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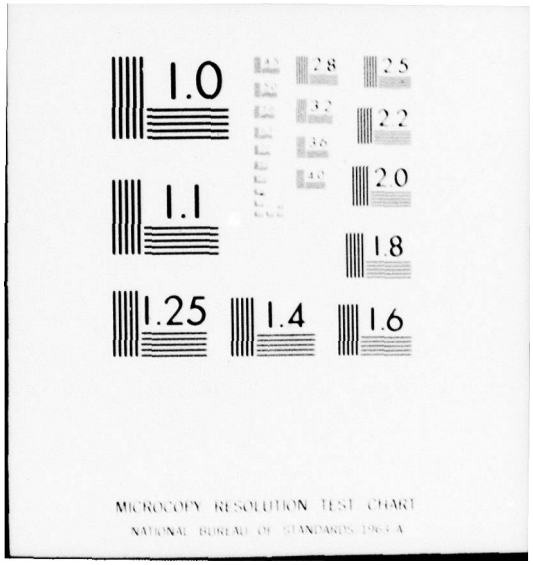
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Final

June 1978

Technical Note
SSC-TN-6789-1

By: William M. Carpenter
James E. Dornan, Jr.
Garrett N. Scalera (Consultant)
Gen. Richard G. Stilwell, USA (Ret) (Consultant)

Prepared for:

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This study examines, in terms of new perspectives incorporating the relationship between strategic stability and political-economic stability, the U.S. role in maintaining a stable environment in Northeast Asia. In addition to analysis of the Japan-Korea focal point, particular attention is given to the triangular set of relationships among the United States, Soviet Union and the People's Republic of China as they may be affected by changes in U.S. policies and/or military postures in South Korea and the Northeast Asia region.

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DISCLAIMER

The views, opinions, and/or findings contained in this report are those of the authors and should not be construed as an official Department of the Army position, policy or decision, unless so designated by other official documentation.

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FOREWORD

Northeast Asia is a point of intersection of the interests of four of the world's five major power centers. Even between the fifth power center --Western Europe--and Northeast Asia there are significant indirect interests because of the increasingly important economic linkages among the industrialized and the developing nations in an interdependent world, and the strategic-military linkages between NATO and Northeast Asia through the involvement of the United States and the Soviet Union in both regions. Northeast Asia is a focal point where the socio-economic system of the free world confronts its opposite, the socialist world of authoritarian societies and controlled economies.

The role of the United States is clearly important to the future security and stability of Northeast Asia. Policy and posture decisions made by the United States, such as the planned withdrawal of the U.S. 2nd Division from Korea, cannot help but have a major impact on the interests of all the nations involved in the region. As a contribution to the planning and policymaking process, this study undertakes an analysis of (1) the strategic framework, in regional and global terms; (2) the interests of the powers involved and the threats to those interests; (3) economic trends in the region, with particular attention to the prospects for future growth, technological change, and trade patterns; and (4) a series of possible strategic options around which the U.S. might design its future policy toward the region. The Annex (SECRET), bound separately, examines, in the post-1982 time frame, implications for U.S. Army planning of the U.S. force withdrawal, including particular attention to the impact on Army command arrangements in the region.

The study was conducted under the supervision of Richard B. Foster, Director, Strategic Studies Center, assisted by Harold Silverstein, Special Assistant to the Director. The project leader was Dr. James E. Dornan, Jr., Senior Political Scientist. Team members included General Richard G.

Stilwell, U.S. Army (Retired), Senior Consultant; Garrett Scalera, Consultant Economist; and William M. Carpenter, Senior Operations Analyst, SSC. Janet Andres, Research Analyst, SSC, assisted in review and editing of the text. Grateful acknowledgement is made to LTC H. E. McCracken, ODCSOPS, Project Monitor, for his cooperative assistance in obtaining necessary background information in making arrangements for project review.

It is also desired to acknowledge the assistance of several Japanese and Korean scholars and officials who contributed significantly to the research process by: delivering papers at the joint symposia, participating in extended interviews and arranging for contacts with knowledgeable officials and experts in their countries. In Japan, these included Mr. Hideaki Kase, Director, Japan Center for Study of Security Issues; Dr. Hitoshi Hanai, Kyoto Sangyo University; Dr. Osamu Miyoshi, Kyoto Sangyo University ; Mr. Tadae Takubo, the Jiji Press; Mr. Koichi Saito, Japan Trade Center; Mr. Asao Mihara, former Defense Minister; General I. Sugita, JGSDF (Retired); and General H. Matsukane, JGSDF (Retired). In Korea, included were Mr. K. W. Kim, Special Assistant to the President; Dr. K. S. Min, Director, Asian Institute for Public Policy; Dr. Se-Jin Kim, Director, Center for Peace and Unification; Dr. W. C. Kim, National Defense College; Dr. Sang-Woo Rhee, Sogang University; Dr. S. C. Suh, Korea University; Dr. Jun-Yop Kim, Director, Asiatic Research Center.

The study consists of two volumes: (1) the basic study (UNCLASSIFIED) (SSC-TN-6789-1), and (2) the Annex (SECRET) (SSC-TN-6789-2), for limited distribution, as directed by the Office of the Deputy Chief of Staff for Operations and Plans (DAMO-SSP), Department of the Army.

Richard B. Foster
Director
Strategic Studies Center

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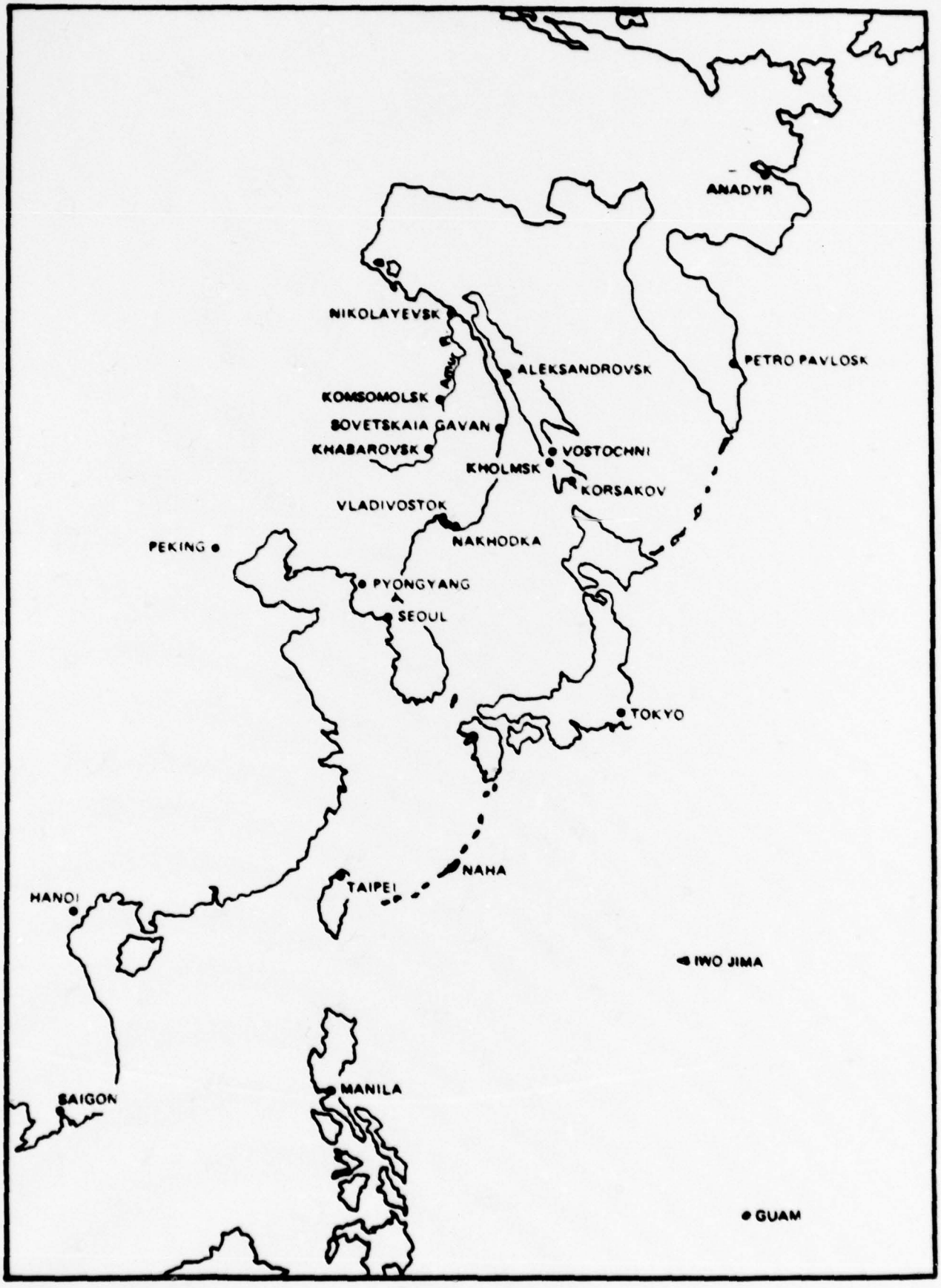

EAST AND NORTHEAST ASIA

I THE CHANGING SECURITY ENVIRONMENT IN NORTHEAST ASIA

Students of world affairs have long pointed out that Northeast Asia constitutes one of the truly significant geostrategic pressure points of world politics. In historical terms, such areas are centers of constant political change, and over time witness continual movements of peoples, the rise and fall of empires and political cultures, and repeatedly shifting political boundaries.[1]

Considered in its full extension, embracing the Peoples' Republic of China, Taiwan, Japan, the two Koreas, Mongolia, and the Asian portion of the Soviet Union, Northeast Asia today contains the greatest concentration of military forces of any comparable region in the world. Within its geographic environs, the interests of two superpowers and one additional nuclear power (which incidentally are three of the four most populous nations of the world) intersect, as well as those of an economic giant which remains militarily insignificant, and of several smaller powers, two of which, armed to the teeth, face each other in bitter hostility across a fragile truce line.

The region at the moment appears on the surface to be relatively stable, with an uneasy "peace" enforced by a temporary equilibrium of power. Beneath the surface, however, substantial changes are underway, of which six appear to be most significant:

- The growth of Soviet military power in virtually all areas--strategic and conventional, naval, air and ground--to levels such that, in the view of many analysts, the post-World War II military equilibrium between the two superpowers is now endangered.

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[1] See R. J. Rummel, "Soviet Strategy and Northeast Asia," unpublished paper prepared for publication in Korea and World Affairs, 1978, pp. 29-30.

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- The relative decline of U,S. power, at both the strategic and conventional levels (the latter including the Pacific), raising doubts about the willingness and capability of the United States to meet its commitments and protect its vital interests in Europe and Asia in the face of growing Soviet power and influence.

- Changing PRC perceptions of the security environment in Asia, and renewed Chinese interest in the development of a modern military capability adequate to deal with perceived threats to the security of the PRC.

- Mounting concern in Japan over the security situation in Northeast Asia, and the growing possibility that in the near future Japan will decide to augment substantially her military capabilities and to assume a more autonomous political position in the multipolar politics of the region.

- Increased tensions on the Korean peninsula, generated in the South by concern over the implications of the announced U.S. intention to withdraw its ground combat forces from Korea, and in the North by increasing economic difficulties and awareness that the DPRK may be falling permanently behind in the economic competition with the South.

- Partly as a consequence of the above, the growing possibility that one or more additional nations in the region will acquire nuclear weapons during the next decade.

In the face of these multi-faceted changes, actual and impending, it remains uncertain (a) whether the existing strategic equilibrium in the region can be maintained, (b) whether it will be replaced by a new equilibrium based on a substantially different configuration of political and military forces, or (c) whether the onset of the next decade will usher in a period of profound instability and even war in the region.

A. The Growth of Soviet Military Power

That the growth of Soviet military power is one of the most salient features of the international politics of our time needs no reiteration in this study. During the past decade in particular, the Soviets have achieved parity or better with the United States in most indices of strategic power, while significantly expanding their already formidable conventional military capabilities. The growth of Soviet naval power

and the steady modernization and re-equipment of both the ground combat forces and of the tactical air capability of the USSR have been particular causes for concern.[1]

This quantitative and qualitative growth has been accompanied by expansion in a number of geographic regions, a trend which has been particularly evident in the Asian-Pacific area. For some years, the Soviets have deployed more than 40 mechanized and infantry divisions along their border with the PRC; more recently, they have expanded and modernized their forces for projecting military power into Northeast Asia and the Pacific as well, based on a vastly improved network of air and naval bases, and naval capabilities in general. (Table I-1 contains a partial list of Soviet naval facilities in Northeast Asia.)

These developments have not escaped notice in Asia. In releasing the 1976 Japanese Defense White Paper, Takuya Kubo, Secretary-General of the National Defense Council, stated flatly that "the U.S. has been replaced by the Soviet Union as the predominant military power in the Far East." Both Soviet air and sea power in the region, Kubo continued, are "vastly superior" to that of the United States. Kubo expressed doubt that detente and the Sino-Soviet rivalry were sufficiently stabilizing forces to mitigate Japan's growing concern over the rise in Soviet military power.[2]

The 1977 Defense White Paper treated such questions even more thoroughly. Pointing to Soviet deployment of "large land-based ICBMs with massive yield warheads," the White Paper concludes that "the strategic arsenal of the Soviet Union is now numerically superior in almost every indicator to American weaponry." As a consequence, the document continues, "there is growing anxiety that such Soviet efforts might lead to the

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1 For an analysis of these developments and their possible significance for U.S. national security policy, see James E. Dornan, Jr., "The Machine Evaluated: U.S. Military Power in the Contemporary World," in The U.S. War Machine (New York, Crown, forthcoming 1978).

2 Ronald Yates, "Japanese White Paper Says Soviet Power Tops U.S.," Chicago Tribune, June 5, 1976.

TABLE I-1

MAJOR SOVIET NAVAL FACILITIES IN NORTHEAST ASIA

1. Vladivostok: affords limited access to the Pacific due to choke points exiting from Sea of Japan (Tsushima, Tsugaru, and Soya Straits). Headquarters of Soviet Pacific Fleet and principal surface ship base in region; contains ship building facilities.

2. Petropavlovsk: ice-bound for 6 months out of the year, but kept open with icebreakers; important submarine base in the adjacent facility at Talinskai Bay.

3. Nakhodka: (formerly Wrangel Bay) principal commercial port in Siberia; contains the USSR's first mechanized container-ship facility.

4. Vostochny: also a major commercial port; built with Japanese credits and technical assistance, it handles Siberian timber and coal shipped to Japan.

5. Anadyr: in far north, on Bering Sea; light naval forces stationed there.

6. Sakhalin Island Bases: (Korsakov, Aleksandrovsk, and Kholmsk; the latter still under development.)

7. Sovetskaia Gaven: commercial port and naval base.

8. Nikolayevsk: a fishing center on the Amur River, which may also have submarine fitting-out facilities.

9. Komsomolsk and Khabarovsk: on Amur River; shipbuilding facilities. Delta-class SSBN's constructed at latte .

relative superiority of the Soviet Union in mutual nuclear deterrence, thus placing the Soviet Union in a politically advantageous posture over the U.S." "Such a development," the White Paper concludes, "could effect the trust of the Western powers in the U.S."[1]

Even leaders of nations located far from the Soviet heartland have expressed concern over the growth of Soviet military power. Prime Minister Robert Muldoon of New Zealand has publicly warned his countrymen of the Soviet buildup on several occasions, and in a television interview produced photographs of Soviet ships sailing in New Zealand waters to emphasize this warning.[2] During the course of the past two years, political and military leaders in virtually every non-communist Asian state--not to mention those of the PRC--have called attention to the growth of Soviet military power in Asia.

B. Declining U.S. Power in the Pacific

The strength of the American commitment to the Western Pacific has wavered considerably since 1969. During the previous two decades, United States policy in Asia had basically been an extension of the containment strategy originally designed for Europe, based on the assumption that Chinese Communism constituted the same kind of expansionist threat to the security of the noncommunist world, and ultimately to the United States, as did communism in its Russian variant. After the outbreak of the Korean War, American decisionmakers became convinced both that the primary communist challenge in Asia was military, and that any further expansion of communism in Asia would adversely affect the world balance of power and thus American security interests elsewhere in the world. The result was the adoption of the "two-and-one-half-wars concept," in accordance with which U.S. planners affirmed that America needed to be prepared to fight major wars simultaneously in Asia and in Europe, as well as a lesser conflict elsewhere.

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1 Japanese Defense Agency, The Defense of Japan, 1977, pp. 8-10, 15.

2 See Honolulu Star-Bulletin, May 29, 1976, p. B-16.

Over time, however, the results of the gradually escalating involvement of the United States in Indo-China radically altered the perceptions of most American decisionmakers, particularly civilian and congressional leaders, concerning the place of Asia in the hierarchy of United States interests. What should have been a "one-half" war became, in effect, a major war, in the process weakening U.S. capabilities elsewhere in the world and undermining popular support for the containment strategy itself. When the Nixon Administration assumed office, the President was already convinced that the American public would not continue to support an American presence in Vietnam on anything like its existing scale, and moreover that the public would not lend its support to any additional American intervention in the Third World which appeared to presage a Vietnam-level involvement.[1]

In July 1969, Mr. Nixon made his "Guam Declaration," stating in effect that, although U.S. treaty commitments remained in force and the U.S. nuclear umbrella would continue to be extended to protect our allies and non-communist nations generally against strategic nuclear threats, in the future each ally would have to bear primary responsibility for defending itself against internal insurgencies and perhaps even against externally mounted conventional attacks. Although the remarks were couched in general terms, and eventually were expanded into the "Nixon Doctrine"--which called for gradual American retrenchment and greater "burden sharing" on the part of allies throughout the world--the specific target at this time was South Vietnam. Under the shortly thereafter implemented Vietnamization program, U.S. troops began to be withdrawn from Southeast Asia, and the American commitment to fight a major war in Asia was gradually attenuated. American global military strategy would thereafter be based upon a "one-and-a-half-war concept." In 1971, the first drawdown of U.S. troops from the Korean peninsula was initiated. The 1972 opening to Peking provided a further rationale for the drawdown of American military power in the Pacific; it was now argued that China was no longer an adversary--at least no longer an adversary of the sort likely to provide a direct military challenge to American interests.

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[1] See Richard M. Nixon, "Asia After Vietnam," Foreign Affairs, 46 (July 1967), pp 111-25.

The detente with the PRC also provided justification for the reduction of U.S. military forces on Taiwan. The withdrawal of U.S. forces from South Vietnam, and ultimately the fall of the country to the North, moreover, led to a pullback of U.S. military forces from elsewhere in Southeast Asia, especially Thailand.

While the collapse of the non-communist position in Indo-China led Ford Administration decisionmakers to reiterate strongly the U.S. commitments to our other Asian allies, the accession to power of the Carter Administration has led to a further downgrading of the Pacific region in favor of Europe in the American hierarchy of foreign policy interests. Early in the Presidential campaign, Candidate Carter announced his intention, if elected, to withdraw American ground forces from the Korean peninsula; this campaign promise was announced as settled United States policy shortly after Mr. Carter's inauguration. Although a variety of rationales for the decision have been provided by Administration spokesmen,[1] many analysts believe that the primary purpose of the initiative was to reduce the likelihood that the United States would automatically become involved in the event of war on the Korean peninsula. Other evidence of the reduced significance of Asia in U.S. policy priorities can be found in statements by major Administration figures concerning U.S. policy priorities and objectives in the contemporary world. In a major address in mid-1977, for example, Anthony Lake, Director of the Policy Planning Staff of the Department of State, mentioned Asia only in passing in a lengthy analysis of contemporary U.S. foreign policy objectives. The principal goal of America's policy in Asia, he suggested, is to normalize relations with Vietnam and the People's Republic of China.[2] In an overview of U.S. foreign policy provided by Secretary of State Vance to the Subcommittee on International Operations of the House International Relations Committee in early 1978, the Secretary did not mention Asia at all.[3]

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[1] See, e.g., the discussion below, pp. 41-42.

[2] Anthony Lake, "Pragmatism and Principle in U.S. Foreign Policy," June 13, 1977, Department of State, Bureau of Public Affairs, p. 3.

[3] The Secretary of State, "A General Overview of U.S. Foreign Policy," February 8, 1978, Department of State, Bureau of Public Affairs.

The changing position of Asia in U.S. foreign policy priorities is further reflected in the Administration's interpretation of the still-adhered-to "one-and-a-half-wars" strategy. In an interview with a visiting group of Japanese Diet members of the Komeito Party in November 1977, Defense Secretary Brown stated that the U.S. intended over time gradually to reduce its military power in the Western Pacific, including Japan.[1] While there appear to be no present plans for a reduction of U.S. forces in Asia beyond the programmed Korean withdrawals, the Secretary's statement attracted considerable attention in the Japanese media. Moreover, widely circulated reports earlier this year indicated that the Secretary of Defense's consolidated guidance statement directs the armed services to structure U.S. military forces to stop a Soviet blitzkrieg attack in Western Europe and to deal with a possible brushfire war in the Middle East. Asia apparently receives considerably less attention than Europe in the document, leading one commentator to conclude that "the planned shift underscores the Carter Administration's emphasis on the Atlantic rather than the Pacific theatre."[2] Finally, Administration planners have not exhibited a consistent appreciation of the significance of growing Soviet military power in Asia, and show few signs of having thought through the options which may exist for new security arrangements for the region, given the ongoing drawdown of U.S. military capabilities. Administration spokesmen continue to deny, for example, that it would be desirable for Japan to play a substantially larger role in security arrangements in Northeast Asia.[3] Richard Holbrooke, the Assistant Secretary

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1 Mainichi Daily News, November 18, 1977

2 George C. Wilson, "New U.S. Military Plan: Europe, Persian Focus," Washington Post, January 27, 1978.

3 This, of course, has been the U.S. position for several years. See, e.g., Statement by Gen. George S. Brown to the Congress on the Defense Posture of the United States for FY 1977, p. 22 (mimeo). Interestingly, Zbigniew Brzezinski, in an article prepared in mid-1976, before he assumed his present position, lamented the failure of Japan to assume a larger role in security arrangements in Northeast Asia. See "America in a Hostile World," Foreign Policy, Vol. 23 (Summer 1976).

of State for East Asia and the Pacific, has stated flatly that: "We have not sought an expansion of Japanese military power, nor do we seek to have Japan fulfill any regional military or security role."[1]

To be sure, Carter Administration spokesmen have lately reaffirmed the U.S. commitment to the Western Pacific, occasionally in rather strong terms.[2] They argue that the changes underway in U.S. military dispositions in Asia are modest and prudent responses to ongoing changes in the politics of the region, and by no means indicate that the United States has relegated the Pacific to an insignificant position in its hierarchy of interests. The Administration appears to believe that the existing political-military equilibrium in Northeast Asia, anchored by the continuing Sino-Soviet dispute, will continue into the indefinite future[3] (although some Administration spokesmen privately concede that some warming of relations between Peking and Moscow is conceivable in the not-too-distant future). Under these circumstances, Administration planners appear to believe that U.S. military power in the Western Pacific can be reduced without serious danger.

Whatever the truth of these views, however, the perception that the Administration has downgraded Asia while reaffirming American interests and commitments in other parts of the world is increasingly widespread, and has

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1 See "Washington's Stake in Asia," Far Eastern Economic Review, November 18, 1977, p. 45. Defense Secretary Brown made a similar statement to a group of visiting Japanese Diet members in November 1977; see Mainichi Daily News, November 18, 1977.

2 See, e.g., "The President's Speech on United States Defense Policy delivered at Wake Forest University," excerpted in New York Times, March 18, 1978, and Secretary Brown's address before the World Affairs Council in Los Angeles on February 20, 1978, printed in full in Pacific Stars and Stripes, February 22, 1978, and distributed in mimeographed form by the Department of Defense.

3 See in particular Secretary Brown's address: "Growing Soviet and Chinese military capabilities in East Asia are largely directed toward each other in an absorbing and hostile way. Neither country has shown much capability to translate military power into significant political advantage in Asia."

begun to attract critical commentary in both official and unofficial circles, here and abroad. U.S. Ambassador to Japan Mike Mansfield, for example, recently told a Tokyo audience that President Carter had been paying too little attention to Asian problems and too much attention to Europe.[1] Mansfield on several occasions has called attention to the anxiety aroused in Japan by the U.S. troop withdrawal plans, on one occasion stating flatly that "we have the vital responsibility to maintain a strong and credible military force in East Asia."[2] Critics of the Administration have stated flatly that the Administration, in effect, has chosen a "Europe only" strategy, suggesting that the Carter Administration has no intention of committing U.S. combat forces anywhere but Europe.[3]

C. Changing PRC Perceptions of the Security Environment in Asia

For 20 years after its successful victory over the Kuomintang in the Chinese civil war, the PRC almost invariably identified the United States as China's principal enemy. Since 1969 and the escalation of the Sino-Soviet dispute from rhetoric to armed confrontation along the Sino-Soviet frontier, however, the foreign policy calculations of the PRC have been dominated by the perceived threat to Chinese security emanating from the Soviet Union. Perceiving as never before that her relative military weakness made it impossible for China to continue with her 20-year policy

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1 Quoted in the Washington Post, March 24, 1978.

2 Washington Post, February 3, 1978. See also George C. Wilson, "Carter's 'NATO Budget' Indicates Shift of Military Focus," Washington Post, January 15, 1978.

3 See, e.g., the discussion in Richard Burt, "U.S. Defense Debate Arises on Whether Focus on Europe Neglects Other Areas," New York Times, March 24, 1978. Even Administration spokesmen occasionally acknowledge the validity of charges that the United States has been neglecting Asia. In a recent interview with a New York Times reporter, National Security Council Director Zbigniew Brzezinski conceded that he "ignored Asian problems" during 1977. See Terence Smith, "Brzezinski, Foreign Policy Advisor, Sees Role as Stiffening U.S. Position," New York Times, March 21, 1978.

of unremitting hostility towards the United States, Mao in 1970 signaled an interest in a Washington-Peking detente; in February 1972 he went so far as to shake publicly President Nixon's hand while American bombers pounded communist forces in adjacent North Vietnam. In the words of one student of Chinese policy, "the Western 'paper tiger' had become a tacit ally in the face of the threat of the 'polar bear' to the north."[1]

In the years since the opening to Washington, the foreign policy of the PRC has exhibited considerable ambivalence. On one hand, Chinese diplomacy appears to be based on a determination to maintain and even deepen the connection with the United States as a counterweight to the Soviet military threat. Hence, despite the fact that for more than 15 years the PRC's propaganda statements demanded that the U.S. sever its connection with Taiwan as a precondition for the establishment of diplomatic relations, in February 1973 Chou En-lai agreed that liaison offices should be established at both capitals, without any clear-cut commitment from the United States on the Taiwan issue. Both publicly and privately, leading Peking public figures have urged that the U.S. maintain its military strength against the USSR, on occasion going so far as to attack both the Ford and Carter Administrations for pursuing too soft a line vis-a-vis the USSR on such issues as SALT, the MBFR negotiations in Europe, and the like. Carter Administration officials have conceded, moreover, that the PRC would like the U.S. to maintain its present level of military strength in Asia, including the Korean peninsula, as a counterweight to the Soviet Union.[2] On the other hand, the PRC has continued to insist that Washington-Peking relations cannot proceed to "full normalization" until the U.S. either severs or substantially

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1 Allen S. Whiting and Robert F. Dernberger, China's Future: Foreign Policy and Economic Development in the Post-Mao Era (New York: McGraw-Hill Book Co. 1977) p. 44. As Whiting and Dernberger point out, Mao had always exhibited awareness of the constraints which China's military inferiority imposed on the PRC's freedom of action in the foreign policy arena. See ibid.

2 Don Oberdorfer, "President Slows U.S. Pullout From Korea," Washington Post, April 22, 1978.

modifies its existing relationships with Taiwan; and, although fully aware that her military vulnerability to superpower attacks precludes adventuristic foreign policy forays that would invite Soviet or American retaliation, the PRC has at times vigorously asserted its traditional claims to disputed off-shore areas in the East and South China Seas (as in the case of the Spratley Islands in 1974 and recently with respect to the Senkaku (Tiaoutai) Islands).[1] Such incidents as these suggest to at least some experts both that ideological and expansionist urges have not permanently vanished from the PRC's foreign policy, and that China remains uncertain of the extent to which it can rely upon the American connection to enhance PRC security, let alone assist it in achieving its other foreign policy objectives.

Peking's post-1969 stance in the face of the perceived Soviet military threat has also led to a considerable shift in the PRC's policy toward Japan. During the late 1960's, China's anti-Japanese propaganda reached a zenith, with the Chinese media issuing daily attacks against Tokyo's alleged neo-imperialist designs in Asia. The Japanese-American connection was singled out particularly for attack. Partly as a reaction against this rhetoric and partly as a consequence of Japan's efforts at this time to achieve a satisfactory settlement of various controversies with the USSR, Japan during this period exhibited little interest in improving relations with China. Shortly after the Nixon opening to Peking, however, Japan indicated that it too was willing to enter into a new relationship with the PRC, and Japanese-Chinese relations have improved steadily--albeit slowly, with various fits and starts--ever since.

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[1] The latter initiative was particularly surprising to many students of Chinese foreign policy, coming as it did at a time when negotiations for the conclusion of the long-delayed Sino-Japanese Peace and Friendship Treaty appeared to be nearing a satisfactory conclusion.

Recently, Peking has openly been urging Japan to assume a more active role in security arrangements in Northeast Asia. In September 1977, Vice Chairman Teng Hsiao-P'ing reportedly told a visiting member of the Japanese Diet that "we support the strengthening of Japan's Defense Forces."[1] During the past year, a lengthy list of retired Japanese military officers and defense officials have visited Peking; these have included retired admirals of the Imperial Japanese Navy and of the Maritime Self-Defense Force; Professor Hysho Iwashima, an influential strategist in the Japanese Defense Agency; Hidao Miyoshi, former Chief of Staff of the JDSF; and Osamu Umihara, former J.D.A. bureau chief. During these visits the Chinese have exhibited great interest in the defense capabilities of the Japanese Self-Defense Forces, and have on several occasions urged their visitors to do what they can to influence Japanese opinion in the direction of expanding Japan's military capabilities.[2] In September 1977, the head of the China-Japan Friendship Association, Hua Sun Ping, urged Yohei Kono and other New Liberal Club members then visiting China to do what they could to change Japanese opinion on defense matters. "China respects Japan's Peace Constitution," he said. "We understand that Japan does not have the military power for aggression abroad, but we do not take the attitude that it excludes that military strength needed for defense. On this point we cannot agree with the Japanese Socialist Party."[3] In October 1977, Teng Hsiao-P'ing met with a group of former officers of the Ground Self-Defense Forces, including Kenji Mitsuoka, former commander of the SDF 9th Division, and said, inter alia, that "the preparations against war by Japan and the U.S. and Europe are vital factors in

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1 Quoted in Nathanel B. Thayer, "Changes in Japanese Foreign Policy in East Asia," paper presented at mid-Atlantic regional meeting of the Association of Asian Studies, Princeton University, Oct 28-30, 1977.

2 See e.g., the reports on these visits in the Asahi Shimbun, April 30, 1977; Tokyo Times, April 30, 1977; Hokkaido Shimbun, May 5, 1977; ibid., June 20, 1977; and Mainichi Shimbun, June 27, 1977.

3 Asahi Shimbun, November 14, 1977.

postponing the outbreak of World War III."[1] Such statements, sharply at variance with PRC positions of several years ago, clearly indicate that China's concern over the Soviet military threat continues to grow.

It seems clear, however, that the emergent post-Maoist leadership in Peking has decided that it cannot rely solely on the existing political and military balance of power in Asia to guarantee its security against the Soviet threat. Thus, at the recently concluded Fifth National Peoples Congress, Chinese officials indicated that the regime had decided to embark upon a program for modernizing its military capabilities. Although details at this stage remain scanty, and there is no evidence to suggest that PLA modernization will be at the expense of national economic development, there have been a number of suggestions that the PRC in the future may look to the West for advanced military technology. Indeed, in August 1977, Teng Hsiao-P'ing told a group of former Japanese Self-Defense Force officers with whom he met in Peking that "we will buy the necessary things from abroad; we will learn the technology and thus obtain modernization of our defenses."[2] A recent resolution passed by the Military Affairs Commission, the highest policymaking council of the PRC armed forces, referred to the need of the People's Liberation Army for additional training in anti-tank, atomic, and chemical and biological warfare, and suggested that new equipment must be procured in these areas.[3] In early 1978, the Japanese Defense Agency reported that the PRC had purchased a MIG-23 tactical aircraft from Egypt, and was seeking surface-to-air missiles, anti-tank weapons, and T-62 tanks from the Egyptian military.[4] PRC delegations visiting France and Germany in mid-1978 expressed interest in the Franco-

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1 Sankei Shimbun, August 10, 1977.

2 Asahi Shimbun, August 8, 1977.

3 Russell Spurr, "China: Rearming for the Next War," Far Eastern Economic Review, May 26, 1978, pp. 9-10.

4 In return, the Egyptians are reported to have received spare parts for their earlier model MIG aircraft damaged in the 1973 war. See Mainichi Daily News, January 20, 1978.

German HOT anti-tank missile and the C-160 Transall twin-turboprop military cargo aircraft.[1]

It thus seems clear that the present PRC leadership does not anticipate any early or radical improvement in its relations with the Soviet Union. Some improvement in relations between them is of course possible; indeed, the possibility of a significant diminution of Sino-Soviet hostility would arise if Peking decided that the worsening balance of power globally and/or in Asia left it no alternative. This, of course, is another reason for the U.S. to maintain a strong military force in the region.

D. Changing Perceptions of Security in Japan

Over the long run, emerging trends in Japanese attitudes towards international security questions may prove to be far and away the most important of the various changes now underway in Northeast Asian international politics. It has often been pointed out that since the end of World War II, Japan has played a role in international politics almost unique in history: possessing great--and growing--economic power, she has remained virtually disarmed and thus been able to exercise little direct influence over the course of regional and global international politics. Indeed, she has been dependent for her own security upon the guarantees provided by the United States.[2]

1. The Postwar Environment

The reasons for Japan's acceptance of this rather anomalous international role--which incidentally is sharply at variance with Japanese

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[1] Aviation Week and Space Technology, May 22, 1978. Some reports published in Japan suggest that negotiations for PRC purchase of a number of HOT missiles have already been concluded. See Frank Ching, "China to Buy Arms From France," Wall Street Journal, May 2, 1978.

[2] To be sure, Japan's economic strength has inevitably made her a factor in the foreign policy calculations of the other great powers, and ensured that she has been an object of the policies of other powers, but this is not the same as if she had played an active role herself.

behavior in the prewar period, when she was deeply caught up in the imperialist power politics of East Asia[1]--are many. Principal among them, of course, has been the attitude of the United States, which, stimulated by the messianic idealism of General Douglas MacArthur and persuaded that among the principal causes of World War II in Asia was the authoritarian nature of the Japanese political system, decided in 1945 both to change that system and, in the process, prevent Japan from ever again possessing the military capability to threaten her neighbors. American policies were facilitated by the presence in Japan of a group of like-minded political idealists led by Shidehara Kijuro, as well as by the demoralizing effects upon the Japanese public of the nation's military defeat and of the Hiroshima and Nagasaki nuclear attacks.

Japan's adoption of a "pacifist" role after World War II was moreover facilitated by the international political conditions which obtained in Asia during the postwar period. The attention of the Soviet Union and United States was focussed upon Europe, while China was torn apart by a vicious civil war which totally absorbed its energies. Finally, particularly after the Korean War and the signing of the Japanese-American Security Treaty in 1952, its alliance with the U.S. made it unnecessary for Japan to concern itself with security questions.

The history of the Japanese-American relationship since the signing of the security treaty has been punctuated by a series of crises, large and small, and by a whole series of stresses and strains. While U.S. policymakers have never abandoned the view that it is undesirable for Japan to become a major military power, since the Korean War more than one American defense official and congressional leader has voiced

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[1] For a useful discussion of this point, see Donald C. Hellmann, "Japanese Security and Postwar Japanese Foreign Policy," in Robert A. Scalapino (ed.), The Foreign Policy of Modern Japan (Berkeley: University of California Press, 1977), pp. 322-25.

dissatisfaction with the level of Japan's contribution to security arrangements in Northeast Asia. As one commentator has suggested, "many U.S. officials have tended to view the U.S.-Japanese security relationship as far from mutual."[1] Such officials argue that the U.S. has provided a nuclear umbrella which guarantees Japan's security, while Japan contributes nothing to the defense of the U.S. and is left free to concentrate totally on economic development. U.S. officials, moreover, particularly in Congress, often complain that Japan has shown little appreciation of the U.S. role in guaranteeing its security.

Many Japanese, on the other hand, appear to believe that the U.S. has been the chief beneficiary of the American-Japanese security relationship. There have been recurring complaints in Japan over the use of U.S. bases in the country to support U.S. foreign policy in other parts of Asia,[2] as well as occasional controversies over the alleged presence of nuclear weapons on U.S. warships calling on Japanese ports. Finally, some Japanese political figures, principally those representing conservative and ultra-nationalist forces in Japan's politics, appear to feel that Japan's present degree of dependence upon the U.S. is unhealthy and prevents Japan from achieving its rightful place in world affairs.

2. The Impact of External Factors on Japanese Perceptions of Security

Despite these stresses and strains, however, there has been a solid consensus within the ruling party in Japan in favor of the status quo, and virtually no thought given to alternatives. There is no doubt

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1 Paul L. Flint, Japan and Her Non-communist Neighbors: Some Observations and Impressions (Washington, D.C.: U.S. Dept. of State, Senior Seminar in Foreign Policy, 1976-1977), p. 2.

2 See, e.g., the recent protests in Japan over participation by U.S. military units stationed in the country in "Operation Team Spirit 78," a joint U.S.-ROK exercise on the Korean peninsula. Foreign Broadcast Information Service, Asia and Pacific, March 1, 1978, pp. C3-5, and March 3, 1978, pp. C1-7.

that Japan has derived significant economic advantages from her current international position,[1] and both the Japanese public and most segments of the Japanese ruling elite have seemed quite content with the nation's non-activist foreign policy. Within the past several years, however, a combination of events has coalesced to stimulate at least the beginnings of change. One Japanese observer has traced the beginnings of the development of a new set of attitudes in Japan on international security questions to 1969, when the island of Okinawa reverted to Japanese control--an event regarded by many in Japan as a key indicator marking the end of the post-World War II era of political dependence on the U.S.[2] Several other events during the early years of the Nixon Administration also contributed to the emergency of a "new spirit" in Japan on foreign policy questions. The Nixon Doctrine itself was interpreted in some circles in Japan as presaging a U.S. disengagement from the Pacific. The so-called Nixon Shokku of 1971, involving the U.S. "opening" to Peking and U.S. unilateral initiatives on certain economic issues, and the international oil crisis of 1973-74 further undermined U.S. credibility. The collapse of the U.S. position in Southeast Asia in 1975 and the announcement by the Carter Administration early in 1977 that U.S. ground combat forces would be withdrawn from the Korean peninsula over the course of the next several years further reduced confidence in American power and in America's reliability as an ally of Japan on the part of certain members of Japan's governing elite.[3] In a poll taken by the Yomiuri Shimbun early in 1978, only 19

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1 See the discussion in Flint, op. cit., pp. 3-5, and Hugh Patrick and Rosovsky (eds.), Asia's New Giant: How the Japanese Economy Works (Washington, D.C.: Brookings Institution, 1976).

2 Tadae Takubo, paper prepared for meeting of Japanese and SRI/SSC analysts in Washington, D.C., November 14, 1977. Mr. Takubo is Director of the Foreign Affairs Department of JiJi Press and a leading figure in the just-established private research institute, the Japan Center for Study of Security Issues.

3 As one commentator has observed, "The common reaction, propagated and magnified by the press, is that Carter is cutting Japan's lifeline." Susumu Awanohara, "Will Harsher Criticism Mean Knee-Jerk Reaction?" Far Eastern Economic Review, June 24, 1977, p. 38.

percent of the Japanese people expressed confidence that the United States would come to the defense of Japan in the event of external aggression.[1]

Moreover, for the past several years Japanese concern over the growing military power of the Soviet Union both globally and in Asia has been increasing steadily.[2] Among the more important factors and incidents which have received wide attention in Japan, and that have contributed to this growing concern, are the following:

- Increasing incidents of Russian intrusion into Japan's air space (from virtually none a few years ago, to 60 in 1976 and 96 in 1977) as well as the growing Russian naval presence, manifested by manuevers and the like, off Japanese coasts.[3]

- Russian intransigence over the "four islands" territorial issue, and threats to "retaliate" if Japan signs the proposed "Peace and Friendship Treaty" with China.

- Bitter negotiations over fishing rights with Russia which led to the dispatch of a Japanese delegation to Moscow (which included all political parties

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1 Reported in Indianapolis News, May 25, 1978.

2 See Hideaki Kase, Northeast Asian Security: A View From Japan, paper presented at SRI/SSC Symposium on Northeast Asian Security, 20-22 June 1977; "AKAHATA on U.S. Withdrawal from South Korea," 15 Jan 1977, in Foreign Broadcast Information Service, Asia and Pacific, Jan 24, 1977, p. C7-8; "Japanese Envoy's Remarks on Troop Question Cited," 26 Jan 1977, ibid., Jan. 28, 1977, p. E-4; "KYODO Report on Japan-ROK Legislators' Statement, 17 Feb 1977, ibid., Feb 17, 1977, p. C-2. Growing Soviet military power was an issue repeatedly raised by Japanese officials interviewed by the SSC/SRI research team in January and May 1977, and February 1978.

3 See the discussion of these and related issues in Japanese Defense Agency, Defense of Japan, 1977, pp. 30-33. Shin Kanemaru, Director-General of the Japan Defense Agency, recently observed that "Russian warships and other vessels make such frequent appearances in the Sea of Japan these days that we might as well refer to those waters as the Sea of Russia." Quoted in Indianapolis News editorial, May 25, 1978.

for the first time since the war) to condemn the Russian position in face-to-face meetings.

- The MIG 25 landing, which prompted a small front page article in the Asahi Shimbun which speculated (for the first time since World War II) on the possibility that the USSR might actually attack the Japanese mainland.[1]

Within the last year, major Japanese newspapers have begun to report regularly on such matters and on the relationship of such issues to broader questions of Japanese security.[2]

3. Changing Japanese Views of Security Issues

Evidence concerning changing Japanese attitudes on security questions is not difficult to discover. There is first of all a whole series of "straws in the wind," i.e., minor incidents or events, which by themselves would be of no great significance, but which taken together assume considerable importance indeed. Early this year, Dr. Masamichi Inoki, the influential President of the Defense Academy, publicly urged the government to increase defense expenditures from the present 0.9 percent GNP to at least 2 percent over the next decade.[3] The number of applicants taking examinations for admission to the Japanese Defense Academy this year reached an all-time high of 14,304, suggesting to some observers that there is a rapidly increasing interest among Japanese

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1 Asahi Shimbun, September 7, 1976. The Tokyo Shimbun recently carried a similar story, noting that the only foreign power which might consider invading Japan is the USSR and suggesting that Wakkanai and Ishikari Bay on the Island of Hokkaido might be possible landing sites. See Henry Scott-Stokes, "Defense Increases Urged by Japanese," New York Times, May 14, 1978.

2 See, e.g., Mainichi Daily News, January 11, 1978, and Asahi Evening News, February 17, 1978.

3 Masanori Kabata, "Defense Academy President Calls for Increased Spending to Beef-up Japan's Military Strength," Japan Times, January 4, 1976.

youths in a career as an officer in the Self-Defense Forces (SDF).[1] In February of 1978, Mr. Hosai Hiyuka, the Chairmen of the Kansai Economic Association, told a group of foreign correspondents in Tokyo that it would be desirable for the government immediately to increase defense expenditures to 1.5 percent of the gross national product; the U.S.-Japanese Mutual Defense Treaty, he asserted, was no longer adequate to protect Japan against all of the threats to its security which might arise in the future.[2] In March, the Asahi Evening News reported that a move was underway in important economic circles to ask the government to relax its ban on arms exports. Mr. Shigeo Nagano, the President of the Japan Chamber of Commerce and Industry (JCCI) has told newsmen that his organization plans to ask the Japan Federation of Economic Organizations (Keidanren) to join with it in requesting the government to relax its present ban on arms exports; specifically, the JCCI wants permission to build warships for the export trade, although it would agree not to equip such ships with weapons.[3]

Public opinion polls suggest that attitudes towards security issues among the Japanese public at large are also changing, although perhaps more slowly than elite opinion. In a poll taken by the Japanese Defense Agency in September 1977,[4] 47% of the respondents indicated that they were interested to at least some degree in defense and security issues, while 50% indicated they had little or no interest. Five years earlier, a similar breakdown showed 37% of the respondents indicating an

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1 Mainichi Daily News, February 12, 1978.

2 Korea Herald, February 23, 1978.

3 Asahi Evening News, March 4, 1978.

4 Japan Defense Agency, Public Information Division, Defense Bulletin I (Jan., 1978) p. 4.

interest in defense, with 59% indicating little or no interest.[1] On the defense budget, the 1977 poll found that 41% feel that it should be maintained at the present level, while 17% believe it should be increased, and 15% favor a decrease in defense expenditures. On the U.S.-Japan security treaty, 34% replied that the treaty is more useful to Japan than not, and 29% said that it is at least somewhat useful; thus 63% of the Japanese electorate generally support the U.S.-Japan security relationship, with only 13% clearly of the opinion that the treaty is either not useful or harmful to Japanese interests. The 63% total should be compared with similar polls taken in the 1960s and early 1970s, which generally showed support of the treaty hovering around the 59% mark.[2] Perhaps most significant, however, were the responses to questions dealing with the need for the SDF. 83% of the respondents (up from 79% in a similar 1975 survey taken by the Prime Minister's office, and up from 47% in a poll undertaken by the Yomiuri Shimbun in 1971) felt that the SDF should continue to be maintained, while only 7% favored its abolition (10% had no opinion). This was the highest level of support which the SDF has received in surveys undertaken since 1956.[3]

The attitudes of Japan's political leaders are also changing rapidly, particularly those of the opposition parties. There has, of course, been no change in the position of Liberal Democratic Party leaders; the LDP's basic policy in favor of maintaining the Japan-U.S. security treaty and improving--if slowly--the military capabilities of the SDF is adhered to as strongly as ever by LDP leaders. Neither is it surprising that the New Liberal Club, which was formed by secessionists from the LDP, also advocates continuing the security connection with the U.S. and improving the

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1 See Akio Watanabe, "Japanese Public Opinion in Foreign Affairs 1964-1973," in Scalapino, op. cit., pp. 105-45. It should be noted that opinion fluctuated considerably between 1968 and 1971, with support for the U.S.-Japan treaty ranging from 45% to 71% during that period.

2 Watanabe, loc. cit.

3 Japan Defense Agency, Public Information Division, Defense Bulletin, I (Jan., 1978) p. 4

quality of the SDF. More interesting are changes which have occurred in the public positions of the Democratic Socialist and Komeito parties. The DSP, which for years campaigned for a phased abrogation of the treaty, now sees it as "an important element to keep the balance of power in Asia."[1] So too the Komeito, which formerly argued that Japan should enter into negotiations with the U.S. leading to a cancellation of the treaty. Komeito leader Yoshikatsu Takeiri indicated at the party's 1978 convention in January that he now favors maintaining the treaty and that the party now also favors giving "due recognition" to the role of the SDF in maintaining the security and independence of Japan.[2] Polls taken by the Prime Minister's office in late 1977 show that 78% of those who support the Japanese Socialist Party and 55% of those who vote for Japan Communist Party candidates favor maintaining the SDF, even though the platforms of those parties still call for the abolition of Japan's military capabilities.[3]

Even the question of a possible nuclear capability for Japan is now discussed more openly than before--by Government officials as well as others. Instead of indicating growing government support for nuclear weapons, however, recent official statements have had the effect of strengthening the official position that Japan will never acquire a nuclear weapons capability. It would appear, though, that behind the facade of "official" statements, serious thought is being given to the pros and cons of such a capability. Official discussion of a possible nuclear capability for Japan has, of course, occurred before. As early as 1957 Prime Minister Nobusuku Kishi, in an appearance before a House of Counselors Cabinet Committee, stated that "it is not impossible for Japan to possess nuclear weapons if they are defensive in nature."[4] Eight years later, Mr. Masami

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1 Mainichi Daily News, January 11, 1978.

2 Japan Times, January 13, 1978.

3 See Mainichi Daily News, January 11, 1978, and Asahi Evening News, February 17, 1978.

4 Kiyoaki Murata, "Japan and Nuclear Weapons," Japan Times, March 3, 1978.

Takatsuji, then Director-General of the Cabinet Legislation Bureau, argued in testimony before the Upper House Special Committee on Japan-Korea Affairs that in his view, under the constitution, Japan can possess any weapons--nuclear or non-nuclear--if they are designed to serve the purpose of protecting Japan against an armed attack by a foreign power. Takatsuji conceded that large-yield nuclear weapons deployed on long-range delivery systems did not meet this standard, but he argued that if technological developments in the future made it possible to manufacture nuclear weapons which were rather unambiguously defensive, these would not be prohibited by Article IX of the Constitution. As have all Japanese public officials in the postwar period, however, he reiterated that, as a matter of national policy, Japan had no intention of acquiring nuclear weapons. Takatsuji's statement was later endorsed by Prime Minister Eisaki Sato who, when asked if Takatsuji's statement was the official position of the Sato cabinet, replied: "it has not been endorsed by a cabinet meeting as such, but as Prime Minister I find nothing in it that I feel I should correct." In March of 1973, the then-Prime Minister Kakuei Tanaka essentially repeated Takatsuji's position.[1] During the succeeding five years, there were no official references to the possibility that Japan might acquire "self-defensive" nuclear arms, although public opinion polls taken during this period showed a significant increase in the number of Japanese who expected that Japan would one day acquire nuclear weapons. To be sure, all such polls continue to show an overwhelming majority of Japanese opposed to Japan's acquisition of nuclear weapons.[2]

One possible sign of changing attitudes in Japan towards the nuclear weapons question during this period, however, occurred during the campaign for governor of Tokyo in 1974. In a television appearance with his Socialist opponent, LDP candidate Shintaro Ishihara (later State

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1 Ibid.

2 See the discussion in John E. Endicott, Japan's Nuclear Option: Political, Technical and Strategic Factors (New York: Praeger Publishers, 1975), pp. 91-101, and cf. Herbert Passin, "Nuclear Arms and Japan," in William Overholt, Asian's Nuclear Future (Boulder, Colo.: Westview Press, 1977), pp. 67-112.

Minister and Director-General of the Environment Agency) suggested that "Japan ought to have at least one nuclear weapon, so that she will be respected in the world"; despite the criticism which he received for that remark from Socialist party leaders and media commentators, Mr. Ishihara still came within a few percentage points of electoral victory in a normally Socialist stronghold.

The debate over nuclear weapons at the official level was resumed again this year. On February 18, Keiichi Ito, Director of the Defense Bureau of the Defense Agency, told the House of Representatives Budget Committee that, in his view, there were no constitutional obstacles to Japan's possession of "defensive tactical nuclear weapons."[1] Although Mr. Ito's remarks stimulated the usual criticism from members of the left-wing parties in Parliament and in certain segments of the media, the criticism was quite mild in comparison with that generated by similar remarks in the past.[2] Four days later, Ms. Takako Doi, a Socialist member of the House of Representatives Foreign Affairs Committee, asked Foreign Minister Sunao Sonoda if it were not true that Japan was forbidden to possess even defensive nuclear weapons as a consequence of having signed and ratified the nuclear nonproliferation treaty. Sonoda agreed:

> If we confine the issue to the interpretation of Article IX, there might be some theoretical argument in favor of our possession of nuclear weapons. But this is in fact forbidden by the NPT and Article 98 of the Constitution which provides that we must faithfully abide by all international treaties. Therefore, constitutionally, we cannot possess nuclear weapons regardless of their size (i.e., whether they are offensive or defensive in this perspective, it doesn't matter).[3]

Mr. Ito also accepted this view, although later observing to reporters that if in the future Japan should cease to be a signatory of the NPT, then she could acquire tactical nuclear weapons without violating the constitution.[4]

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1 Murata, loc. cit.

2 See, e.g., Mainichi Daily News, February 23, 1978, and Tokyo KYODO, March 7, 1978, in Foreign Broadcast Information Service, Asia and Pacific, March 8, 1978, pp. C4-5.

3 Murata, loc. cit.

4 Ibid.

4. Japan's Future Security Role

In any case, all available evidence suggests that at the very least, both Japanese leaders and a fairly broad spectrum of the Japanese public are both aware of changes which are occurring in the security environment in Northeast Asia, and fear that these changes are having an adverse impact on Japanese security. Nevertheless, it should not be concluded that there is as yet a broad popular consensus in favor of a substantial increase in Japan's military capabilities or the assumption by Japan of a greatly increased role in maintaining peace and security in Asia. Significant here is the fact that the Fukuda government, although itself obviously sympathetic to the idea of an increased defense role for Japan, has thus far moved very cautiously. Indeed, in its public statements it has taken pains to disassociate itself from those advocating an immediate increase in defense spending.[1] Popular opposition to the acquisition of a nuclear weapons capability by Japan moreover remains strong, as evidenced by the popular outcry over remarks by U.S. Navy Secretary Claytor implying that, contrary to general belief in Japan, U.S. warships entering Japanese ports do not off-load their nuclear weapons;[2] there remains significant political opposition to the use of U.S. bases on Okinawa and elsewhere in support of U,S. security interests in Northeast Asia.[3] The extremely politicized nature of the Japanese policymaking process and the uncertain future of the LDP make any immediate and radical change in Japanese national security policy unlikely.

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1 In response to suggestions that the government should relax its present policy against arms exports, for example, the Prime Minister on March 7 stated flatly that existing restrictions on such exports would be maintained indefinitely. Foreign Broadcast Information Service, Asia and Pacific, March 7, 1978, p. C1. Shin Kanemaru, Director-General of the Japan Defense Agency has moreover said repeatedly that Japan should keep defense spending below 1 percent of GNP until the mid-1980s. See, e.g., Japan Times, Jan 14, 1978, and Mainichi Daily News, Feb 14, 1978.

2 See Asahi Evening News, February 9, 1978, and Japan Times, February 10, 1978.

3 See, e.g., Okinawa Times, in Foreign Broadcast Information Service, Asia and Pacific, February 24, 1978, pp. C3-4, and the media commentary and analysis in ibid, March 3, 1978, pp. C1-4.

Nevertheless, it is possible that a combination of external and internal pressures could combine to set in motion a serious debate in Japan on defense issues in the near future. How extensive this debate might be, and what conclusions the Japanese public might draw from it, are obviously open questions, but it is possible to identify several factors which could have a critical impact on the emerging discussion of security issues in Japan:

- Various domestic and international economic pressures, discussed extensively in Chapter 3. It should be noted that domestic pressure may come not only from business circles anxious to utilize excess production capability, but also from the major labor unions which are beginning to react to difficulties created by economic stagnation and which have recently changed their official position on the SDF.

- Changing attitudes on national security in the U.S. It is conceivable that the debate in the United States over America's ability to meet its international commitments may grow (perhaps stimulated by a bitter congressional debate over SALT II). This would most likely have an immediate effect in Japan, whose media closely monitor U.S. affairs, displaying a particular interest in SALT-related issues.[1] Such a debate could also give rise to new pressures on the part of American congressmen and other policy leaders for Japan to "carry its fair share of the defense burden."

- Pressure from the PRC. As observed elsewhere in this Chapter, the People's Republic of China has begun openly to encourage a Japanese defense buildup. Given the great attention which China receives in the Japanese press, and the respect it is accorded, such pressures could, if long continued, have a significant impact on Japanese opinion.

- Any international "Shokku" could either greatly stimulate the debate or precipitate an over-reaction, depending, of course, on the precise nature of the "Shokku." A "worst case" would be an outbreak of war on the Korean peninsula. Should the U.S. totally sever diplomatic and military ties with Taiwan and the Taipei government thereupon acquire nuclear arms (or for that matter should the ROK acquire nuclear arms) Japan would be dealt an equal jolt.[2]

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1 Concern over what one Japanese scholar has called America's "leaky nuclear umbrella" appears to be growing rapidly in official circles. See the discussion in Katsumi Kobayashi, The Nixon Doctrine and U.S.-Japanese Security Relations, Discussion Paper No. 65, California Seminar on Arms Control and Foreign Policy, February 1975, pp. 5-12.

2 Several Japanese officials stressed this point in interviews with the SRI/SSC team in February 1978.

Japan today is a nation adrift, a nation without a clear strategy for dealing with international politics. For approximately the last 100 years, Japan has had a clearly identifiable goal, to "catch up with the West." In prewar days it was to be attained through the creation of a colonial empire. In the postwar era of American economic and military dominance, the goal was defined essentially in economic terms, and "catching up" was equated with acquiring a per capita income equivalent to that of America and the advanced European powers. During this period, rapid economic growth was pursued with a single-minded enthusiasm.

At about the time of the Meiji Centennial, in 1968, it became clear that Japan was in sight of achieving its goal according to the terms by which it had been historically defined. Thereupon, a very considerable policy debate developed centering on the key question, "what should Japan do next?" As a part of this debate, the possibility of seeking great-power status was first raised, and then firmly rejected. At the time, however, the strategic and economic environment was very different from that prevailing today. The defense issue is now being raised again, at a time when confidence in America is waning. When the debate over Japan's long-term future again becomes a central issue, which is likely to happen in the next year or so, it is almost certain to include a serious discussion of national security and of Japan's option to become a great power in fact as well as in potential.[1]

E. Increasing Tensions on the Korean Peninsula

The Korean peninsula has long been recognized as the focal point for conflicting great power interests in Northeast Asia. It was the American response to Kim Il Sung's invasion of the South in June of 1950 which brought the United States into direct confrontation with communist ambitions in the region; ever since, it has been the presence of the American troops on the peninsula which has, in the minds of almost all observers--both American and Asian--constituted the key stabilizing

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[1] For a perceptive discussion of Japan's security options for the future, see Henry S. Rowen, "Japan and the Future Balance in Asia," Orbis, XXI (Summer, 1977), pp. 191-210.

force in the complex politics of the region. It is thus not surprising that the early 1977 announcement by the Carter Administration that the U.S. intends to withdraw most of its ground forces from Korea over the next four to five years stirred wide anxiety throughout Northeast Asia. Neither is it surprising that these anxieties became particularly acute in South Korea, which directly faces a totalitarian regime which has made no secret of its desire to unify the country under its aegis, by force if appropriate and necessary. South Koreans of all political persuasions, including political figures who have opposed the authoritarian rule of President Park Chung Hee, have characterized the American move as ill-timed and unwise. It is no exaggeration to say that there has been little or no change in recent years in South Korean perceptions of the military threat from the North, and that there is no disposition to believe that that threat is likely to dissipate at any time in the near future. The near-catastrophic effects of the 1950 war on the economic and social fabric of the ROK produced in the minds of an entire generation of South Koreans an almost pathological commitment to the idea that another attack by the North must be deterred at all costs. Most ROK observers, moreover, do not tend to distinguish as sharply as do Americans between the perceived expansionist designs of Pyongyang and those of Moscow and Peking; South Koreans, including government officials of the ROK, find it difficult to believe that, in the event war broke out on the peninsula, the North would not receive full military support from either the USSR, the PRC, or both.

Neither is there any indication that the rather extensive effort made by the Carter Administration during the past fifteen months to reassure the South Koreans that the troop withdrawal does not presage any weakening of the American commitment to ROK security has had the desired effect. While publicly all South Korean officials, including (and perhaps especially) President Park, have maintained that the proffered U.S. offer of military assistance, coupled with increased defensive preparations on the part of the ROK itself, will enable the South to deal with any military threat from the North after the 1982

troop withdrawal deadline is passed, privately both government officials and non-government observers take a much more worried view.[1] Koreans continue to express uncertainty as to the reasons behind the new American policy; reports that the Administration, whatever its public statements, is primarily interested in avoiding automatic involvement in the event of a North Korean invasion of the South have received considerable attention in the ROK. While it would be too much to say that a siege mentality exists in South Korea, there are clear indications that such a mentality could in fact develop, depending on developments in the North and attitudes taken toward Kim Il Sung's ambitions by the USSR and the PRC.

On the latter point, some South Korean observers agree that there are at present reasons for cautious optimism. To be sure, few South Korean students of international politics are as sanguine as are Carter Administration planners about the impact of the Sino-Soviet dispute on stability in Northeast Asia. Most argue that the dynamics of the dispute cut both ways, on the one hand leading both Moscow and Peking to prefer no outbreak of hostilities on the peninsula at present, but on the other hand severely limiting the options available to both should war actually occur for one reason or another. Still, ROK observers are aware that in recent years the Soviet Union has exhibited little enthusiasm for the expansionist designs of the North. Since 1971, the Soviets have declined to address the Pyongyang regime as the "sole legitimate sovereign state of the Korean nation," a formulation formerly employed almost invariably by the USSR in its references to the North Korean Government. Trade between Moscow and Pyongyang has dwindled during the same period, and North Korean requests for advanced military equipment of the sort given to the Soviets' Eastern European allies and other client states in the Third

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[1] A careful analysis of Korean press commentary over the past year readily substantiates this judgment; it has been fully confirmed by a series of interviews in Korea undertaken by members of the SRI/SSC research team in January and May of 1977 and in February of 1978.

World have been turned down, although the Soviets apparently continue to provide spare parts for previously supplied equipment. By way of contrast, the USSR has recently reciprocated--to be sure cautiously--South Korean overtures for improved relations. Despite North Korean protests, the USSR has invited South Koreans to participate in certain athletic events in the Soviet Union, and cultural exchanges between the two countries were initiated beginning in 1974.[1]

While China remains more closely tied to North Korea, the PRC also has shown few signs of enthusiasm for Kim Il Sung's more expansionist ambitions. China did not lobby extensively on behalf of the North Koreans during the 30th and 31st sessions of the U.N. General Assembly, and explicitly did not provide an affirmative response to apparent North Korean requests for expanded military assistance following the fall of Indo-China in Spring 1975. There have even been minor signs of a "thaw" in Seoul-Peking relations in recent years. In September 1974 China allowed mail service to be established with South Korea and, in July of the following year, agreed to telegraphic links between the two countries. Peking has also accepted visa applications submitted by Koreans who wish to return to the South, and there has been at least one instance in which an elderly Korean was permitted to repatriate.[2]

South Korean perceptions of the security environment in Northeast Asia could also be affected by changes in Japan's security role in the region. While, for obvious reasons having to do with the historical relationship between the two nations, South Koreans have been understandably reticent in the past about advocating a greater security role for Japan in Northeast Asia, such attitudes may be changing; several prominent Korean officials and non-official observers told the SRI/SSC research team in February of 1978 that many Koreans would both welcome a stronger

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1 For a discussion of these and related issues, see Joseph N. Ha and Gregory M. Luebbert, "A Korean Settlement: the Prospects and Problems," Asian Survey, XVII (August 1977), pp. 739-40.

2 Ibid., pp. 741-42.

expression of official Japanese interest in the maintenance of a non-communist regime in the South, and would look favorably upon the development of closer security ties between the two nations. For a variety of reasons, however, Japan is likely to move cautiously in this area. While over the course of the past 20 years many Japanese officials have expressed themselves openly concerning Japan's security interest in Korea, it has been Japanese policy to rely upon the U.S. to maintain peace on the peninsula. During the past year in statements on Japan's foreign policy, government officials have on occasion discussed Japan's security interest in the ROK rather directly, and some Japanese defense officials are now willing to discuss privately the possibility of closer security ties between the two countries;[1] nevertheless, it seems clear that any substantial expansion of Japan-ROK security ties will have to await the development of a broad consensus within Japan on the need for a larger Japanese role in security arrangements in Northeast Asia generally.[2]

The final factor affecting South Korean security and perceptions is, of course, the policy of the North. As discussed later in this study, the future evolution of Pyongyang's international policy remains problematic, for reasons having to do with the character of the regime itself. Several points, however, are worth making. First, the North is growing increasingly less dependent on military assistance from the communist superpowers. The DPRK is now capable of producing much of its own military hardware, and, as a consequence of the high percentage of its national product devoted to military procurement, it has substantially improved its military capabilities vis-a-vis the South during the course the past decade. Should the gap in military capabilities between the

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1 Several Japanese officials raised this question in discussions with members of the SRI/SSC research team in Tokyo in February 1977.

2 For analysis of these and related points, see James H. Buck, "The Role of Korea in Japanese Defense Policy," Asian Affairs, IV (March-April 1977), and Young Whan Kihl, "Changing U.S.-Japan Relations and Korean Security," Journal of Korean Affairs, VI (July, 1976).

North and South continue to grow over the next several years, by the time the American troop drawdown is completed the military advantage of the North may be decisive--or at least appear to be decisive in Pyongyang's perspective. This could lead the North to initiate hostilities against the ROK, regardless of whether it has obtained prior approval of the move from Moscow or Peking.

These considerations are given added weight by economic trends on the peninsula (discussed in some detail in Chapter III of this study). These trends clearly favor the South, so much so that Pyongyang may at some point in the not distant future conclude that unless it moves quickly and decisively against the ROK, the expansion of the ROK's industrial base and the concomitant growth of the ROK's own capabilities for production of military hardware may deny the North the possibility of conquest forever.

Such considerations as these suggest the possibility of growing insecurity on the Korean peninsula in the near term, particularly as U.S. military power in the region recedes.

F. The Prospects of Nuclear Proliferation in Northeast Asia

The changing security environment in Northeast Asia may have one additional consequence which thus far does not appear to have received adequate attention from U.S. policymakers: an impressive case can be made for the proposition that growing insecurity in Northeast Asia is likely to lead one or more nations in the region to make a serious attempt to acquire a nuclear weapons capability within the next five to ten years. The 1973-74 oil crisis increased the pressures on South Korea, Japan, and Taiwan to place greater reliance on nuclear power as an energy source for the future; and the technical competence of all three nations in nuclear technology has been steadily increasing. Taiwan's principal opponent is a nuclear power; the regime in any case desperately needs international prestige in the face of the PRC's carefully orchestrated

diplomatic campaign to isolate Taipei in international politics; and the acquisition of nuclear weapons could contribute significantly to Taiwan's status and prestige. The ROK as well is a nation which has lacked status in international politics, and, in addition, could readily justify the acquisition of nuclear weapons on purely military grounds.[1] In a 1975 interview with columnists Roland Evans and Robert Novak, South Korean President Park Chung Hee was quoted as having said: "If the U.S. nuclear umbrella were to be removed, we would have to start developing a nuclear capability to save ourselves."[2] While Japan's aversion to nuclear weapons in well known and there are few signs that either public or political opinion in Japan regards the idea of acquiring nuclear weapons any more favorably today than was the case in the past, Japan's capability to produce nuclear weapons within a short time is well known.[3] The question remains, then, whether, if Taiwan or the ROK (or both) were to acquire a nuclear weapons capability, Japan could stand by without doing so herself.

To be sure, the U.S. Government retains substantial leverage over the commercial nuclear power program in all three countries and in other areas as well, which could be employed to inhibit the development of a nuclear weapons capability. The ability of the U.S. to prevent nuclear proliferation by means of technical controls alone, however, should not be exaggerated, and, should the security environment in the region continue to degenerate towards instability, the prospects for nuclear proliferation in Northeast Asia would obviously increase.

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1 See the discussion in William Overholt, "Nuclear Proliferation in Eastern Asia," in Overholt (ed.), Asia's Nuclear Future (Boulder, Colo.: Westview Press, 1977), pp. 146-47.

2 Evans and Novak, "Korea: Park's Inflexibility," Washington Post, June 12, 1975.

3 For a thorough review of these and related issues, including the technical capabilities of Japan and the ROK in the nuclear area, see James E. Dornan, Jr., "The Prospects of Proliferation in Northeast Asia," Comparative Strategy, I (forthcoming). See also the discussion in Part D, above.

II NATIONAL INTERESTS AND THREATS TO THEM

A. General: Interests and Objectives

As noted in Chapter I, the intersection of great power interests in Northeast Asia creates a complex pattern of bilateral and multilateral interactions: the multiple sets of bilateral relations of the four major powers (USA, USSR, PRC, Japan) vis-a-vis one another, and the interactions of each of the major powers with the two Koreas. There are also triangular sets of interests, e.g., U.S.-PRC-USSR, Japan-PRC-USSR, etc. It is the purpose of this chapter to identify the principal interests of each of the nations involved and to describe the threats to these interests.

National interests (factors of perceived value to a state) and national objectives (goals set out by a state to protect its interests) are terms sometimes used interchangeably. To state an interest (e.g., Asia) is usually to imply the corresponding objective (to deter aggression and thereby prevent a destabilizing power shift). In this discussion, inasmuch as the study objective is to assess alternative U.S. strategic postures in Northeast Asia, a distinction is made between U.S. interests and objectives. In the final chapter, these alternatives will be stated in terms of strategic objectives and the postures in support of them. For the other nations it is considered appropriate and sufficient to integrate the two factors and describe them as "interests/objectives" for the purpose of relating interests and threats.

U.S. interests are determinable with a comparatively high degree of assurance from official documents and statements, from direct contacts with policymakers, and as discernible within the substantial body of critical research on U.S. policy. U.S. objectives are also reasonably determinable, although they are somewhat more susceptible to interpretation

than are interests. The interests and objectives of allies are generally ascertainable from official pronouncements and from U.S.-allied interactions in formal and informal channels, although there is seldom complete mutual understanding of exactly what they are and how strongly they are to be defended. The interests and objectives of adversaries pose a more difficult problem; they can be defined only by drawing inferences and judgments on the basis of usually less than complete information. Adversaries' interests and objectives are influenced by national intentions, which cannot be fully known, and the process of identifying them includes, for example, sorting out from their pronouncements and their actions what is real and what is propaganda.

Interests tend to endure, changing comparatively slowly over time. Even a new administration which takes a general foreign policy approach differing from its predecessor seldom attempts to change the delineation of national interests, although it may well reorder the priorities to be applied among them. However, the threats to national interests--at least the perceived threats--are subject to change, and therefore a nation's objectives in support of its interests may correspondingly change. In East and Northeast Asia, for example, the perceived threat to U.S. interests from the Peoples Republic of China is now declared to be of much lower order than in prior years. In the DoD annual Report for Fiscal year 1979, it is stated, "the Sino-Soviet dispute and the focusing of PRC forces on the Soviet problem have led to a reassessment on our part of the likelihood of a U.S.-PRC conflict. As a result, we no longer plan forces on the basis of a U.S.-PRC conflict, although a responsive conventional force structure as well as nuclear forces provide hedges against a potentially threatening China."[1] On the other hand, the Soviet threat is perceived as increased, especially as embodied in the growing strength of the Soviet Pacific Fleet.[2] U.S. interests (which can be roughly

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[1] Department of Defense Annual Report, Fiscal Year 1979, p. 40 (Washington, DoD, 1978).

[2] Ibid.

summed up as the U.S. intent to remain a credible Asian power) continue in the main as before, but there are changes in objectives, as reflected in "our Asian deployments, base structure, and the way we think about our Asian defense posture."[1]

In the approach to identification of national interests, it should be remembered from the outset that the United States and the Soviet Union have a fundamentally different concept of the relationships among powers. The key word in the American lexicon is stability, while for the Soviets it is dynamism--by ideological necessity the status quo is abhorred. In the Soviet view, "balance of power" almost equates to "anticommunism" and is therefore in immediate opposition to the preferred Soviet concept of the "correlation of forces," a dynamic interaction between nations involving all the elements of national power. It is a basic tenet of the Marxist-Leninist ideology of the Soviet Union that the tide of history is irresistibly shifting this correlation of forces in favor of the Soviet Union and the world Socialist camp.

In the Northeast Asia context, the American quest for stability can generally be said to be an interest shared by the U.S. allies, and the Soviet rejection of stability as characteristic of America's adversaries. Among the latter, however, there are differences of degree of adherence; China, for the present, seems more inclined to accept a balance of power situation than the Soviets, if only because it has no real alternative. The principal point made here is that when the traditional U.S. interest in a stable balance of power is set out as a point of departure in formulating alternative strategies, it must be recognized that this concept is at once a point of disagreement with our adversaries.

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[1] Ibid.

B. Interests and Objectives of the Major and Local Powers Involved in Northeast Asia and the Threats to Them

The interests, objectives and threats pertaining to the nations principally involved in the strategy of Northeast Asia are presented here in tabular form, followed by a discussion of these factors, by country, and finally from a regional perspective. The country listings of interests and threats are in a general order of priority, as believed to be perceived by each country.

1. United States

The U.S. interests identified in the table are those about which there is general consensus among policymakers and analysts concerned with Northeast Asian strategy. Yet this set of stated interests cannot properly be related to the problem of formulating policies and military postures to support them without considering a significant underlying factor: there is lacking a clear indication of the basic importance of Asia within the global framework of American interests, this notwithstanding the general consistency of U.S. pronouncements. The problem goes back at least to World War II and the frustrating era of adjustment to a nuclear-armed world which followed.

It has been in Asia that America and the rest of the free world have had to come to grips with the concept of limited war. The policy of containment which was adopted by necessity in the early post-World War II years has been tested by actual conflict mainly in Asia, and with results highly frustrating to America. It is not appropriate here to recount in detail the complicated evolution of post-World War II events affecting the United States in Asia, but only to make the point that the U.S. role in Asia is truly the product of a complex set of political-military developments, and that it is therefore not surprising that there remains considerable ambiguity in U.S. Asian policy--in the minds of Americans and in the perceptions of Asians as well.

Table II-1

U.S. IN NORTHEAST ASIA

Interests	Objectives	Threats
Preservation of power balance	Deter aggression, prevent destabilizing shift	Increasing Soviet military strength, a Sino-Soviet rapprochement
Maintenance of U.S. influence in region	Project visible and credible U.S. presence, maintain commitments	Perception by friends and adversaries of U.S. retrenchment
Preservation of security and integrity of Japan	Maintain security-economic linkage with Japan	North Korean threat to "forward shield" in Korea
Opportunity for U.S. economy to prosper and grow	Promote trade and investment, without disrupting other allied economies	Restrictive economic policies, imbalance of trade, loss of U.S. security credibility, cutting business confidence
Security of U.S. forces and bases	Possess capability and will to protect U.S. forces and host nations	Misperception of U.S. will
Freedom of movement over LOCs	Deter threat to LOCs of U.S. and allies	Expanded Soviet fleet and air arm
Stable nuclear environment	Prevent nuclear proliferation	Perception of failure of U.S. security guarantees
Survival and growth of Free World economic system	Engage in economic cooperation (and aid where necessary), access to raw materials, transfer of technology	Economic warfare by Communist command economies
Respect for human rights	Integrate human rights considerations into bilateral and multilateral relationships	Compromise of human rights by allies and adversaries, subordination of U.S. human rights goals to other foreign policy considerations

Nevertheless, the imperatives of the strategic challenges facing the United States now and in the future demand that the place of Asia (and the great power focal point of Northeast Asia in particular) in the span of U.S. interests be made unambiguous. Although by history and culture there has been a natural linkage of the United States to Europe, it is in East Asia that:

- U.S. trade with East Asia exceeds that with the European Economic Community, and this gap is likely to increase;
- More than one-fourth of the world's population is represented by three nations whose interests converge in Northeast Asia--China, the Soviet Union and Japan;
- Japan's economic, geographic and political attributes make the U.S.-Japan alliance of critical importance;
- The U.S. capital investment is some $15 billion and growing;
- The potential exists for a major world source of oil in the offshore waters;
- The Korean peninsula continues to be a focal point of East-West confrontation, which could erupt into armed conflict that would affect vital interests of the United States.

These and other realities would seem to make it clear that the United States does have important and undoubtedly enduring interests in East and Northeast Asia. That there has been some ambiguity in the past in the perceptions of U.S. interests and intentions should be recognized as a problem to be overcome.

Listed in Table II-1, and normally noted first in any delineation of U.S. interests in Northeast Asia, is the preservation of a stable balance of power. Preservation of this power balance is fundamental because

its attainment will undergird the protection of nearly all the other U.S. interests, including the security of Japan, the maintenance of U.S. influence, opportunities for trade and economic growth, and a stable nuclear environment.

The concept of stability, maintained by a balance of power, has been a basic tenet of American foreign policy through successive Administrations.[1] In Northeast Asia, a region which continues to contain many sources of instability, there has been a surprisingly extended period of equilibrium. For twenty-five years an armed truce has been preserved. In spite of serious incidents--for example, the capture of the U.S.S. Pueblo, the assassination of the wife of President Park Chung Hee, the axe murder of American officers at the DMZ, the shootdown of an unarmed U.S. helicopter--there has been no escalation to war. There is general acceptance of the premise that the presence of U.S. forces in Korea, with an American in command of all the forces in South Korea, has been the key factor in deterrence and the consequent stability over these many years.[2]

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1 U.S. foreign policy, even at times when it was strongly dominated by isolationism, has responded to the ultimate imperative of preventing a concentration of power in the hands of a dangerous adversary. John Spanier, analyzing the reasons for America's intervention in World Wars I and II, observed, "The issue in 1917 and 1941 was not whether the nation preferred peace and domestic preoccupation to foreign involvement, but what self-preservation obliged it to do. The shifting balance of power left the country no choice." John Spanier, American Foreign Policy Since World War II, p. 6 (New York, Praeger, 1973).

2 Frank Gibney, in a recent article analyzing the effects of withdrawing U.S. forces from Korea, commented on the key restraining role played by the existing military arrangements: "An American four-star general is in charge, as U.N. commander in chief, a holdover from the Korean War days when the war was sanctioned as a United States effort. The value of such cautionary control is obvious." Frank Gibney, "The Ripple Effect in Korea," Foreign Affairs, October 1977, p. 167.

A problem is that the U.S. force presence is a victim of its own success: there has been no war in Northeast Asia for a quarter of a century, so the cry goes up to get the forces out, the implication being that they are no longer needed, that they have been there too long already, that the United States never promised to stay forever, etc. It is akin to the perennial attempts in years past by some members of the U.S. Congress to recall some or all of the U.S. forces from Europe; because there had been no war in Europe, the proponents of recall were expressing a weariness with what seemed no longer to be a necessary American obligation. However, little is heard on that score now, because it is recognized by nearly all observers that the Soviet-Warsaw Pact threat is real and growing, detente notwithstanding. The Carter Administration, which came into office promising defense budget cuts, not only has refrained from reducing U.S. forces in Europe, it is reinforcing the U.S. contribution to NATO. Although the United States seeks stability in both Europe and Northeast Asia, the judgments as to how to preserve the power balance vary from one region to another.[1] The difference is in the perceived threats to stability in each region.

The military threat to stability in Northeast Asia stems from three national sources: the Soviet Union, China and North Korea. As perceived by the United States, the Soviet threat is, as throughout the world in general, the primary threat, and in this region it takes form most conspicuously in the growing strength of the Soviet Pacific Fleet; "... our defense policy for Asia increasingly emphasizes the need to counter the

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[1] Richard Burt, New York Times news analyst, recently reported that a "major debate has broken out over the military priorities of the Carter Administration, with defense analysts in and out of government questioning whether the new emphasis on strengthening Western defenses in Europe will be at the expense of a capacity to respond to challenges in other parts of the globe ... other analysts assert that the buildup in Europe suggests a loss of interest in maintaining a balance of power in Northeast Asia and the Pacific." New York Times, 24 March 1978, p. 3.

Soviet naval threat."[1] The threat from China is, as noted above, largely neutralized by "the Sino-Soviet dispute and the focusing of PRC forces on the Soviet problem."[2] On the Korean peninsula, "North Korea continues to improve its military capabilities relative to South Korea, but the long-term overall trends clearly favor the South."[3] In sum, the U.S. perception of the military situation in Northeast Asia is one of manageable equilibrium, and the scheduled withdrawal of U.S. ground combat forces is seen as a "gradual and cautious change [which] should be much more conducive to stability in Asia than an abrupt reversal of policy that would be likely to result from frustration with an obsolete status quo."[4] Further explanation of the rationale for the force withdrawal appears in the posture statement of the Chairman, JCS: "The phased withdrawal ... is made possible by Korea's significant economic progress, her improving capability to conduct a military defense without U.S. ground combat forces, and planned compensatory actions by the United States."[5] The U.S. interests and the general strategic objectives remain essentially unchanged from those identifiable over the last two decades or more, but because the perceived threats have changed, the posture and policies for protecting these interests are being modified.

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[1] Department of Defense, Annual Report, Fiscal Year 1979, p. 40 (Washington, DoD, 1978).

[2] Ibid.

[3] Ibid., p. 8.

[4] Ibid., p. 41.

[5] Statement by General George S. Brown, USAF, Chairman, JCS, to the Congress on the Defense Posture of the United States for FY 1979, pp. 56-57 (Washington, GPO, 1978).

As to the perceived threats, considerable reliance apparently is being placed on the constraining effects of the current deployment of major Soviet and Chinese forces opposite each other on their common border. Yet there are at least two factors bearing on this perception which are worthy of consideration for contingency planning: (1) the Sino-Soviet force confrontation may not persist over an extended period, specifically, it may not endure throughout the four-to-five year phased withdrawal of the 2nd Division; and (2) both the Soviets and Chinese have capabilities in forces other than those tied down on their borders.

As to the first consideration, the Sino-Soviet situation in either peace or war may change. If peace continues, the Chinese may tire of the situation in which half the Chinese Peoples Army is deployed against the Russians, and initiate diplomatic moves to reduce the tension between them: end the anti-Soviet polemics, and make serious offers to resolve border disputes. The Chinese are undoubtedly aware that their forces, though massive in size, are inferior to the Soviet forces: a ratio of 1 to 2 in tanks; 1 to 4 in air support; a lack of sophisticated air defense; no tactical nuclear support; inferior in mobility; and must rely on vulnerable fixed telecommunications. If the Chinese were sufficiently conciliatory, the Soviets might regard it in their interests to negotiate, and eventually agree to a mutual reduction of opposing forces.

On the other hand, if war between the Soviets and Chinese should occur, Soviet doctrine would make it unlikely that the Soviets would allow their forces to be tied down in a protracted conventional land war; an all-out nuclear/conventional combined forces assault is probable, with the advantage clearly on the Soviet side. China, even if it did not quickly surrender, would be rendered militarily impotent in a short space of time.

If either of these eventualities were to occur, the Sino-Soviet equation as it affects U.S. Asian strategy would have changed. In the rapprochement case, both the Soviets and Chinese would have more flexibility for use of their forces to threaten the United States and its

allies. In the war scenario, the Soviets would emerge the stronger, and thus the Soviet threat would not consist only of naval forces but would include land and air forces as well.

Regarding the second consideration noted above, even if the Sino-Soviet military situation continues, there are forces not committed to the confrontation which pose threats. There are, for example, Soviet airborne divisions which can be a threat to Japan (described below in the section on Japan). The Soviet Navy has been divided approximately equally among the four fleets (Northern, Baltic, Black Sea and Pacific) but the Pacific fleet is being augmented by the deployment of additional nuclear attack submarines and missile-firing surface ships. The first of the Soviet aircraft carriers, the Kiev, is expected to be assigned to the Pacific Fleet. This fleet has missions not only in the Pacific but is also the source of deployments to the Indian Ocean. These missions include (1) the destruction of enemy naval forces, (2) interdiction of sea lines of communication (SLOC), (3) support of Soviet national policy, and (4) projection of force (including amphibious landings and the general support of forces on the ground). If the Korean peninsula were to fall under the control of a regime linked to the Soviet Union, the use of Korean ports would facilitate the carrying out of Soviet naval missions.

The Chinese Navy is now a lesser threat than the Soviet Navy but is potentially of concern to the United States and its allies whose dependence on SLOCs is vital. China supports the concept of a 200-mile economic zone and does not accept the right of ships of other nations to have free transit through straits in what China regards as territorial waters. China regards itself as the victim of strategic encirclement and one way to break out would be to undertake a vigorous application of sea power over those Chinese coastal waters traditionally used by other maritime nations, directed

in particular against the USSR but affecting the United States and Japan (and South Korea) as well.

If, as noted above, the Korean peninsula were to become an extension of the Soviet naval reach, China would feel even more encircled than now. Whether this would make Soviet-PRC naval clashes more likely, or result in Chinese acquiescence to superior overall Soviet military power, is difficult to predict, but it seems certain that political tension would heighten and it is one more example of the value of stability on the Korean peninsula. The U.S. deterrent role there is both military and political and, as regards the ultimate ingredient of deterrence, the political is probably the key one.

Militarily there seems to be general agreement that the North Korean forces are superior to the forces of the South. The buildup of the North's capabilities over the past five years has been impressive. In force capability ratios the North exceeds the South approximately 2 to 1 in artillery, armor, combat aircraft and naval combatants (including a ratio of 13 submarines to none). North Korean forces are so deployed that with little time for warning a major three-dimensional attack could be launched against the South, and because Seoul is only about 25 miles from the DMZ, the tactic of trading space for time is not available to the South's defenders. Defensively the North has gone in extensively for hardening of both military and industrial targets. With a substantial indigenous arms production force and major stockpiling of ammunitions and other war materiel, the North could extend an offensive for weeks or months without external resupply.

The American forces now make a significant contribution to redressing the military imbalance between the forces of the two Koreas. The combined air forces of the United States and South Korea which are present on the peninsula, plus the availability of other U.S. Air Force and U.S. Navy air units in the region, would probably give the U.S.-ROK side an advantage

in warfighting over North Korean air, but North Korea's strong air defenses and hardened installations would serve to blunt any air assaults against the North. Defensively, the U.S.-ROK forces could limit the effectiveness of North Korean air attacks on the South.

The U.S. 2nd Division, although constituting only about 15 percent of the ground forces in the South, makes important contributions in armor and antiarmor, artillery, mobility, communications and intelligence. South Korea's Force Improvement Plan (FIP) is designed to fill the gaps now being covered by U.S. forces, on the ground and in the air, but to a lesser extent at sea. There will be a continuing need for the U.S. 7th Fleet's capabilities to defend South Korea, and for the next several years at least, for the U.S. Air Force units, in-place and deployable from other forces within the region. The withdrawal plan includes adding 12 F-4 aircraft to the 60 already in Korea. On the ground, it is judged by the Administration that the FIP will improve the ROK's capabilities sufficiently to allow for the eventual total withdrawal of the U.S. ground combat forces by about 1982, but an important condition is attached to this estimate: that the North does not continue to acquire arms. If the USSR and/or PRC continue to provide arms, and the North's own facilities continue to produce arms, the South will remain at a disadvantage in armor, artillery and air defense.

In sum, there is little disagreement about North Korea's military advantage over the South, and no real dispute about the North's ability to keep the edge if it and its Communist allies decide to press on with the buildup which has been observed over the past five years. The differences in judgment arise over the nature of the roles played by the forces present on both sides of the DMZ in Korea, and the impact of the changes that are taking place. It is on the Korean peninsula, where approximately 1 million men are under arms, with the tangible threat of an attack by the North against the South, that the stable balance of power is most specifically

jeopardized.[1] The attack itself would of course break stability, but the effect on the balance of power depends on the outcome.

It must at least be assumed as possible that an attempt by North Korea to defeat the South would be either partially or wholly successful, even with U.S. assistance to the ROK. Repulse of the North and restoration of the status quo ante is of course also possible--even probable--but analysis of the problem requires consideration of the effect of an adverse outcome, resulting in a North-dominated Korean peninsula. A very briefly described scenario can serve to illustrate the effects of such an outcome on the power balance.

Scenario. Shortly after all U.S. ground combat forces have departed, the North launches a surprise three-dimensional attack on the South, aimed first at capturing Seoul. By prior arrangement with North Korea, Soviet naval units take position off South Korea's coast immediately after Pyongyang attacks, arriving before U.S. naval forces have time to reach Korea.[2]

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[1] There seems to be general agreement by U.S. policymakers that the Korean peninsula is a high-risk area. Among officials recently noting this threat is Mr. Richard C. Holbrooke, Assistant Secretary of State for East Asian and Pacific Affairs, who said that the Korean peninsula is one of the few areas of the globe with a real potential for conflict. (Baltimore Sun, 2 March 1978, p. 2). There are valid differences in judgment as to the circumstances under which Kim Il Sung would actually risk an attack on the South.

[2] Inclusion of the presence of Soviet naval forces in this hypothetical situation admittedly raises the question of whether the USSR would take such a risk, and it thereby tends to make the scenario more of a "worst case" than otherwise, but the purpose is to demonstrate the change in the nature of the threat which the existence of a substantial and versatile Soviet naval force (carrier air, missile-equipped surface ships, submarines and land-based naval air) in the region makes as compared to the situation when the 1950 Korean War began. The "sanctuary" off Korean shores which the U.S. Navy enjoyed in 1950-53 cannot be counted upon in a future conflict, thus posing a significantly different framework for U.S. decisionmakers.

In accordance with the Forward Defense Concept (FDC), the United States and South Korea direct that ROK forces defend on the ground and U.S. and ROK forces counterattack by air against North Korea. ROK naval units do what they can, pending arrival of the U.S. Navy. However, in spite of determined resistance, the North Korean spearhead penetrates into Seoul, and after a period of intense urban warfare, drives out the bulk of the defending forces. Some of Seoul's civilian population escapes in refugee columns heading south, but the bulk of the seven million inhabitants are trapped in the city. ROK-U.S. forces are reluctant to launch intensive air and artillery attacks against the North Korean forces in Seoul for fear of high civilian casualties.

After the fall of Seoul, the momentum of the overall attack decreases, and North Korea offers to negotiate with the United States, either bilaterally or within the framework of an international conference. Kim Il Sung and his Soviet advisers calculate that the United States will respond to a chance to get out of what could become a deeper and deeper "involvement on the Asian mainland." The U.S. air forces and the ground logistic forces have suffered casualties but are still largely intact, behind the FEBA, and the U.S. air units are still assisting the ROK forces in attacking North Korea and enemy forces between Seoul and the DMZ. U.S. naval units are approaching Korea, but are ordered to delay entry into the conflict in order to weigh the consequences of direct engagement with Soviet naval forces already in place, to consider the threat of Soviet LRA, and the probable presence of Soviet submarines.

The U.S. President is advised that recapture of Seoul will be difficult, and costly in lives of Korean civilians. The President consults with Congressional leaders of both parties, who advise against reintroducing U.S. ground combat forces, and against risking a naval clash with the Soviets. Such advice as can quickly be got from China indicates that the PRC favors negotiations. The USSR does not respond to U.S. inquiries. Japan advises negotiation.

Against the wishes of South Korean civilian and military leaders,[1] the President decides to negotiate with North Korea. Both sides declare a cease-fire, which is not completely obeyed by South Korea, but the major part of fighting stops.

North Korea demands a coalition government, with Seoul as the capital, over a confederated Korea, with elections to be held regarding the future political structure at a date to be determined. U.S. forces in Korea are to withdraw. The United States agrees to this general formula, and a period of uneasy tension begins, marked by continuing sporadic violations of the cease-fire. As in 1953, the ROK government does not formally agree with nor participate in the signing of the armistice.

If such a scenario were to become reality, what would be the effects on the regional power balance? It would be a clear gain for both North Korea and the Soviet Union, the latter getting credit with North Korea for partial frustration of the U.S. response, and therefore a place of increased influence in North Korea at the expense of China. China would thus suffer a loss of influence, and would be even more apprehensive than before about a Soviet attack on China.[2]

Japan would see realized its fear that the Korean peninsula is a "dagger pointed at the heart of Japan." Although in the crunch of the crisis Japan had advised the United States to negotiate, to prevent what

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[1] For the purpose of defining this scenario, it is assumed that the ROK leadership would not want to capitulate at this point, but it is also assumed that there would be some senior Koreans who would favor a cease fire, to prevent further destruction of South Korea's highly valuable and vulnerable industrial structure.

[2] A possible fallout of China's perception that the USSR had gained a regional power advantage would be overtures by China in search of a greater degree of detente with the USSR--this would be particularly likely if Soviet gains are seen as America's losses.

it feared as an expanded war eventually threatening Japanese LOCs[1] and even its homeland, Japan would likely regard the negotiated armistice as evidence of U.S. weakness, and therefore would be inclined to reexamine the risks versus the benefits of continued alliance (in its present form) with the United States.

Without taking all these events to a variety of possible conclusions, it can fairly be said that the power balance would have changed, that a higher degree of instability would have been introduced, and that most or all of the U.S. interests listed in the table above would have been jeopardized. As a matter of hindsight, the truism could be stated that this scenario had been triggered by a shift in North Korea's (and the USSR's) perception of the U.S. deterrent. As noted in Table II-1 above, the U.S. objective which corresponds to the U.S. interest of preserving a stable balance of power in Northeast Asia is the deterrence of any aggression which could result, if successful, in bringing about a destabilizing power shift. The key word is deterrence. Warfighting capability is a necessary but not sufficient element of credible deterrence. Deterrence is not credible without the political will to use warfighting capabilities if deterrence should fail. Neither is it credible without the risk factor. If the potential aggressor sees that the United States has taken a posture to minimize the risk of involvement, he can then at least calculate that the United States may, or may not, act to repulse his aggression. He may judge wrongly, but it must be admitted that the change in the U.S. posture has allowed him the opportunity to reconsider his chances for success in an aggressive move. Because credible deterrence is composed of three elements—warfighting capability, political will, and risk of involvement—any change in U.S. posture must take account of how each of these elements is perceived to change.

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[1] At the outset of the war postulated here, it is possible that the Soviet Union would threaten Japan that if U.S. bases in Japan are permitted to be used in support of the war, Soviet submarines will be free to attack Japanese shipping.

The scenario suggested above serves to highlight the problems raised by a partial withdrawal of U.S. forces from Korea. Of the three general choices available to the United States regarding the U.S. forces in Korea, two can be called "hard" choices, and one has the appearance of being easy. The "hard" choices are (1) to maintain essentially the status quo, the posture which has demonstrably served to deter war on the peninsula for 25 years, or (2) complete withdrawal. The first choice is "hard" because it seems to be an acceptance of an unending tiedown of U.S. forces in a distant place. It would have been a "hard" choice for President Carter, because he had promised during his campaign that he would make a change in the deployment situation in Korea.[1] The other extreme, complete withdrawal, is also "hard," because it is agreed by virtually all observers that in the current North-South balance of military power, the South would be at a clear disadvantage if the American forces depart now, and that such a precipitate move might lead to war.

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[1] President Carter's campaign pledge first became U.S. policy on February 1, 1977, when Vice President Walter Mondale told a news conference in Tokyo: "With respect to Korea, I emphasized our concern to maintain a stable situation on the Korean peninsula. I cited that we will phase down our ground forces only in close consultation and cooperation with the Governments of Japan and South Korea. We will maintain our air capability in Korea and will continue to assist in upgrading Korean self-defense capabilities."

... On March 9, President Carter took the occasion of South Korean Foreign Minister Pak Ton-chin's visit to announce the "4-to-5 year" withdrawal schedule and to again emphasize consultations with South Korea and Japan. The basic decision document, Policy Review Memorandum (PRM) 13, containing an estimate that North Korea had a definite offensive capability, was then still in its early draft stage...

... With this explicit Presidential guidance, PRM 13 was seen by many in the bureaucracy as primarily an implementation document, a question not of whether to withdraw, but simply how to reduce ground combat forces. [Quoted from "U.S. Troop Withdrawal from the Republic of Korea," A Report to the Committee on Foreign Relations, U.S. Senate, by Senators Hubert H. Humphrey and John Glenn, 9 January 1978, p. 20 (Washington, GPO, 1978)].

In between these two extremes is a third course, to withdraw partially, i.e., to make a "gradual and cautious"[1] change. This option avoids being accused on the one hand of blindly adhering to an "obsolete status quo,"[2] and on the other of being reckless by ordering precipitate withdrawal. The "middle course" can be claimed to give more flexibility in a future crisis situation, by "keeping U.S. options open." But does it really accomplish this goal?

The main elements of the forces remaining at the end of the planned partial withdrawal will be the Army personnel who will be performing logistics, intelligence, communications and other functions, and Air Force personnel of the 314th Air Division (reinforced by additional F-4 aircraft). If North Korea attacks, these forces will be "involved" from the outset, unless the NCA were to make an immediate decision that the U.S. force elements were to avoid participation in the Forward Defense Concept. (Presumably such a decision would involve orders to prepare for prompt evacuation of these forces from Korea.) Such a decision, made at the very outset of conflict, would be extremely difficult politically.

The problem is that the hoped-for flexibility--nonautomatic involvement--may not be gained by opting for the new force posture in Korea. Admittedly there will be no automatic involvement of U.S. combat ground forces, because they will be gone, but it is difficult to see how the U.S. Army and Air Force personnel could avoid suffering some casualties in a concerted North Korean attack. Even if, as may be possible, North Korea carefully avoids attacking the U.S. air bases at the outset, a dilemma is still posed for U.S. decisionmakers: whether to take this as a signal that North Korea wants to avoid direct conflict with the Americans, in which case the United States refrains from ordering the U.S. Air Force

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[1] DoD Report, FY79, op. cit., p. 40.

[2] Ibid.

into the battle, or to regard the commitment to assist the ROK as overriding, and attack, fully expecting then that the U.S. air bases will be hit. Critical hours may go by while this dilemma is being resolved. Thus the hoped-for "flexibility" of the posture after U.S. ground force withdrawal may be a chimera. U.S. noninvolvement is still possible, but only on the basis of an immediate decision to extricate U.S. forces. What has been lost from the deterrent factor is the political element of the high risk of involvement of U.S. ground combat forces, as this factor has existed for 25 years of effective deterrence. Deterrence without risk is a contradiction in terms; there is truly no such thing as "no-risk" deterrence. The American brigade in Berlin and the Seventh U.S. Army deployed in Germany are examples of this kind of reality, and their effectiveness as a vital element of the deterrent to Warsaw Pact aggression depends upon their inescapable engagement if the Pact should launch a war against NATO.

Critics of the Administration's decision on Korea question whether there is a sufficiently sound rationale for the force withdrawal.[1] In the documents, such as the DoD Report for FY79 referenced earlier in this chapter, which do state the reasons for withdrawal, little is said about the political nature of the force presence, i.e., the political will of the United States demonstrated by leaving its ground forces in "harm's way." There is much in the documents pertaining to the North-South military balance in Korea, which suggests a greater preoccupation

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[1] A Washington correspondent reporting on Congressional reactions to the withdrawal, concluded his article as follows: "What is most evident, even among the Administration's supporters in Congress, is a sense of confusion and uncertainty about the purpose of the withdrawal. 'No reason has yet been given as to why anyone should favor a United States troop withdrawal' said Mr. [Les] Aspin [Democrat of Wisconsin]. 'There has been a lot of testimony explaining why the opponents of the troop withdrawal are wrong and why troop withdrawal is not a bad idea, but no testimony as to why it is a good idea. What are the advantages? Does it give us greater flexibility? The case for withdrawal is not being made.'" Bernard Weintraub, in The New York Times, February 26, 1978, p. 4-2.

with how a war would go rather than with its deterrence. This problem is regarded with apprehension by many Korean leaders, for example, as expressed by Representative Too-Chin Paik, member of the ROK National Assembly:

> The new argument we hear today is that compensatory arms to Korea constitute a new deterrence to war. Let us not have any illusions about what this means in reality. What it says is that we ought to fight it out if war breaks out. It does not say war will be prevented. Of course we shall fight if war is forced upon us. We will win, too. But the price of victory will be far greater than any price imaginable in the 1950s. We appreciate the consideration and the words of the U.S. government. I wish its efforts were more effectively dedicated to the prevention of war. We appreciate the instruments of defensive war, but I am fervently for stopping it before it starts.[1]

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[1] The Korean Herald, 1 March 1978, p. 5.

2. Japan

The interests/objectives listed in Table II-2 are those which are commonly agreed to by most observers and analysts, although the one listed last--greater political/military/economic roles--is the subject of some disagreement both within and outside Japan as to what the new roles should or will be. In the case of Japan, more so than for any of the nations under consideration in this study, the identification and examination of national interests/objectives must be understood in the context of change. Domestically, and in its relationships with other nations, Japan is in a state of transition.

As in the case of the United States, a basic national interest of Japan is the preservation of a stable power balance in the region. Japan has regarded the checks and balances inherent in the existing situation as serving Japan's interests and undergirding the nation's security; the most frequently voiced concern of Japanese officials and analysts is that the U.S. force withdrawal will upset this balance to Japan's disadvantage. These spokesmen see a dual trend in motion: America weakening and the USSR growing militarily stronger. They believe that even though President Carter might slow the tempo of withdrawal from Korea as a result of Japanese and ROK concern, the direction of the "flow" is set, and it will proceed. The expected result is that the Soviet Union will exploit this apprehension by making its military power increasingly evident to Japan, hoping to drive a wedge into the U.S.-Japan relationship. Some analysts in Japan fear that North Korea may be tempted to attack the South after the U.S. withdrawal, but they see the power balance shifting, even without a war on the Korean peninsula.

The conclusion of those who perceive that the troop withdrawal creates a shift in the power balance is that the Soviet Union would gradually become the hegemonial power, continuing to contain China by maintaining forces on the border (backed by the threat of nuclear war) and expanding its overall power in the region by the political exploitation

Table II-2

JAPAN

Interests/Objectives	Perceived Threats
• Stable power balance in Northeast Asia	• Weakening of U.S. security commitment
• Maintenance of mutual security and economic ties to U.S.	• Increased Soviet military/ political harassment of Japan and/or LOCs
• "Equidistance" of relations with USSR, PRC	• North Korean attack on South
• Maintenance of unhindered LOCs	• Sino-Soviet rapprochement
• Economic linkage with South Korea	• Increased capabilities for Soviet attack on Japan
• "Two-Korea" solution	• Deterioration or break in U.S.-ROK relations
• "Friendship with all" in international relations, opportunities for trade and investment	• Chinese military takeover of Taiwan
• Economic development of Southeast Asia nations	• Nuclear capability in ROK and/or Taiwan
• Increased political/military/ economic roles in East Asia	• Political instability in South Korea
	• Increased power projection capability for PRC

of its military sea and air strength. The Soviet Union has no basic interest in stability as a goal, except as a temporary condition which might serve the Soviet long-term goal of eventual transformation of the Western international order into a Soviet-dominated international socialist order. The USSR, for example, may well counsel Kim Il Sung to maintain current stability by refraining from any aggressive threats or moves against the South, in order to ensure that the United States proceeds with its force withdrawal plan--after that is accomplished, the Soviets may see new opportunities for "unifying" the Korean peninsula.

At some point in the process of growing Soviet regional power in Northeast Asia, China might regard it as prudent to seek at least a limited detente with the USSR, offering to negotiate border issues, with the hope of reducing the size and the expense of the forces tied down on the border. If China were to make such a move, it would be based at least in part on the assumption that America's strength vis-a-vis the USSR was no longer sufficient to serve China's balance of power interests--such a move would be further confirmation that the perceived balance of power in Northeast Asia had shifted.[1]

Japan's position, if Soviet dominance and a Sino-Soviet detente were to come about, would be more precarious than now. If the anticipated Sino-Japanese treaty of peace and friendship were then in being, its value to Japan would be lessened--its very existence would add to the tension between the Soviet Union and Japan. Japan's goal of maintaining "equivalence" in relations with the USSR and PRC would then have been overtaken by events. For example, Soviet demands for economic and technological cooperation would be difficult for Japan to resist.

Most current analyses regard as low the actual military threat to Japan's territorial integrity. At the same time, Japan's

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[1] See, for an analysis of this and other Sino-Soviet interactions, Robert A. Scalapino, "The Sino-Soviet Relationship: Reflections Upon its Past and Future," in Strategic Review, Fall 1977, pp. 45-63.

capabilities to defend itself against invasions are also judged to be quite limited; the American security guarantee is essential to defend Japan. If Japan were to be invaded, the currently anticipated invasion points would be in either the northern island of Hokkaido (where Japan now deploys a force of some 50,000 troops), or across the narrow waters separating Korea from Kyushu or western Honshu (the latter case on the assumption that the Korean peninsula would have been taken over by North Korea).[1] At present, western Japan is only lightly defended, and if the second potential invasion point were to receive even modest reinforcement, Japan's forces would have to be built up.

But another scenario is possible, at some point in the future when the Soviet Union believes that the "correlation of forces" in the region has shifted to its advantage. The Soviets have the capability (while maintaining forces on the Chinese border) for seizing the western coast of central Honshu by dropping two airborne divisions, and reinforcing this beachhead by the amphibious/administrative lift of two more divisions across the Sea of Japan. Such a move could be preceded by a surprise air assault (or nuclear missile strike) to knock out all the Japanese air-bases and probably the naval bases as well. Soviet submarines and other naval forces and land-based air would establish military dominance over the Sea of Japan to protect the ground force assault.

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[1] A war scenario on the Korean peninsula involves an issue of special concern in Japan, even were it possible to keep the war from spreading to Japan. There could be a mass flight of South Koreans seeking asylum in Japan's western provinces. "The number could easily exceed a million, traveling in every kind of vessel . . ." (Hideaki Kase, "Korea's Pivotal Role in Japan's Defense," paper delivered at SRI Symposium on Northeast Asia Security, Washington, D.C., 20-22 June 1977). Korean residents already in Japan from the period just preceding and during the Korean War (some 200,000 to 500,000--the number is in doubt even today) already pose political, economic, and social problems.

Such a scenario would pose (1) a difficult decision for the United States, as to whether to counter the invasion with all available U.S. sea and air forces, and (2) the problem of making a quick and accurate estimate of whether U.S. forces would be able to prevail. If the attack on Japan were simultaneous with a Warsaw Pact attack on NATO, the United States would be immediately faced with a two-front war. The DoD posture statement for FY 79 suggests the possibility of a war threat in Northeast Asia accompanying a war in Europe.[1] The scenario suggested above may be an extreme case of this contingency, but it does highlight the problem of how U.S. security commitments are to be met simultaneously in Europe and Asia, and reinforces the importance of maintaining a viable deterrent in Northeast Asia to prevent having to cope with such an unwelcome dilemma. Central to Japan's contemplation of such a threat is that nation's perception of America's capabilities and will to fulfill its commitments. As noted above, the perception of Japanese policymakers is now trending towards an image of a retrenching America, in spite of reassuring statements by the President, Secretary of Defense and others that the force withdrawals from Northeast Asia do not at all diminish the U.S. intention to honor its commitments.

The degree to which Japan will become concerned about how its interests are threatened by the combination of trends perceived--weakening U.S. pressure and influence, growing Soviet military power, a precarious situation on the Korean peninsula, the unknowns of the PRC's future capabilities and intention for power projection, etc--cannot be precisely

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[1] Since the indicated strategy for Northeast Asia places greater reliance on air and naval forces, the declining strength of the U.S. Navy vis-a-vis the Soviet Navy raises the question of whether there will be sufficient forces to fight in both Europe and Asia. According to the CNO's FY 79 posture statement, "If current trends are allowed to continue, the balance of maritime superiority could tip substantially in favor of the Soviets in ten years." Statement of Admiral James L. Holloway III, Chief of Naval Operations, Concerning the Fiscal Year 1979 Military Posture and Fiscal Year 1979 Budget of the United States Navy, 7 February 1978, p. v (Washington, D.C., CNO, 1978).

forecast, but it does appear from the discussions held with responsible Japanese experts that Japan will very likely elect to take a more vigorous role in East Asia, a role which will include enhanced military strength. It also seems clear that any moves in the direction of greater military strength (mainly augmentation of sea and air forces) will be within the framework of the U.S.-Japan Security Treaty.

On the economic side, Japan has made clear that it has a definite interest/objective in contributing to nation building of underdeveloped Asian states, in particular those in Southeast Asia. Japan is getting more deeply involved in this matter through the mechanism of ASEAN (Association of Southeast Asian Nations).

3. The Soviet Union

Conspicuously missing among Soviet interests/objectives for Northeast Asia is a stable balance of power. The Soviets are careful always to distinguish the concept of "balance of power"--a concept for which they have no use--from their preferred concept: the "correlation of forces." Believing as they do that the tide of history is shifting the correlation of forces--a concept embracing political, economic, military, technological and other factors--in their favor, the Soviets avoid any formal or implied adherence to a term of international relationships which suggests that the status quo, or "equilibrium of forces," is a desirable state.[1] In the Soviet view, the world is divided into two fundamentally antagonistic camps: socialism and capitalism. They believe that the former will inevitably triumph over the latter, and that to make any basic compromise with the capitalist camp or to accept the status quo--even a status quo to their advantage--is heretical. This is not to

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[1] See Michael J. Deane, The Soviet Concept of the Correlation of Forces, SRI Study SSC-TN-4583-1, May 1976, for an expanded analysis of this aspect of Soviet strategy.

Table II-3

USSR IN NORTHEAST ASIA

Interests/Objectives	Perceived Threats
• Global expansionism, as manifested by expanded military power in Northeast Asia	• U.S.-Japan-China entente vs. USSR
• Weakening of U.S. position in Northeast Asia	• Nuclear capability by Japan or South Korea
• Containment of China	• North Korean attack on South Korea, involving USSR, PRC, and U.S.
• Maintaining close ties with North Korea, weakening Chinese ties	
• Maintenance of "controlled tension" in Korea	
• "Exploitation" of Japan	
• Inhibition of growth in Japanese military posture	

say that the Soviet "Grand Strategy" does not allow for temporary or tactical acquiescence in situations that appear to honor a state of equilibrium, especially if to do otherwise may involve a real risk of war with the United States (or any major power). Such tactics do not alter the long-term goals; believing that time is on their side, and counting on the lack of staying power of the "enemy camp," the Soviets are confident of eventual victory. "The basic contrast between American and general Western policy goals and the goals of the Soviet Union lies in the stability orientation of the former and the dynamic content of the latter."[1]

Thus, the Soviets have no interest in establishment of a stable, "two-Korea" arrangement on the peninsula. They may for the present accept the standoff between North and South Korea--at least until the American force withdrawal is complete--but prefer to see it as a state of "controlled tension," pending arrival of the time when conditions may allow for a reasonable risk in a North Korean takeover.

The observable evidence of a continuing buildup of Soviet naval and air power in East Asia is consistent with the dynamic character of the Soviet long-term goals. As they have in other areas of the world, the Soviets will translate local military power into political power. This projection is to be specifically directed at the United States, China, and Japan. These three nations, especially if they were to develop any kind of "Pacific entente" among them, are regarded as serious threats to the achievement of Soviet goals. Contrary to the Chinese, who favor the U.S.-Japan Security Treaty, the Soviet Union opposes it. The Brezhnev proposals for an Asian Collective Security system seem to have been directed both against China and the U.S.-Japan Security Treaty. The Soviets also oppose any buildup of Japanese military power, and any increased political/military collaboration between Japan and South Korea.

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[1] Colin S. Gray, The Geopolitics of the Nuclear Era, p. 46 (New York, 1977, Crane Russak and Company).

Japan's desirable state in Soviet eyes would be one of isolation and neutrality, so that Japan's economic and technological assets might be exploited for Soviet gain. Towards this end there is an opportunity for the Soviets to make some compromise on Japan's Northern Territories problem, to gain the reciprocal concession of Japanese economic cooperation, but this is not likely, because any territorial compromise with Japan would weaken the Soviet position in their border dispute with China. Further, the Soviets would not want to do anything to lessen their control over the exits from the Seas of Japan and Okhotsk. Continued military harassment of Japan by intrusion of Soviet air and naval units into the air space and waters around Japan is the more likely course. If so, it will not be surprising if public opinion in Japan continues to be rather strongly anti-Soviet.

On the Korean peninsula, it is in the Soviet interest to keep Kim Il Sung as heavily dependent upon Moscow as possible, to control his actions as an instrument of Soviet strategy, and to weaken insofar as possible North Korea's ties with China. North Korea is both a useful potential power in Soviet hands and a source of problems. The USSR is not enthusiastic about bailing out Kim Il Sung from his economic crisis, but, to preempt Chinese influence, will undoubtedly provide some help.

With respect to China, the principal Soviet interest is in containment. A major Soviet fear is that China will eventually become a credible nuclear superpower. The key question for all the powers with interests in Northeast Asia is whether any rapprochement between China and the USSR is possible or likely (or at the other extreme, whether war is probable). There are occasional signs of a tempering of the confrontation—such as the willingness by both sides to engage in two-way trade--but no major breakthrough in restoring the relationship is in sight. Neither is there likely to be a major war unleashed upon China by the Soviets, although it cannot be ruled out that the USSR might try to stir up trouble in China's border regions by giving support to dissident

or separatist groups. There are dangers in this kind of meddling, however, and the Soviets may well take the cautious course, while continuing their military buildup.

If, as seems likely, the Chinese are not going to be of any help to the Soviets in the latter's strategic objectives, it is left to the Soviets to "go it alone," relying on the self-confidence that its oft-stated goal of "quantitative and qualitative superiority" for its military forces will be achieved, and that this power will be strategically utilizable. As Colin Gray expresses it, "however old-fashioned it may appear to some in the West, the Soviet Union acts as though it believes that a truly major investment in all kinds of military power will bring worthwhile political-economic dividends."[1]

The gap between Soviet and Chinese power growth will probably widen over the next several years, and if so there may be less incentive in the future for the Soviets to make overtures to the Chinese to improve relations. It may at some point seem prudent to the Chinese, however, to initiate a limited detente with the Soviets, recognizing that they cannot close the military gap. Without either side's conceding any ideological ground, a Chinese overture might result in some defusing of the military confrontation, in order that China's high cost of border deployment be eased, and that the forces thus released might give China somewhat greater flexibility in managing its foreign policy. A major factor (among several of varying weight) which might lead China to seek such a reduction of tension would be the perception in Peking that the American role as a counter to the USSR is diminishing, both locally in East Asia and worldwide. It is also possible that China will not seek detente. As to whether it does or does not, China's perception of America will undoubtedly be a part of the decision process.

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[1] Gray, op. cit., p. 50.

It is perhaps paradoxical that the indefinite persistence of the Sino-Soviet split is taken as a premise upon which a "gradual and cautious" change can be made in the American military presence in Northeast Asia, since such a posture could itself result in China's reassessment of the situation, considering it more prudent to make some pragmatic recognition of the USSR's growing power than to continue its reliance on the American counterweight to it.

4. China

China apparently has no ideological aversion to the balance-of-power concept, at least not as its interests can be perceived in the existing international situation. It is clear that their opening the way for the Sino-American rapprochement was based upon the desire that U.S. power serve their interests by balancing off that of the USSR. The primary threat to all their interests is the Soviet Union, militarily, politically, ideologically, and, in a more complicated way, economically. The other major power which weighs heavily in China's power equation is Japan. But the overall equation is much more complex because it involves a special relationship with the Third World.

Especially since the break with the Soviet Union, as noted in Chapter I, China has regarded itself as closely linked to the Third World, which it regards as the "rural areas of the world," oppressed by the imperialists from "the cities of the world" (North America and Western Europe). Thus, on the one hand, China can make overtures to and imply approval of the capitalist power of America as a counter to Soviet power while, on the other hand, when addressing the Third World, the United States is castigated as an "imperialist oppressor" of the "rural areas." These contradictions seem to create no real problems in the execution of Chinese strategy, however, as its policymakers sort out the necessary objectives to protect vital interests--the primary preoccupation now being the Soviet threat.

Table II-4

CHINA IN NORTHEAST ASIA

Interests/Objectives	Perceived Threats
• Consolidation of internal situation, for coping with threats to PRC from Soviet Union	• Soviet hegemony over Japan
• Maintenance of a stable power balance	• Soviet capability for preemptive attack on China
• Continuation of U.S. presence in Western Pacific and Northeast Asia	• Continued decline of U.S. position in Northeast Asia
• Improvement of relations with U.S. and Japan, versus USSR	• Soviet linkage with Taiwan
• Continued viability of NATO and U.S.-Japan Treaty	• North Korean attack on South Korea, drawing in USSR, PRC and U.S.
• Maintenance of ties with and support to North Korea, weakening Soviet ties	• Reversal of trends towards normalization with U.S.
• Expansion of influence in Third World	
• Attainment of major nuclear power status	
• Avoidance of war in Northeast Asia	
• Limitation of influence of USSR in Asia	
• Recovery of Taiwan	

China has made it clear that it is in its national interest that there be a stong NATO military posture, to confront the Soviets on the European front. It is likewise in China's interest that the United States remain a credible military power, not only in NATO but in the Far East as well. Chinese spokesmen have been quite specific in their approval of the U.S.-Japan Security Treaty[1], and, in the same vein, have indicated their desire to see Japan play a larger military role in that alliance. Japan is seen not only as a military factor (in partnership with America) in containing Soviet power in Northeast Asia, but also as the source of economic/technological aid for China's industrial and agricultural development. China and Japan have recently signed a trade agreement[2], and China is pressing for a Sino-Japanese treaty of peace and friendship, which would include an "anti-hegemony" clause, obviously directed against the USSR. This trend of linkages could lead to the possibility of a Sino-American-Japanese detente, a development that would greatly anger the Soviets. For many reasons, such a tripartite alliance is not now desirable or even possible, but neither should it be ruled out as a future possibility.

Although China makes the claim, as in the Nixon-Chou communique in 1972, that it "will never be a superpower," the reality is otherwise, both in the light of what is taking place in today's world and in view of the heritage of China's having been the "super" power on the Asian

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[1] There is disagreement among analysts as to whether China truly favors withdrawal of U.S. forces from Korea, as it has publicly stated many times, or is actually willing to have them stay (or even for current self-interest, favors their staying). The question cannot be answered with certainty, but it is at least a reasonable inference, since China has openly favored the U.S.-Japan Security Treaty, greater military strength for Japan, and a continued U.S. military presence in East Asia (in general), that the Korean force presence, which has been an established element of the overall U.S. military posture in East Asia, is acceptable to China.

[2] An eight-year pact, designed to split $20 billion in two-way trade. (Far Eastern Economic Review, 3 March, 1978, p. 40)

continent for many centuries before the 19th. The decision to acquire nuclear weapons (by means of a 1957 agreement of assistance signed by the Soviets) had great-power motivation, as indicated by a statement in a Chinese journal:

> A country which has fine delivery vehicles (long-range missiles and guided missiles) and a large quantity of nuclear bombs of great variety is a super-state, and only a super-state is qualified to lead the world and to control and direct those countries which do not have nuclear weapons or have only a small quantity of nuclear weapons without delivery vehicles.[1]

The pretended abnegation of superpower status was intended for the ears of the Third World, or any country which might be susceptible to appeals to nationalistic resentment against the two true nuclear superpowers, and China has been able to get some political mileage out of this tactic. The inevitable trend is in the other direction, however, even though superpower status for China is some distance away. After many years of being denied entry, China became a permanent member of the U.N. Security Council, another evidence of the desire to participate in great-power global political action. China seems now to place higher priority on adventitious relations with nations which can enhance the PRC's leadership role than on Third World struggles for "national liberation".

The possibility of war between China and the Soviet Union has been the subject of much analysis and debate, especially from the time when the Chinese began to acquire nuclear weapons. Whatever level of serious consideration the Soviets may have given to early crippling of the Chinese nuclear capability, the fact is that they did not strike then. Nor did they make a major attack during the tense period in 1969

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[1] China Youth, February 1965, quoted in F.S. Northedge, ed., The Foreign Policies of the Powers, p. 143 (New York, 1974, The Free Press).

when there were clashes along the Ussuri River. This was just after the 1968 Soviet occupation of Czechoslovakia and the proclamation of the Brezhnev Doctrine, i.e., the right of the USSR to intervene with force in another communist country. The Chinese apparently regarded the Soviet threat of attack seriously during that period, because it was at that time that they constructed shelters in several cities.[1] The tension has somewhat subsided since that 1969 crisis. The potential for a major attack on China continues to exist, although generally given a low probability in current estimates.

There are problems for the Soviets in attempting just a surgical strike to destroy China's nuclear weapons development facilities (and the limited number of operational weapons). If even a very few Chinese nuclear weapons survive, they would likely be launched against the Soviet Union; a nuclear strike not followed up by occupation of at least those parts of China highly coveted by the USSR (such as Manchuria and the warm water ports on the Yellow Sea) might not be a favorable trade-off. The Soviets would have to assume that in time the Chinese would rebuild their nuclear installations and resume weapons production. If such a prize as Manchuria had been gained at the time of the strike on the nuclear capabilities, the trade-off would be more favorable. Restoration of China's nuclear capability would not necessarily get back Manchuria.

A variety of Sino-Soviet war scenarios can be postulated. The important point is not to be able to predict accurately when and whether any might come to pass, but to recognize that there are political, military and economic--that is, grand strategy--reasons why conflict is possible, and that if it occurs, it has serious strategic implications for the United States.

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[1] Northedge, op. cit., p. 150.

In Asia, the Soviet order of battle supports the strategic concept for general nuclear war. Thus the forces arrayed against China—44 divisions, with nuclear missiles and artillery, air forces with air-bases, satellites for communications and reconnaissance--is far more powerful than what is required to defend against the Peoples Liberation Army. As a part of the Soviet military objectives worldwide in general nuclear war, in Asia the USSR would launch nuclear strikes on Chinese nuclear facilities and weapons in Sinkiang, seize and occupy Manchuria and Port Arthur, support a North Korean takeover of the peninsula, establish air and sea control over the approaches to Japan (perhaps occupying Hakkaido) and, if necessary, seize Peking. In the light of the current capabilities and the growth rates of Soviet and Chinese military forces, it would seem that China will be increasingly vulnerable to the kind of onslaught envisaged in the Soviet general nuclear war strategy. It would be useful to take a new look, in the light of all the political, military and strategic factors involved, at the prospects for, the likely outcome of, and the implications for U.S. policy of, a Sino-Soviet conflict.

But this kind of global nuclear war strategy can be converted into a peacetime diplomatic and local war strategy, in which the Soviets persist in taking the strategic initiative, as demonstrated now in the local wars in the Horn of Africa, and against Japan by means of diplomatic coercion. The peacetime military, political and diplomatic objectives are backed by the threat of general war.

In terms of global strategy, the USSR must gain local ascendancy in Asia, if it is to achieve ascendancy worldwide. Standing in the way of Soviet Asian ambitions are (1) a rival communist power to the south, (2) the strength and purpose of the United States, (3) the U.S.-Japan Security Treaty, (4) the U.S. force presence in Korea, (5) the U.S.-PRC linkage, and (6) the independence of the several small free nations in the region.

China wants the U.S. military forces to stay in East Asia; the USSR wants them to fade away. The Soviet goal of hegemony in Asia requires that China be contained. China's perception is that the Soviets are trying to implement a strategy of encirclement--the Soviet proposals for an Asian Collective Security system are seen by China as an element of such a strategy. Chinese overtures to the United States are a counter to the Soviet strategy. Thus the United States has opportunities for frustrating Soviet objectives vis-a-vis China and the region in general by selective cooperation with and assistance to China, both unilaterally and in concert with Japan and perhaps others. Such cooperation/assistance could include the transfer of certain arms and military technology, and the provision of appropriate intelligence and possibly even training.

It is clear from the foregoing discussion that the role of the United States is a key element in the complex interactions involved in Soviet global strategy and in the imperatives implied for coping with this threatening web of Soviet machinations. The criticality of the American factor may even introduce a magnifier effect, that is, comparatively small changes in U.S. policy and posture may induce reactive effects of considerably more consequence.

If this be so, then it may be asked why the United States would attempt, by its contemplated lowered profile (however gradually executed), to put the balance of power factors on so narrow a margin? It may be--as it is argued by the proponents of withdrawal from Korea--that the resultant level of visible military presence now planned will suffice to sustain the balance and frustrate Soviet aims of gaining regional ascendancy. But on the other hand, it may not, and because the perceptions of what America is doing are in their effects more important than its declared intentions, it would be in the U.S. interest to insure that the margin for preserving the equilibrium is sufficient, which is to say that the actors on both sides of the equation should understand without doubt that the United States intends to see the power balance in Northeast Asia preserved. A clear-eyed look at how the Washington-Peking axis can serve this end is essential.

5. South Korea

All of South Korea's interests can be summed up in one word: survival. For centuries the Korean people have been the victims of occupation, oppression and exploitation by more powerful neighbors. The miracle is that they have been able to preserve their culture, their spirit and a sense of nationhood. Though there is a deep-seated longing for eventual unification some day as one Korea again, the inhabitants of the South are not willing to trade their hard-won freedom for unity under a Communist banner. And though there is genuine chafing by many Koreans under some of the authoritarian methods of the current regime in the South, all seem to share an abhorrence of the regime in the North. This attitude is plain in the national reaction to the American proposal to withdraw the 2nd Division: "everyone in South Korea opposes withdrawal, even the shoeshine boys."[1]

Although willing to pursue at any time talks with North Korea on steps leading to a mutually acceptable reunification of the two halves of Korea, South Korea in the interim clearly favors a two-Korea solution. The United States has supported this concept, stating that it "supports the dual entry of both South and North Korea into the United Nations without prejudice to their eventual reunification."[2] In 1974 and again in 1975 the United States, with the consent of South Korea and the support of other allies, attempted, by proposing a resolution in the U.N. General Assembly, to bring "all parties directly concerned" together to reach alternative arrangements to maintain the Armistice Agreement

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1 Humphrey-Glenn Report, op. cit., p. 23.

2 U.S. Secretary of State Henry Kissinger, address to United Nations General Assembly, 22 September 1975 (Department of State Bulletin, 13 October 1975, p. 550.)

Table II-5

SOUTH KOREA

Interests/Objectives	Perceived Threats
• Maintenance of U.S. force presence and mutual security commitment	• Surprise attack by North Korea
• Maintenance of stable power balance in Northeast Asia	• Premature U.S. force withdrawal
• Buildup of ROK military strength	• Major infiltration campaign by North Korea
• "Two-Korea" solution, both admitted to U.N.	• Sino-Soviet rapprochement
• Conclusion of nonaggression pact with North Korea	• Break in relations with U.S. over human rights, political scandals
• Improvement of relations with USSR and PRC	• U.S. and/or Japanese recognition of North Korea, before "two-Korea" solution worked out
• Creation of a favorable climate for international investment in ROK	• Internal political instability
• Maintenance and improvement of economic linkages with U.S. and Japan	• Too rapid or too great military buildup in Japan
• Expansion of international trade, export of goods and skills	

if the U.N. Command were abolished.[1] But the effort ended in stalemate. The U.N. General Assembly on 18 November 1975 passed both the U.S.-sponsored resolution and a countering resolution sponsored by China and other supporters of North Korea. The latter proposed to bring the "real parties" together to "dissolve the United Nations Command," exclude "all the foreign troops . . . under the flag of the United Nations" and "replace the Korean Military Armistice Agreement with a peace agreement." "Real parties" was understood to exclude South Korea. The two resolutions were contradictory, and no action has ever been taken on either.

The issue was expected to arise again at the 1976 session, but in October 1976 North Korea requested withdrawal of a pending resolution favoring its cause, and as a consequence, the United States withdrew its resolution favoring the future of South Korea. No further action has been taken at the U.N., and, without the introduction of some new ideas, there seems little hope of breaking the impasse. The United States has so far not made any use of the potential negotiating value of the withdrawal of the 2nd Division.

The U.N. admission issue is more significant than just the addition of two Korean states to that body; by being admitted South Korea would be acknowledged to be a political entity, which neither North Korea nor its major Communist allies now admit. Within the framework of the "two-Korea" concept symbolized by the admission of both Koreas to the U.N., there are four other political/diplomatic/military steps which, if they could be accomplished, would serve the South Korean (and U.S.) interest of preserving stability in the region: (1) the buildup of ROK military capabilities to a level sufficient to match North Korea's warfighting

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[1] Secretary of State Henry Kissinger, in an address to the U.N. on 22 September 1975, had offered to discuss means for preserving the Armistice Agreement while terminating the U.N. Command, and to explore "other measures to reduce tension, including the possibility of a large conference to negotiate a more fundamental arrangement." (Department of State Bulletin, 8 December 1975, p. 819.)

potential; (2) a peace treaty and nonaggression pact between the two Koreas; (3) some form of guarantee by the four major Northeast Asian powers of the independence and security of the two Koreas; and (4) bilateral cross-recognition between each of the four powers and the two Koreas. These steps could create a climate within which the two halves of Korea can eventually work out a plan of unification or a modus vivendi such as pertains in Germany.

While the accomplishment of these steps toward greater stability in Northeast Asia does not seem to be in immediate prospect, there is value in maintaining them as goals, to be pursued with the patience which recognizes that the adversaries take a long-term view of their goals. The West should not underestimate the value of a de facto recognition that there are two Koreas. If the United States and its allies do not prematurely give away the valuable potential of the status quo, time is on South Korea's side. As of 1977, North Korea maintained diplomatic relations with 91 countries, South Korea with 101, and a total of 49 countries recognized both Koreas. Thus there is substantial international accommodation to the day-to-day necessity to deal with separate political and economic entities on the Korean peninsula. Their intense competition for influence over North Korea prevents either the Soviet Union or China from taking any overt steps toward recognition of South Korea, but it is important to note small steps which can be regarded as eroding this basic position, for example, the willingness of the Soviets to receive ROK athletic teams to compete in games in Moscow.[1] This may or may not eventuate as did the U.S.-PRC "ping pong diplomacy" in 1971, but what it does probably indicate is that the United States will need to give patient and persistent attention to nudging such movements in the right direction. China, for the present, probably will not indicate any support for a "two-Korea" solution because of the precedent it might imply for a "two-China" arrangement.

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[1] Humphrey-Glenn Report, op. cit., p. 10.

South Korea's major and immediate concern is with the military threat from the North.[1] It is clear that it is prepared to acquire the capability to defend itself against any adventures launched by Kim Il Sung. A problem which bothers Pak Chung Hee, however, is just how sincerely the United States welcomes a major ROK buildup of military power.[2] It has long been perceived by the ROK leadership that one of the key roles played by the CINCUNC is prevention of unilateral South Korean decisions to react militarily against the North. The existing situation, with U.S. combat ground forces present and the American commander clearly in the command decision role, is understood and accepted by the ROK.[3]

As the U.S. withdrawal plan proceeds to full implementation, and as South Korea must take upon itself more independence in deciding on future defense needs and the accompanying national strategy, a new framework of U.S.-ROK military planning will have to be worked out. As it draws down its forces, the United States must expect to have less control over ROK decisions. It may be expected that differences of view will arise over what military equipment the ROK forces need, and conceivable that if the United States were to decline to sell certain weapons to South Korea, other suppliers would be sought. Such developments may not necessarily be undesirable, but the United States needs to consider carefully beforehand how to cope with them to prevent situations that would not be in the best U.S. interests. What is at stake is the keeping of a proper balance between the U.S. commitment and U.S. control over the military framework within which the commitment will be implemented.

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[1] The nature of the North's existing and possibly continuing military advantage has been discussed in a preceding section of this chapter.

[2] The Japanese have a similar problem in discerning how far the United States really wants them to go in any military buildup they may under take.

[3] Some erosion of this relationship, however, is inevitable as time goes by, and it has already been accelerated by the troop withdrawal decision.

South Korea's economic and industrial development is one of the most dramatic of the current era. With an annual growth rate of industrial production of 25 percent since 1965,[1] the nation's prospects for the future are excellent, in spite of the recession being experienced by the world in general. The state of industrial development is such that a war occurring now would be far more devastating than the 1950-53 war which was fought over a largely agrarian countryside. The prospect of having to increase defense spending is undesirable from an economic growth standpoint, but the consensus is that the economy is strong enough to bear the extra burden, especially if sufficient credit assistance is available through the U.S. foreign military sales program.

Ironically, South Korea's remarkable growth rate may well be a source of tension on the peninsula, because the South is now outstripping the North by a growing margin. According to a recent CIA analysis, the North's industrial growth rate since 1965 is 14 percent versus the South's rate of 25 percent,[2] and "more importantly, the economic gap in South Korea's favor will widen substantially over the next five years."[3] As Kim Il Sung sees the South's success, while on his own side of the border, "North Korea has been cut off from additional Western credit and no major import contracts have been signed in over three years,"[4] he may come to believe that if he is ever to save his regime from economic collapse, the time to risk the gamble of a takeover of the South is sooner rather than later.

6. North Korea

Of all the nations whose interests and perceived threats are being discussed here, the least is known about North Korea. Kim Il Sung's

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[1] Korea: The Economic Race Between the North and the South, Report, CIA National Foreign Assessment Center, January 1978, p. 2.

[2] Ibid.

[3] Ibid., p. 1.

[4] Ibid., p. 10.

Table II-6

NORTH KOREA

Interests/Objectives	Perceived Threats
• Unification of Korea, by force or political pressure	• Increased capability for, or attack by South Korea
• Maintenance of ties with USSR and PRC	• Nuclear capability in South Korea and/or Japan
• Buildup of military strength	• Loss of support by USSR and/or PRC
• Economic growth, import of technology	• Economic collapse
• Expansion of trade	• Internal instability incident to power succession
	• Significant increase in Japanese military capability

regime is one of the most tightly closed and internally repressive regimes in existence today. The Democratic Peoples Republic of Korea is not the product of an indigenous revolution but was imposed by the Soviet conquerors. The Koreans who took early leadership were almost all from abroad. Thus from the beginning the North Korean regime has been a force imposed upon a mass of poorly educated people, accustomed by culture to obedience to rulers, and who are communists by force of power rather than by the growth of a peoples' revolution. It continues to be based on fanatic emphasis on the personal cult of Kim Il Sung, who practices nepotism in the ruling group and emphasizes ideological over technical qualifications for leadership. Only very recently is there some evidence of a recognized necessity to replace ideologues with technical managerial leadership, implied in the elevation of Li Jong Ok from head of the Heavy Industry Commission to Premier; his task will be to correct the mistakes committed in the past Six Year Plan (1971-76) and guide the new Seven Year Plan (1978-84) to a successful end.[1]

North Korea's future will not be easy, however. The new economic plan projects slower growth, but appears unrealistic in several key areas. Electric power, steel and cement goals will probably not be met due to the inability to import the required machinery, and industry may reach little more than one-half the projected 12 percent annual rate of growth."[2]

The North's apparent commitment to a continuing military buildup will mean that it will continue to allocate what is estimated in the past to have been 15 to 20 percent of GNP to defense.[3] About 12 percent of working-age males are in the regular armed forces, compared to about six

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[1] Far Eastern Economic Review, 6 January 1978, p. 7.

[2] Korea: The Economic Race Between the North and the South, op. cit.

[3] Ibid., p. 6.

percent in the South.[1] Although the North is better prepared for indigenous production of arms, having the capacity to manufacture nearly everything but aircraft and missiles, the South is better able to afford its defense burden. But economic considerations will not control the North's decision; Kim Il Sung's commitment to unification, by force if other methods fail, compels him to spend enough on arms to be ready for the military opportunity when he decides it has come.

If it can be said that the Sino-Soviet split serves U.S. interests, it can also be said that it is advantageous to North Korea. Kim Il Sung has demonstrated his ability to play upon the rivalry of the two Communist powers. The proportion of military aid supplied by the PRC and USSR has varied rather widely over time. In 1972, almost 80 percent of military aid came from the USSR, but at present the Chinese supply the greater amount.[2] While it may be true, as some analysts contend, that both the USSR and PRC prefer the status quo in Korea (i.e., that they both prefer that Kim Il Sung refrain from any aggression against the South), if Kim perceives in the modified U.S. posture in Korea that the United States is no longer a credible deterrent to aggression, the Sino-Soviet rivalry gives him increased freedom to launch a surprise strike on the South. Neither Communist power could afford to let the other unilaterally approve of or overtly assist in the conflict. Hence Kim could count on at least noninterference in his gambit, and probably help from both the PRC and USSR.

Kim Il Sung frequently refers to "three great principles of reunification," contained in a portion of the North-South joint communique of 4 July 1972: (1) independent Korean efforts without external interference; (2) peaceful means; and (3) a great national unity, transcending

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[1] Ibid.

[2] Humphrey-Glenn Report, op. cit., p. 12.

differences in ideals, ideologies and systems.[1] As to methods, as distinct from principles, North Korea speaks of two: (1) peaceful and (2) through military means.

One "peaceful" route would be a revolution in South Korea, expelling the "imperialist forces," overthrowing the "puppets," and establishing a "peoples' democratic republic."[2] As to how "peaceful" this route would be, an indication can be taken from a statement made by Kim Il Sung in Peking in April 1975 (shortly after the fall of South Vietnam): "In case a revolution occurs in South Korea, we, as compatriots of the South Korean people, will not sit idle and watch, but we will give active support to their revolutionary struggle . . . the only thing we lose in the war will be the military demarcation line, and the only thing we gain will be the unification of the fatherland."[3] It should be noted that PRC comments during Kim's visit referred only to "peaceful unification" but, as noted above, China's ability to restrain Kim may be limited, especially if the U.S. deterrent is in doubt.

Regarding reunification by military means, in contexts other than that voiced by Kim Il Sung in Peking: "According to the North Korean view, this possibility would arise only if war is forced upon North Korea by its enemies. The imperialist forces would be defeated, and the war

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[1] Young C. Kim. "Korea's Future, Pyongyang's Perspective," Institute for Sino-Soviet Studies, Reprint Series No. 70, Winter 1978, p. 1077 (Washington, 1978, The George Washington University).

[2] Ibid., pp. 1, 2.

[3] Quoted from North Korea's Policy Toward the United Nations, p. 69 (Seoul, The Institute for Asian Studies) in paper delivered by Dr. Park Yong-Ok, Professor, Korea Military Academy at Korean-American-Japanese Conference on Northeast Asia, Seoul, 5-6 July 1977.

for the liberation of the South would be won."[1] We may be left to speculate by what method, peaceful or otherwise, Kim Il Sung envisages his mission, but the following statement, typical of many, leaves no doubt about the priority of his mission: "Comrades, reunifying our divided country is the greatest national duty and the most important revolutionary task for our Party and our people."[2]

C. Interests and Threats: Regional Assessment

The interests of the United States, Japan and South Korea have a high degree of congruence. Preservation of the status quo in Northeast Asia will allow each nation to pursue the objectives which protect national survival, promote economic and social development and permit peaceful political and economic interactions for mutual benefit. A continuing stable balance of power will also allow for selective growth of economic relations between the United States and its allies and the Communist nations--even with North Korea. Under such conditions of stability, the necessary adjustments in the sharing of military security roles can be undertaken, for example, increased regional security cooperation between Japan and South Korea.

There is at least some congruence in the interests of the United States, Japan and Korea with those of China--for example, a general agreement on the desirability of a stable power balance, maintenance of the U.S.-Japan Security Treaty (and the NATO Alliance), the continued presence of U.S. military forces in East and Northeast Asia, and in containing the power of the Soviet Union in Northeast Asia. With respect to the Korean

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[1] Kim Il Sung Tongji Vi, p. 46, in Young C. Kim, op. cit., p. 1078.

[2] Kim Il Sung, 9 October 1975, "On the Occasion of the 30th Anniversary of the Foundation of the Workers Party of Korea," in Kim Il Sung, For the Independent Peaceful Reunification of Korea, p. 209 (Guardian Association Incorporated, New York, 1976).

peninsula, Chinese interests begin to be divergent, in that China is committed to North Korea and sees it in its interest to provide military support and to endorse--at least in a declaratory way--the North's objective of reunifying Korea on terms beneficial to Kim Il Sung's regime. Whether China regards it in its interest to have the U.S. forces stay in Korea is indeterminate, but it can be argued that the threat posed by the Soviet Union causes China to prefer that these forces remain for the present.

There is almost no congruence of the interests of the Soviet Union with those of the United States and its allies, nor is there any real coincidence of Soviet and Chinese interests. The USSR does not share the interest of the others in a stable power balance. North Korea's interests are generally similar to those of the Soviet Union and China, but even between North Korea and its two Communist patrons there are problems, largely arising out of Kim Il Sung's opportunities for playing one off against the other. Neither China nor the Soviet Union appears to want North Korea to launch any major aggressive move against the South at this time, although the Soviets, as time goes on and their military power grows, may be less reluctant than China to accept the risk of war on the peninsula. The Soviet perception of what the United States would do in such a contingency will be a key determinant.

Taiwan (Republic of China) has not been discussed in the preceding sections, but should be noted as a factor in the Northeast Asia equation. Taiwan's interest is mainly one of hope for survival, in some form of autonomy which would permit it to pursue its successful economic operations and to preserve the way of life to which its citizens have become accustomed. Taiwan is a unique case in the complex of East Asian relationships, still linked to the United States by a mutual security treaty, but at the same time consigned to an ambiguous political future

within the concept "that all Chinese on either side of the Taiwan Strait maintain that there is but one China and that Taiwan is a part of China."[1]

As Taiwan's status is ambiguous, so also are the threats to its survival. It is under the military threat of a takeover by the PRC but this is not likely to happen while the U.S.-ROC Security Treaty remains in effect. The PRC continues to press, but not strongly at present, for normalization of U.S.-PRC relations, which under China's terms, means breaking the U.S.-ROC ties. It seems both desirable and possible for the United States quietly to postpone this step--ambiguity has sufficed for four years, and can probably be extended for several more. China, feeling threatened by the USSR, has no real leverage for forcing the issue. If the United States were to proceed with normalization, cutting its ties and obligations to Taiwan, there would be little gain for U.S. interests over the existing situation. To the contrary, the United States would lose some of its present bargaining power with the PRC. Maintenance of credibility as an Asian counterweight to the USSR is of greater value than hasty normalization.

It is possible that there could be moves in the direction of a linkage between Taiwan and the USSR, a development that would alarm the PRC, and be inimical to the U.S. (and Japanese) interests as well. Access to Taiwan's seaports would be useful to Soviet objectives of expanded naval operations.

Threats to interests of the Western allies stem mainly from the USSR, in light of its growing military power in the region, and from the specific threat of North Korean aggression against the South. The Soviets have about one-third of their navy deployed in the Pacific. Fleet units regularly operate in Japanese waters, and it may be expected that there

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[1] U.S. Foreign Policy for the 1970's, Shaping a Durable Peace, Report to the Congress by Richard Nixon, President of the U.S., 5 May 1973 (Washington, D.C., 1973, GPO).

will be increased visibility of the Soviet navy all along the East Asian littoral. Use of Camranh Bay in Vietnam would facilitate such operations. The effect is political, the impact of visible capabilities for cutting SLOCs, interposing forces at crisis spots, mining port approaches, surprise attacks on opposing surface units by SSMs, submarines, or land-based air. Sea-based air threats will increase as the Soviets expand their carrier program. If the pattern as established in the Mediterranean pertains, the presence of the U.S. Seventh Fleet in East Asian waters will not inhibit Soviet naval deployment. Philippine and Indonesian waters will be accessible, for political effect in those waters.

North Korea's military capabilities are agreed to exceed those of the South, and the possibility exists that even when the South Korean FIP is complete, the North's capabilities will still exceed the combined capabilities of the ROK and the planned residual U.S. force presence. A worrisome aspect of the North Korean threat is the unpredictability of Kim Il Sung's regime, whose armed forces maintain a strong readiness posture. Neither the USSR nor China has assured control over North Korean adventurism, which may be made more bold by the North's economic straits.

North Korea's continuing threat against the South, the growing Soviet military power in the background, and doubts about American intentions raise the problem of nuclear proliferation. South Korea has made it plain that the nuclear option is still open. Foreign Minister Pak Tong-Chin told the Korean National Assembly on 30 June 1977 that although the ROK was a party to the Non-proliferation Treaty, it would make an "independent judgment" if the country's survival was at stake.[1] Experts believe that South Korea could produce nuclear weapons "in a few years," if they can find an external source of plutonium or enriched uranium.[2]

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[1] Humphrey-Glenn Report, op. cit., p. 33.

[2] Ibid.

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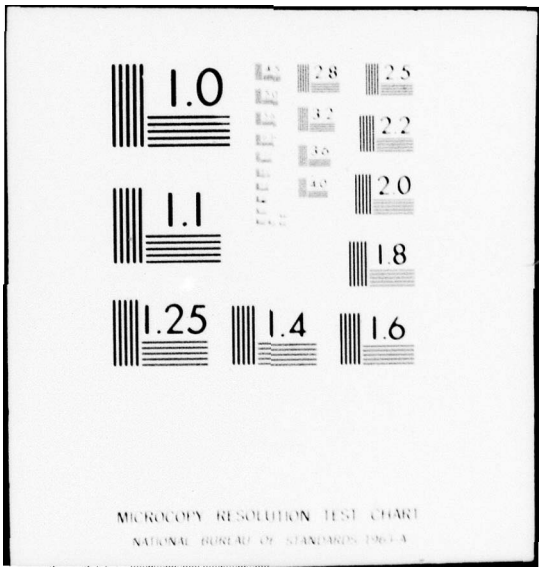
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MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS 1963-A

Japan also has the capability to develop nuclear weapons. The expert consensus seems to be that such a radical step would not be taken by Japan unless the situation in Northeast Asia considerably worsens. If either or both North and South Korea were to go nuclear, or if North Korea were to be taken over by the South (both situations implying considerable loss of U.S. power and influence in the area), Japanese leaders might well decide that the survival of Japan demanded the creation of at least a minimum retaliatory nuclear capability. The conventional wisdom has been that Japan has had such a strong "nuclear phobia" since 1945 that acquiring nuclear weapons of its own is out of the question. Japan is now a major power by reason of its economic powers. Politically, however, Japan is still a comparative lightweight among the major actors on the world scene, and the point is not lost on the Japanese leadership that the accepted "membership card" among the powers whose political weight counts in high councils is possession of nuclear weapons. A nonnuclear China, for example, would, despite its huge population, count for less than it now does. Described earlier in this chapter is a "new kind of nationalism" in Japan within which there is a greater inclination to make independent decisions concerning Japan's national well-being. Some analysts of the Japanese national character believe that the Japanese people, accustomed by culture to abide by the decisions of those occupying positions of authority, would accept without any serious adverse reaction a decision by the Japanese leadership to acquire nuclear weapons, particularly, as discussed in Chapter I, if there were to occur some international development having a significant adverse impact on Japan's security. It may not take as great a shift in the Japanese perception of danger to its national security as now generally believed to trigger the decision on the nuclear option.

Taiwan's precarious status since the U.S.-PRC rapprochement has made the nuclear option a live issue there. Any further perceived retrenchment of the U.S. position in East Asia will stimulate even greater interest in nuclear weapons in Taiwan, which has for several years been classified as a "near-nuclear" country.

Thus, the U.S. force presence in Korea is an arms control factor. Up to now the threat of nuclear proliferation has been minimal; there has been little perceived need for the "weapon of ultimate resort" in South Korea or Japan, at least partly because the United States seemed firmly emplaced in the path of potential aggression. Widely accepted as fact but never officially acknowledged by the U.S. government is the presence of U.S. tactical nuclear weapons in Korea for ground and air forces. President Eisenhower made it known to the enemy side in Korea in February 1953 that if they did not get on with completion of the armistice negotiations, the United Nations would resume the offensive, with the use of nuclear weapons.[1] Most recently, Defense Secretary Schlesinger, in June 1975, strongly implied in public statements that if North Korea were tempted by the fall of South Vietnam to attack South Korea, the United States might retaliate with nuclear weapons.[2] The nuclear weapons have been an added deterrent, and therefore an antiproliferation factor. If they are removed, in addition to the withdrawal of the ground combat forces, two significant elements of deterrence will vanish and the effect on regional nonproliferation could shift from positive to negative.

It was observed at the beginning of this chapter that national interests change slowly if at all, but that threats are more readily perceived to be changed. If the threat is changed, or believed to be changed, policy or posture changes may be called for. But before making them, it ought to be remembered that there are but three basic reasons for any policy or posture change: (1) it benefits the maker of the change, (2) it is made for a valuable quid pro quo, or (3) it is forced upon the maker.

In the case of the planned U.S. force withdrawal from Korea, the latter two of these reasons for change may at once be ruled out. The change is

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[1] Dwight D. Eisenhower, The White House Years, Vol. I: Mandate for Change, pp. 178-181 (New York, 1963 Doubleday), cited in Bernard Brodie, War & Politics, p. 105 (New York, 1973, Macmillan).

[2] Washington Post, 20 June 1975, p. D19.

certainly not being forced on the United States, and so far there is no evidence of any quid pro quo being either sought or received. That leaves the first reason, that it benefits the maker of the change.

As to benefits anticipated, there is no clear indication that the gains exceed the losses. No money is saved; in fact, the withdrawal scheme will cost the United States money (the $800 million in 2nd Division equipment going to the ROK Army, the cost of FMS credits, the costs of refurbishing bases in CONUS for the returning troops, etc.). There is hoped to be some increase in the President's flexibility in responding to aggression in Korea, but this may be a chimera; if war starts, the residual U.S. forces have either to be thrown immediately into battle and reinforced, or hastily extricated to prevent "automatic involvement," and neither of these courses of action may appear welcome to a U.S. president at the time.[1] The South Korean, Japanese and other U.S. allies in the region are more apprehensive than before by reason of the announced force withdrawal.[2] It is hard to see how China and the USSR could perceive in the draw-down plan any increase in, or even the holding level, of U.S. resolve to defend the interests of itself and allies.

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[1] The Humphrey-Glenn Report states: "The United States will gain the option not to become involved in another ground war in Asia; but with the United States maintaining its commitment, U.S. Naval and Air Force personnel would undoubtedly be involved if war should break out." (op. cit., p. 3)

[2] The Investigation Subcommittee of the House Armed Services Committee reported: "In the opinion of the subcommittee, the public announcement of this withdrawal, first made in Tokyo in January 1977 and formally announced on 26 May 1977, has already contributed to instability in Asia, has damaged our cooperative defensive relationship with Korea, and has had a measurable adverse impact on our relations with our other Pacific allies." "Review of the Policy Decision to Withdraw United States Ground Forces from Korea," Report of the Investigations Subcommittee of the Committee on Armed Services, House of Representatives, 95th Congress, Second Session, 26 April 1978, p. 5 (Washington, D.C., GPO, 1978).

III ECONOMIC TRENDS IN NORTHEAST ASIA

A. The Emergence of Japan as an Economic Power

In less than a decade, Japan has emerged from postwar obscurity as a secondary economic power to become the world's third largest economic force, the most striking example of the increasing multipolarity of the world's economy. This transition is significant not only for the economic and political situation in Northeast Asia, a region which has been, on balance, the most dynamic in the world for most of the postwar period, but represents a fundamental change in the structure of international politics. Because of the change in scale and sophistication of its economy, Japan now has economic and strategic options available to it which were out of the question until very recently, and it is now facing external and internal pressures for which there are no postwar precedents.

The emerging multipolar global economy in which Japan's growth is taking place is perhaps best illustrated by the diminishing contribution of the U.S. to the world economy. At the end of World War II, the United States accounted for about 50 percent of the productive capacity of the world. By the early 1970s, mainly because of the recovery and more rapid growth of Japan and Western Europe, the U.S. share had dropped to about one-third. This trend was officially recognized as a key international shift with the publication of the "Peterson Report"[1] by the White House in 1971, which particularly dramatized the spectacular growth of Japan. It was in this year that the United States experienced its first trade deficit of the century and was compelled to devalue the dollar, marking the end of U.S. dominance of international finance and the

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[1] Peter G. Peterson (Assistant to the President for International Economic Affairs), "The United States in the Changing World Economy" (Washington, GPO, 1971).

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breakdown of the international monetary system established at Bretton Woods. The American share of the world economy continues to decline in spite of the continued real growth of the American economy (it now represents about 25 percent of the world economy) and it is expected that this trend will continue, regardless of the specific conditions in effect at any one time: problems of inflation, trade imbalances, unemployment, national competitiveness, etc.

In terms of Japan's potential international role in the future, both in Northeast Asia and globally, this relative economic change is perhaps best illustrated by the following table comparing Japan's GNP with that of the U.S. on a scale of 100:

Table III-1

U.S./JAPANESE GNP COMPARISON
(expressed in percentages)

	1950	1960	1976	1985	1990
United States	100	100	100	100	100
Japan	4	8	34	45/65	65/75

This simple comparison starkly depicts the magnitude of Japan's transition. When the Japanese economy amounted to only four or eight percent on a scale of comparison with that of the U.S., it was a more or less irrelevant factor in the world economy. Now that it is one-third as large as the U.S. GNP, it is obviously a major factor. This change in scale has been paralleled by an equally important increase in sophistication which has made Japan principally an exporter of advanced manufactured products rather than textile and other cheap manufactured products, as it was before World War II. The critical period of change, however, is only now approaching, as Japan's GNP grows to half or more that of the U.S.

If Japan maintains an average real economic growth rate of six or seven percent for the next decade or so, as most government and private economic research institutions in Japan expect, it will equal or surpass the USSR in total GNP and the United States in per capita GNP sometime in the 1980s. The key point is that 10 years ago it would have required a staggering effort on the part of Japan to try to become a great power and even then it would have been technologically almost impossible. But today, and increasingly in the future, it is clear that Japan, with a technology already superior to that of the USSR in almost every area other than strictly military technology, and in the absence of a unified Germany, is the only nation which could become a superpower in every sense of the term within this century, should it so choose.

The "superpower option" is unquestionably the most sensitive issue in Japan, and it is no accident that it is simply not discussed publicly. When it has been raised in the past (almost exclusively by foreigners), it has been firmly and even contemptuously rejected as totally unnecessary, undesirable, inappropriate, and even inconceivable. The arguments used, however, have invariably assumed a continuation of the postwar international environment which has been extremely favorable to Japan from an economic as well as strategic (i.e., complete assurance of Japan's national security) viewpoint. They have also invariably reflected postwar sentiments which have manifested themselves in Japan's "low posture" international position as a "Switzerland of the Orient," a small neutral country with a "nuclear allergy" and a firm resolve never to pursue great power status again.[1] The international situation, however, as well as domestic economic, political and social conditions in Japan are changing in ways that clearly call these arguments into question.

The question of Japan's technological capability, in terms of the nation's potential to rearm to superpower strength, is extremely complex,

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[1] See the discussion of Japan's world role in Chapter I.

but this capability is much greater than is generally understood. In some key advanced technologies (e.g., computers and electronic systems) Japan is far ahead of the USSR; in other key areas (e.g., rocketry and laser research) it is ahead of all but the United States and USSR. It produces many conventional weapons systems (including advanced fighter aircraft under United States license) on a small scale that could be very rapidly expanded using existing heavy industrial and manufacturing facilities (steel mills, auto factories, shipyards, metal fabrication, etc.), much as the United States did in World War II. From this viewpoint, nuclear weapons are not an issue; they are based on a 30-year-old technology which "even India" can master.

What is certain is that given two to five years, starting immediately and without help, under a "wartime emergency" program, Japan could produce a military force overwhelmingly superior in every area to what mainland China has today or could produce. What is uncertain, and the key question, is what external help Japan might possibly get from the United States or other major powers in such a situation and what critical differences such help might make in terms of achieving a balanced force structure and the time needed for such a project.

B. The Dynamics of Japan's Economic Transition and Prospects for Future Growth

Japan's postwar economic growth can be roughly divided into several distinct stages which make clear the tremendous qualitative improvement of the economy:

(1) 1945-50: reconstruction and recovery.

(2) 1950-60: focus on labor-intensive and low-technology manufactures and exports (e.g., textiles and bicycles), modernization of agriculture, urbanization.

(3) 1960-70: focus on heavy and chemical industries, medium-technology exports (steel and automobiles), consumer durables, increasingly advanced technology.

(4) 1970-80: focus on physical infrastructure, social welfare, advanced-technology exports (e.g., plant and equipment), capital exports.

Japan's current economic difficulties are largely a result of structural problems associated with the transition from (3) to (4), rather than of the rapid rise in resource costs or any inability to obtain sufficient resources. It is especially popular in Japan, for many reasons, to emphasize the resource issue, but the facts are that Japan's growth has slowed despite the fact that it has received all the resources that it can use without interruption, and despite the fact that Japan is more than capable of paying for them. The real reason that the Japanese have deliberately implemented policies to slow economic growth during the recession years (policies that go beyond the requirements necessary for controlling inflation and, in fact, project lower growth rates for the future than they are technically capable of achieving) is that the Japanese economy is having great problems coping with this major structural change.

As in the past, the current structural shift was anticipated and prepared for well ahead of time. As early as 1962, the essential elements of what became Japan's first National Comprehensive Development Plan (published in 1967) were fairly well formulated.

The plan itself was revised and republished in 1969. Its essence was incorporated by the then aspiring Prime Minister, Mr. Kakuei Tanaka, into what became his best selling book, "Remodeling the Japanese Archipelago."[1] For all practical purposes this volume was the basis of his mandate when he assumed the Prime Ministership in July 1972, initially with great popular support. The focus of the concept, which came to be commonly referred to as the "Tanaka Plan," was a vast and visionary public works program intended to provide much-needed infrastructure and to relieve urban congestion and environmental problems

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[1] Published in Japanese by Nikkan Kogyo Shimbun, Ltd., in 1972 as "Nippon Retto Kaizo Ron" and in English by the Simul Press in 1973 as "Building a New Japan."

through a large-scale redistribution of population and industry. The plan called for government expenditures of approximately $1 trillion by 1981, about three times Japan's GNP at the time. (At today's exchange rate of 220 yen to the dollar, rather than 360 yen, and taking into account inflation, the planned expenditures would amount to more than twice this amount.) This brilliant and very appropriate vision prescribed superrailroads, superhighways, connecting bridges and tunnels spanning the archipelago, as well as vast investments in other much-needed infrastructure. First initiated prematurely in 1973 at the peak of a boom period when the economy was operating at over 100 percent of capacity, the plan is currently being quietly implemented on a much more gradual basis, but has failed to capture the imagination of the nation or to provide a sufficient base for rapid recovery from the recession, as it should have.

In retrospect, it seems probable that if this grandiose plan had been initiated one or two years later, it would have been heralded as the perfect answer for the Japanese economy during the recession period. And if it were now being implemented at the pace that was initially anticipated, Japanese growth rates today would probably still be in the neighborhood of ten percent. Instead, Japan's recovery from the recession has been export-led, and it will be extremely difficult to change this emphasis despite the new focus this year on public works spending. Because of Japan's size, a continuation of export growth is simply unacceptable; it will leave Japan with even more embarrassing trade- and balance-of-payments surpluses, at least in the next year or so. Even if current programs succeed and Japan is successful in reducing the rate at which the surpluses are increasing (which is by no means certain), pressures on Japan will be considerably greater next year than they are this year.

One of the problems is that almost everyone, including the Japanese, has underestimated the economic strength of Japan. This is by no means a new phenomenon. Almost from the beginning of the postwar economic growth

process, the majority of economic experts have believed that Japan's rapid growth would prove to be short lived. Ironically, almost a consensus that Japan would continue to grow at about ten percent a year was finally reached just before the severe shocks of the early 1970s--the yen revaluation, the resource price increases, world inflation and recession, as well as assorted domestic miscalculations. The sudden end of this short-lived optimism served to convince many that they had been right all along, that the Japanese economy was "fragile," and that the "miracle" was over. Overoptimism was quickly replaced by extreme pessimism. In early 1974, even such famous pro-growth economists as Osamu Shimomura began to forecast years of minus or zero growth, predicting a permanent end to the economic miracle. Even the most optimistic observers would scarcely have believed then that Japan would have large current account and trade surpluses by 1976, and embarrassingly large surpluses by 1977. The real lesson of the recession is that Japan still has the strongest economy among the major developed powers and will continue to remain competitive despite the current rise in the value of the yen.[1]

The key problems facing Japan in the next decade, rather than resource prices or availability, are likely to be mainly those associated with successful growth--with implementing the "Tanaka Plan," (or something like it), with major public works projects which are still necessary, and problems associated with export success. To solve these problems, it will be necessary to find ways to expand satisfactorily the domestic economy and to invest payments surpluses. The real thrust of future growth must come through internal stimulation, however--which should not be surprising, as the "engine" of postwar growth has been domestic fixed capital investment rather than exports, which have generally averaged about ten percent of GNP.

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[1] The First National City Bank of New York, for example, predicted in January 1978 that the yen would rise to 220 to the dollar during the year, and that this would still be a manageable rate of exchange for large Japanese businesses to handle.

Internationally, Japan will continue to face problems of surpluses, for which there are two possible solutions. It cannot really decrease its exports (although it probably can and should decrease the rate at which they have been expanding), so it must either increase imports or spend its money through direct or indirect overseas investment. It seems likely that it will follow both courses, and both courses are likely to bring to the fore issues associated with its transition to a major economic power.

It will be extremely difficult for Japan to increase imports sufficiently to offset export surpluses in the next few years. Even if Japan acquiesced in all the requests being made by the United States, there would be little impact on the existing imbalance, except with regard to specific industries (e.g., agricultural products). Very major changes would require revolutionizing Japan's complex distribution sector which would be extraordinarily difficult to do even if it were politically possible, which it is not. The one area that stands out as a potential exception is armaments. Obviously, arms imports could be substantially increased and it would be surprising if there were not considerably increased pressures to do so in the near future. This possibility is particularly attractive from an economic viewpoint, because a major increase in arms imports would go hand-in-hand with a program to increase domestic arms production, and major increases in domestic arms production (in tanks, ships and other conventional weapons and supplementary equipment such as trucks) would directly benefit a number of key industries which are now among the most hard pressed.[1]

When considering the possibility of Japan significantly increasing its defense expenditures, it is important to remember that until the

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[1] Not surprisingly, this is well understood by many industrial leaders, and a new level of interest is illustrated by the fact that Japan's leading business association, Keidanren, has made a study of defense requirements a priority issue for 1978.

recession, or only five years ago, when Japan was expanding at about ten percent a year, a significant expansion of arms production would have represented a significant economic cost. For the first time in postwar history, it would now represent a plus for the economy.

The second possibility, to spend the money, is essentially limited to indirect or direct capital export. Increasing foreign aid or advance purchases of raw materials would make relatively little difference. Actually, Japan has already engaged in a "capital export drive" which in its own way is as impressive as its export drive in trade. Japan's direct overseas investment in the late 1960s totaled but a few hundred million dollars. Today, Japan has over $20 billion of direct overseas investment, and will, within the next decade, have investments on a scale (in terms of book value) equivalent to those of the United States less than a decade ago.[1] This represents a huge commitment and a totally new experience for Japan, whose only direct investment overseas in the past was in its colonial empire.

Another aspect of this new internationalization is the changing nature of Japan's trade. The most important rapidly increasing new export area for Japan is "plant exports" (factories and their heavy machinery often constructed on a "turnkey" basis). These exports have grown from a few hundred million dollars per year in the late 1960s to about $15 billion in 1977. They are expected to represent as much as 50 percent of total Japanese exports in 1985, or about $90 billion out of total exports of $188 billion.[2]

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[1] "Japan's Industrial Structure - A Long Range Vision" published by the Ministry of International Trade and Industry, November 1976. The calendar 1977 trade surplus was about $17 billion and current account surplus about $10 billion.

[2] "Japan's Industrial Structure," MITI, 1976.

Plant exports are very different from other finished goods such as cameras, automobiles, or steel. Turnkey plants can require the seller to provide everything from the initial feasibility studies to engineering, marketing, training of labor and management, and continued monitoring and assistance after completion. This can be especially important and difficult in the developing countries, which represent a large portion of the market. In an important sense, plant exports are not "products" but the industrialization process itself, and require a new kind of involvement internationally with which Japan (that is, its trading companies, which are experts at classical buying and selling) is already finding it difficult to cope. Quite naturally, much of this trade is directly connected to Japan's direct overseas investment, as factories are provided for its joint ventures. As pressures on Japan to reduce its exports of other manufactures increase, pressures to increase plant exports should understandably increase, and this, of course, should act as an additional spur to overseas investments.

Probably the most important impetus for rapidly increasing overseas investments will be a shortage of low-cost labor, unlikely as that may seem in the current recession environment of labor surpluses.[1] First of all, Japan's sources of labor are beginning to dry up, a fact which was becoming clear in the early 1970s, but which has been masked by the recession of the last few years. A breakdown of the Japanese population according to age shows that there was an increasing number of younger Japanese until 1970, when the largest group was in the 20-24-year age bracket.[2] After 1970 the number of Japan's younger population decreases, creating graphically an inverted pyramid, which means that fewer young

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[1] Japan's unemployment "problem" must also be seen in perspective. Although it is the second highest in the postwar period, it is only about two percent.

[2] Japan's population has increased from about 80 million in 1945 to about 110 million today.

people are entering the labor force each year. Secondly, Japan's most important additional source of new labor in the postwar period--young people leaving the farms--is now at an end. From 1945, Japan's farm population declined from about 45 percent of the total population to some 12 percent today, and the majority of this remaining group are older people who cannot be expected to change their means of employment. Additionally, Japan is now an affluent society, paying its workers wages comparable to those of Western Europe, and has probably already achieved its greatest annual rates of increasing productivity.[1] Japanese workers are working fewer hours each year, national welfare programs independent of benefits by private employers are being offered, and Japan now has the second highest educational level (after the United States) in the free world. In 1970, 83.3 percent of Japanese youth went to high school and 24.2 percent to college or junior college. This is expected to increase to 75 percent and 50 percent, respectively, by 1985.

While to a large extent growing labor scarcity is likely to be countered by increasing efficiency, particularly in the distribution sector, it will be necessary for Japan to export a very considerable share of its labor-intensive industry to avoid large-scale guest-labor importation.[2] This, of course, has been recognized by Japanese Government officials and private economists, and is perhaps the most important reason why current MITI plans call for overseas investment in the next decade of $80 to $90 billion.

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[1] Recent MITI estimates are for a decline from about ten percent annual productivity increase from the 1950s to the early 1970s to about 5.8 percent through 1985.

[2] Actually it is not inconceivable that Japan will import a large number of foreign workers, particularly from Korea. Because of the politically volatile nature of this issue, it is little discussed. It is well known, however, that virtually all Japanese ships use Korean seamen and junior officers, and there are thousands of Korean "trainees" working in plants in Japan, plus many Korean nurses and construction workers.

In the last decade or so, the United States and advanced European economies with economic growth rates of about four to seven percent, and relatively stable population growth rates, have dealt with this problem by importing labor and by regional redistribution of industry. In the United States for example, legal immigration has been on the order of about 300,000 a year in the last decade (3,321,677 between 1961 and 1970) and estimates of illegal immigrants are as high as ten million. At the same time, during the 1960s, there was a large-scale shift of labor-intensive industries from the highly industrialized Northeast and Middle West to the South and simultaneously a large-scale migration of poor whites and blacks, particularly from the South, to the urban industrial areas. Similarly, in Western Europe, an estimated eight million guest laborers, essentially from Southern Europe, have been imported to work in the industrialized North over the last decade or so.

For cultural and historical reasons, Japan is unlikely to import labor on a major scale, and internal regional redistribution of labor-intensive industry on a large scale is not possible. Thus a redistribution will inevitably mean manufacturing overseas. This overseas manufacturing will be largely for supply to the Japanese market, a pattern already evident and in sharp contrast to American overseas investment which, with the exception of investments in Mexico and Canada, or in resources (e.g., Middle East oil), has been motivated primarily by a desire to gain access to new markets. Japan's overseas investment is thus likely to reflect a much greater degree of integration between the overseas and domestic manufacturing companies than is characteristic of the American multinational corporations.[1]

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[1] The Japanese culture will also tend to encourage this. Foreigners, for example, are never really accepted in Japan, even when they are fluent in the language, and all decisions are made at the top rather than delegated to semiautonomous subdivisions. There are no Japanese "multinational" companies today and there are unlikely to be any in the future. Japanese overseas investments are extensions of national corporations rather than relatively independent profit and decisionmaking centers.

Even as a growing shortage of lower cost labor is likely to stimulate investment overseas, continued growth of Japan's highly skilled and productive and increasingly expensive labor force will mean continuing pressures for rapid domestic economic growth. This will be reinforced by pressures by large Japanese businesses which have been designed for expansion and which, because of their life-time employment system, are suffering from a surplus of skilled labor and production capacity. Many of the specific problems associated with the new focus on physical infrastructure and high-technology industries are now in the process of being worked out. Also, the LDP shows signs of gaining ground for the first time in a number of years.[1] Thus, it is quite possible that Japan's economic growth rate may turn out to be considerably above current estimates and it would not be unrealistic to expect growth rates in the early 1980s of even 10 percent or more, depending, of course, on world economic conditions as well as domestic factors. The point is, that a stronger argument can be made for more rapid growth than is now expected during the next decade than can be made for less rapid growth. If one considers that as recently as 1973, the "consensus" was for an average of 10 percent real economic growth through the 1970s, this should not be too surprising. While higher resource costs, recession and a slower growth in world trade have made this more difficult, several years of excess capacity during a period of very slow growth would tend to make one anticipate the possibility of a "catchup" boom of high growth for at least a few years. Technically this should have already occurred. The reason it has not, and the key to whether or not it will, is the question of whether or not Japan will solve the domestic problems associated with the current structural transition of its economy.

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[1] The recent victory of the LDP candidate in the mayoral election in Kyoto (considered one of the three key cities), for the first time in 28 years, is widely regarded in Japan as a key indication of the growing strength of the Conservative forces.

The prospects for the Japanese economy in the next decade, then, are for continued dynamism. Typically, Japanese would label such a prognosis as "optimistic." Again, this reflects a pattern of thinking created by almost 30 years of extraordinary growth in the midst of world prosperity and without serious international resistance. The prognosis in fact is for anything but problem-free growth. It is just that the problems are most likely to be those associated with prosperity, with affluence and capital surpluses, rather than those associated with zero or low growth rates, with economic stagnation and unemployment, or with resources shortages or insufficient capital to purchase resources. The change in the nature of Japan's economic problems clearly reflects the fundamental nature of the change of this current economic shift, not only away from the postwar experience but also from the overall experience of Japan in modern times.

Under the best of circumstances, it will not be easy for Japan to deal with these changes. Japanese have worked long and hard to achieve their new-found prosperity and there is a sense in Japan, whether verbalized or not, that it is wrong to be criticized for success. It is thus possible that the new international pressures will create a sense of resentment in Japan which could reinforce deep-seated feelings of xenophobia, which in turn could spur a desire for independence as well as international recognition. This in itself could prove to be a decisive factor in changing public opinion in Japan in favor of rearmament and even--although not in the short term--acquisition of nuclear weapons.

C. The New Economic Interdependence in Northeast Asia

In much the same way that Japan was an "irrelevant factor" in the world economy 30 years ago, it was isolated from and largely irrelevant to its Asian neighbors. Its close economic interrelationship with its colonial empire was completely severed at the end of the war as several million Japanese overseas nationals were repatriated and its colonies

dismembered by the allies. China was divided, with Manchukuo occupied by the USSR, and was soon in a civil war leading to the establishment of a communist state, at first closely tied to Russia but later committed to a policy of economic self-reliance. Korea was divided, and five years later devastated by civil war, which left both Koreas openly hostile and more or less closed to Japan for more than a decade. (The Republic of Korea did not normalize ties with Japan until 1965.) Taiwan became the refuge of the defeated Nationalists, who were long preoccupied with the pledge to recover the mainland and with problems with the native islanders. Until recently, Micronesia was closed off by the United States from all outside contact. Various nations in Southeast Asia were embroiled in anticolonial wars and wars arising out of ancient rivalries. As Japan began its miraculous growth in the 1950s, it was indeed "alone" in the Pacific, far from the democracies of the West but right next to the great totalitarian states of the USSR and China.

It would have been farsighted indeed to have foreseen at the end of World War II a day when Japan would again become the pivotal economic power in Asia. Most Japanese and foreigners alike agreed with the famous prediction of General MacArthur that Japan would become a "Switzerland of the Orient." In 1960, as Japan entered the second decade of its economic miracle, its interactions with its Asian neighbors were still on a limited scale, and it is fair to say that they were of no fundamental importance to the Japanese economy. This is no longer true today, and as Japan continues to acquire the characteristics of an affluent and fully developed economy, will be less so in the future.

The new interdependence is a result of a change in scale on the part of Korea and Taiwan as well as Japan.[1] Korea and Taiwan are no

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[1] Hong Kong and Singapore can also be added to these two countries as their economic relationship with Japan is very similar. But Hong Kong, as a British colony, and Singapore as a member of ASEAN and as a former part of Malaya, are somewhat more removed city-states. Still, their continued trade with Japan, when considered together with Korea and Taiwan (see Table III-2), is impressive.

longer impoverished developing nations but semi-industrialized states playing an increasingly important "workshop" role throughout the Pacific Basin. Both have averaged real economic growth rates of about 10 percent a year (Korea for about 15 years and Taiwan for about 20 years). Despite their lack of resources and their vulnerability to world economic conditions because of the "export orientation" of their economies, both have weathered the economic crisis of the last few years remarkably well, and show every indication of being able to maintain their spectacular growth rates. Considered together, they are also not so "small" as they seem. Their combined population is over 50 million people (about 36 million in Korea and about 16 million in Taiwan), about the same as that of France and about half that of Japan. While their combined GNP is still small (about $20 billion for Taiwan, about $30 billion for Korea), their combined trade (about $40 billion--about $20 billion each) is already significant.

What is most significant about these two countries is that both are on the verge of becoming fully industrialized nations. Taiwan, with a per capita income of just over $1,000, and Korea, with a per capita income which should reach the $1,000 level this year, are just entering the age of mature, mass-consumption economies and are at about the same stage of development as Japan was in 1960. Short of a world economic disaster, or war, they should become fully mature mass-consumption economies some time in the late 1980s, with a per capita income equivalent to the advanced Western economies today and with gross national products of a size which will make them a significant, although still minor, factor in the world economy. To give a sense of scale, South Korea anticipates that, by 1991, it will have a GNP of about $350 billion (current dollars), exports of about $115 billion, and a per capita income of $7,700.[1]

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[1] "The Long-Term Economic and Social Development of Korea (1977-91)," prepared and published in January 1978 by the Korea Development Institute. This plan is semiofficial and assumes an average real growth rate of about 9.5 percent, which is slightly less than the average of the last 10 years, and thought of as a reasonably conservative estimate.

Table III-2

JAPANESE TRADE

(Million $)

	Exports					Imports				
	1965	1970	1973	1976	Jan.-July 1977	1965	1970	1973	1976	Jan.-July 1977
U.S.	2,497	5,940	9,448	15,689	9,864	2,366	5,560	9,448	11,809	8,187
E.E.C.	689	1,844	4,366	7,144	5,381	554	1,537	3,149	3,565	2,537
Korea, Taiwan	398	1,518	3,430	4,564	3,952	198	480	2,100	3,105	2,137
Korea Taiwan Hong Kong Singapore	810	2,641	5,478	7,935	6,095	266	659	2,599	4,095	2,712
ASEAN	863	1,808	3,620	5,758	3,983	830	1,866	4,428	7,740	5,517
China	245	569	1,039	1,662	1,100	225	254	974	1,370	920
U.S.S.R.	168	341	484	2,252	1,388	240	481	1,077	1,167	929
Total	8,452	19,317	36,929	67,225	44,674	8,169	18,881	38,313	64,799	40,870

On the one hand, it can be seen that these countries will still be far behind in terms of the sophistication of their economies and in terms of their total economic impact, as the advanced countries continue to progress. In current dollar terms, Japan should be close to achieving--or even surpassing--a $2 trillion economy by 1991, with that of the United States 30 or 40 percent larger. From this perspective, South Korea and Taiwan will still be minor economies, still behind and struggling to catch up. On the other hand, the "completion" of the development process will mean that another 60 million people or so (by that time) will be added to the ranks of the developed countries. Because of their high educational levels and their even income distribution (almost unique among rapidly developing nations), Korea and Taiwan will probably be the first new countries to become fully developed since Japan.[1]

Together with Japan, Korea and Taiwan should represent in the late 1980s a closely integrated (though probably still informal) economic community of perhaps 180 million people with a total GNP of about $2 trillion, making them a kind of "EEC of the Pacific."

There is a real question as to what such very large GNP figures mean, especially as countries become more advanced. As a mature industrial economy evolves into a postindustrial economy, an increasing proportion of the gross national product, as well as the labor force, becomes devoted to services. In the United States, for example, virtually the entire net gain in employment for the last 20 years has been in services.

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[1] This terminology could clearly be contested. There is no precise definition of what constitutes developed, semideveloped or developing countries. Countries like Brazil, for example, are generally thought of as semideveloped and on the verge of becoming fully industrialized nations. But in the case of Brazil and many other such nations (e.g., Argentina, Mexico, Thailand or Malaysia), the large proportion of their populations which remain impoverished and more or less outside of the economic development process, as well as other economic difficulties, make it seem likely that their full development could take longer.

Since a truly postindustrial economy does not exist, we do not know what this will lead to. And since our only experience with emerging post-industrial economies is that of the United States and several advanced European nations in the last decade or so, in a period of unprecedented peace and prosperity, it is far from clear that this evolution is inevitable.

When we think in terms of a nation's capability to wage conventional war, there seems to be a plateau which is reached when a nation becomes fully industrialized. The sophistication of advanced technology continues to evolve but the overall productive capacity tops out. It is not clear, for example, that America could produce many more planes and tanks today than it did in World War II, and it is certainly not clear that it could produce numbers of such weapons in proportion to the change in scale of its GNP. There also seems to be a dramatic improvement in the ability of a nation to absorb and implement advanced technology once it has reached an advanced state of development, or once it has "caught up" and has a fully balanced industrial structure. Japan, for example, with about half the shipbuilding capacity in the world today, potentially should be able to build half the world's ships, whether for military or for peaceful uses. Where it lacks specific advanced military technology, this could be adapted relatively quickly if Japan, through the United States or another arms producer, had access to prior RDT&E in weapons systems. When Korea and Taiwan reach the state of development where Japan is today--in about a decade--they should have the same capabilities (within the limitations of their economic size), both for mass production and for absorption of the most advanced technologies of the time. Thus, in the next decade it would not be surprising if this small economic area achieved something like an equal potential with the United States to produce machinery and equipment, whether for peace or for war.

It is this perspective which makes clear the limitations on the power potential of mainland China and on a lesser scale the developing nations of Southeast Asia. Even if China were to "open up" and permit

a large inflow of capital, technology, and management in order to spur its economic development, it could not hope to become a developed economy before the year 2000. Its size and population are as much a handicap as an asset. Full development requires tremendous investment in infrastructure--in roads, railroads, ports, etc., as well as factories, which China has hardly begun to make. It may well be that China's much-touted "people's defense," based on irregular forces and guerrillas, would make invasion extremely costly and full control by the invader almost impossible, but it is clear that China will not have an industrial base sufficient to develop and support a superpower-level army, navy, and air force before the 1990s at the earliest. From a global perspective, China will remain a small economic factor economically as well as militarily. Its trade, for example, is unlikely to become more important to Japan as a percentage of Japan's overall trade than it is now (about 25 percent of Japan's trade with Korea and Taiwan).

Just how fast China develops, of course, is a key question which at this time cannot be answered. The most important factor is whether or not China will choose to accept long-term, low-interest loans (i.e., international economic assistance in one form or another), which it has so far refused. There is every likelihood that if China were to change its longstanding policy of self-reliance, it would be considered a priority creditor by most of the capital-exporting nations and international public and private lending institutions. Given China's size, its political importance, its lack of foreign debt and record of repayment,[1] China should be able to borrow all it could possibly absorb. In such a case, China, with its inexhaustible, potentially high-quality and low-cost labor resources, and its great natural resources, might well achieve the highest growth rates in history, and could be reasonably expected to achieve at least 10 percent. But there is as yet no indication

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[1] China repaid all its debts to Russia of the 1950s even though it accused its Russian advisers of inadequate performance and despite the political acrimony surrounding its break with Russia.

that this is a likely possibility. China's recent emphasis on practical policies, including its recent $20 billion, eight-year trade agreement with Japan (which would still be less than Japan's trade with Taiwan during this period), represents only a small step in this direction.

The most likely case is that China will not dramatically "open up" and that the most important international economic trend in the region will prove to be the increasing interdependence between Japan and Korea and Taiwan and, to a somewhat lesser degree, the ASEAN nations and Hong Kong. Even if resources, oil in particular, proved to be a critical issue in the next decade or two, this picture would be unlikely to change. China could not be expected to make more than a marginal contribution to Japan's needs, even under the most optimistic conditions. Similarly, even if all the proposed Soviet-Japanese joint resource development projects in Siberia were to be realized in the next several years, they would not account for more than a minor portion of Japan's needs. There would appear to be no practical way for Japan to reduce its overwhelming dependency on Mideast oil before the late 1980s or beyond. (At this time, about 80 percent of Japan's energy needs are met by Middle East oil.) Current projections call for a decrease in this dependency through conservation measures and promotion of nuclear and other alternatives to oil, as well as a certain degree of diversification of sources. A real effort to change Japan's energy (and other resource) dependency, however, is not now planned. A major investment program by Japan in new energy development would make a real contribution to ensuring stable energy supplies over the long term but it would not significantly change the limited nature of Japan's interaction and interdependency with its giant Communist neighbors.

D. Summary of Economic Trends

Clearly the salient economic factor bearing on the security situation in Northeast Asia is the emergence of Japan as a dominant economic and technological power. Over the past two decades, while the U.S. share of

the world economy has dropped from one-half to one-fourth (although the United States still ranks first), Japan has grown from a position of irrelevancy to become the third-ranking economy of the world. Within the next decade, Japan is expected to surpass the USSR in GNP and to exceed the United States in per capita GNP. Japan is the key economy in the East Asia region, an area of growing economic importance, where U.S. trade now exceeds that with the European Community.

Japan now has the economic and technological capacity to become a major military power, and (as noted in Chapter I) for the first time since World War II it can be said that there is a growing awareness in that nation of the potential necessity for Japan to make a major move in this direction. There is now general acceptance by a majority of the Japanese people and their leaders of the need for a national defense force and, contrary to earlier years, it is now more possible than ever before to air the question of whether Japan should have nuclear weapons.

From the standpoint of the economy, a major increase in defense spending by Japan (to a level of, e.g., two-four percent of GNP) would likely have certain positive effects:

- Domestic growth would be promoted, to an extent approximately equivalent to that generated by a similar investment in infrastructure.
- Certain key industries, such as shipbuilding, steel, and heavy equipment, which have been toubled by sluggish demand and are now operating well below capacity, would benefit.
- The trade surplus would be reduced, especially with the U.S. The recent $2.2 billion sale of 100 F-15s and 45 P-3Cs is by far the largest sale of American arms to Japan in history. (Total U.S. arms sales to Japan since 1960 amount to about $1.3 billion.) With little difficulty, Japan could buy another 100 F-15s, as well as other planes and advanced equipment, doubling or tripling this figure. Since Japan is already heavily committed on oil and other resource imports, and it would be practically impossible to significantly increase agricultural imports, military sales constitute the only area where a big import increase is possible that would not seriously damage the economy.

- R&D-related industries, e.g., electronics, space, and computers, would benefit.

- An export trade in arms or at least factories to the Third World could be developed. Especially if the PRC makes large arms purchases from EC countries, there will likely be heavy pressure from key Japanese companies to develop such a trade. Such Third World sales could come to exceed those to the U.S. and Western Europe.

Close behind Japan in economic growth and potential for highly industrialized status are two smaller neighbors: South Korea and Taiwan. Each of these economies is about where Japan's was in the early 1960s. Korea, like Japan of ten years ago, must consider trade-offs of alternative investments. If Korea builds tanks instead of trucks, this will divert scarce foreign exchange and management and technical personnel from consumer investment. The economy will not grow unless it exports. For example, Korea is now preparing to make armored personnel carriers (APCs) under a Fiat contract. If Korea sells APCs to Italy or other countries, it would retrieve foreign exchange costs to that extent, but this kind of export is limited. Under foreign licensing agreements, permission to export must be received. Thus, like Japan, South Korea has international rather than domestic obstacles to exports.

South Korea does, however, export substantial amounts of military "software," e.g., uniforms, boots, etc., using only about 50 percent of its capacity for this kind of product. Manufacturing advanced equipment, like F-15s (now being discussed in Korea as a possibility for the 1980s), has real costs. Korea is too small to make this kind of venture economically advantageous.

Japan's economic investment and trade involvement with South Korea and Taiwan is heavy, considerably greater than that with China or the USSR, and Japan therefore has strong economic reasons to be concerned about the strategic implications of changes in Northeast Asia which may affect these two states. In fact, the importance of these two economies

to Japan involves more than a concern for their stability and survival. They (plus two other Asian "newcomers" in economic growth, Singapore and Hong Kong) are now engaged in what the Sanwa Bank has termed "the hot pursuit of Japan in world markets."[1] The rapid rate of growth of these "newcomers" has come as something of a surprise to Japan and many other nations, because "considering the general stagnation in world trade, pessimistic forecasters had not foreseen that in 1976 Taiwan and South Korea would both increase their exports by more than 50 percent over the previous year, while Hong Kong's shipments to overseas markets would grow by more than 40 percent and those of Singapore by 20 percent."[2] Thus, for the first time, Japan's neighbors are becoming serious competitors for world markets, and Japan's economic dominance of East Asia is being challenged. Such changes necessarily complicate relations among nations, and if the overall strategic framework is not to be adversely affected, it will be necessary for the nations involved to work out adjustments in their economic interactions.

Economically, the two major Communist powers--China and the USSR--are of lesser weight in the Northeast Asian equation than the United States and its Asian allies. China is a "sleeping dragon," apparently not yet ready to "open up" to the kind of economic interactions that might accelerate its development. The Soviet Union is quite aware of its economic shortcomings, and is looking to its growing military power in the region to produce the necessary political power to induce Japan to provide economic and technological assistance to the Soviet economy. National power in the international framework of today is an interdependent amalgamation of political, military, economic, and technological factors. Perhaps more vividly than in any other region of the world today, Northeast Asia illustrates this fact.

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1 Far Eastern Economic Review, 24 February 1978, p. 40.

2 Ibid.

IV ALTERNATIVE STRATEGIC POSTURES FOR THE UNITED STATES IN NORTHEAST ASIA

A. The Strategic Framework

Chapters I through III have discussed in some detail the various political, economic, and military dimensions of the emerging strategic environment in Northeast Asia, and have tangentially touched upon the interrelationships between the security situation in Northeast Asia and the global balance of power. Before analyzing the various options open to the United States as it seeks to structure a strategy to guide its Northeast Asia policies in the decade ahead, it seems appropriate to dwell directly, if only briefly, on the possible impact of future developments in Asia upon global international politics. In that context, it is worth recalling that among the principal rationales developed by four successive American administrations for the post-1948 U.S. involvement in Southeast Asia was the argument that what happened in Asia was of vital importance to the United States because of the inevitable impact of developments there upon the global balance of power.[1] As suggested in Chapter I, in the wake of the Vietnam debacle American policymakers appear to have abandoned that position, and to have concluded both that developments in the global strategic balance between the U.S. and USSR will have little or no impact upon the structure of the security of Asia, and that if the U.S. is successful in meeting the apparent challenge to Western interests posed by the growth of Soviet power in Europe, in the Middle East and in Africa, serious challenges to American security will not develop elsewhere in the world. The history of international politics since 1945 strongly suggests that such judgments,

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[1] See, e.g., Paul Nitze, "The Evolution of National Security Policy and the Vietnam War," in W. Scott Thompson (ed.), The Lessons of Vietnam (New York: Crane Russak and Co., 1977) pp. 2-11.

if indeed they represent the settled thinking of the Administration, are ill founded. That history reveals, in fact, that challenges both to American interests and to the global balance of power have arisen at least as often in Asia since 1945 as they have elsewhere. The changes in the Northeast Asian security environment discussed in Chapter I strongly suggest that this is as likely to be true of the world of the 1980's as it was of the past three decades.

The analysis in Chapter I suggests that any analysis of the emerging strategic framework in Northeast Asia must take into account at least six factors likely to affect in significant ways the future security and stability of the region. Those factors include: (a) the continuing growth of Soviet military power at all levels, both strategic and conventional, with the continued expansion of Soviet naval and air power in the Pacific one of the most significant dimensions of the latter; (b) the concomitant decline of American power in the Pacific region; (c) the evident decision of the PRC to increase its military capabilities, quite possibly because of the increasing uncertainty of Chinese leaders concerning the willingness and the ability of the United States to continue to play a balancing role vis-a-vis Soviet power in Asia; (d) changing attitudes towards defense and security in Japan, again the direct consequence of the growth of Soviet military power in Asia and the concomitant decline in American power; (e) growing instability on the Korean peninsula, a product both of the announced U.S. decision to withdraw its combat ground forces from Korea during the next five years and quite possibly a product as well of the worsening economic condition of the North relative to that of the ROK; (f) the rising prospects for nuclear proliferation in Northeast Asia, a further consequence of the instability of the region as perceived by states with growing technological capabilities.

These changes, actual and impending, constitute the background against which the U.S. must develop its strategy for Asia in the decade to come. In developing and analyzing various strategic options which the U.S. might consider in the future, it has been assumed that certain U.S.

objectives and policies will remain largely unchanged for the foreseeable future. More specifically, it has been assumed that the United States will withdraw the bulk of its ground forces from Korea within something like the announced time frame, i.e., by 1982 or shortly thereafter. At the same time, it has been assumed that the United States will not deliberately seek to "abandon Asia." American policymakers will continue to profess their interest in the maintenance of a balance of power in the region, and will continue to assert that the United States has every intention of maintaining the closest possible relations with Japan. By the same token, American policymakers will continue to profess opposition to any change adverse to the interests of South Korea in the political and military status on the Korean peninsula, and will advocate continued economic growth and an improvement in both living standards and the quality of life, including human rights, for the peoples of non-communist regimes in Northeast Asia.

B. Alternative Strategic Postures

Examined below are four options for U.S. strategy in Northeast Asia, ranging from a minimum or "offshore" posture, to a vigorous and visible posture which would seek to integrate the assets of the United States and its Northeast Asian allies into a regional security structure designed to maximize stability in the region. Included in the discussion of each option is an analysis of the probable consequences of its implementation.

Within each of the four discrete options there are several sub-options, dealing with policies and postures vis-a-vis the several countries involved. It is therefore possible to create options in addition to the four main options postulated, by combining, for example, the Korean sub-option in Option 2 with the Japanese sub-option in Option 3, and the Taiwan sub-option in Option 4.

1. Offshore Posture

a. Objective

The basic objectives of an offshore posture in Northeast Asia are to minimize U.S. commitments and to avoid automatic U.S. military involvement responding to a regional crisis.

b. General Military Posture

Militarily, primary reliance in responding to crises would be on island-based U.S. air forces and naval forces. It would be made explicit in adopting this posture that the United States does not plan to reintroduce ground forces onto the Asian mainland, and this decision would be reflected in planning for contingency missions and U.S. Army and Marine Corps force structures. This posture would amount to a return to the enunciated U.S. policy of 1949, i.e., that while the United States is interested in preventing aggression, under no circumstances would it commit ground forces on the Korean peninsula. In brief the posture would call for the following:

- The Second Division would withdraw from South Korea in accordance with the current plan, i.e., complete withdrawal by 1982 (returning to CONUS) leaving an Army force of some 6000, to handle logistics, communications, intelligence and other functions, for as long as the 314th Air Division remains.

- U.S. Air Force units would also begin a phased withdrawal, as the ROK Air Force builds up. The withdrawal schedule would be flexible, the principal criterion being that the air capability in the South (initially a combination of USAF-ROKAF forces and at the end ROKAF only) should approximately match but not exceed that of the North. U.S. Army support units would phase out as the need for their services decreases. Eventually, therefore, all U.S. combat forces would be withdrawn.

- The USAF units withdrawn from Korea would redeploy to Japan, if satisfactory arrangements can be made for repositioning them there; otherwise, they would return to Hawaii or CONUS.

- CINCUNC would remain to administer the 1953 U.N. military armistice, the arrangements for which would be expected to continue indefinitely, inasmuch as proposals by the United States to negotiate alternative arrangements have been rejected by North Korea. The United States would remain willing to negotiate, under the general terms previously announced.

- U.S. forces in Japan (and Hawaii) would undergo some change. U.S. Air Force strength would be increased if Japan granted permission for the USAF units departing Korea to be based in Japan. U.S. ground force strength in Asia might be cut back additionally by redeploying part of the Third Marine Division from Okinawa and/or by doing the same with the 25 Infantry Division (Hawaii).

- The Combined Forces Command (U.S.-ROK) would be converted to a contingency structure when all U.S. forces have departed. ROK forces would revert to national command.

- For a time, depending on the need and ROK desires, a U.S. military advisory/military sales group would remain in South Korea.

- All U.S. forces would be withdrawn from Taiwan and the Taiwan Defense Command would be deactivated.

- Some augmentation of the 7th Fleet would be undertaken.[1]

c. Security Treaties and Commitments

Under an offshore posture, the mutual security treaties with Japan and Korea would remain in effect, and the United States would

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[1] Under present U.S. DOD plans for naval forces, this may be difficult.

take steps to make the intention to honor these commitments known to allies and adversaries.

Japan would continue to be the ally of primary importance to the United States in the region, but there would be no attempt made by the United States to reinforce or upgrade the existing political or military linkages with Japan. Strengthening of economic relations, however, would not be inconsistent with this policy.

With respect to Taiwan (Republic of China) the minimum posture option would most likely require some changes. The United States has agreed since 1972 that "there is but one China and that Taiwan is a part of China,"[1] and at some point the existing arrangements would have to be modified. As part of a strategy which explicitly aims at reducing involvements and commitments, negotiations would be undertaken with Taiwan and with the Poeples' Republic of China to change the diplomatic and security links with Taiwan in a way that will permit establishment of full diplomatic relations with China. The U.S. objective would be to avoid the appearance of "abandoning" Taiwan[2], but undoubtedly the strategy being discussed here would lead to abrogation of the security treaty and a reduction of diplomatic representation to a lower level, perhaps oriented primarily to commercial and trade relations. In place of the security treaty, the United States would attempt to arrive at a tacit understanding with both Taiwan and China guaranteeing Taiwan some form of autonomy, with the new arrangement to be negotiated and not imposed by force. Should Japan choose to rearm, the United States would not push for broader or more intensified military relationships, but would be prepared to respond, within the framework of the treaty, to Japanese initiatives

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[1] Nixon, U.S. Foreign Policy for the 1970s, op. cit.

[2] See Donald S. Zagoria, "Normalizing Relations with China Without 'Abandoning" Taiwan," Pacific Community, October 1977, pp. 73-83, for one approach to this problem.

in the direction of joint planning, training, intelligence exchanges, etc., for political-military contingencies.

The U.S.-ROK Security Treaty would remain in effect and the United States would reiterate its commitment to honor it, but it would be recognized in the adoption of an offshore posture that there would inevitably be a considerable weakening of the longstanding close U.S.-ROK security relationship, and consequently a greater degree of ROK independence in political and military action.

d. Economic Factors

The United States has sizeable investments in Northeast Asia, upwards of $15 billion and growing. Two-way trade is also growing, especially with Japan and South Korea, and this trend is generally in conformance with U.S. interests, although the trade deficit with Japan is an irritant to all aspects of U.S.-Japanese relations. The magnitude of this trade and the strengths of the economies in Northeast Asia amount to a significant factor in the power politics of the region.

As discussed in Chapter III, the three non-communist countries of Northeast Asia (Japan, South Korea, and Taiwan) have the potential of becoming within a decade a kind of "EEC of the Pacific," a community of some 180 million people with a total GNP of about $2 trillion. It is possible for these economies to support adequate national defense budgets without jeopardizing healthy economic growth rates. The contrast, for example, between North Korea, struggling with a defense burden of 20 percent of GNP or more, and South Korea, probably able to meet its defense needs with half that total, demonstrates the national security value of economic strength. In opting for a U.S. offshore posture strategy in Northeast Asia, one of the objectives would be to support and encourage the economic growth of the U.S. allies, to ensure, among other benefits, that they are able to afford national defense establishments that will adequately compensate for the adjustments to the U.S. posture. The United States would

have to recognize the danger, however, that in adopting an offshore posture, the potential for political and military instability in the region may preclude the attainment of these economic objectives.

e. Strategic Consequences

Perhaps the most important consequences of the adoption of an offshore posture in Northeast Asia is the one most difficult to assess with any certainty: the changes in the perceptions--on the part of allies as well as adversaries--of the United States as an Asian power, and the resulting changes in the political behavior of the Asian states. In adopting the minimum posture postulated here, a realistic point of departure would be a recognition by U.S. policymakers that there is already a consensus among allies and adversaries that American power in East Asia is waning, and that this policy would reinforce that consensus. If this posture were adopted, it is presumed that the rationale would be that there are several significant benefits which would compensate for the price to be paid for further stimulating the view that the U.S. is abandoning Asia.

The most frequently cited justification for a lowered profile in Asia is to reduce the risk of involvement in conflict, especially conflict which arises out of situations over which the United States has little control. The reduction of U.S. defense expenditures is sometimes cited--more often in the past than now--as an argument for decreasing forward deployments, but it is generally agreed that redeployment usually increases costs; only by force reduction is it possible to cut expenditures. Reduction of tensions with the host country by removal of U.S. forces and bases is sometimes a valid motive, though in the case of Korea the opposite is true. This factor has some relevance to Japan, but less now than in the past, because the current prospect of U.S. force withdrawal from Korea and other factors discussed elsewhere in this report makes the American military presence in Japan more acceptable than in the past. The objective of putting pressure on allies to do more for their own security is another justification for lowering the U.S. profile; this factor continues to arise in the case

of Japan, but the prospect is that the combination of the lowered U.S. profile and the trend towards a heightened nationalistic awareness in Japan would likely result in Japan's asserting a somewhat more independent role in dealing with regional issues, including national and regional security matters. Even if the United States is successful in convincing its allies that U.S. commitments remain firm under the new strategy, Japan could be expected to look more to its own diplomacy and its own resources for national security. The United States would try to ensure that whatever changes took place occurred within the framework of the U.S.-Japan Security Treaty.

A Republic of Korea that no longer had confidence in the U.S. guarantee would certainly go nuclear: make extraordinary efforts not only to achieve a military balance with North Korea, but to attain superiority; measurably heighten its internal controls; become far less attractive to foreign investment; react violently to any North Korean provocation along the DMZ; strive to procure military equipment and other types of military support from whatever quarter promised results; in short, become a very unpredictable quantity from the standpoint of the United States.

It can also be expected that Taiwan would be responsive to Soviet overtures, with all that that implies for Soviet influence in East Asia. The reaction of Peking to this development might well be violent.

The real question is whether Japan would be able to rationalize a U.S. offshore posture with its own security imperatives. There are two scenarios:

- In the first scenario, the United States would have arrested the adverse trends in the overall strategic nuclear balance, and would have made the other moves to ensure that the 7th Fleet was more than a match for the Soviet Pacific fleet, thus reassuring Japan with respect to the viability of the U.S. nuclear umbrella, and the ability to defeat any challenge to Japan's uninterrupted use of its sea lines of communication.

- In the second scenario, the Soviets would be perceived to have some edge in the strategic nuclear balance, as well as an increasing capability to dominate the water approaches to the Japanese islands.

In the context of the first scenario, Japan would probably see it to its advantage to continue the U.S.-Japanese alliance as the basic tenet of its foreign policy: therefore to cooperate with the United States in political and military matters. In the context of the second scenario, it is highly doubtful that Japan would see enhanced military cooperation with the United States as in its best interests. In either scenario under this offshore posture, the initiative for closer U.S.-Japanese military cooperation would be left largely to Japan. The United States would be prepared to respond, but because this option presumes a U.S. desire to maintain deterrence with a minimum of direct involvement in arrangements that could imply increased military commitments, U.S. initiatives would be avoided.

Soviet reaction to this policy option would be markedly different from that of China. The Soviets would regard it favorably, seeing this diminution of the U.S. posture in Northeast Asia as one more piece of evidence that the "correlation of forces" is shifting in their favor. In Soviet eyes the United States would be acquiescing to the forces of history in adopting this policy, and the Soviet response would be to capitalize on the opportunity by upgrading even more sharply the Soviet posture in Northeast Asia, to demonstrate by contrast that American power is waning. Japan would begin to feel more pressure from a more confident USSR, whose objective would be to make Japan an "Asian Finland." In time, if the United States were to take no steps to reverse the perception that East Asia no longer stands high in America's priorities of interest, Soviet power and influence would spread throughout East and Southeast Asia, further "encircling" China.

China would show some ambivalence in reacting to this U.S. posture. The move towards normalization of U.S.-PRC relations would be welcomed, but the value of this closer link to the United States would be

more than balanced by China's fear that the American deterrent to Soviet expansionism in the region might no longer be credible enough to serve China's national survival needs. Greater arms expenditures would probably be undertaken by China, especially in the area of arms modernization, in order to be able to defend against the sophisticated arms of the USSR. At the same time, China would have to consider the reality that even stepping up its military capabilities may not be enough to prevent the Soviets from gaining hegemony in the region, and that the only pragmatic course for China to take would be to seek detente with its neighbor to the North.

On balance, in the light of the existing situation in Northeast Asia, any hoped-for gain from a lowered military profile seems to be less real and valuable than the losses which would stem from a growing image of a retreating America. The power balance in Northeast Asia is partly a matter of military capability and partly a matter of perceptions of political will. The U.S. image is a factor in nearly all the local confrontations: Sino-Soviet, Japanese-Soviet, North Korea-South Korea, and Taiwan-PRC. Cumulatively, it appears that the negative impact of a weakened U.S. role in each of these balances would add up to a significant adverse tilt in the overall regional balance of power.

The probable effect on the prospects for nuclear proliferation must also be weighed in evaluating the strategic consequences of U.S. adoption of a minimum posture. South Korea and Taiwan are both known to be interested in the nuclear option. The critical question then becomes at what point in the decline of American credibility in the power equation of East Asia will one or both of these countries decide that nuclear weapons are essential to survival. As discussed in Chapter I, even Japan does not now shrink from discussing the nuclear option. In South Korea and Taiwan the incentive to go nuclear may well be irresistible.

2. Posture of "Attentisme" (No New Initiatives)

a. Objective

The objective of a posture of "attentisme" is to continue the existing U.S. policy and posture towards Northeast Asia (including the announced intention to withdraw the Second Division over the next four or five years), to refrain from taking any other major policy initiatives, but to remain attentive to political and military developments in the region and make such adjustments in policy as are necessary, consistent with the basic approach of avoiding the reintroduction of U.S. ground forces, if possible.

b. General Military Posture

Except for the phased withdrawal of the Second Division from Korea (returning it to CONUS) and the addition of about 12 F-4 aircraft to the 314th Air Division, the force posture in Northeast Asia would be essentially unchanged. Existing elements of the 3rd Marine Division would remain on Okinawa and the 25th Division would remain in Hawaii, both available for deployment to Korea if necessary, but as a general concept, the U.S. support for the defense of South Korea would consist primarily of U.S. air, naval and logistics support; ROK ground forces, as their capabilities expand under the Force Improvement Program (FIP), would be expected to contain at least the initial phases of any ground attack from North Korea. Under this option, the United States would seek to maintain existing control over the force levels and the structure of the ROK armed forces as they develop under the FIP, the command functions being carried out within the framework of the U.S.-ROK Combined Forces Command. CINCUNC's responsibilities with respect to armistice arrangements would continue. U.S. naval power in the region would be maintained at approximately the present level.

c. Security Treaties and Commitments

The mutual security treaties with Japan, South Korea and Taiwan would remain in effect, and the U.S. commitments to honor them would be made clear. With respect to Taiwan (Republic of China), although the treaty would continue in effect, U.S. forces would be further reduced (perhaps leaving a military advisory/military sales unit) and the Taiwan Defense Command (TDC) deactivated. U.S.-PRC "normalization" would remain an American objective, but there would be no haste on the part of the United States to resolve the ambiguities inherent in the existing status, which appears to be at least moderately acceptable to all concerned. Normalization would proceed "as feasible".

With regard to U.S.-Japanese relations, the United States would not press for a substantially expanded Self Defense Force, but there would be a specific U.S. effort to improve the mechanisms for political-military coordination with Japan, especially regarding the defense of the Japanese homeland.

Japan would be encouraged to expand its relations with the PRC, possibly including exchanges of visits of military leaders of both countries. Since China has openly declared its support for continuation of the U.S.-Japan Security Treaty and for an improved Japanese military capability, such expanded Japanese-PRC relations would be consistent with existing interests and objectives of both the United States and Japan. The United States would also encourage the continued growth of Japanese-PRC economic relationships (and a continuation of Japan-Taiwan economic relations as well).

The United States would also continue to encourage Japanese economic intercourse with South Korea, and expansion of investment and trade as the two countries mutually agree. There would be no overt U.S. effort to promote military coordination between Japan and South Korea, but such movement in this direction as the two countries see fit to pursue would not

be discouraged. Neither would the U.S. oppose some expansion of contacts, economic and otherwise, between North Korea and Japan, but ROK concern over such initiatives would require that Japan move carefully in this area, and consult closely with the U.S.

Regarding the situation on the Korean peninsula between the North and the South, the United States would not undertake any initiatives towards a political solution, but would look with favor on any North-South moves which might stabilize the situation on the peninsula. The United States would maintain its announced position that it will not engage in any U.S.-North Korean negotiations, although it would announce its willingness to respond favorably to any sincere DPRK initiative if South Korea were included (and other interested parties as well).

d. Economic Factors

Some of the economic interactions related to this policy option have been noted above, as they relate to the bilateral political-military relationships. The general economic premise of this policy option is that the U.S. posture should support and protect U.S. investments in the region and work to strengthen a framework of trade relationships which would benefit the United States and its allies, and seek to enhance the stability and survivability of the free world's economic system as it competes with the opposing system of controlled socialist economies. At present the non-communist powers involved in Northeast Asia are suffering less of an economic drain from efforts to maintain military preparedness than their communist counterparts, a situation which represents a strategic advantage. Preservation of this advantage requires that the region remain politically and militarily stable, and therefore a basic element of an "attentisme" posture is the achievement of a proper balance between military expenditures (and the accompanying deterrent posture) and the portion of the national budget allocated to economic and social development.

e. Strategic Consequences

As suggested above, the "attentisme" option is the one closest to present U.S. policy, and its possible or probable consequences must therefore be evaluated with great care. The major initiative is the planned adjustment of the U.S. force presence in Korea, the possible consequences of which have been addressed at great length throughout this study. Fundamentally, the "attentisme" policy rests on the assumption that existing political and military trends in the region not only require no new U.S. policy initiative of a positive nature, but on the contrary permit a reduction in the U.S. military presence. Many observers dispute this contention, arguing that, in the face of the ongoing Soviet military buildup in Asia and the continuing possibility of military adventurism on the part of the DPRK, any significant reduction in U.S. military capabilities in the region is unwise. The U.S., such critics suggest, is already widely perceived in Asia as a power on the run; the continued draw-down of the U.S. military presence can only augment such perceptions. Should the PRC come to believe that the U.S. can no longer act as a make-weight in the Asian balance of power, it may be driven to consider a detente of its own with Moscow. Japan, in return, may feel inspired either to undertake a rearmament effort, which could be destabilizing both internally and externally, or to make its own peace with the USSR. The DPRK may decide to strike while the opportunity presents itself; the ROK and the ROC, believing that they have been left to their own devices, may seek to exercise the nuclear option. Going nuclear would increase an already heavy ROK defense burden.

To be sure, these are "worst case" consequences, and all or some of them might be avoided depending both on global political-military trends and developments in the region itself. Moreover, an "attentisme" policy as discussed here could differ in certain respects from current policy. For example, certain currently-operative U.S. policy decisions would be subject to modification or even reversal. For example, on the basis of continuing review of the Northeast Asian situation (and of its relationship to the global strategic environment), the decision might

be made to leave the main body of the U.S. ground combat forces in Korea, and to devise a new approach to the force presence issue. Such a new approach might well be one which has been advocated both before and after the Carter decision to withdraw the ground forces, i.e., to seek first a stable political solution to the North-South Korean problem, using the existing force presence as a bargaining tool in a negotiated solution which would involve all the interested powers.

Therefore, it may fairly be said that the consequences of implementing the "attentisme" posture cannot be predicted with great confidence; they may depend upon how perceptively and flexibly the option is pursued. It is possible, moreover, that the evolution of the Northeast Asian situation may well lead to a transition from the posture described under this option to either of the two options to be discussed below, or, on the other hand, towards the offshore posture described above (although. in the judgment of the study team, this latter course seems highly unlikely given the current and expected future regional and global situation).

3. Full U.S.-Japan Partnership

a. Objective

The objective of entering into a strengthened partnership with Japan is to combine the strategic potential of integrated U.S. and Japanese political, military and economic assets for dealing with the various issues affecting Northeast Asia.

b. General Military Posture

The U.S. military posture under this option would be similar to that of the previous option, i.e., the Second Division would be withdrawn from Korea over the next four or five years and U.S. air strength would be augmented in the near term until the ROK Air Force is built up sufficiently to hold its own against the air capability of the North; as this occurs, the USAF strength would be reduced, although not completely withdrawn. U.S. forces in Japan would remain at approximately the present level. Joint planning would go forward for Japanese forces to assume a greater role in regional defense. U.S. naval forces in the region would be somewhat augmented, (with longrange U.S. naval planning adjusted accordingly) and would operate in closer cooperation with Japanese naval forces that in the past.

ROK forces would continue to be strengthened under the FIP and other defense programs until parity with North Korean forces is achieved, but not beyond. As in the other posture options, the FIP will effect a qualitative upgrading of ROK ground forces to compensate for deficiencies vis-a-vis the North in communications, intelligence, logistics, mobility, armor, anti-armor artillery, and air defense. The residual U.S. Army forces will continue to provide logistics, communications and intelligence support, but the FIP will include efforts to upgrade ROK capabilities in these areas. It would be several years at best before ROK air capabilities could match those of the North. The ratio is about

2 to 1 to the North's advantage at present, and the possibility of achieving a balance in air assets depends upon what the North does to increase its air strength (in numbers and in modernization) as the South builds up its own. It must be assumed that at least some USAF units will be required for several years.

The greatest change would occur in Japanese forces and the missions to be assumed by Japan. There would be a definite increase in both.

c. Security Treaties and Commitments

The mutual security treaties with Japan, South Korea and Taiwan (ROC) would remain in effect, and the U.S. commitment to honor these treaties would be made clear by U.S. policy declarations, especially regarding the Japanese and Korean treaties. U.S. forces in Taiwan would continue to be reduced, with a small residual military advisory/military sales group remaining for an indefinite period, depending on developments regarding the status of Taiwan vis-a-vis China and the U.S.-PRC relationship. The Taiwan Defense Command (TDC) would be deactivated, but the United States would retain plans for its reactivation if it should ever be required. The question of how and when full normalization of U.S.-PRC relations would take place would continue to receive attention, but the process would move slowly, one of the objectives being to preserve the independence of Taiwan.

In Korea, efforts would be renewed, but at a deliberate pace, to find a workable replacement arrangement for the armistice. CINCUNC would remain to administer to existing arrangements until some substitute could be found. The basic criterion would be the inclusion of South Korea as a recognized political entity and a participating party in the armistice. The U.S. approach would be flexible enough to allow for consideration of any new arrangement which would preserve the freedom of the South Korean people and contribute to political-military stability on

the peninsula; a North-South peace treaty, including a non-aggression declaration by both sides, would be the ultimate objective. Any movement towards direct North-South negotiations would be encouraged by the United States. Before completing the U.S. force withdrawal, an attempt would be made (by South Korea and/or the United States) to use the withdrawal in the bargaining for a substitute for the existing armistice arrangement. In general, because the U.S. approach to the armistice question under this policy option is one of deliberation and restraint, it would be made clear to North Korea and the powers sympathetic to its cause that the United States is prepared to live with the existing framework for an indefinite period, and will not make any major concession without concessions of equal moment from the other side.

The major innovation under this option concerns the U.S.-Japanese relationship. A comprehensive effort would be made to institutionalize the mechanisms for bilateral planning and coordination on all matters affecting Northeast Asia. Japan would be offered support and encouraged to assume a leading role in regional affairs. Japan has already undertaken a growing role in economic leadership in the "East Asian-Pacific Arc Economy," an economic region which, according to some predictions, may overshadow the economic strength of the Atlantic Community in the not-distant future.[1] The U.S.-Japanese cooperation, with Japan playing the major role, would enhance the strategic significance of this area, and in the process, capitalize on an excellent opportunity for enhancement of free world economic influence. Southeast Asia, the Association of Southeast Asian Nations (ASEAN), in particular, is becoming a focal point of Japanese economic outreach.[2] The U.S.-Japanese stake

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1 See Bernard K. Gordon, "Japan, the United States and Southeast Asia," Foreign Affairs, April 1978, pp. 579-600, for an analysis of the significance of Japan's expanding economic role, and the importance of a Japanese-American partnership in the future of this development.

2 Dr. Osamu Miyoshi, "The Security of Northeast Asia in the 1980s: The Japan-Soviet Relationship," paper prepared for meeting of Japanese and SRI/SSC analysts in Washington, D.C., November 14, 1977.

in the economics of Northeast Asia is equally important, and improved mechanisms for dealing with this opportunity would, under the policy option postulated here, be sought by the United States.

Concurrent with a strengthening of U.S.-Japanese economic collaboration in Asia would be an effort to accelerate the institutionalization of bilateral mechanisms for defense planning. Japan would be encouraged to strengthen its Self Defense Forces and to play a greater role both in the defense of Japan and in regional defense. Specifically, for example, plans would go forward for the allocation of areas of naval responsibility, which would imply an expansion of the JMSDF. Force structuring in all sectors of the JSDF would be jointly planned to include arrangements for sharing of technological and operational information. The objective would be a greater degree of "burdensharing" than has been evident in the past.

d. Economic Factors

The significance of U.S.-Japanese economic cooperation has been discussed above, and this factor would be central to the economic component of the "U.S. Japanese partnership" option. The overall economic objective of this policy would be to strengthen the U.S. and allied strategic position in Northeast Asia by strengthening the economic interdependence already extant in the region. As noted above in the discussion of the "offshore posture" option, the three burgeoning economies in Northeast Asia (Japan, South Korea and Taiwan) possess the potential for becoming a kind of "EEC of the Pacific," outshining by contrast the socialist economies in the region. The United States is already heavily involved in this economic matrix, but will find it increasingly essential, in pursuit of its national interests, to ensure that it has a participatory and influential role in the evolution of Northeast Asian economic development. "Growing pains" are already felt by the individual nations involved, necessitating considerable give and take as they work out equitable trade and investment policies and practices. The economic factors are interdependent with political, military, technolgical and social factors, which

calls for an integrated U.S. policy approach to the overall strategic posture in Northeast Asia.

e. Strategic Consequences

If a truly revitalized U.S.-Japanese partnership can be achieved, the strategic effect could do much to reverse what is now, as the foregoing portions of this study discuss at some length, the perception of an American slowly retreating from East Asia. Every official delineation of U.S. interests and objectives in East Asia includes the cardinal point that the U.S.-Japan axis is the key factor in America's Northeast Asian strategy. Up to now, the full potential of this relationship has not been realized, for many reasons, but especially because Japan has not been prepared to enter into a partnership calling for major Japanese involvement either in security arrangements in Asia or in issues concerning the international competition between the U.S. and the USSR. As this study has pointed out, attitudes in Japan are now changing, and the United States should be considering its response.

The consequences of this option within the ROK would be somewhat more favorable than in the previous ("attentisme") option in that (1) the forging of a closer U.S.-Japan relationship would indicate to the Koreans that the United States will continue to play an active role in Northeast Asian security, and (2) the support and cooperation of the United States in the buildup of ROK forces to parity with the North would not eliminate, but would tend to assuage ROK concern over the U.S. ground force withdrawal. Further, the increased U.S. effort--though modest in degree--to seek a replacement for existing armistice arrangements will ensure that the hope for eventual ROK participation in the armistice framework (or its replacement) is kept alive. In this effort, U.S.-ROK coordination in devising feasible diplomatic initiatives would tend to preserve the long-standing ties between the two countries. As the phased U.S. force withdrawal proceeds, opportunities would be sought to make use of the potential bargaining leverage of each withdrawal step for obtaining

a new and more stable relationship between the two Koreas. Latent ROK apprehension about a resurgence of Japanese military capabilities should be overcome by the fact of close U.S.-Japanese cooperation in the expansion of Japanese military participation in regional security.

The consequences of this option for Soviet-American and Sino-American relations are more problematic. That the USSR would not welcome an American policy initiative whose primary purpose was to impede the growth of Soviet power and influence in Asia is obvious. The proposed force posture, then, might be expected to complicate Soviet-American relations generally and it doubtless will be opposed by those who view the maintenance of detente as the most important U.S. foreign policy objective. On the other hand, Asia remains secondary to Europe as an area of interest for the USSR, and in the past the Soviets have shown themselves willing and capable of separating setbacks to their designs in this region from their policies elsewhere. Thus it may be that adoption of the option would not have a significant effect on the dimensions of the Soviet-American relationship. In any case, the U.S. should be prepared to pay a price for halting the rise of Soviet power in Asia.

The PRC, on the other hand, would doubtless generally welcome the U.S. initiative, since its primary foreign policy interest over the next decade will be the containment of the Soviet Union; over the longer term, however, as Chinese military power grows to the point where it is capable of containing the Soviet threat, Peking will doubtless become unhappy over the further institutionalization of the U.S.-Japan relationship in Northeast Asia.

4. "Total Force" Posture (Regional Approach)

a. Objective

The objective of a "total force" posture is to improve substantially the capability of the non-communist world to deal with challenges to regional security and stability in Northeast Asia which may well increase in number and severity in the decade ahead.

b. General Force Posture

The U.S. force posture would be similar to that of the previous option, i.e., U.S. plans to withdraw the Second Division over the next four or five years would not be changed. Under this option, however, there would be considerable flexibility, the stages of the withdrawal to be related to the developing military situation on the peninsula and elsewhere in the region, as revealed by close and continuous monitoring of the political-military situation. U.S. naval strength, moreover, would be somewhat augmented. Initially there would be an increase in air assets in Korea, with an ultimate (and gradual) phasedown of USAF units as the ROK Air Force builds up. The USAF units withdrawing from Korea, however, would be stationed in Japan. Other U.S. forces in Japan, including the Third Marine Division on Okinawa, would remain as now deployed. On Taiwan, the U.S. forces would be further reduced, and the TDC inactivated, but contingency plans would be maintained for its reactivation if necessary. ROK and Japanese forces would be significantly strengthened, as discussed below.

c. Security Treaties and Commitments

The "total force" posture would be an augmentation of the "Japanese partnership" option described above; the bilateral partnership would be expanded to a trilateral U.S.-Japanese-ROK linkage. Primary emphasis in this trilateral arrangement would be on political-military

coordination, but an expansion of joint economic cooperation would also be an objective.

The mutual security treaties with Japan, South Korea and Taiwan (ROC) would remain in effect. Although the Taiwan treaty would be given a more low-key treatment than the others, and the U.S. would continue to seek a more normal set of relations with the PRC, the latter would not be sought at the expense of the U.S.-Taiwan relationship. The long-term U.S. preference would be for an independent Republic of Taiwan, and U.S. diplomatic efforts would be exerted towards this end.

In the third posture option described in (3) above, the U.S.-allied military planning/coordination is mainly bilateral (U.S.-Japanese and U.S.-ROK). Under this option, however, the objective would be to move towards the institutionalization of U.S.-Japan-ROK military planning, including the coordination of air defense, sharing of responsibility for sea surveillance, standardization of equipment, joint contingency planning and combined command structures.[1] The cooperation of South Korea and Japan in military planning and coordination would be a major change for both countries; the United States is uniquely qualified to use its relationship to each country to make this possible. As this arrangement develops, however, there will continue to be, within the overall trilateral framework, some objectives that are mainly bilateral.

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[1] Although both Japan and South Korea have been cautious in their approach to the concept of military links between them, the subject has arisen from time to time, for example, in the call in 1976 from Yi Chol-sung, head of the opposition New Democratic Party in South Korea, "for the establishment of three-way collective security ties among the United States, Japan and South Korea, to ensure a durable peace . . . "Representative Yi criticized the Government for failing to map out solid measures to cope with the situation facing this country in the international arena . . . (Foreign Broadcast Information Service, Asia and Pacific, 5 Oct. 1976, p. E-1.)

The U.S.-Japanese mechanism for expanded coordination and consultation would include (1) joint force structure planning and a Japanese commitment to expand the Self Defense Forces to a substantially higher level, requiring defense expenditures of about 5% of GNP; (2) establishment of a command-control-communications framework for the contingent defense of the Japanese homeland; (3) a Japanese commitment to participate in the trilateral coordination described above; (4) quiet planning for a possible Japanese nuclear weapons capability, a "force de dissuasion"; (5) expansion of the sphere of military planning to Southeast Asia, in the form of U.S.-Japan-ASEAN staff talks; and (6) U.S. encouragement of Japanese-PRC military intelligence exchanges and coordination on military-related equipment to be provided to China by Japan.

In Korea, there would be a deliberate and coordinated U.S.-ROK plan to build up the ROK armed forces to a level sufficient to give a politically useful overhang with respect to North Korea. As the ROK forces build up they would revert to national control. As a political corollary to this military buildup, a major effort would be made on the part of the United States and South Korea to secure a "two-Korea" solution to the problem on the peninsula.

d. Economic Factors

The economic framework of this posture option would be quite similar to that of the previous option (U.S.-Japan partnership). Japan would be the key economic power in the region, being encouraged by the United States to take the lead in economic development, with close U.S.-Japanese coordination as a basic requirement, but to include intra-regional economic cooperation as well. The objective would be, as in the previous option, to exploit the strategic effect of the integrated functioning of the free world economies in the region. The close economic relationships would not only foster mutually beneficial economic growth but would serve to facilitate the solution of inevitable economic problems among the United

States and its allies, arising from uneven rates of growth, fluctuations of costs of raw materials, inflationary problems, variations in exchange rates, etc.

e. Strategic Consequences

The salient perception which seems likely to be drawn from this "total force" posture would be that the United States has made a clear commitment to stake out its national security frontier in Northeast Asia in particular, and in the Western Pacific and Asia in general. By drawing Japan into a close partnership and by using its influence to extend that partnership into a trilateral framework by establishing a new order of ROK-Japanese cooperation, both the Soviet Union and China should recognize that there is a new order to be dealt with in the region. Overall, such a posture should tend to reduce the probability of nuclear proliferation in the region. For China, the image of a determined America should be a welcome sign, serving the important Chinese objective of having a credible counter to Soviet power in the region. This would seem to make it less likely that the Chinese would find it necessary to seek some sort of detente with an increasingly powerful USSR. Closer Sino-Japanese relations would not be inhibited by this option, thus making it generally acceptable to China.

The Soviets would see this U.S. posture in the opposite light, as a threat to their objective of dominating the region. The deepening of the partnership among Japan and the United States, and South Korea would frustrate the USSR's intentions of exploiting Japan's economic and technological assets for Soviet gain. The presence of augmented U.S. and Japanese naval forces would inhibit Soviet naval harassment of Japan, South Korea and China.

The probable consequences on the Korean peninsula are more difficult to judge. The withdrawal of the U.S. ground combat forces will

tend to dilute the positive impact of the other elements of the option, but the institutionalization of U.S.-ROK-Japanese military planning should (1) increase the coherence and the deterrence factor of allied regional security, and (2) indicate to the allies, and to the adversaries as well, that the United States does not intend to disengage from its responsibilities in the region. The buildup of South Korean forces to a position of better than parity vis-a-vis the North would partially compensate for the loss of the American ground forces, but the political deterrent provided by these forces would disappear. If, however, the U.S. plan for ground force withdrawal is kept flexible,[1] and major concessions from the North are obtained in return for a staged troop withdrawal, this option will have its maximum positive effect.

C. Alternative Postures: Tabular Summary

Table IV-1 is a brief summary, in tabular form, of the principal elements of the four postures postulated and examined in this chapter.

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[1] The announcement by President Carter on 21 April 1978 that only one battalion, rather than a brigade, will be withdrawn in 1978 (the Washington Post, 22 April 1978, p. 1) suggests that the Administration's policy on troop withdrawal may be more flexible than previously believed.

Table IV-1

ALTERNATIVE STRATEGIC POSTURES IN NORTHEAST ASIA

KEY FACTORS \ ALTERNATIVE POSTURES	OFFSHORE POSTURE	"ATTENTISME" POSTURE (No New Initiatives)	FULL U.S.-JAPAN PARTNERSHIP	TOTAL FORCE POSTURE (Regional Approach)
MILITARY POSTURE	2nd Div withdrawn as scheduled. USAF to Japan as ROKAF builds up. All U.S. military forces eventually withdrawn. CINCUNC remains for armistice role. CFC is contingency structure. ROK Forces revert to national control. 3rd MARDIV and/or 25th Div reduced. ROK continues FIP, probably augmented.	2nd Div. plans to withdraw as scheduled. USAF augmented, later reduced as ROKAF builds up. Residual US Army force remains in support role. U.S. maintains control over ROK military buildup. CFC in being. CINCUNC remains in armistice role.	2nd Div. withdrawn generally as scheduled. USAF augmented, later reduced as ROKAF builds up. CFC in being. CINCUNC remains pending results of "reasonable" efforts to replace armistice arrangement. ROK forces build to parity with DPRK. Residual U.S. Army support force.	2nd Div. withdrawn generally as scheduled. USAF and USN augmented. USAF later partially deployed to Japan as ROKAF builds up. ROK force buildup for politically useful overhang over DPRK. CINCUNC remains until new armistice arrangement made. Residual U.S. Army support force.
U.S.-JAPAN RELATIONS	No change in formal U.S.-Japan links. Japanese faith in U.S. declines. Japan either builds up military, or seeks accommodation with communist powers. Japan possibly goes nuclear.	Security Treaty continues. U.S. seeks improved mechanism for political/military coordination. No U.S. pressure for JSDF buildup. U.S. encourages expansion of Japan-PRC relations.	Enhanced bilateral consultation/coordination with Japan on all E. Asia issues. Support for lead role for Japan in Pacific Economic Community. Greater institutionalization of joint defense planning for force structuring, sharing naval roles. Increase JSDF structure and roles.	Stronger consultation/coordination for: Substantially greater JSDF (5% of GNP). C^3 framework for homeland defense. Japan-U.S.-ROK military planning. Contingency planning for nuc. weapons. Japan-U.S.-ASEAN military staff talks. Japan-PRC military intelligence exchange. Military-related equipment from Japan to PRC.
U.S.-ROK RELATIONS	Security Treaty loses credibility. ROK confidence in U.S. declines. ROK "goes it alone", probably with nuclear weapons. Will seek weapons from sources other than U.S.	No change in Security Treaty. No U.S. initiatives for political solution on peninsula. Anxiety in ROK remains high, at least initially. U.S. force withdrawal subject to change, if instability rises.	No change in Security Treaty. U.S. seeks continued close coordination with ROK in FIP. U.S. force withdrawal schedule to proceed carefully, linked to ROK force improvement and regional stability.	No change in Security Treaty. Major U.S. effort to gain acceptance of two Koreas, with peace treaty replacing armistice, use of U.S. force withdrawal as leverage for bargaining.
U.S.-TAIWAN (ROC) RELATIONS	U.S. abrogates Security Treaty. U.S. forces withdrawn. TDC inactivated. Taiwan probably goes nuclear.	Security Treaty continues, but U.S. forces further reduced. TDC inactivated.	Same as "Attentisme".	Security Treaty remains. U.S. actively supports a Republic of Taiwan.
U.S.-PRC RELATIONS	U.S. seeks full diplomatic and economic relations. PRC welcomes this, but is alarmed over loss of U.S. power & will. PRC escalates military buildup, may seek detente with USSR.	Normalization proceeds "as feasible". PRC displeased over continued U.S.-Taiwan linkage, may become convinced U.S. not able to contain Soviet power.	Normalization proceeds "as feasible". PRC displeased over continued U.S.-Taiwan linkage, but this may be balanced by image of stronger U.S.-Japan posture.	Normalization "as feasible", but may be slowed by U.S. support for Republic of Taiwan.
ANTICIPATED SOVIET REACTIONS	USSR seeks to fill military vacuum left by U.S. USSR increases pressure on Japan, to make Japan "Asian Finland".	USSR will push for expanded influence, at expense of U.S. Pressure on Japan and "encirclement" of PRC will increase.	USSR will attempt to exert pressure on Japan to inhibit U.S.-Japan cooperation and Japan's taking greater security role. USSR will continue to build up military force in region.	USSR regards trilateral (and limited quadrilateral) defense coordination as threat to Soviet desire for domination of region.
ANTICIPATED NORTH KOREAN REACTIONS	DPRK welcomes U.S. retrenchment, steps up pressure on ROK, may be emboldened to attack before ROK gets too strong.	Same as offshore posture.	Resistance to efforts to replace armistice, especially regarding recognition of ROK as political entity. Probable attempt to keep DPRK forces superior to ROK.	Probable acceleration of DPRK force buildup, drawing mainly on USSR. Resistance to two-Korea concept, reluctant to bargain for U.S. force withdrawal, unless pressed by USSR and/or PRC.

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