the present atmosphere as likely to reorder the U.S.-Japan relationship in a fundamental way. The status quo was no longer as tenable, suggesting an incompleteness and a need for resolution that both countries had yet to address fully.

### The Korea Conundrum

On the Korean Peninsula, events were superficially more stable, at least compared to the protracted North Korean nuclear crisis of the previous year. The signing of the U.S.-North Korea Agreed Framework in October

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7. A thoughtful account by David I. Hitchcock, "A Security Treaty Best Suited for a New Era," is in *Los Angeles Times*, Opinion Section, November 5, 1995.

designed to freeze and dismantle Pyongyang's plutonium production reactor and halt completion of two far larger reactors then under construction, initiated extensive negotiations with North Korean officials over the provision of two replacement light water reactors. The artifice for this project was the Korean Peninsula Energy Development Organization (KEDO), a consortium directed by Stephen Bosworth, a retired senior American diplomat, but with primary contractor responsibilities assigned to the South Korean nuclear industry. The Republic of Korea (ROK) was expected to provide the preponderance of funding for this large but highly uncertain undertaking. However, North Korean objections to the ROK's extensive involvement in the project slowed the negotiating process. Despite these objections, in mid-June Washington and Pyongyang concluded negotiations on the KEDO formula, with President Clinton providing separate assurances to South Korean President Kim Young Sam guaranteeing the prime contractor role for the ROK.<sup>8</sup> After additional months of negotiations in which Pyongyang resorted to an array of demands and tactical delays, North Korea and KEDO finally signed a \$4.5 billion agreement in mid-December.

But signing the agreement still offered no guarantee of success. North Korean negotiating strategy was often very difficult to discern, with Pyongyang rather puzzlingly impeding the opening of liaison offices in the U.S. and North Korean capitals as provided for under the agreed framework. Pyongyang also went to ample lengths to delegitimize the existing armistice arrangements on the peninsula, hoping to maneuver the United States into negotiating a separate peace treaty with the North that excluded the South. But Pyongyang made precious little headway in its maneuverings. Indeed, despite years of intermittent negotiations with the United States, Pyongyang's internal politics remained extraordinarily obscure, with no indications of its readiness to move toward more civil relations with South Korea. Notwithstanding the nuclear accords, North Korea's problematic political and economic prospects and the undiminished risks of a hugely destructive military conflict still hovered uneasily over the peninsula.

### Storm Clouds over South Asia

Portentous possibilities also loomed in South Asia where the U.S. had undertaken a serious effort to upgrade economic, political, and security ties with India. Three U.S. cabinet secretaries (defense, energy, and commerce) visited India during 1995, reflecting a recognition of the country's increasing economic clout and longer-term power potential. But other possibilities on

8. Andrew Pollack, "U.S. and North Korea Agree on Deal for Nuclear Reactors," *New York Times*, June 13, 1995; T. R. Reid and Lee Keumhyun, "South Korea Accepts Deal with North on A-Power," *Washington Post*, June 14, 1995.



the horizon could severely complicate the U.S. regional role. There were increasing reports that India was preparing to deploy several dozen Prithvi missiles, which would then be almost certain to prompt Pakistani deployment of M-11 missiles acquired earlier from China but as yet undeployed. Should Islamabad take such a step, it would then automatically trigger reimposition of U.S. sanctions against China, further complicating Sino-American relations at a very delicate moment.

More ominous possibilities also loomed. Unusual levels of activity observed near year's end at India's nuclear test site raised concerns that New Delhi was preparing for its first nuclear test since 1974.<sup>9</sup> Such a step would appreciably heighten risks of the spread of nuclear weapons, even as negotiation of a global test ban seemed more of a possibility in 1996. Indeed, the prospect of a comprehensive test ban treaty (CTBT) may have prompted India to consider an additional test prior to the onset of such a treaty.

But South Asia had hovered so long in a near nuclear netherworld that a failure of nonproliferation policy was not inevitable. Indeed, even as the U.S. moved to solidify its ties with India, parallel moves were afoot in the Congress and in the executive branch to induce increased flexibility in relations with Pakistan. Islamabad had been laboring under the constraints of the Pressler amendment since 1990, following the Bush administration's declaration that it could no longer certify Pakistan's nonnuclear status. As a consequence, Pakistan had been unable either to acquire weapons purchased but never transferred from the United States or to recover funds spent on these programs. A resolidified U.S. relationship with Islamabad appeared to offer a realistic prospect for preventing an incipient nuclear and ballistic missile competition in South Asia, with all the unpredictable consequences that might then ensue. Here, too, an engaged United States afforded prospects for ensuring a more stable regional balance than in the absence of a purposive American role.

### APEC Without Clinton: Conspicuous by His Absence

At year's end, however, the symbolism of President Clinton's absence from the Asia Pacific Economic Cooperation (APEC) heads of state meeting in Osaka made the largest statement about U.S. policy. Having lobbied strongly for the elevation of APEC as a forum within which the region's dynamism and diversity could be harnessed for important longer-term goals such as trade liberalization, Clinton concluded that budgetary priorities mattered more. Even worse for American interests, the U.S. had seen the APEC pro-

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9. Tim Weiner, "U.S. Suspects India Prepares for Nuclear Test," *New York Times*, December 15, 1995.

cess as an ideal forum to showcase Japanese leadership within the region. Absent the presence of the American head of state, Tokyo's leadership aspirations seemed far less consequential, and U.S. support for an enhanced Japanese role was less credible. Indeed, prior to the cancellation of the president's trip, Assistant Secretary of State for East Asia and the Pacific Winston Lord cogently argued why Clinton had to attend: "There's no chance that he will not go. . . . [It] would deal a body blow to our partnership with Japan and it would deal a body blow to APEC."<sup>10</sup>

At the end of a year of turbulence and growing unease about U.S. leadership in Asia, the Clinton administration had ample cause to ponder the potential challenges to American interests, should the region as a whole begin to view the United States as an insufficiently committed great power.

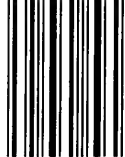
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10. Lord made his remarks in a briefing to reporters prior to cancellation of the president's trip, cited in Richard Halloran, "Disarray," *PacNet*, no. 43, December 18, 1995.

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