

## **Chapter 8**

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# **U.S. Security Policy for East Asia: The Eight Years under the Clinton Administration**



**T**he U.S. security policy under President Bill Clinton was coordinated under the concept of “engagement and enlargement.” In East Asia and Pacific region, the essence of America’s engagement policy was to keep approximately 100,000 troops in the region while maintaining the existing security alliance with Japan and South Korea. The concept of “enlargement” meant to expand democracy and adherence to human rights in the countries of the region.

In contrast with Eastern Europe where communist regimes have collapsed after the Cold War, the communist regimes in this region maintained its political form. Furthermore, the uncertainties casting shadows over security concerns to the countries in this region stayed intact, one with confrontation between North and South Korea, and other with China and Taiwan. China, which pursues to blend a market economy with socialist society, has indicated its willingness to participate in the international economic system and has been working toward joining the World Trade Organization (WTO). However, China has made only modest progress in improving its status in world arena, such as democratization of its society and promoting the human rights. As dramatized by the Taiwan Strait crisis and by its reaction to the accidental bombing of its embassy in Belgrade, its relations with the United States have become strained on several occasions during the period of the Clinton administration. Relations between the United States and North Korea have become tense over the alleged nuclear development program and the test launching of missiles. At the same time, the policy coordination among Japan, the United States and South Korea emerged as a result of the Perry Process.

## **1. East Asia Policy under the Clinton Administration**

### **(1) Maintenance of the Forward Deployment**

A review of the U.S. strategy for Asia-Pacific region after the

Cold War started during the administration of George Bush (senior). The Bush administration released on April 19, 1990, a report titled *A Strategic Framework for the Asian Pacific Rim: Looking toward the 21st Century* announcing that the United States would reduce its troop strength deployed in the region in three stages by the year 2000. During the first stage which ended in 1992, the United States cut its troop strength in this region by 15,000 troops as planned. While this reduction was in progress, a suspicion arose about the development of nuclear weapons by North Korea. In response, the United States froze the plan after pulling its troops out of the Philippines and making a token cut in its troop strength in Japan as originally planned for the second stage. And in July 1992, the Bush administration released *Asia-Pacific Strategic Framework Report*, a revised version of the former report that was designed to cope with changes that had occurred in the strategic environment.

Toward the end of its term, the Bush administration made public a report titled *Defense Strategy for the 1990s: The Regional Defense Strategy*. In this report, the Bush administration stressed the importance of strengthening regional defense, because the threat perception had changed. It stated the obsolescence of the containment policy. The report emphasized to enlarge “the zone of peace” that “shares democratic values and prevent disputes by maintaining our forward deployment strategy and developing alliance arrangements.” More important, it stressed the importance of strengthening the existing security arrangements the United States had made during the Cold War.

While basically acknowledging the importance of the regional defense strategy of the Bush administration, the Clinton administration defined the quantitative requirements of defense capabilities necessary to win two Major Regional Conflicts (MRC) erupting almost simultaneously in different part of the globe. The estimate was called Bottom-Up Review (BUR), and Defense Secretary Les Aspin announced the result on September 1, 1993, as a policy for

compiling the defense budget for fiscal 1994. The BUR defined the crises threatening America's future security as (1) the threat posed by the spread of nuclear and other weapons of mass destruction, (2) the threat of aggression by major regional powers or that posed by ethnic and religious conflict, (3) the threat posed by the potential failure of democratic reform in the former Soviet Union and elsewhere, and (4) the threat posed by potential failure to build a strong and growing U.S. economy. At the same time, it stated that the end of the Cold War offered good opportunities to (1) expand security partnerships and a community of democratic nations, (2) improve regional deterrence, (3) implement dramatic nuclear reductions and (4) protect U.S. security with fewer resources. In this context, the report touched on the necessity to maintain 100,000 troops in the East Asian region.

Specifics of the U.S. policy relating to forward deployment of armed forces were spelled out in the *East Asian Strategy Report (EASR)* released on February 27, 1995. This report is called the *Nye Report*. It stressed the necessity to maintain the forward deployment of 100,000 troops in this region and reaffirmed its commitment to the existing alliance arrangements it had made with countries in the region. That the *Nye Report* attached importance to the alliance arrangements has since been manifested in U.S. attitude toward the ASEAN Regional Forum (ARF) and other multilateral security dialogues among countries of the region. The EASR said that a multilateral security framework in the region would not replace but complement U.S. bilateral ties with its allies in the region.

The Nye Report based its idea on the engagement and enlargement which form the basis of the foreign policy of the Clinton administration. The term "engagement" means strengthening U.S. relationships with its allies and friendly countries in the Asia-Pacific region, while "enlargement" means improving its relationships with nonallies and spreading democracy in these countries. To the concern of Japanese who worried about U.S. withdrawal from this

region, it said that the U.S.-Japan relationship was “fundamental to both our Pacific security policy and our global strategic objectives.” It went on to say that “our bilateral security relationship with Japan remains fundamental to U.S. security” and that “we must not allow trade friction to undermine our security alliance.”

Congress criticized the defense strategy of the Clinton administration, in that it failed to balance the estimation of required war potential made on the basis of the BUR in 1993 with the national security strategies announced since then. Congress argued that the level of military equipment and strategy proposed by the BUR could not be procured or carried out with the \$1.295 trillion defense budget required by the BUR in the fiscal 1995-1999 period. In 1996, Congress passed the Military Force Structure Review Act

**Table 8-1. Number of U.S. Troops Stationed Outside the United States**

Country · Region/FY	(in thousands of men)											
	88	89	90	91	92 <sup>b</sup>	93	94	95	96	97	98	99 <sup>a</sup>
Germany	249	249	228	203	134	105	88	73	49	60	70	66
Other European countries	74	71	64	62	54	44	41	37	62 <sup>d</sup>	48	42	40
Afloat (Europe)	33	21	18	20	17	17	9	8	4	3	4	4
South Korea	46	44	41	40	36	35	37	36	37	36	37	36
Japan	50	50	47	45	46	46	45	39	43	41	40	40
Other Pacific region	17	16	15	9	3	1	1	1	1	1	1	1
Afloat (incl. Pacific region and Southeast Asia)	28	25	16	11	13	17	15	13	15	14	18	21
Latin America and the Caribbean Sea	15	21	20	19	18	18	36 <sup>c</sup>	17	12	8	11	8
Others	29	13	160	39 <sup>e</sup>	23	25	15	14	17	15	37	32
Total	541	510	609	448 <sup>e</sup>	344	308	287	238	240	226	260	247

Source: Compiled on the basis of the data drawn from the Web site of the U.S. Defense Department.

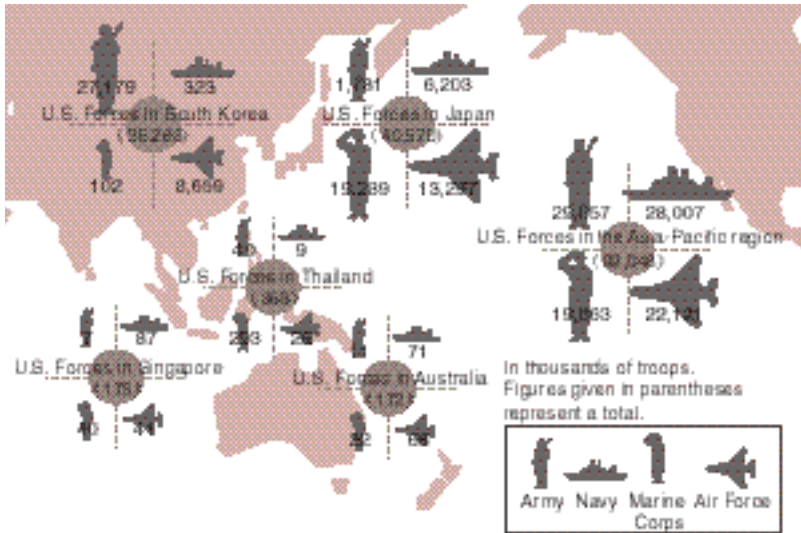
<sup>a</sup>As of September 30, 1999.

<sup>b</sup>Approximate numbers.

<sup>c</sup>Includes 17,500 troops stationed in Haiti and 4,000 troops on sea duties in the Western Hemisphere.

<sup>d</sup>Includes 26,000 troops stationed in Hungary to participate in the operations in Bosnia and Herzegovina.

<sup>e</sup>Includes 118,000 ground troops and 39,000 troops on warships who participated in the Desert Storm operations.



Source: Compiled on the basis of the data drawn from the Web site of the U.S. Defense Department.

Notes: The number of troops is as of June 30, 2000. The numbers of U.S. troops stationed in East Asia and the Pacific region do not include those stationed in Hawaii (the Army 15,435; the Navy 8,387; the Marine Corps 6,043; the Air Force 4,453 — a total of 34,318) and those stationed in Guam (the Army 43; the Navy 1,766; the Marine Corps 4; and the Air Force 1,809 — a total of 3,622).

that ordered the Defense Department to review the BUR. In response, the Defense Department came up with a Quadrennial Defense Review (QDR) on May 19, 1997.

The 1997 QDR took the position that the key tenets of U.S. national security should be the continued U.S. engagement to enable it to shape the international security environment, prepare now for an uncertain future and respond to the full spectrum of crises. It again emphasized that the United States must retain the approximately 100,000 personnel in the Asia-Pacific region to achieve these objectives. In the review, the Defense Department basically followed the policy of responding to two major regional conflicts that could break out concurrently. However, while the BUR said that U.S. forces were expected to be withdrawn from peace keeping and humanitarian assistance activities when the military conflict

occurs as quickly as possible, the QDR proposes to get actively engaged in multiple concurrent operations of these types. To distinguish such difference in policy objectives, the QDR uses the term "major theater wars" in lieu of "major regional conflicts." In addition, it points out the necessity to prepare U.S. forces not only for two concurrent major theater wars but for potential threats to them, and says that China and Russia have the potential to become peer competitors of the United States.

Along with the 1997 QDR, the National Defense Panel (NDP) was established by the Senate to review the structure of the U.S. military forces necessary to deal with two concurrent regional conflicts. The NDP released a report in December 1997 titled *Transforming Defense: National Security in the 21st Century Asymmetrical Threat* (NDP report). While the QDR envisioned U.S. strategy for dealing with the security environment expected to develop in the years to 2010, the NDP report proposed a strategy to meet security challenges in the 2010-2020 period. The NDP pointed out that changes in military strategy and operational concepts as well as tactics occurred due to the development of information technology which expected to play a pivotal role. So this report concluded that information and technological superiority, and utilization of cutting-edge technology to secure military superiority in all phases of conflicts, including highly probable asymmetrical threats will become essential.

In response to the criticism to the QDR and adjusting to the changes that have occurred in the security environment of the Asia-Pacific region, the Defense Department released *East Asian Strategy Report (the United States Security Strategy for the East Asia-Pacific Region)* (EASR II) in November 1998. This report did not change, but reconfirmed, the EASR released in 1995. It said that forward deployment of U.S. forces has a far broader and actively constructive significance than simply waiting for military action. U.S. forces stationed in the region are but one element of general U.S. overseas engagement that includes everything from con-



ventional diplomacy to international trade and investment, to people-to-people contact in education, scientific and cultural exchanges, the report observed. It said, "The diversity of U.S. activity reflects comprehensive U.S. overseas engagement to protect and promote security interests in Asia, or 'Presence Plus'." The EASR II underlined the importance of U.S. alliance arrangements with Japan, South Korea and Australia, the significance of its comprehensive engagement policy toward China, and the promotion of broader cooperation with Southeast Asian countries through ARF as an important element of the East Asia-Pacific policy of the United States.

## **(2) Perception of East Asia Strategy of the Clinton Administration**

President Clinton, who had criticized the Bush administration during his election campaign of their economic policy, focused his policy priority on economic and other domestic issues. Consequently, economic issues took the center stage of his foreign and security policies, decisions of which have often been influenced by domestic imperatives.

Clinton administration's view of the East Asian strategic environment had unveiled in a confirmation hearing of the Senate Foreign Relations Committee on Winston Lord nominated as assistant secretary for East Asian and Pacific affairs.

At the hearing Lord specifically spelled out that "Today, no region in the world is more important for the United States than Asia and the Pacific." He then said that the United States should adopt a policy corresponding to the rapid economic growth of the region, the rapidly increasing interchange and the rise of a new generation, and secure national interest in ways conducive to the economic prosperity of the Asia-Pacific region. Lord argued that to accomplish this goal, the United States must strengthen the competitiveness of its domestic industry and promote cooperation with member countries of the Asia-Pacific Economic Cooperation (APEC). In

the area of security, he stressed the danger of a withdrawal of the U.S. forces from the region and the necessity to maintain its alliance arrangements, and importance of maintaining multilateral security dialogue in this region.

Such perception of East Asia was presented by President Clinton when he visited Japan and South Korea in July 1993. In the speech titled "Building A New Pacific Community," Clinton said that Japan and the United States "shared strength, shared commitment, and shared commitment to democratic value," and defined the Japan-U.S. relationship as bilaterally the most important in the Asia-Pacific region. Having said that, he proposed to solve various economic issues between the two countries and build a cooperative relationship in dealing with the security problem of the Asia-Pacific region. He stressed the utmost importance of the continued presence of U.S. forces and the prevention of proliferation of weapons of mass destruction in the Asia-Pacific region, and acknowledged the importance of multilateral security dialogue.

The security strategy of the Clinton administration was presented by Anthony Lake, assistant to the president for national security affairs, in a speech delivered at the School of Advanced International Studies (SAIS) of Johns Hopkins University. This strategy was called "engagement and enlargement." As noted earlier, it based on the concept that the United States should be engaged in all problems of the world without being a world policeman. Therefore, it underlied the democratic peace theory that democracies do not fight each other, and on the thinking that expansion of trade helps change the political system of trading partners and that democratization of trading partners obviates the necessity to resolve disputes by military means.

*A National Security Strategy of Engagement and Enlargement* of July 1994 was the first document by the Clinton administration that enunciated its view on the security of the United States. In its security strategy made public in February 1995, the Clinton administration announced three basic objectives of its security strate-

gy: To enhance our security with effective diplomacy and with military forces that are ready to fight, to bolster America's economic revitalization and to promote democracy and human rights abroad. As for the security enhancement, it defined as priorities "maintaining a strong defense capability, deciding when and how to employ U.S. forces, combating the spread and use of weapons of mass destruction and missiles, strong intelligence capability, the environment and sustainable development."

As the engagement and enlargement policy signaled that the United States would actively involve itself in the domestic affairs of other countries, it has inevitably brought about friction with China that takes a view on human rights different from that of the United States, and with Japan and Southeast Asian countries that are under U.S. pressure to open their markets to solve trade friction. Concerned about the reaction from the countries in the region, Assistant Secretary Lord is said to send an internal letter to Secretary of State Warren Christopher in April 1994 asking for a review of the Asian policy of the Clinton administration. In January 1995, Lord argued that the existing priority of the Clinton foreign policy — the Eurocentrism that the United States had pursued thus far, the role played by the United States in the world, and its national interest — has outlived its relevance to the changed situation of the world, making it necessary to map out a new approach to meeting changes in the Asia-Pacific region after the Cold War.

In response, the Clinton administration acknowledged the diversity of political culture and aspirations of the countries of the Asia-Pacific region, and has revised its policy to one of exercising its influence as a leader of the community of regional countries. In a speech delivered at the National Press Club in July 1995, Warren Christopher summed up the Asia-Pacific strategy of the Clinton administration into the following four points: "First, we will maintain and invigorate our core alliances with Japan, South Korea, Australia, the Philippines and Thailand. Second, we're actively

pursuing a policy of engagement with the other leading countries in the region, including — and perhaps, especially including — our former Cold War adversaries. Third, we're building a regional architecture that will sustain economic growth, promote integration and assure stability over the longer term. And fourth, we're supporting democracy and human rights, which serve our ideals as well as our interests."

The United States pursued a policy designed to strengthen security cooperation with its allies, promote an engagement policy toward China and strengthen regional cooperation through APEC and ARF. For instance, the security ties with Japan was strengthened through the U.S.-Japan Joint Declaration on Security in April 1996, the Guidelines for U.S.-Japan Defense Cooperation ("the New Guidelines") in September 1997, and the new steps taken to deal with issues of military bases on Okinawa. In July 1996, the United States and Australia published a Joint Security Declaration ("the Sydney Statement"), pledging mutual cooperation in maintaining regional and global security. In dealing with China, the heads of the two countries visited each other in 1997 and 1998.

In its second term, also, the Clinton administration had continuously shown interest in three basic areas: Enhancing America's security with effective diplomacy and with military force that is ready to fight and win, bolstering America's economic prosperity, and promoting democracy and human rights abroad. In *A National Security Strategy* of May 1997, soon after it entered the second



**Prime Minister Ryutaro Hashimoto and U.S. President Bill Clinton after signing the Japan-U.S. Joint Declaration on Security (April 17, 1996, Tokyo)**

term, and the consecutive report released in October 1998 and January 2000, the Clinton administration reaffirmed these policy objectives.

### **(3) Assessment of the U.S. Strategy for East Asia**

The United States has taken two approaches for greater engagement in the Asia-Pacific region. First approach was to maintain and strengthen the existing alliance arrangements after adapting them to the security environment after the Cold War. Second approach was to defuse problems by holding direct dialogue with countries and groups that have become destabilizing factors in the region.

America's policy seeking cooperation with its regional allies traces its origin to the Cold War years. The U.S. Defense Department had submitted to Congress in 1981 a report on burden sharing with its allies pursuant to the Defense Authorization Act of 1981 (P.L. 96-342, Section 1006). Since 1994, the Clinton administration had stressed in its report to Congress the necessity for burden sharing by its allies, and in 1997 it submitted to Congress pursuant to the Defense Authorization Act of 1997 *A Report on Allied Contributions to the Common Defense* relating to burden sharing by its allies.

The reasons why the United States needs forward deployment of its forces by expanding its cooperative relationships with countries of the Asia-Pacific region are twofold — political and military. Politically, the United States needs stability in the Asia-Pacific region that has grown to be more interdependent economically with the United States than the Atlantic region is. It is necessary for the United States to maintain the mobility of its forces in the region so that it can deploy its troops in a timely manner to check destabilizing factors in the region such as the Korean Peninsula and the Taiwan Straits. As implied in the Presence Plus, by maintaining and developing the existing security cooperation arrangements with its allies in the region, the United States has symbolically

shown its will that its engagement in the Asia-Pacific region will not decrease. At the same time, the United States can count on political and moral support from allies to its fights against environmental degradation, disease, terrorism and other issues of global security concern.

For the military reason, in order to enable U.S. forces to promptly carry out military operations in areas ranging from the West Pacific to the Persian Gulf, it must maintain the rapid deployment capability of the U.S. Marine Corps and logistical support of its navy and air force. The level of support and repair provided by Japan is high, and the logistical support provided by Japan contributes greatly to the stability of the region. Furthermore, the geo-strategic position of Okinawa gives an important asset for U.S. global military engagement.

Elements influencing Japanese support system for U.S. forces are the advance of military technology and the drift of public opinion in regional countries and the United States. Some hold the view that technological advance would make it possible to transport troops and logistical support from Guam or Hawaii in a timely manner, and obviate the necessity of maintaining forward deployment. If political and financial costs of maintaining forward deployment of U.S. forces rise sharply and spark complaints in host countries or the United States, the necessity for revising the existing system may arise.

For the present, forward deployment of U.S. forces in East Asia plays a role in that it checks the outbreak of hostilities in the Korean Peninsula and deters China from undertaking adventurism in this region. Particularly, peace and stability in the Korean Peninsula is a benefit common to Japan and the United States. It has become a prime imperative to keep North Korea from developing weapons of mass destruction or making provocations in its neighboring areas. Therefore, some speculate that if the Korean problem is solved, stationing U.S. forces in South Korea and Japan will become a political issue.

## **2. Japan-U.S. Relations**

The positions of Japan and the United States on their bilateral relationship have undergone a profound change during the eight years of the Clinton administration. The United States is expanding its influence across the world by dint of the dominance its booming economy enjoys. Now, the Japan bashing and the resurgence of Japanese threat have gone out of vogue. Results of opinion polls conducted in the United States no longer list Japan as a threat to the United States. The United States has continued to maintain its alliance with Japan even after the Cold War, which, as a linchpin of the alliance arrangements the United States has built in the Asia-Pacific region, has taken on an increasing importance.

### **(1) Trade Friction between Japan and the United States**

In the early Clinton administration, the United States and Japan had often been divided over trade issues. The Japanese threat argument that had been heard since the second half of the 1980s persisted even after President Clinton took office. Unlike the Cold War years, the Clinton administration did not handle trade friction separately from security issues. He gave economy and trade the top priority and has taken a tough stance on the issue since Clinton had won the presidency on a campaign pledge to revive the U.S. economy.

The trade friction had further intensified since Prime Minister Morihiro Hosokawa said “No” to a demand by President Clinton at a Japan-U.S. summit in February 1994. During the trade negotiations held in June 1995, the United States demanded to increase Japan’s unit imports of U.S.-made auto parts. The trade policy of the Clinton administration was, in effect, directed toward increasing the market share of U.S.-made commodities in Japan. However, the Japanese government refused to accept a “managed trade” approach in dealing with the issue. The negotiations have

fallen through and America's trade deficit with Japan has remained undiminished. However, the sea-change in economic relation was coming to be in the late 90s.

As the U.S. economy had in the meantime begun to pick up and the Clinton administration and Congress had agreed to balance the budget, and Japan's economy had begun to slow down, trade friction between the two countries played itself out. The federal budget deficit, one of the twin deficits that had plagued the United States in the 1980s, had turned to the positive side. Encouraged by an increase in the growth rate of its gross domestic product (GDP), falling inflation, expanding exports, and more importantly, the revival of competitiveness of its industries, the U.S. Treasury Department raised the tolerable exchange rate of the dollar, and foreign funds flowed to the stock market of the United States. Moreover, with a view to promoting free trade, the United States had actively involved itself in establishing international institutions like WTO, North American Free Trade Agreement (NAFTA) and APEC.

The issue of trade deficit between the United States had with Japan, was downgraded behind the argument that the deficit was no cause for serious concern so long as the basic tenet of free trade promotion was maintained. Thus the concern over the "Japan problem" has eased in the United States.

Another factor that had contributed to shelving the Japan problem was the emerging consciousness in both countries that further intensification of trade friction between Japan and the United States would undermine the effectiveness of the cooperative security relationship of the two countries. It may be argued that the United States putting trade friction with Japan at the top of its political agenda is the post-Cold War phenomena. However, if either side attached too much weight to trade issues, trade negotiations could be viewed as a trade war or political football between the two countries, and the outcome of such negotiations could have a serious impact on the Japan-U.S. relationship.



## **(2) Switchover to a Policy Attaching Importance to Security**

As trade friction came to the fore, relations between Japan and the United States have become increasingly strained, prompting some to criticize that the Clinton administration was ignoring the importance of Japan to the security of the Asia-Pacific region and the United States. In response, attempts to shift the focus of Japan-U.S. relations from economic issues to security matters have gained ground in the course of a revision of the Asia policy of the United States. And the pro-security focus has regained its momentum after the suspected nuclear development by North Korea came about in 1994 as a serious security issue in this region.

At that time, an idea began to gain currency among critics in Japan that under the existing defense posture, Japan cannot flexibly utilize its Self-Defense Forces or their facilities in case of a regional conflict involving no direct attack on Japan. In consequence, policy-makers of Japan came to realize the necessity to reaffirm the validity of the alliance with the United States and restructure it into one that will contribute to the stability of the Asia-Pacific region after the Cold War. This line of thinking was put to the test during the Gulf War. If Japan sticks to the exclusively defense-oriented policy, a discord could arise between Japan and the United States, which had expected Japan to make a substantial contribution to its operations. Furthermore, as neither Japan nor the United States had specifically discussed steps to be taken by Japan to directly contribute to ensuring peace and stability in areas surrounding Japan, the contribution Japan could make to regional security was limited.

Both countries have faced the reality that Japan could not take concrete actions when North Korea's nuclear development case erupted in 1994. In fact, Japan came to realize even before the North Korean crisis the necessity to revise the National Defense Program Outline of 1976 in ways to meet changes in the region after the Cold War. Such having been the awareness of the Japanese government, it is fair to say that an inclination for step-

ping up cooperation with the United States — cooperation in the post-Cold War strategic environment and active contribution to peacekeeping operations — emerged in Japan. Indeed, a series of incidents in this region — the 1994 North Korean crisis, the rape of an Okinawan schoolgirl by U.S. servicemen in 1995 and the Taiwan Strait crisis of 1996 — have made Japan and the United States realize the importance of redefining and deepening the alliance cooperation.

**President Clinton at a monument bearing the names of those died in the Battle of Okinawa (July 21, 2000, Okinawa)** (Kyodo Photo)

The Clinton administration sought to strengthen the Japan-U.S. alliance by promoting confidence and clarifying the alliance operation. For instance, the United States has improved Japan-U.S. relations that had become strained on account of the rape of an Okinawan schoolgirl by American servicemen stationed in Okinawa by promising the return of Futenma Air Station as a gesture of concession to the people of Okinawa. As a result, the United States has succeeded in localizing the Okinawa question as a domestic one to be solved by and between the central and prefectural governments of Japan. When President Clinton visited Okinawa to attend the Okinawa summit in 2000, he received Okinawan's warmest welcome. Since the nuclear development program of North Korea came to light, the United States continued policy coordination with Japan and South Korea. These consultation offered the United States opportunities to convince Seoul that strengthened alliance arrangements between Japan and the United States would not lead to a regional hegemony of Japan, but would rather

contribute to the peace and stability of East Asia. At the same time, the United States took care to eliminate murky areas of alliance cooperation by maintaining close communication between the two countries. And Japan and the United States seized every opportunity to seek Chinese understanding as to the significance of the closer Japan-U.S. alliance. In a speech delivered at the National Press Club on December 5, 1996, U.S. Defense Secretary William Perry asserted that the Japan-U.S. alliance was not a military alliance “as a way to contain or encircle China.”

As a conclusion it had reached through a review of the Asian policy of his administration, President Clinton unveiled at a Japan-U.S. summit meeting April 17, 1996, the Japan-U.S. Joint Declaration on Security — Alliance for the 21st Century. This declaration emphasized the importance of the Japan-U.S. security arrangements as the cornerstone of U.S. policy for Asia by stating that “The strong alliance between the United States and Japan helped ensure peace and security in the Asia-Pacific region during the Cold War. Our alliance continues to underlie the dynamic economic growth in this region.” It went on to say that the two countries agreed to start a review of the 1978 Guidelines for Japan-U.S. Defense Cooperation (the former Guidelines) to build effective defense cooperation between the two countries for the new era.

While acknowledging the results achieved under the former Guidelines, the two countries divided the topics for review into three areas: cooperation under normal circumstance, action taken in case of an armed attack on Japan, and cooperation in situations in areas surrounding Japan that will have an important influence on peace and security of Japan (“situations in areas surrounding Japan”).

As a follow-up to an interim report on the revision of the Guidelines submitted in June 1997, the Japanese government and the United States drew up a final report in September the same year. In the process, the two countries had a dialogue with China, South Korea and other countries in the region on various occasions

to explain the significance of the new Guidelines. Where cooperation between the two countries in case of situations in areas surrounding Japan is concerned, the new Guidelines provide (1) cooperation in activities initiated by either government, (2) Japan's support for the U.S. forces activities and (3) cooperation between Japan and the United States in the operation of the Japan-U.S. security treaty. An annex to the Guidelines prescribes the scope of cooperation (covering 40 items) the two countries are supposed to give one another in case of situations in areas surrounding Japan with a view to enhancing the effectiveness of the alliance operation. On the question of situations in areas surrounding Japan, the Japanese government takes the position that it is determined not only by geographical element, but by an overall consideration of factors such as the scale and nature of the situation. On the other hand, the United States takes the view that although the concept leaves strategic ambiguity, the new Guidelines reaffirms U.S. engagement in the peace and stability of the Asia-Pacific region on the basis of more clearly defined cooperative relationships between the two countries.

The post-Cold War Japan-U.S. alliance has thus de-emphasized its ideological tincture and has shifted its focus to concrete contribution to the stability of the region. Therefore, in preparing for steps specified in the new Guidelines, it is necessary to take heed of the domestic politics in a context different from what was the case in Cold War years. And the fact remains that the Japanese government while upholding the spirit of pacifism of the Constitution, has to ensure the efficient operation of the Japan-U.S. alliance along the lines of the guarded interpreta-



**A Japan-U.S. combined exercise**

tion of collective right of self-defense made by the Cabinet Legislation Bureau.

### **(3) The Necessity for Managing Alliance**

Following the end of the Cold War, assumptions underlying the Japan-U.S. alliance have changed, making it necessary to redefine the objectives of the alliance. In other words, it became necessary to answer the question as to why Japan has to offer bases to help U.S. forces maintain forward deployment in Japan even after the Cold War has ended.

The end of the Cold War had a far-reaching impact on the U.S. forces deployed across the world, raising questions as to how much it should be maintained or reduced. In the case of Japan, the question of the U.S. forces in Okinawa and the amount of host nation support (HNS) has come to the fore. Basically, the Okinawa question is a domestic issue for Japan, but a group of Okinawans led by then Governor Masahide Ohta of Okinawa Prefecture made it a major issue on the Japan-U.S. relations. Since about 75 percent of the U.S. facilities in Japan are located in Okinawa, the Japanese government felt it was important to lessen the burden of the Okinawans as much as possible. With this in mind, both governments established a Special Action Committee on Okinawa (SACO) in November 1995, and after intense discussions, they completed a final report in December 1996. Plans and measures recommended in SACO's final report are designed to lessen the negative impact that the activities of the U.S. forces have on the local communities through the return of Futenma Air Station and other camps while effectively maintaining the capabilities and readiness of the U.S. forces in Japan.

Due to the end of the Cold War, deepening economic stagnation and growing fiscal tightness, some in Japan questioned the justifiability of host nation support. However, after consultation with the U.S. government, the Japanese government concluded that bearing the cost of stationing U.S. forces by Japan was important in ensur-

ing a smooth and effective operation of the Japan-U.S. security arrangements. It then signed a special agreement to continue to provide support in and after fiscal 2001 under the same framework as before, but including some cost-saving requirements.

### **3. U.S.-China Relations**

Economic cooperation and political confrontation both developed in the bilateral U.S.-China relations. On the economic front, their bilateral relations have deepened with increasing trade relations. On the political front, however, differences between the two countries on the question of human rights and Taiwan remain a potential factor that could destabilize the relations. Too much emphasis on principles by either country would impair the relations between them. This is true of all pending problems. If China takes a tough policy toward Taiwan, it is bound to provoke a backlash from the United States. However, it may be said that something suggestive of a framework that delineates the level of tolerance over bilateral issues has taken shape between the two countries during the past eight years.

#### **(1) Retreat from the Tough Attitude toward China**

Debates that had arisen in the United States over the Tiananmen Square incident and the subsequent granting of the most-favored-nation status to China. It reminded U.S.-China relations watchers of the strong interest in American public regarding the human rights in China. The Tiananmen Square incident had a telling impact largely on the U.S. domestic politics. During the presidential election campaign of 1992, Clinton had fiercely criticized the Bush administration for renewing the status of China as a most-favored nation (MFN) on a year-to-year basis. However, when he assumed the presidency, the Clinton renewed the MFN status for China in 1993 announcing that its 1994 renewal would be conditional on improvement of the human rights issue.

Subsequently, it said the 1994 renewal would be conditional only on the compliance by China with the U.S.-China Memorandum of Understanding (MOU) of 1992 that provided freedom of migration of the Chinese people and banned the export of prison labor products to the United States. The Clinton administration has thus made it clear that it would separate the human rights issue from economic issues. Since the announcement of the policy, his administration has come to take the position that maintaining its trade relations with China was essential to the security of the United States.

A factor at work behind the change in its policy was the fear that a deterioration in U.S. trade relations with China would help Japan and European countries pre-empt the opportunities of American firms to enter the Chinese market and would thus jeopardize the economic interests of the United States in China. Moreover, many critics in and out of the government took the view that a tough stand taken by the United States on human rights would not change the behavior of Chinese government. Rather, they believed, it would be more effective to help a market-oriented economy take root in China by maintaining trade relations and wait for a change to occur from within.

The task the Clinton administration had to come to grips with during its first term was how to tone down candidate Clinton's get-tough-with-China campaign rhetoric and announce that it will carry on with former Bush administration's policy. However, in July 1993 China was alleged to have shipped missile parts to Pakistan ("the Yinhe hao case"), and the Chinese government had reportedly mistreated political prisoners involved in the Tiananmen Square revolt, fanning anti-Chinese sentiment in the United States. And in August the same year, the House passed a resolution opposing Beijing as a venue of the next Olympic Games. These developments made it difficult for the Clinton administration to find appropriate timing to change its China policy. Although the adoption of its new full-blown China policy was thus delayed,

the Clinton administration succeeded in shifting to an “engagement” policy by which the two countries seek to iron out their differences through high-level contact. And such efforts have paved the way for a summit meeting, the first ever, between President Clinton and President Jiang Zemin when they attended an APEC informal summit in November 1993.

## **(2) Pursuit of a Comprehensive Engagement Policy**

Confronted with an intransigent China on the human rights issue and pressed by the American business lobby that wanted to enter the Chinese market, the Clinton administration had little room to shift the course of its China policy toward engagement by taking conciliatory measures. More specifically, while taking a firm stand on military matters, the Clinton administration sought to build a friendly environment through dialogue and exchange of visits, and wait for a change in the Communist regime of China. Embodying these priorities was the comprehensive engagement policy. This policy defined its objectives as “(1) to pursue all of our interests at the levels and intensity required to achieve results; (2) to seek to build mutual confidence and agreement in areas where our interests converge; and (3) through dialogue, to reduce the areas in which we have differences.”

The comprehensive engagement policy of the Clinton administration was put to the test during its first term by two events. They were the application for a visa filed by President Lee Teng-Hui of Taiwan to visit the United States, and the presidential election of Taiwan held in March 1996. Lee Teng-Hui wanted to visit Cornell University as an individual. From the standpoint of China, giving an official permit to the president of Taiwan by the U.S. government to visit the United States was a challenge to the “One China” policy to which it was committed since establishing the formal relations. In response, the Clinton administration explained that the visit of Lee Teng-Hui was authorized by Congress and that it had taken no initiative in the matter. While election campaigns were in



full swing in Taiwan in March 1996, China launched a missile test in the sea near Taiwan. In response to such an intimidatory move by China, the United States dispatched two aircraft carriers, the *Nimitz* and the *Independence*, to signal to China that the peace and stability of this region is in the national interests of the United States.

Although these two events had inevitably strained U.S.-China relations, it served, as it turned out, to stabilize relations between the two countries during the second term of the Clinton administration. The two countries repaired their damaged relations in two summits, one in November 1997 and another in June 1998. Chinese President Jiang Zemin's visit to the United States in 1997 was a product of the concept Lord made public in July 1996 immediately after the Taiwan Strait crisis of 1996. In one sense the two countries established a custom of consultation on strategic issues by maintaining contact even during a crisis. During the U.S.-China summit, the two countries agreed to open a drug enforcement agency in Beijing, promote defense exchanges and open a hot line between Beijing and Washington. China has decided to sign the International Telecommunication Convention and open its telecommunications market to foreign participation. Although Clinton failed to persuade China to take actions in conformity with the Export Administration Legislation on arms and related technologies, the summit afforded a good opportunity to demonstrate to the world the efforts the United States has been making to establish a constructive strategic partnership.

At a U.S.-China summit in Beijing in June 1998, progress has been made in wide-ranging areas, including nonproliferation of nuclear weapons. For instance, the two countries agreed to remove the targeting of their nuclear missiles set on one another, to have China comply with the Missile Technology Control Regime (MTCR), to tighten controls over the export of chemicals that could be used in chemical weapons programs, and to accept end-user certificates. In addition, they issued a joint statement on biological

and chemical weapons, South Asia and anti-personnel land mines.

What bothered the United States was the fact that an increasingly prosperous China, which was making arms purchases from the former Soviet Union and certain European countries to modernize its armed forces, and not disclosing the contents of its purchases, making the situation opaque. For instance, news media reported in January 1997 that China had purchased two *Sovremenny*-class destroyers from Russia, and not disclosed the purchase. Weapons sold to China by some European countries and Israel also have helped China modernize its armed forces.

The United States wanted China to exercise self-restraint in dealing with the problems of the East Asian region (the Korean Peninsula and Taiwan, in particular) and nonproliferation of nuclear weapons in an effort to build a constructive and strategic partnership between the two countries. As if it were a gesture of its acceptance of the Chinese claim on Taiwan, the Clinton administration implied the policy of "Three No's." It said that "... we don't support independence for Taiwan or two Chinas, or one Taiwan — one China. And we don't believe that Taiwan should be a member of any organization for which statehood is a requirement." Originally, this statement was made by a spokesman of the State Department. U.S. Secretary of State Madeleine Albright said in effect the same concept in April 1998, and President Clinton touched on it in an answer to a question put to him at a news conference held while he was visiting China.

The United States considers the rise of China to a world power and the modernization of its armed forces as a potential military threat to its national interests. And the Clinton administration chose a policy of engaging China in matters of common interest, rather than one aimed at containing the country, to induce China to exercise self-restraint. It may be said that "constructive and strategic partnership" is a phrase devised to describe relations of the two countries that are neither allied nor hostile. Because of the ambiguity of the term, it has invited many criticism. However, inci-

dents — such as the accidental bombing by a NATO aircraft of the Chinese Embassy in Belgrade in 1999 and the alleged espionage case against a weapons scientist at Los Alamos National Laboratory — that could have had a devastating impact on U.S.-China relations, did not impair their relations irreparably, and credit for this should be given to the strategic partnership advocated by the United States.

### **(3) Problems in Coming Years**

For the right wing Republicans and left-wing Democrats of Congress, the China policy of the Clinton administration appeared to be one of appeasement. Right-wing Republicans complained about the lack of substantive concession, compromise or cooperation from China, while left-wing Democrats felt that the Clinton administration had not pressed China strongly enough for the adoption of democratic values and the protection of human rights.

Discontent among Congress about the Clinton administration's China policy gushed forth in the form of the Cox Report ("U.S. National Security and Military/Commercial Concerns with the People's Republic of China") released in May 1999. The bipartisan Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China formed in June 1998 looked into an allegation that China had illicitly obtained America's nuclear- and missile-related technology to modernize its armed forces. This report gave the impression across the world that China had illicitly obtained the nuclear technology of the United States. Coupled with the fierce criticism China had leveled at the United States for the accidental bombing of the Chinese Embassy in Belgrade, it badly hurt the image of China in the United States. In response, the U.S. Congress made a move to restrict military exchanges with China and passed the National Defense Authorization Act of FY2000 that partially banned the U.S. government from carrying out military exchanges with China.

Despite these incidents, their relations were not irreparably im-

paired. Rather, the two countries started mending fences in the second half of 1999. In the fall of 1999, Defense Secretary William S. Cohen announced the resumption of mutual contact between defense officials and sent Deputy Assistant Secretary of Defense Kurt Campbell to Beijing in November the same year to discuss military exchanges in coming years. In July 2000, Defense Secretary Cohen went to China to confirm with his Chinese counterpart the significance of continuing dialogue between the two countries.

As the months rolled on into 2000, debate started as to whether the United States should grant China the status of permanent normal trade relations (PNTR), a precondition for admitting China to the WTO. The House had passed in May 2000 a bill authorizing the government to grant the status to China, and subsequently, the Senate followed. In order to keep the means to bring pressure on China, Congress attached riders to the bill containing amendments that required establishment of a human rights commission and monitoring of forced prison labor.

Economic relations between the two countries have grown closer entirely independently from their political relations. When viewed from Chinese perspectives, closer economic cooperation with other countries would attract foreign technology and capital that are essential to accelerating domestic social development. American firms, by and large, view broader access to the Chinese market offering a window of opportunity to secure economic interests. But one cannot ignore the danger that their involvement in the Chinese market could carry security risks as the leakage of sensitive military-related technology.

However, integration of the Chinese economy into the world economy would bring Beijing under growing pressure to meet international standards and at the same time promote standardization of domestic products, and would thus expose China to the wave of globalization. If China pursues a policy to elevate its economy to the level of industrialized economies of the United States and other Western countries, it would have to reform its social and eco-

nomic structure. If, in such cases, the Chinese government fails to reflect public opinion correctly on its policy, doubts about the legitimacy of Communist Party rule might arise, raising the danger of a deepening social unrest. In anticipation of such social unrest, the present government of China might conversely whip up nationalism to strengthen the power foundation of its regime. And if the Chinese government manipulates its people's nationalistic sentiment to justify an exclusionary and expansionist policy, such a move would undermine the stability of the East Asian region.

## **4. The Korean Peninsula**

### **(1) Suspect Nuclear Development by North Korea**

The Clinton administration's policy toward the Korean Peninsula was centered on the suspect nuclear development by North Korea. The Clinton administration is not exactly the first one that had taken issue with North Korea's nuclear development. Since it signed the Nuclear Nonproliferation Treaty (NPT) in 1985, North Korea had dragged its feet in submitting its facilities to an inspection by the International Atomic Energy Agency (IAEA), and it had since raised suspicions about nuclear development. The Bush administration had tried to dissuade North Korea from developing nuclear weapons through diplomatic efforts. For instance, in 1991, the United States had decided to withdraw tactical nuclear weapons from South Korea, and in 1992 she suspended the U.S.-South Korea joint military exercise "Team Spirit." However, North Korea not only failed to fulfill the commitment it had made under the declaration of denuclearization of the Korean Peninsula but refused to undergo an IAEA inspection in 1992 and 1993. And in March 1993, North Korea hinted at withdrawing from the NPT. Withdrawal of North Korea from the NPT would not only undermine the credibility of the nonproliferation regime to which much importance has been attached since the end of the Cold War, but the international community would lose a lever by which to pre-

vent North Korea from going nuclear. Aware that diplomatic efforts alone cannot change the policy of North Korea, the Clinton administration has come up with a hard-line policy that included military options.

After a series of talks, the United States and North Korea settled their stand-off by agreeing that North Korea would suspend its plan to withdraw from the NPT. Wary of the possibility that a resolution of the U.N. Security Council denouncing nuclear development by North Korea might be vetoed by China, the United States mapped out its strategy for dealing with the North Korean problem in concert with Japan and South Korea whose security stood to be seriously threatened by the possession of nuclear weapons by North Korea. The United States and its allies in this region found the limitations of cooperation. It prompted the United States to re-define the objectives of the U.S.-Japan security treaty, and build security arrangements with Asia-Pacific countries. A potential crisis in this region was defused temporarily through a talk between former President Jimmy Carter and then North Korean leader Kim Il Sung in June 1994.

With the crisis thus tamed, the Clinton administration launched bilateral talks with North Korea to dissuade it from developing nuclear weapons. The United States took the view that given the North Korean economic difficulties was in, the collapse of its regime was a matter of time and that therefore, economic aid should be extended to help a soft landing of its impact. The Clinton administration feared that a sudden collapse of the North Korean regime would send its military on the rampage and a desperate army could undermine the stability of the Northeast Asian region. Such being the U.S. assessment of the underlying situation, the United States acquiesced to less demanding obligations imposed on North Korea under the Framework Agreement it signed with North Korea on October 21, 1994. The essential feature of the Framework Agreement was to build two light-water nuclear reac-

tors by the Korea Peninsula Energy Development Organization (KEDO) that will be financed by the United States, Japan, South Korea and some European countries. In exchange for these, North Korea was to abandon the development of graphite-moderator reactors (heavy-water nuclear reactors) from which plutonium can be easily extracted. Also under this agreement, North Korea was supposed to freeze its existing nuclear weapon development program and comply with an inspection by the IAEA of certain parts of its nuclear facilities.

The policy framework the Clinton administration had presented with respect to the Korean Peninsula problem has largely defined the subsequent North Korea policy of the United States. More specifically, while it is assumed that the existing North Korean regime will collapse sooner or later, the Framework Agreement of 1994 would be nothing more than a stopgap measure to buy time. The same assumption would preclude any excessive reaction by the United States to a military or political provocation the current North Korean regime may mount while it in power, unless such provocation threatens vital interest of the United States. Under this line of thinking, therefore, it was enough for the United States and South Korea to maintain a defensive posture while keeping an eye on the military moves North Korea made. Rumors about the difficulty Kim Jong Il was supposedly having in inheriting power from his late father Kim Il Sung served to confirm the validity of the Clinton administration's wait-and-see posture. In fact, when North Korea declared in April 1996 that it would no longer honor the cease-fire agreement and then sent its troops into the Demilitarized Zone (DMZ), the Clinton administration showed no military response.

Some in the U.S. government had predicted that North Korea would implode by around 1996, but it had not occurred as of the end of 1996, nor had the type of change the United States had hoped for occurred in the North Korean regime. Moreover, the

North Korea policy the Clinton administration came up with after the Framework Agreement had carrots but no sticks, and this gave North Korea room for engaging in diplomatic brinkmanship.

One piece of diplomatic brinkmanship by North Korea compelled the United States to review its policy — the missile test North Korea conducted in the summer of 1998. The test by North Korea shattered to pieces the assumption underlying the Framework Agreement — that the North Korean regime was on the verge of collapse and that it would find maintaining the status quo in its best interest — and brought the United States around to the view that a new comprehensive approach was necessary. In other words, the United States realized the necessity to restructure its North Korean policy on the assumption that the Kim Jong Il regime will not collapse for the time being.

## **(2) The Perry Process**

The policy for North Korea under the Clinton administration came under congressional pressure to change its course. The Framework Agreement is neither a formal treaty nor an administrative agreement. It merely is a memorandum of agreement between the governments of the United States and North Korea. And a budgetary measure to implement items of the agreement is left to the initiative of Congress. Therefore, if Congress refuses to authorize the funding of the KEDO or appropriate funds to pay for the fuel promised to North Korea under the Framework Agreement, and if North Korea resumes its nuclear development program in response to such U.S. inaction, the policy framework would collapse. Meanwhile, it came to light that North Korean missile had the potential of reaching the U.S. mainland. At the same time, another suspicions emerged that new nuclear development-related facilities were under construction in North Korea. These developments made U.S. Congress to take concrete steps.

Congress authorized an appropriation to finance the KEDO project conditional on a change in the administration's North Korean



policy. To meet this mandate, Clinton appointed former Defense Secretary William Perry as U.S. North Korea Policy Coordinator on November 12, 1998. After close consultation with regional countries concerned, a team led by Perry visited North Korea and submitted to President Clinton in September 1999 a report ("Perry Report") on the basis of the talks it had with North Korea. Recommendations in the Perry Report contained carrots and sticks: If North Korea observes the Framework Agreement and continues to take a cooperative attitude — such as the halting of missile test, it would be rewarded with normalization of diplomatic relations with the United States and Japan; a refusal of such an offer would help strengthen policy coordination among Japan, the United States and South Korea, and invite mounting pressure from these countries.

Clinton approved the major recommendations of the Perry Report. Soon after it was submitted to him, he signaled a change in his North Korean policy by relaxing some part of the economic sanctions imposed on North Korea. In response, North Korea suspended test launching of its long-range missile and returned to the negotiating table for the Framework Agreement. In addition, it resumed missile talks and started dialogue on terrorism. Encouraged by the improvement in relations with North Korea, President Clinton announced further relaxation of the economic sanctions in June 2000.

In October Jo Myong Rok, first vice chairman of the National Defense Commission of North Korea, visited the United States, and Albright made a formal visit to North Korea.

Clinton's policy for the Korean Peninsula has thus reached dual watersheds: the Framework Agreement of 1994 and the Perry Report of 1999. As things stood in 1994, Clinton's claim that there was no other viable option than the Framework Agreement that could solve the dispute between the United States and North Korea may be justified. However, given the fact that the Perry process was designed to define a stick for North Korea that was missing in

the Framework Agreement, the process could have started earlier.

In any event, it is fair to say that the inter-Korea summit in 2000 and Albright's visit to North Korea were products of the policy proposed by former Defense Secretary Perry. The United States, Japan and South Korea had sought to build a close security cooperation relationship after the test launching of a *Taepo Dong* missile in August 1998, and it was one of the positive results achieved under the changed North Korea policy of the Clinton administration.

## **5. The New Bush Administration and Its East Asian Security Policy**

In the presidential election held on November 7, 2000, Republican Candidate Governor George W. Bush of Texas won the presidency over Democrat Candidate Al Gore after a close race. The candidates contended over the validity of hand recount of the ballots in the State of Florida. The case was brought to the Federal Supreme Court seeking a constitutionality decision and it was as late as December that the election was declared officially ended.

The confusion during the presidential election will throw a shadow over the diplomatic and security policy of the new administration. Its most important influence will be that the partisan rivalry between Republicans and Democrats is likely to boil over into diplomatic and security issues. The tendency of domestic and international politics getting closely linked with one another had become obvious during the Clinton administration. The policy style the Clinton administration had adopted in such an environment was internationalization of domestic politics and adoption of a result-oriented approach. Consequently, the Clinton administration achieved remarkable success in diplomatic and security issues for which it succeeded in winning domestic support. Cases in point are the enlargement of NATO to include post-communist countries and the improvement of relations with China. But the administration

could not always effectively deal with political problems that, despite their importance, had little appeal to the people. Moreover, the sex scandal involving president Clinton called his leadership and morality into question, and partisan conflict on his impeachment issue between Democrats and Republicans intensified. As a result, controversial issues such as those relating to the Comprehensive Test Ban Treaty (CTBT) and the National Missile Defense (NMD) were carried forward to the next administration.

As the Republican majority in the House grew thin and the Senate seats were equally divided as a result of the November election, partisan rivalry intensified all the more sharply, and the Bush administration had to tread a fine line. Therefore, rather than pushing ahead with the diplomatic and security concept Bush had advocated during the election campaign, the Bush administration will have to come up with policies that are acceptable to Democrats. However, with the U.S. economy, which boomed in the 1990s, is expected to face the adjustment phase, the Bush administration has to exercise strong leadership to maintain its authority. And as information technology advances, the U.S. citizen have become increasingly sensitive to the divergence of government policies from public opinion, so much so that if President Bush assumes another term, he has to pay much heed to the drift of public opinion. And these political constraints will leave his administration with little room for maneuver.

During the election campaign, Bush outlined his foreign and security policies on two occasions, defining five-point priorities of his foreign and security policies. They are (1) building alliance arrangements to deal with problems involving other world powers, (2) the nuclear problem, (3) the Western Hemisphere, (4) trade problems and (5) the Middle East problem relating to the security of Israel.

In pursuing his East Asian policy, the handling of China will require the most careful approach. Thanks to the China policy of the Clinton administration, the open-door policy of China that the

United States had long sought has reached a turning point. Basically, the open-door policy is designed to guarantee free flow of U.S. investment and trade to the Chinese market without being interrupted by other countries. At present, China is accepting investment and trade from other countries of its own volition, and the admission of China into the WTO is within reach. The United States welcomes this development. However, there is no denying the fact that a profound change could occur in U.S.-China relations depending on the Taiwan issue, which needs a delicate handling, and the rise of China as a world power, which will have a long-term impact on the geopolitical landscape of the region. For instance, if relations between the United States and China deteriorate over the Taiwan issue, the door to the Chinese market might be closed by China, not by other countries. If the path to capitalism is closed to China, U.S. strategy based on the assumption that a capitalist economy would change the society of China would need some adjustment.

This means that the Bush administration will have to resolve the dilemma posed by its conflicting objectives — fostering democracy in China and pursuit of the economic interests of the United States. Moreover, to ensure that the rise of China as a world power will not be achieved by military might, steps must be taken to make sure that China is denied access to militarily applicable technology and goods of the United States and other countries. During its eight years, the Clinton administration had become fully aware that this dilemma cannot be easily resolved on account of the diversity of opinion of the American people and for security reasons. During his election campaign, Bush characterized China as a strategic competitor. How President Bush will reconcile such a characterization of China with Clinton's engagement and enlargement strategy bears a close watch.

One possibility may be that Bush will take a tougher line than Clinton did in an attempt to counter China. With this in mind, Bush came up with a policy designed to strengthen the alliance

arrangements in the Asia-Pacific region. The report released by the Institute for National Strategic Studies (INSS) of the National Defense University in October 2000 lists the U.S.-Japan alliance as the centerpiece of reinforced alliance arrangements in this region. The alliance arrangements, if their role is extended to ensuring the security of the Asia-Pacific region by strengthening the Japan-U.S. alliance, could become the region's common goods contributing to regional security. In such a case, any adjustment between the U.S. demand for strengthening the Japan-U.S. security arrangements and various domestic constraints existing in Japan will take on critical importance in coming years.

