

# East Asian Strategic Review 1996-1997

## SUMMARY

The National Institute for Defense Studies

Chapter 1. The East Asian Security Environment

CONTINUING INSTABILITY IN NORTHEAST ASIA

In June 1995 in Kuala Lumpur, the United States and North Korea reached an agreement on a light-water reactor (LWR) support plan, which would be eventually worked out through the Korean Peninsula Energy Development Organization (KEDO). This agreement was made possible by a three-party (Japan-U.S.-South Korea) cooperative framework based on an American diplomatic initiative which took the lead in handling the North Korean nuclear issue. South Korea and Japan agreed to provide financial support for the construction of two light-water reactors in North Korea. However, the Agreed Framework between the United States and North Korea did not solve every aspect of the North Korean nuclear issue. Suspicions of nuclear weapons development can only be eliminated by making persistent efforts throughout the agreement's implementation process.

Enhancement of the nuclear capability of North Korea not only raises military tensions in the Northeast Asia region, but also promotes the global proliferation of weapons of mass destruction (WMD) in the post-Cold War era. The export of ballistic missiles by North Korea to some Middle Eastern countries increases the risk of an outbreak of post-Cold War regional conflicts. As yet, there are no signs that North Korea has stopped its development of ballistic missiles, and no major changes have been observed in the military relationships between North Korea and some Middle Eastern countries with disruptive tendencies.

North Korea's continuing military build-up, despite the nuclear agreement with the United States, cannot be overlooked. Its resources are concentrated in military areas, even though the economy is in terrible straits. North Korea's military power is dominated by ground forces which total nearly 1.1 million troops. While most of its equipment is antiquated, North Korea has been working in recent years to modernize, and it is widely assumed that its armed forces possess chemical weapons. In March 1995, North Korea tested an anti-ship missile as part of its military's general acceleration of tests and exercises.

On the other hand, South Korea is also modernizing its military capabilities, with an emphasis on naval and air power. The military balance on the Korean Peninsula following the Cold War is one of balanced expansion. Counting both North and South Korean forces, there has been no fundamental change since the Cold War era in the overall scale of 1.5 million ground forces poised in opposition to each other across the Demilitarized Zone (DMZ), and arms control measures aimed at a mutual reduction of forces have not been taken.

It is not wise to allow the current situation of military tensions and stalled dialogue between North and South Korea to remain as is. Some type of diplomatic effort or arms control measures must be considered in order to relieve military tensions on the Korean Peninsula. The suspended North-South dialogue must be resumed and North Korea must be included as a member of international society, including its participation in regional security dialogues.

The United States has played the most significant diplomatic role in working toward a resolution of the North Korean nuclear issue, while Japan and South Korea have provided support for Washington's North Korea policy. Bilateral cooperation in the form of the Japan-U.S. security relationship and the U.S.-South Korea alliance were the foundations upon

which the United States managed to complete and move forward with the implementation of the Agreed Framework. Japan, the United States and South Korea effectively collaborated and succeeded, through trilateral security cooperation, to achieve their mutual goals of preventing the proliferation of nuclear weapons in Northeast Asia and of maintaining peace and stability on the Korean Peninsula. Trilateral relationships between Japan, the United States and South Korea have been built through cooperation for alleviating the tension surrounding the North Korean nuclear issue. Nevertheless, it is also apparent that some strains have appeared in the bilateral relationships underpinning this trilateral framework. The current state of bilateral cooperation is far from sufficient for improving the security environment of the entire Northeast Asian region, and there is a genuine need for building a more stable framework of cooperation between Japan, the United States and South Korea by improving and promoting existing bilateral relationships.

Within this context, it is evident that the Northeast Asian security environment, exacerbated by an isolated North Korea and disagreement within existing bilateral alliances, remains unstable and uncertain. Developments in China and Russia, which have now moved to respective new frameworks, confirm that the nature of relationships among Northeast Asian countries is complicated and that a foundation for collaboration in resolving post-Cold War security issues has not yet been formed.

## FRICION AND COEXISTENCE BETWEEN THE UNITED STATES AND CHI NA

Alongside the Japan-U.S. relationship, the U.S.-China relationship is one of the most important bilateral linkages determining the security environment of the Asia-Pacific region after the Cold War. By almost any measure, including history, territorial scale, geopolitical disposition, population, natural resources and military power, China has the potential to become a future superpower. China's massive emerging market has the capacity to continue driving economic growth in the East Asian region, which has emerged as the world's largest growth center. The modernization of China's defense capability, in accordance with its long-term plan covering the spectrum of nuclear and conventional forces, has the potential to influence the region's military balance as well as existing regional relationships.

Since the end of the Cold War, the United States has continued to exhibit clearly active positions in engaging with the East Asian region in both economic and security arenas. Maintaining economic relations with East Asian countries is one of the most important policies for the United States, and it is eagerly pursuing diplomatic efforts to build open and mutually beneficial economic relations with East Asian countries on the basis of multilateral regimes such as the Asia-Pacific Economic Cooperation (APEC). Unlike in Europe, the United States plans to maintain its military presence in the region for the foreseeable future and will continue to play the role of a stabilizer on security issues in order to prevent the rise of a new dominant

power or hegemony. However, U.S. policy toward China is not one of containment but one of engagement to include China in international society.

Nevertheless, U.S. and Chinese interests could collide in East Asia. While trade friction and other problems between the United States and China resemble those in other bilateral relationships, there are also many that are rooted in fundamental policy differences on matters such as human rights violations and the proliferation of weapons of mass destruction. Among these concerns, the Taiwan issue is an extremely complicated and delicate one for Washington and Beijing and, depending on how it is managed, could involuntarily put the United States and China on a collision course.

Direct presidential elections, held for the first time in Taiwan in March 1996, and China's missile exercises during the election reinforced the reality that the seeds of military conflict continue to exist in post-Cold War East Asia. They also demonstrated that a military conflict between the United States and China could occur, depending on how the relationship between China and Taiwan develops.

The Taiwan Straits crisis has important and broad strategic implications for the future security environment of the Asia-Pacific region. It demonstrated that China's leaders intend to use military force in matters related to sovereignty and national unification, even if this causes friction in relations with the surrounding countries. China's hard-line policy also sent a serious signal to other East Asian countries. The United States avoided a direct military confrontation with China during the Taiwan Straits crisis, but raised its commitment to the Taiwan issue by dispatching the two aircraft carriers as a demonstration of support for Taiwan's democratic process.

There is no question that the worsening of U.S.-China relations resulting from the Taiwan Straits crisis has cast a dark shadow on the security environment of the East Asian region. Alternatively, however, it did highlight the strength of the U.S. military presence in East Asia. The nature and scale of friction between the United States and China casts a shadow of concern on the future security environment of the Asia-Pacific region, yet the two countries are not on a one-way collision course.

U.S.-China relations, which seemed to crucially worsen owing to the Taiwan Straits crisis, began to recover in the economic sphere just two months later. In the security arena, China indicated its receptiveness to the joint proposal made by the United States and South Korea for four-party talks with North Korea. It seems likely that U.S.-China relations will continue to move forward based on common interests, although the relationship will continue to fluctuate with a repeated cycle of confrontation and compromise.

## EXPECTATIONS FOR THE ASEAN REGIONAL FORUM (ARF)

Developments in Asia-Pacific multilateral security dialogue over the past few years are also worthy of new attention. Multilateral discussions of regional security issues take place in a

variety of ways, ranging from formal government-level talks to free exchanges of personal positions and opinions among academics and researchers. Of the many multilateral discussions which are held in the region, the ARF is the most formal and the most important. Nearly all of the region's countries participate in it, with the foreign ministers of these countries meeting periodically under one roof.

The first ARF ministerial meeting was held in Bangkok, Thailand in July 1994, the second in Brunei in August 1995 and the third in Indonesia in July 1996. At this third meeting, a set of criteria was adopted for new ARF participants, and based on these criteria, India and Myanmar were accepted as members. With these new participants, the ARF now consists of 20 countries and one regional organization (the European Union).

The ARF has made major strides over the course of the past three ministerial meetings. Its first meeting was a path-breaking step while the second meeting provided evidence of progress with the decision to identify and consider confidence-building measures. The third meeting added new momentum by drawing up a more detailed plan on confidence-building measures.

At the same time, one major issue facing the ARF is the extent to which it should be institutionalized as a regional security organization. In addition, with the growing popularity of multilateral discussions in general, and the continuation of various ARF meetings in particular, the issue of how to merge multilateral security discussions or potential institutions with existing bilateral relationships has been raised.

## JAPAN'S EFFORTS TO ENHANCE REGIONAL SECURITY

In the fluid and uncertain Northeast Asian security environment from 1995-1996, a number of notable events occurred relating to Japan's security. These included the November 1995 revision of the National Defense Program Outline (NDPO) which was originally formulated in 1976, and the following announcement of the Japan-U.S. Joint Declaration on Security in April 1996.

The objective of formulating a new outline was making a necessary step to adjust Japan's defense policy in line with the post-Cold War security environment of Northeast Asia. At that time, in addition to these trends and changes in the security environment of Northeast Asia, the following two factors were considered during the formulation process: the need for a more compact defense capability that takes into account the recent demographic decline in the number of young people, and the participation in United Nations peacekeeping activities by Japan's Self-Defense Forces. Moreover, against a background of growing enthusiasm for multilateral security dialogue in the post-Cold War era, in addition to new PKO activities, an emerging trend is developing in which the Self-Defense Forces could be required to contribute to building a more stable security environment. At the same time, the Great Hanshin-Awaji Earthquake of 1995 (one of the most destructive in Japanese history) and other incidents were

clear reminders of the importance of the Self-Defense Forces engaging in disaster relief missions.

In the new outline, the following three points are defined as the pillars upon which Japan's defense capabilities and security roles are based: first, defense of Japan; second, response to large-scale disasters and other situations; and third, contribution to the creation of a more stable security environment.

The Japan-U.S. Joint Declaration on Security reaffirmed that the United States will maintain a force of approximately 100,000 troops in the Asia-Pacific region for the foreseeable future, and confirmed that the maintenance of a U.S. military presence is essential for ensuring the peace and stability of this region. It also stated that close consultations will continue to be held on military matters, including the composition of U.S. military forces in Japan in response to possible changes in the international environment. Furthermore, it included a positive assessment of multilateral security dialogues such as the ARF and in security discussions regarding Northeast Asia, and also confirmed the important role played by China and South Korea in the stability of the region.

The assault of a young girl in Okinawa by U.S. servicemen in 1995 had a major impact on the Japan-U.S. relationship. Prior to President Clinton's visit to Japan, the interim report of the Special Action Committee on Okinawa (SACO) was prepared. This was a major step toward finding a solution to the Okinawa problem and was achieved under the leadership of Prime Minister Hashimoto by reaching an agreement between Japan and the United States that Futenma Air Station would be returned to Japan.

## Chapter 2. The Korean Peninsula

### THE PAST YEAR ON THE KOREAN PENINSULA

Two years have passed since the United States and North Korea signed the Agreed Framework in October 1994. Reflecting the mood of the negotiations and overall dialogue between the United States and North Korea, the issue of suspected nuclear weapons development by North Korea is clearly beginning to move toward a solution.

In the security arena, changes are evident in South Korea's defense policy. The era of a defense strategy dedicated predominantly to deterring North Korea has seemingly shifted to a new era of interactions with China and Russia on post-Cold War security matters. Furthermore, South Korea's defense policy is reflecting greater interest in sea lane issues and is moving forward with programs designed to strengthen naval and air forces.

Regarding developments in North Korea, much attention and speculation was focused on the manner in which the two most important political posts, namely, that of president and general secretary of the Korean Workers' Party (KWP) remained vacant after the death of Kim Il Sung in July 1994. However, examining key events such as the KWP's 50th anniversary,

which was celebrated in October 1995, and the recent filling of related posts, it cannot be said that the Kim Jong Il regime is showing signs of possible collapse. In addition, while North Korea is facing unprecedented economic difficulties with shortages of fuel and food, it has demonstrated receptiveness to receiving support from foreign sources. Last but not least, North Korea has continued its military build-up, including ballistic missile development, fighter aircraft production and missile deployment programs.

## NEW TRENDS IN NORTH KOREA

Western journalists and specialists who visited North Korea in 1995 spoke of an air of openness stirring in North Korea. For example, it was reported that connections to the Internet were made in certain places. North Korea also apparently relaxed standards for foreigners' entry into the country. The unrestricted entry visas issued to foreign tourists for the Pyongyang Sports Festival in the spring of 1995 illustrated a new trend which contrasts sharply with past procedures. These reports and efforts by North Korea were different than in the past, and indicated that North Korea was beginning to consider at least a partial opening.

North Korea's power structure remains unclear. Kim Jong Il has not yet assumed the posts of either President or General Secretary. The posts of President, General Secretary, Chairman of the Party's Central Military Commission (CMC) and Chairman of the Central People's Committee (CPC), as defined in the Constitution and the KWP's Charter, remain vacant. Such an abnormal situation has encouraged speculation regarding potential upheaval in Pyongyang.

In light of such an analysis, the following three schools of thought could be considered as to why the President and General Secretary posts remain vacant. The first school argues that Kim Jong Il already holds the status of supreme leader and that there is no rush to assume the posts of State President and General Secretary. Furthermore, it would be better for him to wait until the unexpectedly strong mood of mourning over Kim Il Sung's death subsides. The second school perceives resistance within North Korea, either from the military or the party, as preventing Kim Jong Il, against his will, from assuming these posts. Finally, the third school denies the need to fill these posts.

As noted above, there is no decisive basis to support fully any of these three perspectives, but it is relatively clear that the assumption that vacancies in these key posts indicate some type of internal upheaval or discord seems to be off the mark.

By most indicators, Kim Jong Il is seen to be in control of the KPA. He holds the highest military position and oversees key military appointments. The appointments (Choe Kwang is promoted from Chief of the General Staff of the KPA to Minister of the People's Armed Forces, Kim Yong Chun assumes the post of Chief of the General Staff and Vice-Marshall Kim Kwang Jin (Vice Minister of the People's Armed Forces) is promoted to First Vice Minister), which were made in October 1995 on the occasion of the 50th

anniversary of the KWP were an important display of Kim Jong Il's control over the party and the military. Their timing, coinciding with the KWP anniversary, demonstrated the close relationship between Kim Jong Il and the KWP, and their scope showed that Kim Jong Il had the authority to make appointments all the way from the number two military position to lower-level posts.

## DIRECTION OF THE NORTH KOREAN NUCLEAR ISSUE

The first round of U.S.-North Korean negotiations on the nuclear issue ended in June 1993. This was followed by a second round in July 1993, a third round in 1994 and a final round which culminated in the signing of the Agreed Framework in October 1994. In the June 1995 Kuala Lumpur Agreement between the United States and North Korea on the light-water reactor design, the South Korean model was tacitly accepted by the North Korean side. With this agreement, the primary points of contention surrounding the international effort to support North Korea's conversion to light-water reactors were resolved, and the North Korean nuclear issue moved into a phase of dialogue. The United States exercised its leadership by endowing KEDO with a central role and by finding a solution to the nuclear weapons issue through the provision of light-water reactors. Additional input from Japan, South Korea and others made this a genuinely multilateral endeavor.

The nearly two-year-long negotiations between North Korea (variously described as the "unknown country," "the enigmatic country with a mysterious leader," and "a mysterious country") and the United States (which has a very different image) have provided some interesting lessons for the international community. To begin with, the sanctions which were considered at one point by the United Nations and other countries, including Japan, were problematic and had many limitations. Furthermore, it also became apparent in discussions at international forums on the North Korean nuclear issue that China ultimately supported North Korea's stance. Throughout the negotiations, North Korea first adopted a certain set of conditions, but then later argued that the conditions were different. In turn, it insisted that negotiations had to proceed from the very beginning. North Korea sees itself as being encircled by a hostile environment and tends to focus on and seek negotiations with the elements of the encircling outside world that are the most vulnerable and likely to compromise. Also, one can even detect certain hints that North Korea actually counted on mounting impressions in Europe and the United States that North Korea was on the brink of collapse in anticipation of momentum in the international community to render support for North Korea in order to prevent an imminent collapse.

A fundamental resolution of the North Korean nuclear problem will continue to depend critically on the initiative and leadership of the United States. Having said that, it is equally true that the United States continues to be strapped with the same policy constraints that have held it back from the very onset of negotiations with the North.

## SOUTH KOREA'S POSITION AND RESPONSE

South Korea has supported the United States' position of negotiating with North Korea. Such full support for and cooperation with the United States are natural given the central importance of the U.S.-South Korean relationship and of firm support for the alliance in the conduct of South Korea's foreign and defense policies.

However, this does not erase the reality that frustration with the United States exists in South Korea. In an interview with the New York Times just before the conclusion of the October 1994 Agreed Framework, South Korean President Kim Young Sam warned against the United States rushing to conclude negotiations with North Korea. South Korea was also seriously disappointed that the June 1995 Kuala Lumpur Agreement did not clearly refer to a South Korean light-water reactor for eventual construction in the North. Furthermore, South Korea had expected the North-South dialogue to proceed alongside efforts to improve U.S.-North Korean relations, and was frustrated that an inter-Korean dialogue has not even resumed.

In preparation for a prolongation of the North Korean issue and the possibility of unexpected developments, South Korea placed priority on strengthening its relationship with the United States. In September 1995, South Korean Defense Minister Lee Yang Ho met with U.S. Secretary of Defense William Perry in Hawaii to discuss a strengthening of the U.S.-South Korean security relationship. In this meeting, both sides agreed to establish a new medium- to long-term dialogue. It was also reaffirmed that the stability of the Korean Peninsula depends on maintenance of the current cease-fire Armistice Agreement.

In November 1995, the 27th Annual U.S.-South Korea Security Consultative Meeting (SCM) was held and ways to strengthen security cooperation was discussed. While disagreement did exist on a number of details, the overall result of this U.S.-South Korea SCM was that it served to confirm the importance of the U.S.-South Korean alliance.

After the conclusion of the October 1994 Agreed Framework, progress was made in U.S.-North Korean relations. However, despite a clause in the agreement on the promotion of North-South dialogue, almost no progress was made in improving North-South relations. These and other considerations resulted in the U.S. accepting South Korea's request to establish a forum for negotiations including South Korea. In April 1996, President Clinton and President Kim Young Sam met on South Korea's Cheju Island and announced a four-party talks proposal to discuss issues pertaining to stability on the Korean Peninsula. In other words, this proposal was designed partially to dissolve the subtle differences in opinion between the United States and South Korea.

## BALANCED MILITARY BUILD-UP

A centerpiece of South Korea's security policy is the modernization of its military capabilities, with an emphasis on its naval and air forces. South Korea's military modernization is moving forward at a rapid pace. For the army, no major additional modernization projects have been planned following the recent completion of production of the domestically developed K-1 tank. Instead, most of the new build-up is concentrated in naval and air force enhancement. The South Korean Air Force plans to introduce 120 of the latest model F-16 C/D fighters. The South Korean Navy is in the middle of building and deploying six German-design 209 submarines.

A new dimension has arisen in weapons procurement, namely, the availability of Russian weapons. It has already been decided that Russia will supply South Korea with weapons worth US\$1.47 billion to repay debts it inherited from the Soviet Union. However, the United States has expressed concern regarding Russia's transfer of key military equipment, including the Minsk aircraft carrier, to South Korea since the United States does not consider this transaction as a simple debt repayment scheme. Weapons transfer between South Korea and Russia is likely to be subject to increased scrutiny as a foreign policy and security issue, and not just as a simple economic transaction.

The North Korean air force's summer training began in June and the army's in July 1995, and at the end of June, a joint naval-air exercise took place in the Yellow Sea. Throughout the period up to the end of 1995, the number of North Korean military training exercises increased. North Korea's military build-up has not slowed since the conclusion of the Agreed Framework. North Korea has added 20 240mm long-range artillery guns and 170mm self-propelled guns that can strike Seoul from north of the 38th parallel, and it has increased its troop level to approximately 1.1 million.

What, then, are the motivations behind North Korea's military build-up? Given the steady progress achieved on light-water reactor provision and North Korea's participation in the 1996 Atlanta Olympic Games, it seems difficult to conclude that North Korea is a country which sees no other alternative but war. It is important to notice how North Korea's military build-up stirred international sentiment in favor of not overly pressing North Korea. People with such views have emphasized the need to conduct negotiations with the North and have insisted that rice assistance and other humanitarian assistance should be given to North Korea for the flood damage and ensuing food shortages.

The nature of the North and South Korean military build-ups described above presents North-South military capabilities as expanding both quantitatively and qualitatively. However, this does not mean that the military balance on the Korean Peninsula can suddenly break down, nor does it mean that the danger of a military conflict has grown.

## FUTURE ISSUES

North Korea's ballistic missile program and suspected development of nuclear weapons

have had, and continue to have, a major impact on current and future strategic stability in the Northeast Asian region. Particularly in the case of Japan, implications raised by the existence of North Korea's ballistic missiles and possible development of nuclear weapons are undeniably different from those posed by the presence of Chinese and Russian missiles. When looking at the North Korean issue, it is important to consider the relationship among North Korea, the United States and Japan and the differences between North Korea and China and Russia.

## Chapter 3. China

### TOWARD THE POST-DENG XIAOPING ERA

The most prominent issue facing Chinese politics is whether the Jiang Zemin Government can maintain stable leadership within a continuing Chinese Communist Party (CCP). While much debate has been focused on the post-Deng Xiaoping era, in 1996 a conclusion appeared to have been reached on this discussion. Steady progress has been achieved in establishing the authority of a party-centric system around Jiang Zemin and the transition to this successor regime has been nearly completed. General Secretary and President Jiang Zemin fully controls appointments and is in the process of solidifying his power base.

Activities to promote the personal authority and stature of Jiang Zemin were expanded going into 1996. In 1996, even within the People's Liberation Army (PLA), a movement to pledge loyalty to the party center led by Jiang Zemin rapidly began to take hold. Within the CCP, no major differences of opinion or political direction were apparent during the period of review, and there was a consensus on rallying behind the mantle of Jiang Zemin with top priority on maintaining stability and unity. Some have speculated that the CCP Chairman system will be reinstated at the Fifteenth Party Congress in the fall of 1997. The chances are slim that personnel shifts will result in a breakdown of the collective leadership system headed by Jiang Zemin.

In the economic arena, a restraint policy was introduced in 1994, and especially from mid-1995, partial revisions of the path outlined by Deng Xiaoping were begun. It was decided to make a gradual transition toward stable growth, place greater priority on inland regional economic development and revise the special treatment of foreign capital investments. Through this process, major issues facing the Chinese economy came to light, the first issue being that the government still had not developed appropriate macroeconomic controls. The second economic issue facing China is that the structural problems affecting the economy have worsened since the start of its reform and open-door policies. There are also many issues to be addressed in the areas of agriculture, unemployment and energy, with adequate solutions to these problems yet to be identified.

As a separate issue affecting the stability of the CCP's central authority, structural changes taking place in Chinese society as a whole are clouding China's future. As the reins of

party control loosen and Chinese society becomes increasingly sophisticated, particularly with China's large size and population, popular sentiment is becoming increasingly segmented. The socialist market economy, or what is actually a move toward capitalism under the single-party control of the CCP, has brought people a sense of wealth. However, economic overheating has produced higher inflation and an underground economy characterized by illegal transactions involving government officials, which, together with a decline in CCP authority, have sparked general confusion over values.

The party center is eagerly seeking to secure a dignified image for Jiang Zemin and regain trust in the CCP. In August 1994, Guidelines for Patriotic Education were issued as part of an effort to reassert ideological training administered by the party center. Patriotism was defined as the central theme of unification and mobilization of the Chinese people and, since then, there has been an uninterrupted effort to stimulate Chinese nationalism. Patriotism is being seen as a final resort for maintaining party domination.

## MILITARY TRENDS IN CHINA

In recent years, the concern has been raised in the United States and Asian countries over a "threat from China." This view is based on an outlook which sees China's military power emerging as a threat to the Asian region, with the strengthening of its military capabilities through the combination of "a rich nation and a powerful army." However, the view of China as a "threat" is rooted in a general anxiety about China's massive potential strength, and misconceptions based on a lack of information have exaggerated China's military capabilities far beyond where they actually stand. China's military capability must be objectively assessed, the results of such assessments should be shared by the international community, and current and future estimates and analyses of China's military capability should not be based on the notion of a so-called threat.

China's defense modernization program is based on the specific aims of building a highly reliable nuclear deterrent capability vis-B -vis the United States; enhancing capabilities for the management of local conflicts involving the dominant use of advanced-technology weaponry; and strengthening its naval and air forces, as well as rapid deployment troops. The Chinese leadership is actively dealing with this issue through steady increases in its published defense outlays.

Meanwhile, constraints on China's defense modernization program include outdated military technology and the weakening of the defense industry under the policies of reform and openness. Defense modernization will be an important issue and a central focus for China, but as long as the above-mentioned constraints are not promptly eliminated, a rapid modernization of weapons and equipment will not occur over the next five to ten years.

In recent years, China has actively pursued military interaction with foreign countries. The interaction between China and Russia has been particularly active in the area of

confidence-building measures such as the signing of a Border Patrol Cooperation Agreement and mutual port visits by naval vessels. Progress in transfers of weapons and the introduction of military technology from Russia should be noted. It is estimated that weapons and military technology transfers have progressed even further, including underground deals entailing cooperation made possible by the marriage of interests between Russia's need for foreign currency and China's requirement to have a source of advanced technology weapon systems.

Beyond its military interaction with Japan, the United States, and Russia, China is also encouraging wide-ranging military interaction with the countries of Southeast Asia, the Middle East, Europe and Central Asia. Aware of concerns over a "Chinese threat," China is participating in confidence-building measures, and specific results include border agreements with neighboring countries and military technology exchanges with Europe and Israel.

China's nuclear forces consist of three types of delivery vehicles: intercontinental ballistic missiles (ICBMs) managed by the Second Artillery Corps (strategic missile unit); Submarine-Launched Ballistic Missiles (SLBMs) carried on nuclear-powered submarines; and H-6 (Tu-16) bombers capable of delivering nearly 450 nuclear warheads. The nuclear deterrent effect of China's nuclear forces has been called into question when compared to the far-superior target accuracy and destructive capabilities of U.S. and Russian nuclear arsenals. There has also been doubt concerning the possibility of inadequate retaliatory nuclear forces remaining in the event of an initial nuclear exchange. However, in addition to China's existing nuclear deterrent capability, which is based on its so-called countervalue or soft targets such as key political and economic centers in other countries, its nuclear forces are being strengthened with the development of mobile ICBMs, multiple-warhead missiles and solid propellants. Since its fall 1992 nuclear test (its 38th), China has repeatedly conducted 20-150 kiloton tests, so it seems that the development of compact, lightweight warheads has been realized.

China continues to strengthen its nuclear forces, but it is also moving continuously to avoid a rise in international resistance and the fear that accompanies this. It has repeatedly stressed its strong support for an early conclusion of the CTBT and has taken appropriate stances to back this up.

Based on Military Strategy Guidelines for the New Era and other evidence, it is expected that China will work on creating a rapid response capability based on advanced technology, local conflicts and the implementation of sophisticated military training programs. In order to deal with pinpoint warfare situations, which are expected to increase in the future, each military region is designating a group army or division as a rapid response unit and outfitting this unit with the latest weapons and equipment ahead of other units. The shift in defense policy is also altering the nature of military training. In the military training guidelines issued in December 1995, combined training by various types of troops and joint exercises by the army, navy and air force utilizing firepower and mobile power were emphasized.

It has been seven years since Jiang Zemin assumed the top military position as Chairman of the Central Military Commission. During this period, five large-scale military officer reshuffles have been conducted, and through this process, Jiang Zemin is thought to

have gained nearly full control of the military. These personnel changes mean that now all personnel in the top posts in central and regional military organizations of the People's Armed Police have been appointed and promoted by Jiang Zemin. However, as Jiang Zemin is not in a position to be able to ignore the influence of the military elders, it seems that he will have to continue to treat these personnel in a manner that enables him to win the support of the military.

## TENSION IN THE TAIWAN STRAITS

China conducted a series of military exercises from July 1995 to March 1996 with the intention of sending a warning to Taiwan. Following this initial show of force, a three-stage, large-scale exercise, appearing to simulate an attack on Taiwan, was held in March 1996 to coincide with the timing of Taiwan's presidential election.

Assessing these military exercises from a military perspective, it should be noted that the PLA has gained the ability to conduct integrated military operations utilizing various forces, even though it may still be at novice levels. When this development is considered against China's total inability to handle this type of military exercise a decade ago, it is evident that the modernization of the country's military is moving forward at a rather fast pace. Note should also be taken of the increasing priority being given to communications and logistical support, shifting away from the previous overemphasis on equipment for frontal attacks.

What was the political goal of the military exercises? The PLA already has sufficient military strength to be able to restrain Taiwan's policies to some degree, but China cannot easily rely on the use of force that would sacrifice its economic development for the sake of the Taiwan issue in the current environment in which China is working to integrate itself with the global economy through policies of reform and openness. At the same time, it cannot accept independence for Taiwan. In this sense, it can be assumed that the goal of these military exercises was to "display conviction" to the outside world and to provide a demonstration that China would be willing to undergo any sacrifice regarding the Taiwan issue. Another unspoken political goal was to influence the direction of Taiwan's Mainland policy after the election rather than to influence the election result itself.

On the other hand, the negative implications of the military exercises should not be neglected. The first outcome was that China's image suffered internationally, and concerns about the Chinese threat are on the rise. The second outcome was that the impact that this experience had on Taiwan did not only work in China's favor. The military exercises have eliminated the sense of familiarity with China and created barriers to the path toward unification.

As to the possibility of an amelioration in the China-Taiwan relationship, there appears to be little room for improvement in the current stalemate situation. However, since China has stated that its military exercises are achieving gradual and significant success, there is little

chance that situations of greater tension await as long as Taiwan does not take any conscious steps to anger China. China has not completely shut off the path to improved relations. Its Taiwan policy has clearly returned to Jiang Zemin's eight-point opinion, shifting away from displays of military force.

A genuine return to dialogue will take some time considering China's determination to stick to its principles and Taiwan's resistance toward showing any signs of weakness to Chinese military pressure. However, Taiwan hopes to improve its relations with China by 1998.

## CHINA'S EXTERNAL RELATIONS

The tension between China and Taiwan has had a significant effect on the China strategy of the United States. As China steadily escalated its threatening military behavior toward Taiwan in March 1996 at the time of the presidential elections, public opinion in the United States rallied against China and relations between the two countries fell into the deepest freeze since the end of the Cold War. On the other hand, efforts to improve relations were seen in the July 1996 decision for Secretary of State Christopher to visit China in November, and for Defense Minister Chi Haotian to visit the United States within the year. There was also discussion of a visit to China by President Clinton. As a whole, the relations between the two countries vacillated between improvement and discord even after the summer of 1996.

After Mikhail Gorbachev's visit to China in 1989, the diplomatic relationship between China and Russia improved consistently. The levels of weapons and military technology transfers and military interaction rose sharply, and there were signs of a return to the former relationship of friendship between the two countries. The Sino-Russian joint statement, issued in Beijing on the occasion of President Yeltsin's visit to China in April 1996, emphasized the continued existence of supremacy and power politics and the fact that the world is not yet at peace, and described relations between the two countries as a strategic partnership. However, the areas of cooperation between China and Russia are rather limited and it is difficult to imagine the formation of a military alliance. With their long common border, China and Russia have traditionally been geopolitical threats to each other and this mutual distrust will not disappear overnight. As a result, closer ties between the two countries are likely to be partial and limited.

The lack of transparency over China's defense modernization program and its aggressive stance toward territorial issues are increasing concern among the surrounding countries that China might utilize its military force to solve these issues when necessary. China is turning toward a collaborative diplomacy that emphasizes multilateral security dialogue, a major shift from the past. China's current foreign policy strategy appears to be a mixture of a collaborative diplomacy which emphasizes dialogue with the surrounding countries and a strong-arm diplomacy backed by military force in order to achieve its goal of a prosperous and strong China. For the present, however, China is moving in the direction of a more dialogue-based

approach.

## INTERNAL SITUATION IN TAIWAN AND HONG KONG

Three key elections were conducted during 1995 and 1996, ushering in a new era of democracy in Taiwan. In December 1995, members of the Legislative Yuan were elected, and in March 1996, presidential and National Assembly elections were held.

Although democratization has been completed through these elections, fundamental reforms of the political system will have implications for all corners of society and, together with China's fluctuation between hard-line and conciliatory stances, this can be expected to present serious issues for the domestic political scene.

Events are moving forward rapidly in Hong Kong in advance of its 1 July 1997 reversion to China. September 1995 saw the final Legislative Council election of the colonial period, which was conducted in a democratic fashion. The result was a victory for democrats. By going ahead with this political reform in the face of China's resistance, the United Kingdom basically fulfilled its duty of effecting a "dignified departure" from Hong Kong. If China does not put an end to this high degree of autonomy after 1997, then this will be considered a success by Britain. On the other hand, if China dismantles it, the responsibility will lie with China, which will appear to the international community and the Hong Kong people to be ruling with even less concern for the will of the people of Hong Kong in comparison to British rule. Whether or not the reversion of Hong Kong, which has attracted global attention, can be successfully completed depends on what China does specifically going into July 1997.

## Chapter 4. The Russian Far East

### EAST ASIA AND RUSSIA

President Yeltsin visited China in December 1992 and has set the tone for greater attention to Russia's relationship with China. Through the issuance of a joint declaration during the visit, the two countries announced a friendly relationship, and, since then, significant progress has been made in the relationship between the two countries in the political and military areas. During the April 1996 visit by President Yeltsin, Russian and Chinese leaders announced a Russia-China joint declaration (the so-called "Beijing Declaration") which declared their intention to develop a strategic partnership. This declaration expressed their willingness to go beyond their existing basic agreement on building a constructive partnership based on good neighbor relations and mutually beneficial cooperation, reached when Chinese State President Jiang Zemin visited Russia in September 1994, and to promote a quantitative and qualitative enhancement of the relations between the two countries. With this development at the political forefront of their relationship, both countries have sped ahead toward better ties

in the military arena. In addition to a flurry of confidence-building measures and mutual visits by military leaders, transfer of military technology and weapons between the two are proceeding actively.

Two factors may be pointed out as influencing Russia in its efforts to improve relations with China from the Russian perspective. First, it was necessary for Russia to build stable relations with China, with whom it shares an approximately 4,300 kilometer long border, by defining segments of the border and thereby aiding ongoing domestic reforms. Second, Russia's foreign policy underwent significant changes, beginning to shy away from the previous overwhelming emphasis on relations with the West and shifting to a foreign policy which sought to strengthen Russia's national interests through tighter relationships with the CIS countries, China and other Asia-Pacific nations, based on Russia's unique geopolitical position as a Eurasian nation.

The recent tightening of ties between China and Russia has extremely important implications from the perspective of East Asia's regional security. The first is that the strategic partnership declared in the Beijing Declaration announced during President Yeltsin's April 1996 visit to China clearly takes into account relations with the United States. The second implication is that China is setting in place conditions which strengthen its security in the North, such as the stabilization of conditions along its border with Russia, Kazakhstan, Kyrgyzstan and Tajikistan, and which enable it to concentrate its efforts in maritime areas, including Taiwan and the South China Sea. The third implication is the possibility that the enhancement of China's military capabilities through its purchases of Russian weapons will raise concerns in the surrounding countries. Further, the increasing transfer of Russian-origin weapons systems and military technologies to China will strengthen long-term military ties by promoting the share of common weapons and raise the level of pressure on the neighboring countries.

However, although Sino-Russian relations have improved significantly, it is not expected that they will advance to the point of forming a military alliance in the future. The first reason is that Russians, and Russians in the Far East in particular, have deep fears about the size of the Chinese population. The second source of limitation on the improvement of Sino-Russian relations rests on conceptions of Russian foreign policy and Russia's relationship with the United States. In light of the Basic Conceptions of the Foreign Policy of the Russian Federation prepared by the Russian Foreign Ministry at the end of 1992, it was impossible for China and Russia, with their different ideologies and social systems, to form an alliance, and as long as the Yeltsin Administration maintains its commitment to democracy and a market economy, there will be limits to the progress that Russia's relations with China can achieve. Even though Russia has changed its Western-oriented foreign policy, it continues to place importance on relations with the United States.

As explained above, there are various factors impeding closer relations between China and Russia, and owing to limitations in Russia's interest in strengthening these ties, the possibility is limited that Sino-Russian relations will develop into a military alliance in the

future. It is important to recognize, however, that both China and Russia perceive a mutual benefit in improving their bilateral relationship in the context of their own relationships with the United States. The progress of Sino-Russian cooperation will continue to be an important factor for the security of the East Asian region and one which merits careful consideration.

## MILITARY SITUATION IN THE RUSSIAN FAR EAST

Following the collapse of the Soviet Union, Russia's security environment has changed dramatically. From the outset, the Russian Far East has always been a remote locale as seen from the European side of Russia. With its tough weather conditions and sparse population, it has mainly served as a place of residence for people involved in natural resource extraction and national defense. From a security perspective, the Far East has seen little geopolitical change besides Mongolia's departure from the Soviet sphere of influence, while Russia's European side has encountered the abandonment of alliance relationships by the East European countries and the independence of former republics of the Soviet Union, both of which resulted in a dramatic reduction in the span of Russia's geographical reach. In other words, the strategic environment on Russia's Western Front has changed fundamentally, requiring the formulation of a new strategic approach, which stands in contrast to the Far Eastern region, which, from a strategic viewpoint, mainly consists of relationships with the United States, Japan and China, and is not expected to undergo any fundamental transformation in the strategic environment.

With this situation as background, Far Eastern Russia's basic military posture as a secondary front has not changed from what it was during the Soviet period. Russia's main strategic concerns continue to be directed toward the West and the South. Furthermore, with the improvement in relations with China, with which Russia shares an extensive border, the strategic military status of the Far East has declined relative to the other fronts.

A look at Russia's overall military trends shows that the country is working to redefine its total strategic concept to coincide with the changed strategic environment and requirements stipulated by the CFE Treaty for a reduction of troops west of the Ural Mountains. Although limited quantitatively, the goal of this new strategic concept is to construct a modern military force outfitted with advanced technology weaponry. Since the Russian forces in the Far East receive a relatively low priority as an area requiring emergency or rapid response capabilities, the Far East is being treated as a defensive zone within the overall strategic layout of the Russian military. At the same time, the Russian Far Eastern region will have positional defense units not seen on the Western front, as well as machine gun-artillery divisions to compensate for the reduction in troops and present an effective defense capability.

Another development deserving attention regarding the state of military equipment in the Far Eastern front is the transfer of weapons (those removed from the Western front in compliance with the CFE Treaty reductions) east of the Ural Mountains. This has resulted in an accumulation of high-performance weaponry in the Far Eastern region and has qualitatively

enhanced the equipment managed by the Russian Far Eastern military. What these trends show is that, along with troop reductions, the Russian Far Eastern region is being equipped with the latest weapons, although limited in number. In other words, as troop reduction progresses in the Russian Far East, so too does the limited deployment of new equipment and the transfer of weapons to rear positions as dictated by the CFE Treaty, building a certain level of modern force capabilities in the region.

As for the Russian military, since it emerged from the former Soviet military, the bulwark of the military in rear areas also received a jolt owing to worsening economic conditions, including the loss of military spending priority accompanying the overall shift of the Russian economy to a market economy. Conscription dodging is on the rise and the Russian military no longer has enough soldiers to fill its units. A shortage of funds makes it impossible to conduct division-level exercises with troops and limits exercises to command post exercises. This unavoidably dilutes training processes and skill levels. Furthermore, the morale of the troops was down, reflecting the unstable social conditions they face.

Training has also been sacrificed because of financial difficulties. Some consideration continues to be given to the Strategic Rocket Forces and Air Defense Forces (excluding aviation) which are on full readiness, but the lack of fuel, ammunition and maintenance parts plagues Russia's Ground Forces, aviation within the Air Defense Forces and the navy and air force.

The decline in morale and discipline in the Far Eastern region can be seen in various events that have occurred over the past few years, including explosions at Pacific Fleet ammunition depots in Vladivostok and the deaths of sailors. These are not limited to the Russian forces in the Far East. The current disorder found throughout Russian society is affecting the Russian military as a whole, and this phenomenon is also finding its way into the Russian forces in the Far East. Faced with political disorder, a worsening economy and social instability, the Far Eastern Russian military is in a state of confusion and has suffered a considerable decline in its combat readiness.

However, confusion is not the only picture that can be painted of the Russian forces in the Far East; recently there have been signs that the military forces in this area have become in adequate enough shape to undergo inspection and training exercises.

From the perspective of the entire Russian military, Russia's forces in the Far East are positioned on a front with a relatively low strategic value and are mainly dedicated to local defense. Additionally, force levels are being reduced and the readiness to handle an emergency situation is rather limited. No major changes are expected to take place relating to the Russian Far Eastern military, and its activities will remain limited.

However, whatever Russia's intentions might be, either politically or militarily, Russian forces in the Far East actually consist of nearly 190,000 ground troops, about 660 vessels and about 900 combat aircraft. Despite the many problems that exist, weapons are being upgraded with the latest technologies, and comprehensive inspections are being undertaken. From the outside, it appears that the military is performing at a minimum level required of a military

force. Even if the current Russian forces in the Far East do not present an immediate threat, and if internal and external circumstances changed significantly over time, it cannot be overlooked as a potential force that needs to be contended with by the surrounding countries.

## CONFUSION IN THE RUSSIAN FAR EAST

With the end of the Cold War, political, economic and social conditions in the Russian Far East have been in turmoil. The most significant factor behind the severity of the situation in the Russian Far East is the regional economy. Even today, there are no signs of improvement in the Russian Far East's economic situation, which is suffering from an energy crisis with chronic power outages, labor strikes caused by arrears in wages, a dramatic decline in industrial production, and stalled efforts to convert from military to civilian-sector industries. Salary increases cannot keep up with rising prices, and the standard of living for residents is below the average for all of Russia. The Primorsk Territory cannot supply electricity and heat to residential areas and has been unable to pay salaries for close to six months. Education, medical and food-related payments are also unpaid, and delays in salaries to soldiers in the Russian Far East are particularly severe.

The central government no longer has the financial capacity to stimulate the Far Eastern economy. With no outlook for receiving assistance from the center, the Russian Far East has fallen into a state of economic abandonment. Frustrations are mounting in the Russian Far East with this lack of response from the central government.

It has become apparent that the Russian Far East military has for many years been dumping radioactive waste in the Sea of Japan, the Sea of Okhotsk and the Pacific Ocean, to the shock of the surrounding countries. According to a report which was published officially by the Russian government in April 1993, namely Facts and Problems Related to Radioactive Waste Disposal in Seas Adjacent to the Territory of the Russian Federation, the Soviet Union had been dumping intentionally large amounts of radioactive waste in the surrounding waters, including the Sea of Japan, since 1959. Experts estimate that the maximum amount of radioactive waste which was dumped was equivalent to about one-half of the amount of radioactivity released from the Chernobyl accident.

At the Nuclear Safety Summit held in Moscow in April 1996, the Russian government stated its intention to accept the revision of the protocol attached to the London Convention, which prohibits ocean dumping of radioactive waste within the year. However, Russia faces the prospect of having to dismantle and scrap 160 nuclear submarines by the year 2000, and there has been no progress in nuclear reactor dismantling activities. Even if Russia stops ocean dumping of radioactive waste, considerable concerns will still remain about the management and processing of military waste as a whole, including nuclear reactors from nuclear submarines.

From April 1994 to October 1995, the large-scale Putina (season of fishing) campaign

was conducted numerous times by the Frontier Forces with the aim of cracking down on illegal fishing and violation of territorial waters. As reasons for the strengthening of border controls throughout Russia and particularly the Russian Far East since 1994, the first reason is that Russia has become extremely sensitive to border issues following the collapse of the Soviet Union due to the creation of borders with the former Soviet republics which had previously remained ambiguous during the Soviet years. In addition to national interests, the second reason is the desire on the part of regions such as the Far East, which continues to suffer from an economic crisis, to strengthen border controls from the stance of maintaining regional profits and natural resources. The third reason is the reorganization of the Frontier Forces. In the past, the Frontier Forces were under the authority of the KGB. However, from January 1994, they were reassigned as an agency directly under the President; this reorganization has greatly enhanced the importance of the Frontier Forces.

The rise in Russian nationalism and groups who support a "Great Russia" intent on protecting the country's national interests and territory are clearly behind the tougher border patrol activities and the enhanced prestige given to the Frontier Forces. Mean-while, the strong-handed actions of the Frontier Forces and their repeated use of force has heightened tensions in the surrounding regions which share borders with the Russian Far East.

## Chapter 5. U.S. Security Policy in the Asia-Pacific Region

### REVISITING SECURITY ISSUES

Since the Clinton Administration came into office, the economic issues between the United States and the Asia-Pacific region have attracted more attention from U.S. citizens than the security issues in the region, which tend to be of secondary importance. However, in 1995 and into the first half of 1996, security issues in Northeast Asia once again came to the forefront.

U.S. strategy toward the Asia-Pacific region in the Cold War era was to maintain strong alliances in this region based on bilateral treaties such as the U.S.-Japan Security Treaty and the U.S.-South Korean Treaty of Mutual Defense and to keep strong U.S. forward deployment forces in the Asia-Pacific region. With the end of the Cold War, however, opinions emerged that the United States should withdraw its troops from the Asia-Pacific region similar to the withdrawal of its troops from Europe, since U.S. security alliances and U.S. military presence in the region are vestiges of the Cold War. A report titled EASI, which was made out in 1992, outlined a plan for phased reduction of U.S. forces in the Pacific to about 80,000. Then, the U.S. Department of Defense reviewed U.S. security policy in the Asia-Pacific region. With the release of the EASR by the Department of Defense in February 1995, the United States

emphasized the importance of maintaining a strong security relationship with Japan and the significance of a U.S. military presence in the Asia-Pacific region. In contrast to the EASI reports, the EASR did not emphasize a reduction of U.S. forces in the region in light of the new developments following the end of the Cold War. Instead, EASR reaffirmed the need for continued engagement of the United States in Asia-Pacific security even after the end of the Cold War and the importance of maintaining forward-deployed U.S. forces. Furthermore, EASR highlighted the Japan-U.S. security relationship as the linchpin of the U.S. security policy in Asia for maintaining stability, not only in relation to the Korean Peninsula, but also to the entire Asia-Pacific region. EASR clearly stated that a force structure of approximately 100,000 troops in the Asia-Pacific region was maintained to fulfill the security commitments of the United States in this region.

The visit to the United States by Taiwanese President Lee Teng-hui in June 1995 exacerbated tensions between China and Taiwan, but also increased tensions between the United States and China. The United States had purposely taken an ambiguous stance on the Taiwan issue by leaving open the question of whether or not the United States would commit itself to defend Taiwan. The U.S. attitude toward China's military exercises coinciding with Taiwan's presidential election in March 1996 was one of maintaining such strategic ambiguity, while demonstrating to both China and Taiwan its strong support for a peaceful resolution. Washington also sent a clear strategic signal that it would not support either Taiwan or China; however, it could not be indifferent to a situation where aggressive actions were taken in open waters across the Taiwan Straits. With the further heightening of China's military exercise across the Taiwan Straits, in March the United States finally dispatched two aircraft carrier battle groups around Taiwan. The purpose of sending these aircraft carriers was not to contain China or to impose economic sanctions on China but to express the United States' intention of seeking peaceful solutions to the Taiwan issue and to prepare for contingencies.

As the United States has become more engaged in the China-Taiwan issue, relations between the United States and China have gradually worsened. A planned visit by Chinese Defense Minister Chi Haotian was indefinitely postponed, reflecting the aggravated state of relations between the two countries. However, currently, through a variety of channels, efforts to improve bilateral relations are being moved forward by both the United States and China. It is expected that ministerial-level visits, such as U.S. Secretary of State Christopher's visit to Beijing and Chinese Defense Minister Chi Haotian's visit to Washington, will put the troubled U.S.-China relations on the path toward improvement through expanded high-level government contacts.

As a result of the Kuala Lumpur Agreement in June 1995, the United States gained confidence in the belief that it had succeeded in freezing North Korea's nuclear weapons development program. Following this agreement, the so-called "soft landing" approach became the center of U.S. policy toward North Korea, which was a policy to achieve unification of the Korean Peninsula gradually through providing assistance to North Korea based on multilateral cooperation and fostering a more stable Korean Peninsula by promoting contacts between North

Korea and other countries.

With the end of the Cold War, debate over the Japan-U.S. security relationship surfaced. This debate manifested itself in the economic field against the backdrop of a massive U.S. trade deficit with Japan. Economic friction was not the only factor which cast a shadow over the Japan-U.S. security relationship. From the latter half of 1994, some individuals in the United States expressed concern that in political-military areas too, perhaps Japan was moving away from the United States.

Yet another reason for concern in the United States with respect to the wavering Japan-U.S. security relationship was that Japan's defense policy was fundamentally limited, i.e., to the defense of its own territory, its water and air space under the right of self-defense. While only few in number, there appeared to be some security experts in the United States who were frustrated by Japan's defense policy, which was limited to self-defense of its own country, and especially by Japan's indifferent attitude toward contingencies on the Korean Peninsula, and therefore advocated a revision, or even a dissolution of the Japan-U.S. security arrangements.

Concerned that the Japan-U.S. security relationship might be becoming a relationship merely in name, the United States began tackling the issue of re-energizing the Japan-U.S. security relationship. Taking into consideration the above kind of domestic debate in the United States, the Japanese and the U.S. governments proceeded carefully with efforts to reaffirm the Japan-U.S. security relationship. This reaffirmation process was formalized through Japan's New Defense Program Outline, and in the Japan-U.S. Joint Declaration on Security issued by Prime Minister Hashimoto and President Clinton on 17 April 1996.

The two countries agreed to the following points in the joint declaration: 1) to reaffirm the security relationship between Japan and the United States as the foundation for maintaining stability and prosperity in the Asia-Pacific region into the 21st century; 2) to reaffirm that the maintenance of the current force structure of about 100,000 forward-deployed military personnel was required in order for the United States to meet its commitments in the prevailing security environment; and 3) to initiate a review of the 1978 Guidelines for Japan-U.S. Defense Cooperation.

At the very time when discussions were proceeding to review the Japan-U.S. security relationship, the issue of U.S. military bases in Okinawa flared up following the assault of an elementary school girl in September 1995 by U.S. servicemen. This particular event produced a widespread debate among the Japanese citizens about the meaning of the Japan-U.S. security relationship. At this juncture, the two governments agreed to create a new consultative body, the Special Action Committee on Okinawa (SACO) to settle the Okinawa bases issue and to begin a thorough review of related issues. SACO's Interim Report was released in April 1996. The report contained a number of important items, including a decision to return Futenma Air Station to Japan within the next five to seven years, and the specific stipulation that the heliport function of this base would be moved to another U.S. military base within the prefecture, with the airborne refueling aircraft in this base transferred to Iwakuni and the Harrier unit at Iwakuni moved back to the continental United States.

## CONTAINMENT OR ENGAGEMENT

According to the EASR, U.S. security strategy in the Asia-Pacific region is premised on three major pillars. The first pillar is strengthening of alliances and friendships; the second is the promotion of new multilateral security dialogues; and the third is the engagement of countries such as China and North Korea, beyond traditional U.S. allies and friends, in order to enlarge the reach of market economy and democracy.

From the latter half of 1995, interest rose sharply in the United States with respect to the third pillar, particularly in relation to Washington's security strategy toward China. The Clinton Administration's strategy of engagement toward China is often explained in contrast to the containment strategy. A containment strategy assumes a primary difference in the national interests of the United States and another country. A policy of engagement, on the other hand, does not view the potential target country as an enemy and assumes that sufficient and important common interests either already exist or can be created in the future. The basic element of an engagement strategy is to pursue common interests through dialogue, rather than confrontation, and to work toward an elimination of conflict of interests. As long as these common interests continue to exist, the goal of U.S. security policy will be to encourage China to become a responsible global power. In other words, U.S. security policy toward China is not one of containing and isolating China, but rather, one which encourages China to become a responsible major power and to pursue common interests between the two countries.

## U.S. MILITARY STRATEGY IN THE ASIA-PACIFIC REGION

The military strategy of the U.S. Pacific Command was described in the Posture Statement 1994 and by the EASR issued in February 1995. According to these reports, U.S. military strategy in this region is based on the concept of Cooperative Engagement Strategy with the following three goals.

The first is the promotion of regional stability in times of peace by maintaining contacts with the countries of the region. The second is to deter aggression in the case of crisis where a threat of a military invasion exists. The third is achieving victory in a military conflict in cases where deterrence fails. During the Cold War era, the main role of military force was deterrence, and when this failed, the objective was to prevail in a conflict. In the post-Cold War era, the promotion of regional stability has become another important mission for U.S. military forces.

During the Cold War era, the United States was not necessarily a proponent of multilateral security dialogues. However, the end of the Cold War gave the United States a relatively free hand to make its own decisions on its stance in relation to multilateral security dialogues.

The U.S. government takes the view that this multilateral effort does not supplant the

alliance relationships which the United States has in the region, nor the forward deployment of forces. However, the United States is likely to continue to support and participate in multilateral dialogues as a supplement to U.S. alliance and forward military presence in the region. The United States also puts emphasis on Operations Other Than War (OOTW) as another strategy for promoting regional stability.

Another mission of the U.S. Pacific Command is to deter aggression in times of crisis. Although dialogue plays a leading role under the Cooperative Engagement Strategy, at the same time, traditional deterrence capability once played the principle part in the Cold War era, while support dialogue played second fiddle in the wings and waited its turn in case of crisis.

The final goal of the Cooperative Engagement Strategy is to fight and win if deterrence fails. To achieve this goal, the U.S. forces in the Pacific attach importance to joint operations with forces of U.S. allies and friendly countries.

As evidenced by the tension between China and Taiwan surrounding Taiwan's presidential election in the spring 1996 and the corresponding U.S. military action, the current security environment in East Asia remains uncertain and in a state of flux. Looking back at the past year, it may be summarized as the year in which U.S. commitment to the Asia-Pacific region and the importance of its military presence to back up this commitment were more fully appreciated.

Even in an unstable Northeast Asian security environment, what provides stability in this region is the U.S. military presence and the existence of a web of strong bilateral alliances, with the United States as its hub and the Japan-U.S. security arrangements as a main pillar. In this sense, as the Japan-U.S. Joint Declaration on Security states, the engagement of the United States in this region, supported by the security relationship between Japan and the United States, constitutes the foundation for efforts to achieve a more peaceful and stable security environment in the Asia-Pacific region.