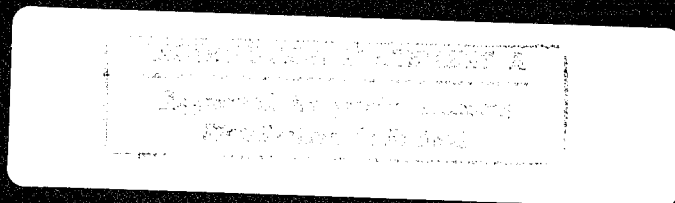


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INTERNATIONAL POLITICS  
IN NORTHEAST ASIA:  
The China-Japan-United States  
Strategic Triangle

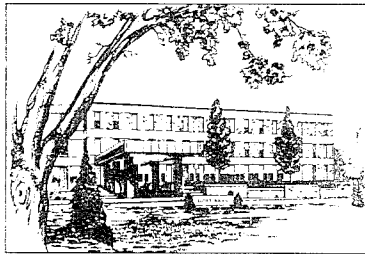
Thomas L. Wilborn



U.S. Army War College



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**INTERNATIONAL POLITICS  
IN NORTHEAST ASIA:  
THE CHINA-JAPAN-UNITED STATES  
STRATEGIC TRIANGLE**

**Thomas L. Wilborn**

**March 21, 1996**

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An earlier version of this study was reviewed by four colleagues at the U.S. Army War College. They are Colonel (Retired) Donald W. Boose, Jr.; Professor Steven Metz; Colonel Paul P. Peyton; and Professor Leif Rosenberger. They provided valuable suggestions which improved the analysis and presentation. All remaining errors of fact and judgment are the sole responsibility of the author.


## FOREWORD

The United States has vital security and economic interests in Northeast Asia, one of the most dynamic regions of the world. This monograph focuses on the three bilateral relationships, those connecting China, Japan, and the United States to each other, which will dominate the future of the region.

Dr. Thomas Wilborn analyzes these relations, taking into account key issues involving Taiwan and North Korea, and offers insights regarding their future course. He also reviews U.S. engagement policy and assesses the value of U.S. military presence for regional stability.

Dr. Wilborn suggests that in the short range, Washington should avoid significant changes of policy. However, in the long range, the United States will have to establish machinery which provides ways for the major states, especially China and Japan, to assert greater initiative commensurate with their economic power, yet within a stable political context. Multilateral operational structures to supplement existing bilateral relations in Northeast Asia may provide a means for the United States to influence long-range trends and protect U.S. interests.

Long-term readers of these monographs are well familiar with the distinctive quality of Tom Wilborn's work. For more than two decades with the Strategic Studies Institute, the hallmarks of his analyses have been clarity, thoroughness, and relevance for the policymaker. This study is his final contribution prior to retirement from Federal civil service. He leaves us with a rich, abundant legacy of scholarship. We wish him and his wife, Sally, great enjoyment of the years ahead.

  
RICHARD H. WITHERSPOON  
Colonel, U.S. Army  
Director, Strategic Studies Institute

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## **BIOGRAPHICAL SKETCH OF THE AUTHOR**

THOMAS L. WILBORN, a Research Professor of National Security Affairs, is an Asian specialist with the Strategic Studies Institute of the U.S. Army War College. His recent publications include *Strategic Implications of the U.S.-DPRK Framework Agreement*; *Japan's Self-Defense Forces: What Dangers to Northeast Asia?*; and *Stability, Security Structures, and U.S. Policy for East Asia and the Pacific*, Strategic Studies Institute, U.S. Army War College, 1995, 1994, 1993, and 1992, respectively. He is also author or coauthor of several other studies and articles related to Asian security, nuclear doctrine, and NATO. Before joining the Institute in 1975, Dr. Wilborn taught international relations and political science at James Madison University and Central Missouri University, and served on a University of Kentucky educational assistance group working at the Institut Teknologi Bandung, Bandung, Indonesia. He received the Ph.D. degree in political science from the University of Kentucky.

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## SUMMARY

The major powers of Northeast Asia—those nations which can demand to be involved in all significant regional decisions—are China, Japan, and the United States. Russia may be able to claim that status in the future, but for a number of years Moscow will not have the political, economic, or military capabilities required.

The other actors in the region are North and South Korea and Taiwan. Like Russia, they are not insignificant powers which can be ignored. Indeed, if there is conflict in the region, it will probably begin because of actions taken in Taipei or the two Korean capitals. And the economies of South Korea and Taiwan make them valuable trading partners for the three major powers of the Northeast Asia Strategic Triangle.

The three bilateral relationships involving China, Japan, and the United States are the critical factors of Northeast Asian regional politics. They all are, and probably will remain into the 21st century, in flux.

- The U.S.-Japanese relationship is the most stable.
  - Despite serious differences on trade issues, both nations support the international trading system and regional stability.
  - The mutual commitment to democracy and market economics provides an ideological foundation for the alliance.
  - The U.S.-Japan relationship is the most highly institutionalized, and the two nations have the highest degree of interdependence, of the three bilateral ties.

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- Domestic political changes in either capital would be the most likely factor to disrupt the alliance.
  - The Japan-China relationship is potentially volatile in the long term.
    - Beijing and Tokyo share objectives related to trade and regional stability, especially in Korea.
    - Long-term interests diverge with respect to Taiwan, the role of the United States, and Korea.
    - Historic animosities reinforce tensions and complicate achieving accommodations.
  - The least stable bilateral relationship of the Northeast Asian strategic triangle is between China and the United States.
    - Economic benefits and the desire to avoid conflict are the strongest, but not necessarily sufficient, incentives for Beijing and Washington to maintain the relationship.
    - Differences over Taiwan are the major obstacle to more comprehensive and beneficial cooperation.
    - Profound ideological differences and perceptions of national interests will insure that there will be strains in the relationship for the foreseeable future.
  - U.S. engagement is a necessary condition for regional stability.
  - Washington's high priority on economics complicates the execution of foreign policy.
  - U.S. domination of its bilateral relationships in Northeast Asia is no longer possible.

- Abrupt changes of U.S. policy, especially reductions in forward military presence, would undermine American security interests in the region.
- Improved coordination among government agencies, including military headquarters in the region, and better recruitment and utilization of regional specialists, will facilitate smooth execution of policy in Northeast Asia.
- For the long range, the United States should place greater emphasis on the creation of multilateral structures to supplement U.S. bilateral ties.

# **INTERNATIONAL POLITICS IN NORTHEAST ASIA: THE CHINA-JAPAN-UNITED STATES STRATEGIC TRIANGLE**

## **INTRODUCTION**

Northeast Asia, as every other region of the world, has been profoundly affected by the end of the Cold War and the implosion and dissolution of the Soviet Union. While the region's politics were never entirely subsumed by the bipolar global structure, the existence of the Soviet Union as putative enemy of China, Japan, and the United States was the single most important factor determining regional alignments. Indeed, the two most critical disputes in the region, the North-South confrontation on the Korean peninsula and the status of Taiwan, are direct legacies of the Cold War. With a weak and nonthreatening Russia succeeding the Soviet Union, other factors—trade, investment, regional security issues, and historical memories predating the Cold War—now also influence Northeast Asian developments.

Japan and China are clearly the major regional actors in Northeast Asia—indeed, all of East Asia—and can demand to be considered on every significant regional decision. This puts them in a category for which only one other nation, the United States, can qualify. Yet North Korea, South Korea, and Taiwan are not small, insignificant powers which have no ability to influence regional events. On the contrary, each of them have capabilities that permit them to veto certain outcomes, and mobilize support to achieve other outcomes. Moreover, they are directly involved in the disputes more likely than any others to drag the regional major powers into conflict. These governments are relatively ineffective with respect to other issues, however. China, Japan, and the United States have the capacity to

be engaged in and influence virtually all regional activities. Russia, the only extra-regional nation other than the United States that might play an important role in regional politics, also exerts influence on some, but relatively few and relatively marginal, issues.<sup>1</sup> Russia's share in the region's economic activity is minimal, and it does not have the capable regional military force which its predecessor, the Soviet Union, could deploy in earlier years. The potential for Moscow to assume a greater role in the future—most non-Russians believe in a distant future—is the main source of what influence it can mobilize to affect current regional security affairs.

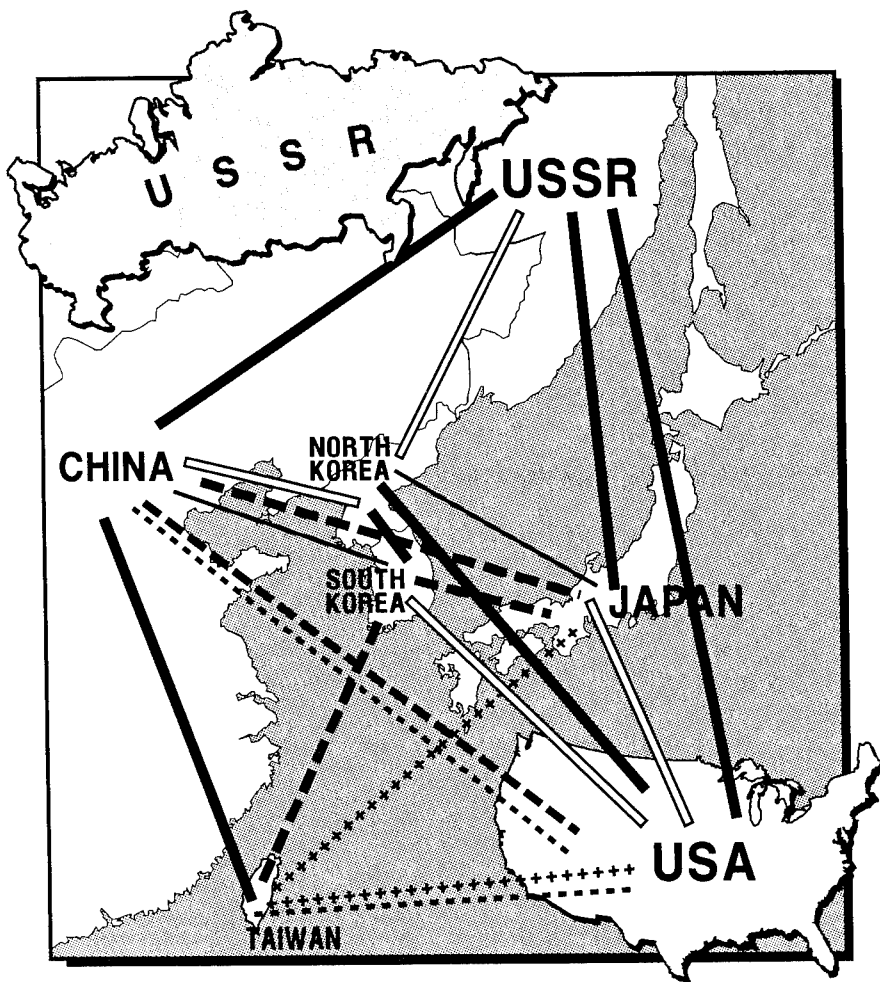
There are no Northeast Asian security organizations or consultation fora—nothing even remotely similar to NATO or CSCE in Europe. As a result, contemporary international politics in the region consist primarily of complex patterns of bilateral relationships among all the actors.<sup>2</sup> From the perspective of regional security, the most critical of these bilateral ties are those between China and the United States, the United States and Japan, and China and Japan. Yet, especially in the short range, the adversarial relations of Pyongyang and Seoul and of Beijing and Taipei, as well as the ambivalent ties between Taipei and Washington and Tokyo, are also extremely important.

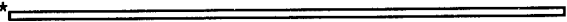





The purpose of this monograph is to examine these complex bilateral relationships in order to develop conclusions concerning the prospects for stability in the region, and present recommendations for U.S. policy when appropriate. The analysis is presented in three sections: overview; regional security objectives and policies of the major powers (China, Japan, and the United States), especially in their relations with each other; and conclusions and implications for the United States. The more salient aspects of bilateral relations of the other actors are woven into the descriptions of relations among China, Japan, and the United States.

## OVERVIEW

During the 1970s and early 1980s, at the height of the Cold War, Northeast Asia reflected the bipolar structure of the global system, albeit imperfectly. The basic Cold War relationships among Northeast Asian governments and with the superpowers are depicted in Figure 1. U.S. alliances with Japan and South Korea were integral links in Washington's containment strategy, and the United States and China collaborated to frustrate the expansion of Soviet influence. Moscow's only ally in the region was Pyongyang, indicating that Moscow's positive political influence was relatively small even though the perception of the Soviet Union as the enemy was behind most of these strategic alignments. While there was no conflict in Northeast Asia, as the Cold War paradigm suggests, the heavy lines indicating military confrontation in Figure 1 connect China and the Soviet Union, Japan and the Soviet Union, the United States and North Korea, and North and South Korea. Of course, military confrontation characterized U.S.-Soviet relations as well.

Northeast Asia was heavily armed: the Soviet Far East contained 53 divisions and some 785 combat aircraft; China, with some 4 million personnel in the People's Liberation Army (PLA), deployed 78 divisions and many of its 5,300 combat aircraft against the Soviets.<sup>3</sup> The North Korean military contained some 31 divisions and 38 brigades, as well as approximately 800 combat aircraft, opposing 21 divisions and 451 combat aircraft of South Korea.<sup>4</sup> Taiwan deployed 21 divisions (army and marine) and eight separate army brigades, as well as some 400 combat aircraft.<sup>5</sup> Japan's military was the least threatening, but nonetheless contained 13 divisions and 270 combat aircraft.<sup>6</sup> The smallest armed force in the region (one infantry division, one Marine Expeditionary Force, and 280 combat aircraft) belonged to the United States.<sup>7</sup> However, it had the ability, regularly exercised in Korea, to reinforce with decisive force from the United States. The United States, Soviet Union, and Japan also had formidable naval capabilities in and around Northeast Asian waters.



Alliance\*   
 Military Confrontation   
 Full Diplomatic Relations   
 Arms Sales or Military-to-Military Ties   
 Substantial Economic, Informal Political Ties   
 Limited Economic/Political Ties   
 \*Includes other forms of cooperation

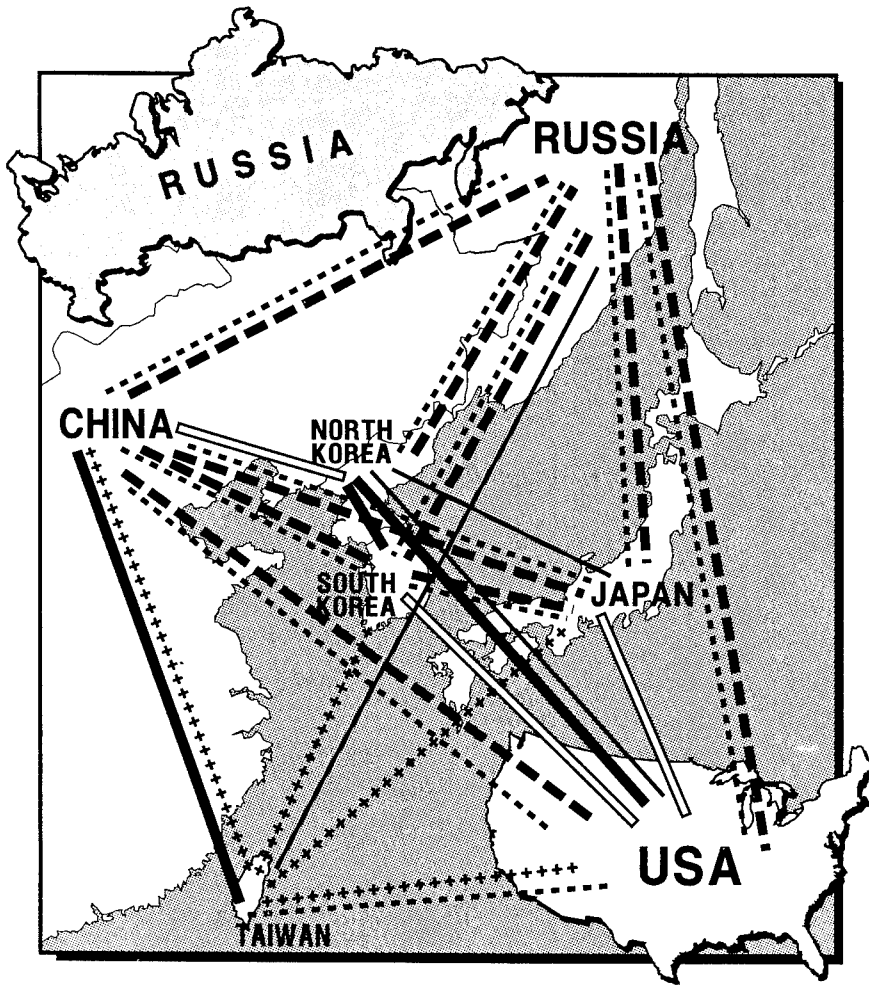
**Figure 1. Northeast Asian Relationships, Mid-1980s.**







These bipolar patterns were criss-crossed by other conflicts, allegiances, and historical memories, however. The PRC and Taiwan, although both anti-Soviet, were

locked in seemingly irreconcilable confrontation over competing visions of China's future. As reflected by the PRC-DPRK and USSR-DPRK alliances, Beijing, Pyongyang, and Moscow shared a commitment to Marxism-Leninism, although they were not united in the bipolar geopolitical struggle. And although not apparent from Figure 1, intense animosities embedded in still vivid memories of World War II clouded relations between Chinese and Koreans, on the one hand, and Japanese, on the other, while deeper historical memories reinforced distrust of each national group toward all others.

By the mid 1990s, as illustrated by Figure 2, significant differences in the relationships in Northeast Asia have evolved. Russia, principal successor to the Soviet Union, has diplomatic relations with all governments of the region but Taiwan (and has even established commercial relations with it), and military confrontation with none. While former Soviet ballistic missile submarines are still deployed in the Sea of Okhotsk, the Russian military, much smaller than the Soviet Far Eastern force before 1989, poses no near-term military threat to its neighbors in East Asia. Seoul and Beijing have not only established diplomatic relations, but developed a mutually profitable, rapidly expanding interchange in trade. And while large military formations still confront each other across the Taiwan Strait and tensions sometimes become dangerously high, very important economic relations and halting (if sometimes caustic and stormy) "unofficial" political discourse about practical bilateral relations also now take place. There is still military confrontation on the Korean peninsula, of course, with even more forces facing each other than a decade ago.<sup>8</sup> A comparison of Figures 1 and 2 does not indicate much change in U.S. relations with Northeast Asian governments, but the inauguration of limited diplomatic and economic contacts with the DPRK is a major departure from earlier periods, and, in fact, U.S. roles in the region have significantly changed in a number of ways.

Part of the explanation for the changes in the relations of Northeast Asian governments is the phenomenal



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**Figure 2. Northeast Asian Relationships, Mid-1990s.**

economic dynamism of the region. While the Cold War was winding down, China, South Korea, and Taiwan were setting records for economic development. Their average rates of growth from 1980 to 1992 were 9.1 percent, 9.4

percent, and 10.6 percent, respectively.<sup>9</sup> And, like Japan, their prosperity—and particularly strong economic growth—highly depends on foreign trade. Therefore, they all have—more than before their economic take-offs—a strong incentive to foster regional stability which allows trade and prosperity to expand. North Korea is a startling exception, achieving less than 5 percent growth for the entire period, with a shrinking of its economy in the last several years.<sup>10</sup>

The lines on Figure 2, like those on Figure 1, only portray a simplified, formalistic version of regional relationships. Historical memories still affect the patterns of interaction, and each broad category of relationships includes significant variations. Nonetheless, the differences suggested by these two diagrams, even though they simplify and thus distort reality, are substantial, and imply an evolving pattern of regional politics very different from that of the Cold War. The new pattern is complex, and that complexity itself implies greater decentralization of authority and therefore fundamentally different relationships among the actors in the region. Absent the imperatives of the Cold War, the incentives for Japan to assert more independent policies seem to be irresistible; the influence of Russia, now economically destitute, politically turbulent, and militarily weakened (compared to the military forces once deployed by the Soviet Union), wanes to only marginal significance; and U.S. military capabilities, while still formidable, lose some of their former relevance. And without a threat from the north, for decades the key factor in China's security environment, Beijing has established new priorities and different approaches to its neighbors in the region and, above all, to the United States.

Compared to the Cold War, the present system is characterized by great uncertainty and unpredictability. The United States never actually exercised hegemonic authority in Northeast Asia, although its influence with Japan and South Korea was obviously very significant, but there was a degree of discipline and restraint resulting from the general recognition of a Soviet threat and determination not to permit Soviet successes. Without those constraints,

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and with economic strength that commands recognition and respect, Northeast Asian elites appear to more frequently perceive that national interests must be given priority over interests represented by alliances and less formal coalitions. They are more likely than formerly to revive historic grievances, and, at least in the case of China, pursue them even at the risk of conflict.

## **NORTHEAST ASIA'S STRATEGIC TRIANGLE**

### **The China Angle.**

Beijing's relations with its neighbors in Northeast Asia, as well as with the United States and Russia, have probably changed more than those of any other government in the region; certainly more than an examination of Figures 1 and 2 might indicate. Deng Xiaoping's economic reforms and the nation's subsequent economic growth, the opportunities to expand ties with Moscow presented by Gorbachev's "new thinking," the massacre at Tiananmen Square, and the collapse of the Soviet Union, among other things, complicated relations with some governments and provided stronger ties with others.

Chinese analysts see both positive and negative elements in the current international and regional security environments. On the one hand, they believe that the current security environment in which foreign policy is executed is, as far as direct military challenges are concerned, relatively benign. In the 1980s, the official line in Beijing was that major nuclear war between the superpowers involving China was inevitable, and serious regional disputes (e.g., Cambodia, Vietnam, Afghanistan) also threatened to involve the PRC. Chinese leaders feared a Soviet attack. Today, in the eyes of Chinese analysts, there is almost no possibility of major war, and also no regional disputes likely to result in serious international conflict which would engage China.<sup>11</sup> Certainly they do not believe that conflict is likely with a Northeast Asian neighbor. The only credible Northeast Asian scenario of possible violence is with Taiwan, and then only if its

government attempts to formally and legally separate itself from China or foreign powers intervene in the dispute. In any case, Beijing considers this an internal, rather than an international, issue. In other words, the PRC leadership believes that the current external environment presents fewer overt challenges to stability than the environment of the early 1980s.

On the other hand, the Chinese are troubled by the dominant position of the remaining superpower, the United States, and what they see as a U.S. scheme to impose bourgeois liberal democratic values on Chinese society through “peaceful evolution” and through a carefully engineered strategy of containment to prevent China from assuming its rightful role in the international system.<sup>12</sup>

The domestic political environment in which foreign policy is determined and executed has also changed significantly. Deng Xiaoping was at the height of his power in the early 1980s. While there were factional disputes among the elite of the Party, the political system was stable and Deng dominated virtually all policy arenas. All significant foreign policy and strategic initiatives certainly required his approval.<sup>13</sup> Now the influence that the aging Deng, and other surviving members of his generation, can exercise is limited, and no other individual or group has emerged which can dominate Chinese politics as he, and Mao before him, did. Indeed, it is uncertain who actually controls what aspects of China’s policy, even though Jiang Zemin is the de jure head of Party, state, and military. Whoever ultimately succeeds Deng, he/they will represent a new generation of Chinese leadership which did not lead the Revolution and help create the socialist state, but matured under socialism and achieved prominence within Party or state bureaucracies.

At the same time that this struggle for political control over the central political apparatus is occurring in Beijing, provincial and local authorities are vying with the national capital for influence over the allocation of resources and control of economic activity.<sup>14</sup> Decisions made in Beijing are not necessarily executed in Guangzhou or Shanghai.

The elites making foreign policy, then, are not likely to be secure in their positions, and less able to sustain decisions which may be opposed by others in the system. At a time when new initiatives and approaches may be highly desirable, they will find it difficult to assume the risks of innovation. In such an uncertain milieu, it is also likely that contenders for power will emphasize nationalistic symbols and causes.

Nationalism appears to be the primary ideological force behind Beijing's foreign policy. Certainly the ideological pronouncements of Marx, Lenin, Mao, or even Deng no longer affect decisionmaking, except to provide the generally accepted analytical framework used to examine and try to understand the security environment and China's place in it.<sup>15</sup> Whereas communism always divided Chinese intellectuals to some degree, nationalism is an effective unifying force.

Chinese intellectuals look with great disdain at their country's confrontation with foreign powers during the "century of humiliation and shame," when weak Qing and Nationalist governments were forced to accept unequal treaties, extraterritoriality, spheres of influence, degradation, and foreign occupation. According to two American-educated Chinese scholars, the fact of foreign domination and humiliation—and the determination to rectify the indignity China suffered—is more important than the notion of a Sinocentric (Middle Kingdom) perception of the world (highly cultured Chinese v. foreign barbarians) in understanding Chinese foreign policy. Moreover, these attitudes are pervasive, affecting both the loyal government analyst and the dissident expatriate.<sup>16</sup> As economic reform and development become more broadly established, the importance of these historical experiences may become less significant, but they are still operative and important now.<sup>17</sup>

The influence of this historical experience is obvious in the "informal ideology" or world view which Steven I. Levine believes informs most Chinese policymakers and intellectuals. It contains six propositions:

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1. The Chinese are a great people, and China is a great nation.

2. The Chinese nation deserves a much better fate than that which it has experienced in the modern world.

3. China should be accorded compensatory treatment from those powers which have insulted or injured it in the past.

4. As a great nation, China naturally occupies a central position in world affairs and must be treated as a Great Power.

5. China's national sovereignty must be respected absolutely, and such respect precludes any foreign criticism of China's internal politics.

6. China's special virtue in international affairs consists in the fact that its foreign policy is based not on expediency but on immutable principles that express universal values such as justice and equity.<sup>18</sup>

China's foreign policy expresses these attitudes in Beijing's obsession with sovereignty. Noninterference in the internal affairs of other states is a universally recognized principle of international comity, but it is typically emphasized most strongly by small powers who fear the intrusion of larger states. Because Beijing purports to be a major power, and it consciously seeks to attract foreign investment and expand foreign trade, both activities which in important ways depend upon and intensify the high degree of economic and communications interpenetration in the world today, its extreme emphasis on sovereignty and attacks on any criticism of Chinese policy as infringements on sovereignty are unusual. But if Levine's informal ideology is widely held, this position is at least under-standable.

Nationalism interacts with the proposition, shared by almost all governments, that foreign policy should support economic development and enhance prosperity. For the Chinese elite, whose actions can no longer be legitimized by a utopian ideology which has been rejected by all strata of

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the society, success in raising the standards of living of the population and expanding the power of the state is not just a pragmatic objective. Attaining development goals is necessary to validate the elite's right to remain in power. According to China's strategy of development, foreign investment and international trade are absolutely critical components for success. Unfortunately for Beijing, an overly broad conception of sovereignty and economic development do not always reinforce each other as guides to policy, forcing decisionmakers to make difficult choices and causing discontinuities and inconsistencies in China's foreign policy.

**United States.** China's most important and most troubling bilateral relationship is with the United States. In terms of foreign policy supporting economic growth, U.S. relations have been critical. The United States was China's second or third largest trading partner and the largest or third largest market, depending on whose data is used, in 1994. According to figures provided by Washington, but not Beijing, more than one-third of all Chinese exports were purchased by U.S. consumers.<sup>19</sup> U.S. investment as of 1993 was \$8.17 billion, which was third largest but far behind Hong Kong and Taiwan.<sup>20</sup> As Chinese officials and analysts have acknowledged in private, the U.S. military presence in East Asia contributes to stability in the region, a supporting, if not necessary, condition for continued economic development in China.

*U.S. Human Rights Charges.* Beijing has had its difficulties dealing with Washington, and vice-versa, on more-or-less pure economic issues. More serious problems arise when, from Beijing's perspective, Washington tries to infringe on Chinese sovereignty by linking trade with Chinese domestic issues such as human rights or labor standards. Even dissident Chinese opposed Washington's unsuccessful effort to link human rights with most-favored-nation status, and supported Beijing's uncompromising stand. Predictably, Chinese condemn Washington's attempts to impose its own definitions of human rights and democracy. They are likely to view the

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imposition of sanctions for arms transfers which Washington considers impermissible also as an infringement of sovereignty, not to mention an example of the United States using double standards.<sup>21</sup>

However, on most Sino-American disputes over economic issues, even when the Chinese believe that the United States is imposing unacceptable conditions, at least partial accommodation is achieved after each side issues appropriate condemnations of the other's position. The pragmatic interests of each side prevail, if only momentarily, over ideological considerations. But these accommodations are often resented and opposed by factions in each capital. In Beijing, the opponents tend to use the language of assertive, and sometimes aggressive, nationalism, and include powerful figures within the PLA.<sup>22</sup>

*The Issue of Taiwan.* The most divisive issue of U.S.-China relations has been the status of Taiwan. Through prolonged negotiations in 1978 and 1982, the two sides reached an accommodation whereby the United States acknowledged the Chinese position that Taiwan was a province of China, the United States recognized that the PRC was the only government of China, China recognized that the United States would continue to provide Taiwan with presumably declining supplies of armaments, and each implicitly agreed to repress their differences on this question and pursue issues in which their interests might converge.<sup>23</sup> However, the Chinese have never been happy with this compromise, and commentaries frequently allege that Taiwan would already be united with the mainland except for the United States.

Indeed, the Republic of China government on Taiwan was protected from forcible reintegration with the mainland by the deployment of the U.S. 7th Fleet in the Taiwan Strait after 1950 and the U.S.-Republic of China (ROC) Mutual Security Treaty of 1954. After normalization of U.S.-PRC relations and renunciation of the U.S.-ROC treaty in 1979, continued unofficial relations and economic contacts between Washington and Taipei (which Beijing observers see as fostering continued unofficial relations and economic

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contacts between Taipei and other nations), contributed to Taiwan's economic success and ability to maintain de facto independence from the PRC.

Relations between Beijing and Taipei since U.S.-PRC normalization have been less bellicose than formerly—Beijing no longer calls for the “liberation” of Taiwan and neither side any longer shells the other, although the PLA reportedly did fire missiles over Taiwan into the Pacific Ocean in December 1995.<sup>24</sup> In fact, after far-reaching political changes on both sides of the Strait, restrictions against travel have gradually been eased, until the PRC will now admit almost any person from Taiwan, and Taipei will permit a fairly broad—but not yet unrestricted—flow of visitors from the mainland.<sup>25</sup> It is economic contacts that are most desired by Beijing and by Taiwan's business community. Although Taipei has permitted indirect investment on the mainland only since 1987, Taiwanese are already the second largest “foreign” investors in China behind Hong Kong. As of 1993, they had invested \$13.2 billion in 20,612 enterprises, mostly in Fujian Province, the area directly across the Strait from Taiwan.<sup>26</sup> Governmental contacts between Beijing and its erstwhile province, increasingly required as more communications take place, are conducted through two “unofficial” organizations, the mainland Association for Relations Across the Taiwan Strait (ARATS) and the island-based Strait Exchange Foundation (SEF).

Beijing's current policy is to encourage greater across-the-strait contacts in the context of Deng Xiaoping's concept of “one country, two systems,” whereby Taiwan, like Hong Kong and Macau, would become a “special administrative region” within the Chinese state while retaining its own distinct economic and political systems. It would become a local government with broad, but somewhat vague, autonomy.<sup>27</sup> As the government of the one China, only the PRC would be entitled to represent Taiwan diplomatically, but Taiwan would still be permitted autonomous economic and cultural contacts with other countries. Under “one country, two systems,” Beijing

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tolerates, and says it will continue to tolerate when reunification occurs, separate Taiwan membership in APEC, the Asian Development Bank, the International Olympic Committee, and the World Trade Organization (after the PRC is admitted) as long as it does not use the names Republic of China or Taiwan. This policy was refined and expanded, with emphasis on China's peaceful intentions, in President Jiang Zemin's 1995 New Year's address.<sup>28</sup> But while Beijing has encouraged across-the-strait contacts, it has consistently opposed efforts by Taipei to enlarge its international space by gaining formal diplomatic relations with other countries or by joining international organizations.

As Taipei has pushed for wider recognition under the "pragmatic diplomacy" of President Lee Teng-hui, who succeeded Chiang Ching-kuo in 1988, Beijing has increased its efforts to keep Taiwan diplomatically isolated. Against the background of so-called unofficial visits by Lee to several Southeast Asian countries and Taipei's campaign for membership in the United Nations, Beijing launched unprecedented personal attacks against Lee, using all of its propaganda assets, after he concluded his now famous "private" visit to Cornell University in June 1995. He was condemned as an enemy of the Chinese people determined to prevent unity.<sup>29</sup> The words were reinforced by an extensive military exercise close to Taiwan which featured tests in the South China Sea (150 kilometers north of Taipei) of surface-to-surface missiles with ranges adequate to strike the island. The PLA also conducted other military exercises in the vicinity of the island shortly before Taiwan's legislative elections in December 1995. Tensions were undoubtedly higher than at any other time since U.S.-PRC rapprochement. Even during the most tense period, however, economic activities continued, including new investments and arrangements.<sup>30</sup>

President Clinton's decision in May 1995 to reverse the State Department, which had informed China that Lee would not be granted a visa, and allow President Lee to accept an award from Cornell University was the proximate

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cause of the downturn in Taiwan-China relations. The decision, made under strong congressional pressure, also led to what most observers called the lowest point in U.S.-China relations since 1979. The extraordinary vehemence of the Chinese reaction surprised many American observers, including officials of both executive and congressional branches of government. The reaction is less difficult to understand in the context of the attitudes of some Chinese policymakers.

To an influential segment of the Chinese elite, including parts of the PLA, the United States had been pursuing deliberate programs of containment and “peaceful evolution” directed against China since the collapse of the Soviet Union. Three recent U.S. actions had reconfirmed their beliefs and given credibility to their arguments among other members of the elite. The first was President Bush’s decision, made during his reelection campaign, that Taiwan could purchase 150 F-16 fighter aircraft from General Dynamics, a company laying off personnel because of falling Pentagon orders. While the official reaction in Beijing was relatively restrained, Bush’s decision was viewed as a gross violation of the Shanghai Communique. The second was the Clinton administration’s review of policy toward Taiwan, which resulted in the change of the name of the office handling Taiwan’s affairs in the United States from the “North American Coordination Council” to the “Taipei Economic and Cultural Representative Office in the United States” and the easing of restrictions on the access of Taiwanese officials to U.S. officials. U.S. Cabinet officers were also permitted to make “private visits” to Taipei.<sup>31</sup> The third disturbing development was the publication by the U.S. Department of Defense of the *United States Security Strategy for the East Asia-Pacific Region* in February 1995. It seemed to imply that China was a threat to the security of East Asia, and also declared that the United States would keep military forces in the region to assure stability indefinitely.<sup>32</sup> The first two actions were seen as support for the contention that the United States wanted to keep China divided and weak, and the third appeared to them as proof

of a U.S. goal of hegemony over East Asia, and therefore China.

The decision to permit Lee's visit seemed to be the proverbial last straw and a totally unacceptable attack on Chinese national integrity and sovereignty. In the context of the struggle to succeed Deng, Jiang and Vice Premier/Foreign Minister Qian Qichen could not afford to appear soft in the face of the U.S. action, although there is no evidence that they would have reacted less forcefully had their positions been more secure. In any case, the reaction was immediate and unprecedented in its intensity.

As must have been expected, Beijing protested that Clinton's decision represented a "two China" or "one China, one Taiwan" policy, in clear violation of the Shanghai Communique and other U.S.-China understandings, and canceled high-level visits. But Beijing also recalled its ambassador in Washington for consultations, suspended scheduled discussions on the missile control regime with Washington, and launched a vituperative propaganda campaign against the United States and, as previously mentioned, Lee Teng-hui. The propaganda against Washington was unusually extensive, pervasive, and prolonged.<sup>33</sup> These latter actions seem to have been more than President Clinton or the congressional critics of U.S. policy anticipated.

That the crisis atmosphere in U.S.-China relations had begun to subside by August, only 3 months after Lee received his visa, reflects the belief of both governments that bilateral relations are extremely important. The problem might not have reached such dangerous proportions except for domestic political problems—a new Republican majority in Congress with a anti-Beijing bias harping at President Clinton, and hard liners in Beijing seeking position for the more open succession struggle which will occur when Deng dies. But it also reflects the reality that diverging U.S. and Chinese interests and values limit bilateral cooperation and present opportunities for conflict in the absence of a common enemy. From Beijing's perspective, the factors underlying the crisis of 1995 are still present: the U.S. "one China"

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policy is still unacceptable to Beijing because it provides too much latitude to Taipei, and U.S. human rights and trade policy amounts to intervention into the internal affairs of a sovereign China. U.S.-China relations are likely to remain troubled.

**Japan.** From Beijing's perspective, ties with Washington and Tokyo are clearly interrelated, and can be manipulated to its own advantage.

Beijing has sought to use the prospect of improved political and economic relations with Japan to induce Washington to be more politically cooperative, to elicit more American investment in China, and to encourage Washington to relax a variety of post-Tiananmen sanctions. Conversely, until Tokyo fully and convincingly renounces its military history for the latter part of the 19th century and the first 45 years of the 20th, China will want the United States to act as a brake on any expanding Japanese military role in the region. Also, Beijing will use Tokyo's ceaseless quest for market share and the specter of American penetration of the Chinese market as a means to extract maximally favorable commercial, aid, investment, and technology terms from Japan.<sup>34</sup>

Whether China has been successful in exploiting the Beijing-Washington-Tokyo triangle, its ties with Japan seem orderly and beneficial compared to those with the United States. But there have been peaks and valleys. Tokyo imposed economic sanctions on Beijing after the Tiananmen massacre, and reduced Official Development Assistance (ODA) grants to China from \$81.2 million in 1994 to \$5.2 million for 1995 as a protest to Beijing for its nuclear tests in 1995.<sup>35</sup> However, Tokyo rescinded the sanctions sooner than any other nation, and its penalty for nuclear testing may also not be long lasting. And Beijing, through diplomatic protests and media blasts, has frequently called Tokyo to task for misrepresenting its history or for claiming sovereignty over Diaoyu Islands, a disputed uninhabited island group in the East China Sea which the Japanese call Senkaku Islands. These have been

largely pro forma exercises, however, partly to exploit the Japanese sense of guilt.<sup>36</sup>

Beijing's current criticism of Japan, which has exceeded the level of negative commentary of the recent past, has centered on two themes: Japan-Taiwan relations, which Beijing considers unnecessarily close and unacceptably political, that resulted in a Taiwan vice-premier attending the 1994 Asiad in Hiroshima and a number of "unofficial" contacts between high officials of the two governments,<sup>37</sup> and Tokyo's decision to revoke ODA grants to China because it resumed nuclear tests. Beijing has said, forcefully and repeatedly, that the imposition of a political test for ODA violates the principle of separating economics and politics, which heretofore Tokyo had relatively faithfully followed. Rather than criticize what it considers a wholly justifiable testing program, Beijing has suggested that Tokyo would do better to consider its own serious transgressions which resulted in countless losses and unspeakable pain to China and other Asian countries.

On the other hand, in the last several years there have been reciprocal high level visits intended to symbolize a warm and developing bilateral relationship. Beijing has sent its highest officials, President Jiang Zemin and Premier Li Peng to Tokyo, while several Japanese Prime Ministers and even Emperor Akihito, the first Emperor ever to enter China, have visited Beijing.

Economic concerns have dominated China's official relations with Japan, and although Beijing may have preferred greater Japanese investments and more favorable treatment on some agreements, the Sino-Japanese economic relationship has served both parties—certainly China—well. China was the number one or two recipient of Japanese ODA from 1982 until 1994,<sup>38</sup> and Japan was China's largest trading partner and second or third largest export market after Hong Kong.<sup>39</sup> Sino-Japanese relations clearly have supported China's modernization drive, especially as Japanese businessmen have increased their investment in more capital intensive industries during the late 1980s and 1990s.<sup>40</sup>

These are the current outward expressions of China's policy toward Japan—the *tatemae*, to use the Japanese word, or surface aspects of Sino-Japanese relations. There is also the underlying reality, or *honne*.<sup>41</sup> Chinese analysts and officials, as well as the larger public, are much less benign about Japanese motivations, or future Japanese action, than formal diplomatic discourse may suggest. In short, based on a century of sporadic conflict which included Japan's cruel occupation in the 1930s and 1940s, Chinese of all walks of life, including the elite, are deeply suspicious and fearful of what a politically active and militarily powerful Japan might do.<sup>42</sup> This has been clear in reactions to Japan's bid to become a permanent member of the U.N. Security Council and the passage of the peacekeeping authorization bill and subsequent deployment of Self-Defense Forces on U.N. peacekeeping missions. Moreover, they simply do not like most Japanese. At the same time, consensus among Chinese analysts that Japan's economic ascendancy will continue, despite current problems, eventually eclipsing the United States, is also part of the *honne* of China's view of Japan.<sup>43</sup> As a result, Beijing strives to engage Japan for aid, investment, and trade, in support of its modernization and development, but also harbors great anxiety about future Japanese political roles.

### **The Japanese Angle.**

Japan is gradually emerging from almost complete dependence on the United States in the political and security aspects of foreign policy. While Tokyo had pursued a vigorous independent foreign economic policy for decades, it is not too great an oversimplification to say that during the Cold War the primary goal for the political and security aspects of Japan's foreign policy was simply to sustain its alliance with the United States.<sup>44</sup> Washington provided security in the form of the nuclear umbrella and forward deployed forces on Japanese soil, all guaranteed by the Mutual Security Treaty (MST). In return, Japan provided the United States with military bases and a formidable

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barrier to Soviet expansion. Moreover, Japan was permitted to avoid major expenditures for defense, focusing virtually its entire energy and resources on economic recovery and economic expansion. The primary cost to Japan: deference to the United States in all major foreign policy decisions.

This division of labor and responsibility had broad support among the business-oriented conservatives who ruled Japan after 1955.<sup>45</sup> The alliance with the United States was a major factor in the phenomenal economic achievements of Japanese business and government. It also was compatible with the pervasive support for pacifism among Japanese, who considered themselves—not the populations of countries invaded by Japan—the most abused victims of Japan's military-dominated governments and the great Pacific War itself.<sup>46</sup> Because of the alliance, Japan could enjoy security *and* its pacifist constitution. While Tokyo did establish armed forces—Self-Defense Forces (SDF)—because of U.S. pressure, they remained small and very carefully controlled by civilian authority. To a significant degree the alliance served the interests of all Japanese political groups except extreme nationalists on the right and communists on the left.

A combination of factors have forced Tokyo to reevaluate its international posture. The most important undoubtedly centered on the changes in the international system resulting from the end of the Cold War and the economic advances of most Northeast Asian nations. The disintegration of the Soviet Union removed the fundamental purpose of the alliance with the United States. Moreover, the United States had changed: the world's leading creditor nation in 1980, it was the world's leading debtor nation by 1990. Its economy seemed stagnant, and its citizens appeared to be unwilling to continue to bear the burdens of international leadership. Many Japanese questioned that Washington would remain engaged in Northeast Asia, either formally or in practice abandoning its Cold War alliances with Japan and the ROK.

Japan had also changed. By 1990, it was the world's largest creditor nation, and, in neomercantilist fashion, it enjoyed a massive current account surplus, especially with its major customer, the United States. In fact, trade friction was becoming more salient to many Japanese (and Americans) than security cooperation in the U.S.-Japan relationship. To many Japanese, this situation reinforced the belief that Japan could no longer rely on the alliance with the United States as the fundamental anchor of foreign policy. And no doubt many Japanese believed that dependence on the United States had become unnecessary. Japan was the nation that worked, the nation, many believed, destined clearly to be number one, if it wasn't already. It must be stressed that other members of the Japanese elite, probably always a majority, resisted any significant change in Japan's international posture which might require that Japan assume greater responsibility, risks, or costs in international politics. And this view that Japan should remain passive in international politics had broad support in the electorate.

Discussions over Japan's proper international role, previously mostly confined to intellectual journals and academic meetings, became a prominent, public national debate during the 1990 Gulf War, when many Western observers, including government officials, criticized Tokyo for not providing military personnel and equipment in support of the coalition expelling Iraq from Kuwait.<sup>47</sup> Its large contribution of money without risking personnel was not considered adequate. In agonizing interchanges which reflected the Japanese people's abhorrence and fear of the military and the pervasive pacifism which are legacies of the Second World War, as well as voices for change, a partial, tentative resolution was reached in 1992 with the passage of a Peacekeeping Bill (PKO) by the Diet.<sup>48</sup> It permits the participation of SDF in limited U.N. peacekeeping operations, the first time since 1945 that Japanese military forces were authorized any security role but defense of the homeland. The restrictions in the bill are severe, prohibiting any activities which go beyond classic, neutral peacekeeping.<sup>49</sup> However, the real significance of the act

transcends its particular provisions; the PKO bill represented Japan's first formal recognition that it has responsibilities for international security beyond rhetorical and financial support for the United States and the United Nations, and providing financial aid to poorer nations.

The debate about how Japan should attempt to meet these responsibilities will continue well into the future, and will be influenced not only by changes in Japan's environment, but also by the shape of its domestic political system, now undergoing substantial—perhaps profound—structural change. But even in the period since the passage of the PKO bill, when domestic politics has been uncharacteristically unstable and politicians have necessarily focused their energies on partisan issues, the national consensus on security and Japan's international role has been shifting. When the PKO bill was finally narrowly adopted after extended legislative debate, the idea of deploying Self-Defense Forces outside Japan for peacekeeping purposes was supported by less than a majority of the population.<sup>50</sup> However, in a short time it was accepted fairly generally, and SDF have participated in U.N. peacekeeping operations in Cambodia, Mozambique, Rwanda/Zaire, and the Golan Heights without significant opposition at elite or electorate levels.<sup>51</sup> Moreover, the Japanese government has continued its efforts to increase its influence in the United Nations and support multilateral security dialogue in the Asia-Pacific region, both activities which have received emphasis only in the post-Cold War era. The inclusion of two pacifist parties in the shaky governing coalition in 1994 did cause the foreign ministry to soft-peddle, if not suspend, its campaign for Japan to become a permanent member of the Security Council, but the idea has support among a significant segment of the elite.<sup>52</sup> Japan has also continued to support the alliance with the United States as the foundation of Japanese defense and security policy.

While the outcome of Japan's domestic political conflict is uncertain, there is virtually no possibility that political power will shift from mainstream groups unless there is

some kind of totally unexpected crisis. On the other hand, it does seem probable that the younger politicians who will move into positions of prominence will support pragmatic foreign policy decisions which expand Japan's regional and global roles without significantly weakening the alliance with the United States.<sup>53</sup> The confidence nurtured in decades of economic success, which might have emboldened youthful nationalists, has been softened, if not destroyed, by the current recession and the startling inadequacies of Japanese social and technical institutions revealed by the earthquake which destroyed much of Kobe, the poisonous gas attacks on Tokyo subways, and the subsequent discovery of the mysterious sect which had developed and prospered within Japan's presumably well-ordered society.<sup>54</sup>

Japan's neighbors express concern about its potential military capability.<sup>55</sup> Japan does have modern military organizations, the Self-Defense Forces. During the Cold War, expenditures on the SDF, while rarely exceeding 1 percent of GNP, increased about 5 percent every year, as Japan gradually deployed state-of-the-art *defensive* weapons and equipment to meet the requirements of its National Defense Program Outline, designed solely for defense in conjunction with the United States. The budget for the Defense Agency may now be the second largest in the world, depending on how one calculates China's military expenditures, a fact often cited to emphasize the potential threat from Japan. Budgets are a notoriously poor measure of military capability, however, and that is doubly so in the case of the Self-Defense Forces because of the appreciation of the yen and high personnel and equipment costs in Japan. More significantly, the Defense Agency and the Self-Defense Forces are not valued institutions in Japanese society, and their activities are closely circumscribed by constitutional, legal, political, and social limitations. Finally, they are constrained and regulated by the alliance with the United States, a factor reassuring to most East Asians.

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**United States.** Much of the foreign policy debate in Tokyo has focused on whether Japan should emphasize its alliance with the United States as a global partnership, or focus on linking Japan with the rest of Asia. The debate is ongoing, and its eventual outcome may eventually establish the conceptual basis for long-range Japanese foreign policy, but for the present, the bureaucracy, with the acquiescence of Cabinet and Diet, have opted for the emphasis on the alliance with the United States. This is most clearly expressed in two official documents, the *Defense of Japan 1995*, the Defense Agency's annual white paper, and the new National Defense Program Outline, which replaces a 1976 version, published in 1995.<sup>56</sup> The latter especially develops the rationale for the SDF and its modernization based on U.S. regional strategy as expressed in *United States Security Strategy for the East Asia-Pacific Region*. Japan has also increased its attention to Asia, however, maintaining a supportive role in the ASEAN Regional Forum (ARF) and the Asia-Pacific Economic Cooperation (APEC) organization and nurturing its bilateral relations with most East Asian countries, including those (like Burma and, until recently, Vietnam) with strained relations with the United States. But Tokyo has declined to participate in the East Asian Economic Caucus, a pet project of Malaysian Prime Minister Mahathir, because it excludes Australia, Canada, and the United States.

Even Japanese who believe that Tokyo is too subservient to Washington recognize that Japan's relations with the United States are more important than those with any other nation. The United States is Japan's largest market for exports and the largest source of imports.<sup>57</sup> There is a high degree of interdependency in the service and financial sectors of both countries' economies. And Japan, as during the Cold War, still consciously designs its defense on the basis of the Mutual Security Treaty (MST) with the United States, even though the putative enemy, the Soviet Union, no longer exists.

In the last few years, both governments seemed to have focused more energy on the economic aspects of their

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relations, where there is the greatest disagreement, than on political and security affairs, where there is a high degree of harmony. The Japanese press dwells on U.S. demands for greater access to Japanese markets, frequently echoing government arguments about the unfairness, and sometimes immorality and illegality, of U.S. positions. Ministry of Finance and Ministry of International Trade and Industry contentions that the cause of U.S. trade deficits can be found in America's low saving rates, bad management, and bad marketing rather than alleged Japanese trade barriers resonate well among all Japanese. The rapid sequence of one trade crisis after another and the frequently strident tone of U.S. pronouncements clearly has affected public and elite attitudes about the United States. But because relations with the United States are critical, each crisis resulting from U.S. demands for more open markets is partially solved, usually through a last moment partial accommodation by Japan, which then propels the two sides toward a new problem destined, in time, to become another crisis.

Tokyo and Washington have both attempted to isolate security issues from contentious economic ones, so far with reasonable success. In spite of tensions over trade, the military organizations of each nation have close relations with the other, to include educational and high level exchanges and frequent exercises.<sup>58</sup> Japan provides greater financial support for U.S. forces stationed within the country than any other government, so that it is less expensive for the United States to station military personnel in Japan than in the United States itself.<sup>59</sup> While there have been problems related to respective defense industries, virtually all military equipment for the SDF not produced in Japan comes from the United States. Moreover, Tokyo supports almost all U.S. security initiatives politically and financially. For example, Japan is providing a significant financial contribution in support of the U.S.-DPRK Agreed Framework for the construction of light-water reactors in North Korea.<sup>60</sup> It has also aligned itself with U.S. policy toward Bosnia and the peace process in the Middle East.

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Japanese policy does diverge from U.S. positions with respect to Russia. Rather than a potential partner in a structure for global peace, Tokyo views Moscow more as an antagonist, despite the end of the Cold War. Russia still occupies the Northern Territories, the southernmost islands of the Kurile chain which Japanese hold to be legally and historically an integral part of Japan. The economic and strategic significance of these islands is very limited, but they have become a symbol of Japanese nationalism, and genuine rapprochement with Russia seems unlikely as long as it occupies what Tokyo considers a small part of Japan. Moreover, Russia's post-war deployments in Japan's neighborhood are still substantial, although Russian military activity in the region has been minimal in the last several years. Indeed, Japan and Russia have not negotiated a peace treaty since the end of World War II. And from Tokyo's perspective, there is very limited potential economic benefit from cooperation with Russia. The Maritime Provinces contain few investment opportunities because of poor infrastructure, an inflexible bureaucracy, and a generally unreformed political elite. Since Russia's Far East is sparsely populated and underdeveloped, it is also a poor market for Japanese goods. Any support for integrating Moscow into the Western political orbit is given without enthusiasm in response to U.S. pressure.

The rape of a 12-year-old Okinawan girl by three U.S. servicemen in October 1995 focused attention on some of the unpleasant consequences of basing U.S. forces in Japan. The highly publicized crime also inflamed opposition to U.S. bases in Okinawa and reinforced the widely held stereotype of the United States as a violent society. These negative attitudes could be aggregated with economic concerns to seriously undermine popular support for the alliance, particularly the presence of U.S. forces within Japan.<sup>61</sup> Indeed, in the aftermath of the Okinawa incident there have been many calls for the MST to be reviewed, usually implying that U.S. forces should be reduced or withdrawn. It can now be politically rewarding in Japan to attack Washington. Officially, however, the Japanese government commitment to the MST is firm, although it is seeking

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adjustments to basing arrangements on Okinawa. Tokyo had not yet presented a public argument to develop support in the Diet and the public for retaining 47,000 U.S. forces in Japan at the beginning of 1996.

**China.** Japan's relations with China are more important than ties with any other nation except the United States. The economic significance of the relationship has increased with the growth of the Chinese economy, the implementation of reforms in China, and the appreciation of the yen.<sup>62</sup> In 1994, China was Japan's second largest trading partner, with slightly more than one fourth the volume of Japan-U.S. trade, and sixth largest market.<sup>63</sup> Japan not only bought energy resources, which accounted for most of its imports from China in 1980, but also a variety of manufactured goods and foodstuffs.<sup>64</sup>

With the appreciation of the yen and the conclusion of several steps to protect Japanese investors,<sup>65</sup> Japanese private investment has also increased, although it still accounts for a very small portion of total Japanese private foreign investment.<sup>66</sup> Japan ranks fourth among foreign investors in China. However, small and medium sized Japanese businesses particularly have found China an attractive market for investment. They must confront problems of poor infrastructure, changing rules, rigid bureaucracy, and corruption, as do all foreign investors in China, but the potential rewards are nonetheless apparently more than sufficient.

Like Beijing, Tokyo has sought to foster these economic interactions, a major reason why it also has worked hard to maintain friendly Japan-China relations overall. As noted in the discussion of Chinese policy toward Japan, there have been frequent consultations on all aspects of the bilateral relationship and exchanges of the highest level officials, and China has regularly been one of the major benefactors of Japanese ODA. In its foreign and security policy deliberations, Japanese officials are always solicitous about the impact decisions will have on Asian neighbors, particularly South Korea and China. Tokyo, which established formal diplomatic relations with Beijing shortly

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after the Nixon *shokku* (shock) of 1971, has also acted as its advocate, notably when Japan broke ranks with other G7 countries and suspended sanctions against China at the G7 meeting in 1990.<sup>67</sup> Informally, Tokyo also attempts to mediate between Beijing and Washington, at least to the extent that it urges caution and restraint on each side.

The two strains of present Japanese policy which seem to most concern the Chinese—suspension of most grant ODA to Beijing and alleged flirtation with a “two China” or “one China, one Taiwan” policy—are based on two different influences on Japanese policymaking. The former represents the Cabinet’s and Ministry of Foreign Affairs’ response to the governing coalition’s indignation, as expressed by the parties’ foreign affairs coordination subcommittee, that Beijing ignored Tokyo’s repeated demand that China forgo any testing of nuclear devices, and the pervasive significance of anti-nuclear sentiment in Japan. This was an unusual development in Japanese decisionmaking, where foreign policy is normally hammered out through bargaining among the Ministry of Foreign Affairs (MOFA), the Ministry of International Trade and Industry (MITI), other interested ministries, and perhaps the Cabinet or groups within the Diet, but almost never including political parties or agencies of political parties. MOFA’s response to the coalition was typically limited and cautious. ODA grants to China have never been very large. Denying all grants to China except those for humanitarian and emergency purposes (estimated to be \$4 million) reduced China’s potential by 95 percent from 1994 levels, but still eliminated only \$74 million.<sup>68</sup> But with cabinet approval, MOFA rejected the subcommittee request that ODA loans for China, which totalled a much more significant \$1.4 billion in 1994, also be reviewed, arguing that the loan program was necessary for the development of good long-term relations with China.<sup>69</sup> Thus, Tokyo’s sanction was largely symbolic, although probably resented as much by Beijing as more coercive economic sanctions would have been, and in response to pressures which probably only would be mobilized on nuclear weapons issues, always highly emotional in Japan.

The issue of Taiwan is probably less disruptive of Sino-Japanese relations than Sino-American relations, but it has been a cause of much acrimony in the past and probably will be again in the future. Japanese investment in Taiwan exceeds that in China, and Taiwan is also a major Japanese trading partner. Moreover, Taiwan occupies a special status for many in the Japanese political elite because of the special relationship developed during the long period of Japanese control (1895-1945), and the ties of Japanese and Taiwanese businessmen forged in the post-war period. Thus, there is likely to be continued support for Japan's "unofficial" ties with Taiwan, especially among business groups but also the bureaucracy. It would be surprising if the resulting advocacy for Taiwan did not conflict with Beijing's narrow perception of the proper role for its renegade province in international affairs.

### **The U.S. Angle.**

Unlike in the mid 1980s, when containing the Soviet Union was still the central focus of U.S. foreign policy, Washington today is likely to cite the economic dynamism of Northeast Asia and the increasingly important trade between the United States and the region to rationalize and justify U.S. activities there.<sup>70</sup> Economics has been an important element of U.S. policy in the region for decades, but as Northeast Asian economies continue to grow and regional security concerns (with the important exception of the DPRK) become less immediate, relatively greater attention, in activities and rhetoric, is placed on economic relations.

Even a casual examination of data validates this emphasis.<sup>71</sup> U.S. trade with Northeast Asia was \$300 billion in 1994. That is, the four economies of the region (International Monetary Fund records do not indicate any U.S.-DPRK trade) accounted for 25 percent of all U.S. trade, including that with Canada, Mexico, and the European Union! Moreover, while only China is expected to have rates of growth in the near future as high as in Southeast Asia, the rates of growth for the region as a whole are

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expected to surpass those of most other U.S. trading partners. In other words, Northeast Asia should account for an even larger and growing share of total U.S. trade, when compared to developed countries, for at least the balance of the century. Most of this trade (\$202 billion) took the form of imports, but Northeast Asia was nonetheless also a good market for U.S. commodities. The four economies absorbed \$97.9 billion of U.S. exports in 1994, almost as much as all of the members of the European Union (\$101 billion).

Economics has only displaced security as a foreign policy priority in a relative sense, however. U.S. security interests in Northeast Asia are still extremely important also. Maintaining regional stability is the overarching long-term security interest of the United States in Northeast Asia, as it has been since the end of the Cold War. It is interrelated with U.S. regional economic objectives in that stability helps provide an environment which fosters the economic dynamism of Northeast Asia; and stability allows U.S. businesses, employing U.S. workers, to participate in that economic prosperity. Stability is also a necessary condition for the security of U.S. possessions and territories in East Asia and the Pacific, as well as U.S. allies in the region.

From the U.S. perspective, there are two sources of challenges to regional stability. One is the very nature of an evolving international system characterized by decentralization and diffusion of power. Uncertainty has replaced the more-or-less predictable patterns of behavior associated with the bipolar structure of the Cold War. That uncertainty is not only derived from the disintegration of the Soviet Union, which once could act as a restraint on North Korea, but more noticeably from the widely held perception in Japan that the United States, fatigued from carrying the burdens of world leadership and plagued by unfavorable economic conditions at home, will disengage from the region. If the United States disengages from Northeast Asia, many regional leaders foresee the reemergence of old antagonisms and a greatly enhanced possibility of conflict, probably involving China and/or Japan.<sup>72</sup> One of their responses to this perceived uncertainty

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has been to modernize and enlarge their military capabilities.

*U.S. Strategic Concepts for Northeast Asia.* The United States continues to try to provide assurance that it will remain engaged in Northeast Asia through its security cooperation programs and forward military presence. Bilateral relationships between the United States and nations in the region have been the principal basis for U.S. security policy since the 1950s. These include not only the formal mutual security alliances with Japan and the R.O.K., but also the less formal security relationships with China and Taiwan. During the Cold War they provided an extremely effective way for the United States to optimally mobilize the very diverse nations of East Asia to advance U.S. security objectives, specifically the containment of the Soviet Union. These bilateral relationships can still be mutually beneficial and provide the United States with the ability to influence regional events. Moreover, to precipitously eliminate or undermine these ties would be very destabilizing, and clearly not contribute to regional stability.

“Forward military presence,” the second principal strategic concept of U.S. security policy, is broader than “forward deployed forces,” the terminology of the Cold War, in that the latter have a specific mission of deterrence and defense against an identified enemy.<sup>73</sup> On the other hand, personnel who make-up forward military presence, which accounts for most U.S. forces in the Pacific, may have more ambiguous military missions designed to achieve the political objective of providing assurance of a stable regional order for friends and allies. These include contingency planning and training, often in combined exercises with the military of regional states, and other military-to-military contacts. As in Korea, they may still have the deterrence mission of forward deployed forces. At the same time, if they are to remain credible, forward military presence forces must have the capability to perform a variety of real combat missions which might be required in the region in addition to peace time, noncombat tasks.

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If forward military presence in Northeast Asia provides assurance that the region will remain relatively stable, then providing that assurance satisfies the broad objectives of the United States. As U.S. Government spokesmen frequently assert, military presence not only allows the United States to influence military balances and prevents resort to violence in some disputes, but more importantly, it permits the United States to be an "honest broker," mediating among contestants to find acceptable solutions.<sup>74</sup> Honest brokers will also be present to defend their own interests and gain intimate knowledge about regional developments which could influence their own objectives in the future. And they have access to decisionmaking centers within the region, also an objective of U.S. policy.

*The U.S.-DPRK Agreed Framework.* The second source of potential instability is an overt challenge from the weakest government in the region, the Democratic People's Republic of Korea (DPRK). It confronts the U.S.-ROK Alliance with the most robust security threat left over from the Cold War, plus a recently imposed regional and global threat to the Nuclear Nonproliferation Treaty (NPT) regime, whose preservation is a high priority global interest of the United States.<sup>75</sup>

The traditional approaches of alliances and forward deployed forces were, by themselves, inappropriate to deal with the North Korean nuclear threat unless the United States and its allies were to physically disarm Pyongyang, an option Washington never seriously considered. Rightly or wrongly, the Clinton administration also rejected, after first attempting to mobilize, international political and economic sanctions. Instead, it pursued, through tortuous negotiations, a "positive-sum" formula which provided economic benefits for Pyongyang, curtailment of North Korea's alleged nuclear weapons program for Washington and allies, and the expectation of dialogue between the two rival Korean governments for Seoul. This solution, enshrined in the DPRK-U.S. Agreed Framework of 1994, was probably unprecedented for the resolution of a security

issue, and would have been literally unthinkable in the bipolar world of the Cold War.

The Agreed Framework and the processes of obtaining and implementing it illustrate several characteristics of U.S. relations with Northeast Asian nations. Without the Cold War structure for assigning priorities, Washington continually had difficulty reconciling its objectives of regional stability and security of the ROK with the global objectives of stopping Pyongyang's nuclear weapons program and protecting the integrity of the NPT. Tensions between Washington and Seoul also developed frequently during the negotiations leading up to agreement, and have continued during implementation of the complex terms of the Agreed Framework.<sup>76</sup> While some of these difficulties are inherent in the general language of the Framework, some are also inevitable because of the diffuse and decentralized character of Northeast Asia's regional system which does not permit one government to dictate terms to others.

The agreement with the DPRK, requiring as it did the participation of at least South Korea and Japan and the acquiescence of China, could only have been engineered by the United States. No other government had the necessary stature and capability. Moreover, its successful implementation will also be impossible without the leadership of Washington. Therefore, in order to attain important security objectives (which, in turn, permit striving for economic objectives), the United States must remain directly involved in the installation of light water reactors in North Korea, destruction of the DPRK's existing nuclear capability, determination of how much plutonium was processed before 1994, and resumption of a substantive dialogue by Seoul and Pyongyang, among other things. This will be a demanding responsibility which may require more than a decade to fulfill.<sup>77</sup>

*New Emphases in U.S. Policy.* In addition to placing primacy on economics, there have been two other changes in Washington's approach to Northeast Asia. First, Northeast Asia—actually the entire Pacific Rim—has been

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awarded a higher priority than in previous decades compared to the rest of the world, especially Europe. There have been relatively more visits by high level personnel, including the President, who have categorically asserted the importance of Asia and the Pacific to the United States. Moreover, in military terms it is no longer an "economy of force" theater, as in the Cold War. *U.S. Security Policy for Asia and the Pacific* prescribes that the United States will deploy about 100,000 military personnel—approximately as many as will be in Europe—for the foreseeable future.<sup>78</sup> The attention to the Middle East and the Balkans in 1995 may have diminished this priority somewhat, but the Asia-Pacific region, especially Northeast Asia, still retains a historically high focus in U.S. policy.

The third change in U.S. policy toward the region is the support for multilateralism as a means of dealing with East Asia's security problems. In the Bush administration, multilateralism was rejected in favor of reliance entirely on existing bilateral alliances. The best security structure for the region was said to consist of a fan "with its base in North America and radiating west across the Pacific, to U.S. security partners in Asia-Pacific."<sup>79</sup> The Clinton administration has reaffirmed existing security alliances, but also called for "new machinery," multilateral in character, to supplement U.S. bilateral arrangements in dealing with existing and, more importantly, emerging security problems. Washington does not advocate comprehensive agencies like a Conference on Security and Cooperation in Asia or a Northeast Asia Treaty Organization. Presumably the multilateral agencies are to be constructed for specific problems and vary in membership and structure as required. According to President Clinton:

The challenge for the Asian Pacific in this decade . . . is to develop multiple new arrangements to meet multiple threats and opportunities. These arrangements can function like overlapping plates of armor, individually providing protection and together covering the full body of our common security concerns.<sup>80</sup>

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The Korean Peninsula Energy Development Organization (KEDO), established under the Agreed Framework, may illustrate this multilateral concept—it is the only new multilateral arrangement to emerge in Northeast Asia. It was created to meet a special need, the problem of providing North Korea with light water reactors, and it includes a limited membership—only those governments willing and able to contribute—and a structure which recognizes special authority for members with especially heavy contributions.<sup>81</sup>

The Clinton administration has rhetorically placed great emphasis on the two Asia-Pacific fora, The Association of Southeast Asian Nations-Post Ministerial Conference (ASEAN-PMC) and the new ASEAN Regional Forum. They include China, Japan, South Korea, and the United States, but their membership is much broader and, as creatures of ASEAN, they do not necessarily give priority to Northeast Asian concerns. Washington is also participating in a new forum for security dialogues among Japan, South Korea, and the United States. It has also expressed willingness to participate in security discussions or a security structure related to Korea after the nonproliferation issue has been resolved. And Washington has been a prime sponsor of “track two” discussions which involve China, Japan, South Korea, Russia, and the United States. North Korea has been invited, but so far has declined to take part. China, of course, will not allow the participation of Taiwan. On the other hand, Washington did not support the Russian initiative of March 1994 to form a multilateral forum to deal with the North Korea nuclear weapons problem.<sup>82</sup> In fact, although Washington consulted frequently with Seoul and Tokyo, and to a lesser extent with Beijing and Moscow, the format for consultations, as well as negotiations with the DPRK, was bilateral.

**China.** If “China’s...most troubling bilateral relationship is with the United States” among its Northeast Asian ties, the reverse is certainly also true.<sup>83</sup> Most of the time since the end of the Cold War, which more-or-less coincided with the massacre at Tiananmen Square,

U.S.-China relations have been rocky at best. And while Beijing may not be relatively as important to Washington as Washington is to Beijing, the United States obviously does place great significance on China.

China necessarily affects U.S. economic and security interests in all of the Asia-Pacific area, including Northeast Asia. The reasons for China's importance are well known, and will only be summarized here.<sup>84</sup>

Economically, China is a very large and growing market, purchasing some \$114.6 billion of items from foreign sources in 1994, up from \$52.5 billion in 1990,<sup>85</sup> and \$42.5 billion in 1985.<sup>86</sup> So far, the United States has not commanded a large share of that market, particularly when compared to China's sales to the United States. Overall, China was the sixth largest trading partner of the United States in 1994 with bilateral trade totalling \$50.6 billion, but 81.7 percent of the trade consisted of Chinese exports to the United States.<sup>87</sup> However, as China continues to develop and modernize its economy, its demand for U.S. goods and services should increase; China is potentially an exceedingly profitable American market. With a more stable business regime, China could also be a very attractive market for U.S. investment, which only totalled \$8.2 billion in 1993.<sup>88</sup> The sometimes aggressive activities of the Office of the U.S. Trade Representative are designed to increase the access of U.S. businesses (and in the process, other foreign businesses as well), enticing, cajoling, or forcing China to lower trade barriers and respect intellectual property rights. Progress has been spotty, with occasional breakthroughs in the form of broad agreements which are then inadequately or unevenly enforced by Beijing. Undoubtedly, Washington desires smooth relations with Beijing in order to increase the prospects of economic advantage from that relationship.

In the security and political spheres, Beijing is also important for the success of U.S. initiatives. For instance, Washington sought and apparently obtained support from Beijing during the negotiations with Pyongyang which resulted in the Agreed Framework, and on other issues

relating to the Korean peninsula. The United States also needs, but less frequently obtains, the compliance of China, a nuclear power and arms exporter, to perfect the global nonproliferation regime it seeks to establish.

China is also, in regional terms, a major military power. Indeed, the PLA's order of battle contains more units with more personnel, more tanks, and more airplanes, than any other military organization anywhere.<sup>89</sup> Most of its equipment is not technologically advanced, however, and it has limited capabilities to project power beyond its borders.<sup>90</sup> But PLA official budgets are on the rise, modernization efforts are underway, and China clearly has the potential to develop and deploy military capabilities which could threaten its neighbors and U.S. interests. By installing structures with possible military uses in disputed areas of the Spratly Islands and explicitly leveling military threats against Taiwan, Beijing has stimulated concern among its neighbors and many American observers. Beijing's assertion that the PLA is not a threat to any other nation would be more likely to be believed if there were more reliable information about its budget, structure, and doctrine. Such information is treated as military secrets now. China's military posture and the secrecy about it are two factors which trouble U.S. relations with China. The issues of human rights and Taiwan are perhaps the most difficult.

After PLA units fired on the Tiananmen demonstrators on June 4, 1989, President Bush imposed commercial sanctions.<sup>91</sup> Those sanctions which did not involve strategic materials were eased in the next several months, but U.S.-PRC military-to-military contacts were not resumed until 1994. Through all of the period, the United States regularly charged China with egregious human rights violations through annual State Department reports, MFN debates, and reactions to Beijing's behavior with respect to dissidents and Tibet. Washington provided sanctuary for many fugitives from Tiananmen, who became media celebrities for a short time, and other dissidents. Human rights and labor activists have been able to mobilize support

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in Congress to maintain pressure on the administration to try to force Beijing to adhere to international standards of human rights and labor practices. As in the case of Wei Jingsheng, the “father of Chinese democracy” who was first imprisoned by Chinese authorities in 1979 and convicted on a separate offense in December 1995, many Congressmen are eager to appear as defenders of democracy in China, and the administration—any administration—will have sympathy for Chinese supporters of democracy.<sup>92</sup>

As previously noted, Beijing has strenuously rejected direct confrontation on these issues in the strongest terms publicly, although it has shown clemency to individual dissidents to appease international, and especially U.S., criticism. In 1994, after frequent discordant meetings with Beijing officials, the Clinton administration determined that confrontation was counterproductive as far as MFN was concerned, and de-linked that issue from human rights. Human rights issues have not been allowed to forestall U.S.-China trade discussions. China’s MFN status requires congressional action each year, however, and members of Congress may maintain the linkage if they so choose.<sup>93</sup>

There are fundamental ideological differences between Washington and Beijing on human rights and the degree to which international scrutiny of domestic practices are protected by the doctrine of sovereignty, differences which are likely to persist even with political changes in either capital. It is likely, therefore, that the human rights issue will be a restraint on, although not necessarily a complete barrier to, U.S.-PRC cooperation in many fields.

The Taiwan issue, discussed in some detail in the earlier section on China’s foreign policy,<sup>94</sup> also remains a difficult issue in U.S.-China relations. Because of a historic relationship which goes back to World War II, widespread support of democratic developments in Taiwan, long-standing business relationships, and the requirements of the Taiwan Relations Act,<sup>95</sup> no U.S. administration will abandon the people and government of Taiwan. On the other hand, Washington will also want to maintain relations with the world’s largest nation with a large and growing

market. It is likely that the question of the status of Taiwan will only be resolved between Taipei and Beijing, without much direct U.S. participation. In the meantime, like the question of human rights, Washington will need to manage the disagreements on the issue without seriously undermining progress on other aspects of U.S.-China relations.

**Japan.** There is no more important bilateral relationship than the one we have with Japan, according to *United States Security Strategy for the East Asia-Pacific Region*.<sup>96</sup> Moreover, in the words of the same authoritative document, "our security alliance with Japan is the linchpin of United States policy in Asia."<sup>97</sup>

The justification for such sweeping statements is well-known, and accepted even by those who do not support U.S. policy. Japan's economy is the second largest in the world, and it is highly interdependent with the economy of the United States. Many Japanese companies operate subsidiaries in the United States, and while relatively few U.S. companies have been successful penetrating Japan's market, U.S. private foreign investment in Japan is high. It is normal for U.S. products to contain components manufactured in Japan (and other countries also), and vice-versa.

U.S.-Japanese trade was the second largest bilateral trade relationship in the world in 1994, exceeded only by U.S.-Canada trade.<sup>98</sup> The United States bought more from Japan than from any nation except Canada, and sold more to Japan than to any nation except Canada. While the U.S. trade deficit with Japan approached \$70 billion (39.2 percent of total bilateral trade) in 1994—clearly an unsustainable relationship—U.S. exports to Japan nonetheless represented some 2.2 million American jobs.<sup>99</sup> Moreover, Japan's surplus has been declining.

In the security arena, Washington views its alliance with Japan as one of the most critical factors in East Asian stability. This is partly because Japan is the host for 47,000 U.S. military personnel who might not be stationed in the region without the U.S.-Japan alliance. It is also partly

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because Japan's geo-strategic position provides the United States with a valuable logistics and staging base in the case of conflict in Korea or elsewhere in Northeast Asia.

The U.S.-Japan security relationship is perhaps most important because it "binds Japan to a framework which enhances the security of its neighbors."<sup>100</sup> The alliance gives a degree of predictability to Japanese behavior, which allows these countries to interact with Japan with confidence, its history in the 1930s and 1940s notwithstanding. Without the alliance and the U.S. role in Japan's security, to again use the words of the editors of *The Straits Times* of Singapore, "Tokyo will be forced to fend for itself militarily, fueling an expensive and dangerous arms race in the region."<sup>101</sup> As the alliance limits Japan's freedom of action so that it is accepted in East Asia, it also provides a rationale and structure for Washington to merge its capabilities and influence with Japan to balance or restrain the emerging power of China.

Despite the importance to the United States of relations with Japan, Washington's recent actions seem not to have focused on cooperation with Tokyo, but on demands that Tokyo buy more foreign—especially American—commodities. U.S. Trade Representatives have bargained endlessly with their Japanese counterparts, frequently threatening retaliatory actions if Tokyo ignores U.S. demands. The Clinton administration has not only sought the removal of barriers to imports, many of which are alleged to be implicit in Japanese business practices rather than the legal structure, although that continues to be a U.S. goal. The new priority is for agreements which are results oriented; i.e., which require that Japan purchase specific quantities of U.S. products, initially automobile parts. Tokyo, which once promoted an industrial policy which helped Japanese business dominate many sectors of international trade, now ironically argues on the basis of the principles of free trade to oppose U.S. proposals. And Washington, usually the major defender of unfettered trade, now seems to advocate management of the market to reduce its staggering trade deficit with Japan. In Washington (and in Tokyo), political

leaders have proclaimed public positions which seem as much directed to domestic constituencies as to the Japanese government, often in undiplomatic, shrill language. Not surprisingly, this approach has not led to a mutually satisfactory formula, although crises have been avoided through ambiguous compromises which each side can interpret as a victory.

The ultimate resolution of the U.S.-Japan trade imbalance will probably require domestic changes in each country rather than foreign policy maneuvers.<sup>102</sup> At the least, Washington must adopt policies which encourage national savings, so that the nation no longer consumes more than it produces, and Tokyo must facilitate more consumption by, among other things, freeing its domestic economy from overregulation.

In political and security affairs, U.S.-Japanese cooperation is more harmonious. Washington consults closely and frequently with Tokyo, and the latter usually supports the former's initiative. There is a formal structure for security consultation which ranges from Minister of Foreign Affairs/Secretary of State and Defense Agency Director General/Secretary of Defense to U.S. Forces Japan and agency officials in Tokyo. High-level exchanges are supplemented by educational and functional exchanges. There is a busy schedule of combined exercises which involve JSDF and U.S. armed forces which takes place in Japan or in the waters and sky close to Japan.<sup>103</sup> Except for a combined military headquarters and integrated command structure, the relations between the U.S. military and the JSDF are as close and multifaceted as those between the United States and any other ally. In response to U.S. requests, Tokyo provides the most generous burden-sharing support of all U.S. allies.<sup>104</sup>

This is not to say that there are no disagreements over political and security questions between the two capitals. Japan, more highly dependent on Persian Gulf petroleum than is the United States, has frequently demurred from Washington's positions on the Middle East. Washington and Tokyo have not always seen eye-to-eye with respect to

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China, Russia, Korea, or the Asia-Pacific Economic Cooperation forum (APEC), among other issues. Tokyo's response to international crises, most notably in the Persian Gulf War, have often not met U.S. expectations. Generally, however, both governments have attempted to downplay differences and search for accommodations.

Together with Tokyo, Washington has tried to isolate the trade conflict from U.S.-Japan security cooperation. That policy was reasonably successful in the past, but may become increasingly difficult, in Washington as in Tokyo, when the trade issue surfaces as an item of domestic politics. Unemployment in the manufacturing sector in the United States regularly stimulates "Japan bashing" and disturbingly high ratios of Americans indicate negative views of Japan and the MST.<sup>105</sup> In the absence of the common clear and present danger presumed to have existed during the Cold War, critics of U.S. policy toward Japan, from libertarian isolationists to revisionists, have found more receptive audiences than in the past. The more sophisticated critiques argue that the U.S.-Japan security alliance, especially U.S. armed forces stationed in Japan, has outlived its usefulness.<sup>106</sup> They maintain that Japan has the resources and maturity to provide for its own security and the stability of the region, that continued U.S. tutelage is unnecessary and counterproductive, and that Japan need not threaten its neighbors.

## **CONCLUSIONS**

### **The U.S.-Japan Relationship.**

All of the bilateral relationships of the Northeast Asian strategic triangle probably will remain in flux during the remainder of the 1990s and the first years of the 21st century. The U.S.-Japan tie will probably be the most stable, even though disputes over trade may frequently place the alliance under strain. But, aside from economic competition, U.S. and Japanese national interests tend to be compatible. Differences over trade issues, as large and significant as they may be, are not as fundamental as the

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underlying agreement on the international trading system which has supported the prosperity of both nations. Moreover, both Washington and Tokyo benefit from a stable regional environment, and both would feel threatened by the emergence of a hegemon on the Asian continent. Under current and foreseeable conditions in Northeast Asia, Tokyo is likely to support Washington's policy of forward presence and engagement in the region. And while there are significant differences in the political cultures of Japan and the United States, the commitment of both to market economies, democracy, and human rights provides an ideological foundation for the alliance.

The U.S.-Japan relationship is also the most highly institutionalized of the strategic triangle. Washington and Tokyo are partners in an alliance formed over 40 years ago with formal and informal structures for decisionmaking, and tested patterns of cooperation. In both private and public sectors there are networks linking Japanese and Americans with similar interests and concerns. The centrifugal forces in U.S.-Japanese relations, which may be strong and involve stakes of great importance, will be resisted by mature organizations and inertia grounded in years of experience. These considerations should cause leaders in both nations to defend the alliance to their respective constituencies.

The unforeseeable conditions which would most likely undermine the strong foundations of the alliance would involve significant domestic political developments in one or both nations. It is well beyond the scope of this analysis to speculate on the future of Japanese or American politics, but it is probable that the victory in Washington of isolationists who would disengage from international responsibilities or the emergence of nationalists with an agenda of international aggrandizement in Tokyo would require a different U.S.-Japanese relationship. It is also likely that the strongest stimulus for the success of assertive nationalists in Japan would be the perception of impending U.S. disengagement, which would create widespread fears among Japanese for their security. Even a government of

moderates would have to review defense policy should the United States disengage from Northeast Asia. Japanese defense policy is anchored in the belief that the United States will act as its protector. When that belief can no longer be sustained, new defense policies likely to cause destabilizing reactions from other governments in the region are almost inevitable.

### **The China-Japan Relationship.**

The China-Japan relationship, the second most stable of the three, is potentially quite volatile. Tokyo and Beijing currently share objectives with respect to trade and investment, on the one hand, and regional—particularly Korean—stability, on the other hand. This should support viable bilateral ties in the short range.

For the long term, however, their interests appear to diverge with respect to some important issues. For example, the Chinese and Japanese versions of the architecture of a stable Northeast Asia are not necessarily compatible, particularly with respect to the status of Taiwan and the role of the United States. Despite public statements to the contrary, both Beijing and Tokyo may prefer the status quo in Korea over a single, strong Korean state, but each would energetically oppose an arrangement which benefited—or appeared to benefit—the other on this peninsula which historically has been the venue of Sino-Japanese competition. Moreover, neither government is likely to acquiesce in the domination of Northeast Asia, or Southeast Asia, by the other. And elites of each nation are basically suspicious of the other.

The mutual benefits of trade and investment which both nations now enjoy, and are apparently increasing dramatically, could sustain the bilateral relationship for an extended period of time, despite serious political disagreements. However, the quality of economic interactions between China and Japan is different from those between the United States and Japan, and do not form the same complex pattern of interdependency which makes

each economy highly dependent on the other and therefore provides a structure for long-term comprehensive cooperation. In spite of the remarkable economic growth which has occurred in China, the two nations stand at different levels of economic development. Japan is a prototype of a post-industrial, information-age economy; China is still a developing economy depending on others for sophisticated technology, with many sectors and areas in a pre-industrial environment. As China's economy matures, so will the foundation for more integrative interdependencies. But this is not likely to occur for decades, if ever.

The China-Japan relationship also obviously lacks an ideological basis. Many aspects of the cultures of China and Japan have common roots, but the dominant political attitudes and values of the two societies have little in common.

As in the U.S.-Japan relationship, China-Japan relations will be influenced by domestic political developments in each country. While politics in both China and Japan is in transition, the former's political system depends more on personal linkages and is less stable than the latter's. Moreover, political change in Japan is less likely to have a direct impact on foreign policy as in China, where the ascendancy of assertive nationalists with a low priority on reform could be immediately destabilizing in the region.

### **The U.S.-China Relationship.**

The last bilateral relationship of the Northeast Asian strategic triangle—that between the United States and China—is presently weak, and potentially more fragile and unstable than the other two. Each government has good reasons to maintain comprehensive relations which include trade and investment and dialogues on a wide range of political and security issues. These have been sufficient to motivate Beijing and Washington to advance from the very low point of their relationship after President Lee Teng-hui of Taiwan visited Cornell University. But the Clinton

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administration and Jiang Zemin's regime have both come under attack at home for the accommodations they arranged, and neither is in a strong position to make additional concessions, even if it wanted to. There is less ideological compatibility, and probably less interdependence, between China and the United States than between China and Japan.

If there is a further devolution of power from Beijing to local authorities, problems in U.S.-China relations may deteriorate further. When local governments and enterprises do not execute policy made in Beijing, which is apparently now the case with respect to intellectual property agreements, bilateral economic activities suffer. Moreover, except for prison factories, the greatest alleged abuses of international labor standards in China are probably committed by private entrepreneurs and managers at the local level, not by state enterprises.

It is likely that the fundamental differences between the two governments will persist for some time. The chances of a government in Washington which is more likely than the present one to ignore the human rights situation in China, minimize the U.S. security commitment to Taiwan, and allow unfair trading practices by Beijing are extremely slim. And, at least in the short range, it is even less likely that those governing China will accept Western conceptions of human rights or what they consider U.S. interference in China's domestic concerns, particularly with respect to Taiwan and political freedoms. Indeed, should the current succession struggle in Beijing result in victory for assertive nationalists and/or opponents of continued rapid economic reform, China's policy toward the United States may become significantly more confrontational. If that were the case, even the economic aspects of U.S.-China relations would be difficult to sustain at present levels.

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## **Regional Judgments.**

There are at least four general conclusions which cut across all bilateral relationships which are particularly salient for the United States:

First, for the foreseeable future U.S. engagement in Northeast Asia is likely to be one of the necessary conditions for regional stability, which in turn is one of the necessary conditions for expanding international trade and investment opportunities. Execution of the U.S.-DPRK Agreed Framework and easing of tensions on the Korean peninsula, acceptance of a more active regional and international role by Japan, avoidance of conflict over Taiwan, and inclusion of China into international regimes which will restrain its behavior—all depend upon active participation by the United States.

Second, the absence of a grand unifying concept for U.S. foreign policy—a functional equivalent of containment during the Cold War—makes it difficult for Washington to establish priorities among foreign policy objectives, and difficult for other governments to understand U.S. actions. It is much less likely that Chinese officials and analysts could perceive a U.S. strategy of containment or South Korean observers imagine that Washington favored Pyongyang over Seoul, if U.S. policy could be articulated on the basis of a grand conceptual scheme. One not only does not exist, however, but none has been offered by critics.

Third, Washington's high priority on economics, especially export promotion, further complicates the execution of foreign policy. The economic emphasis places prominence on segments of the bureaucracy, and personnel with backgrounds and skills, which differ from the traditional diplomat representing foreign affairs and defense agencies. In the field, personnel of the Office of U.S. Trade Representative (USTR) seem to employ harsher rhetoric and a more confrontational style than their counterparts from State and Defense. In Washington, the inclusion of USTR, Commerce and Treasury in the

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machinery of foreign policy coordination complicates an already imperfect mechanism.

Fourth, the United States may be the only remaining superpower, but without the discipline provided by a competing superpower, it cannot expect automatic loyalty from allies and acceptance of even high priority initiatives. In the contemporary international system, unequal alliances and relationships which were characteristic of the Cold War rarely can be maintained or established. Certainly in Northeast Asia that is the case.

## **IMPLICATIONS FOR THE UNITED STATES**

Since both of the other members of the Northeast Asian strategic triangle place their highest priority on relations with the United States, U.S. policy and behavior necessarily have great impact in the region. Sharp reversals of policy would be especially destabilizing, and threaten the conditions which Washington, through many administrations, has said it wanted to preserve.

### **Abrupt U.S. Policy Changes Destabilizing.**

While on specific questions Washington can introduce changes which could be useful, in the short range the fundamental factors of U.S. policy should remain constant. That is, the United States should retain its alliances with Japan and South Korea, maintain approximately the same military presence in the region, and remain engaged in the affairs of Northeast Asia. It is particularly important that the United States pursue comprehensive engagement with China, and resolutely enforce the Agreed Framework with the DPRK. These U.S. policies may not be sufficient to insure regional stability, but they are necessary conditions without which stability is highly unlikely.

*Need for Better Interagency Cooperation.* The U.S. government could improve the execution of its policy in Northeast Asia in at least two ways. First, it could perfect or develop smoother coordination machinery among agencies operating in the region. Given the nature of the

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U.S. system, some inconsistencies may be unavoidable, but they could be reduced to a more acceptable level. Together with relevant civilian agencies, the Department of Defense, the separate services, and military headquarters in the region should all be involved in the coordination process.

*Benefits of Regional Specialists.* A second way to improve execution of policy is to recruit and develop a cadre of personnel with regional expertise, and provide incentives for those personnel to remain in government. The greatest need for regional specialists may be in those agencies which traditionally have not been engaged in foreign affairs, such as Commerce, Treasury, and USTR. But there is an apparent deficit or underutilization of specialists within the State Department and Department of Defense. Moreover, neither of these traditional foreign affairs agencies seems to reward regional expertise. Within the State Department, personnel are consciously moved from region to region and function to function, emphasizing breadth over depth in career development. In the military services, those skilled in combat operations receive preference for promotion and senior educational opportunities over regional experts, Northeast Asian or otherwise. This is even true in the U.S. Army, which still maintains its effective Foreign Area Officer program but fails to provide adequate opportunities for advancement within it.

Within the existing environment, U.S. disengagement, or actions which lead to a widespread perception that disengagement is imminent, would lead to an unacceptable level of instability. Unfortunately, Northeast Asian leaders tend to be extremely suspicious of Washington's behavior in this regard. Seoul's reaction to U.S. approaches to North Korea over the Agreed Framework and Tokyo's peeve over President Clinton's decision not to attend the APEC Summit in 1995 illustrate this tendency.

### **Long-Range Adjustments in U.S. Policy.**

While the analysis supports official U.S. policy as outlined in *United States Security Strategy for the East*

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*Asian-Pacific Region* for the short range, it implies that the United States should adopt some new approaches for the long range. Short range, in this analysis, refers to the period of time, whether few or many years, when the fundamental characteristics of international politics within Northeast Asia and within the three bilateral relationships of the strategic triangle remain more-or-less unchanged. Long range implies that important variables have changed, so much so that it is possible to say that a new system of interaction has emerged. It is uncertain what that system's characteristics will be, but very likely they will include greater complexity and a further decline in the occasions when military force is the optimum instrument of influence.

Such a transformation could come about, probably gradually but perhaps abruptly, because of a change in the number of players (North-South Korean or China-Taiwan unification, return to an active role by Russia) or significant domestic political changes within one or all of the major powers. External events might also lead to systemic transformation. In any case, such changes are possible at almost any time, or, indeed, probably are now taking place. Washington should be prepared to adapt without abruptly changing its posture in the region.

As this author has argued in another publication,<sup>107</sup> the combination of bilateral security relationships, forward presence, and engagement is adequate for the United States to move from short- to long-range conditions if the ingredients of U.S. security policy are supplemented by multilateral structures. These should not only include fora for consultation, but also organizations to foster confidence building measures and the adjustment of regional disputes. As noted, KEDO may be considered one of these structures. It is possible that agencies with broader jurisdiction, such as APEC and ARF, offer a better venue for Northeast Asian nations and the United States to explore regional problems, precisely because other members might be better able to mediate or provide neutral sites for discussion than any of the relatively small number of Northeast Asian actors. In any case, multilateral structures of the type advocated by

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President Clinton but not yet established (except for KEDO) would allow for flexibility in managing disputes. They would also permit continued U.S. engagement with a lower profile and perhaps lower costs.

## ENDNOTES

1. In spite of its geographic position, Russia is not considered a Northeast Asian nation because Northeast Asian elites do not consider Russia an Asian nation. Neither do Russian elites, for that matter.

2. Bilateral relations are not the sole basis for regional politics because all of the actors belong to transregional organizations such as the United Nations, APEC, and the ASEAN Regional Forum. There is no transregional organization in which all five governments participate, however. China, Japan, ROK, and the United States belong to all of them.

3. *The Military Balance 1985-1986*, London: The International Institute for Strategic Studies, 1985, pp. 28-29 and 113-115, respectively.

4. *Ibid.*, pp. 127-128.

5. *Ibid.*, pp. 134-135.

6. *Ibid.*, pp. 125-126.

7. *Ibid.*, p. 14.

8. North Korean forces are now estimated to be almost 200,000 larger than in 1985. South Korean armed forces are about 35,000 larger. *Military Balance 1994-1995*, 1994, pp. 178-180.

9. Far Eastern Economic Review, *Asia Yearbook*, 1995, p. 14. Even Japan, by the beginning of the period already a mature economy, grew at an average rate of 4.1 percent.

10. Estimates of North Korea's GDP all involve some conjecture. This estimate is based on data from *Asia Yearbook*, 1982, pp. 8-9, and the *CIA World Factbook 1994*, on line (<http://www.ic.gov>).

11. For example, see Renshi Luo, "Post-Cold War Strategic Trends in the Asia-Pacific Region," pp. 5-6, and "Strategic Change in China's Policy of Army Building and Its Post-Cold War Strategy for Peace," p. 10, in *International Strategic Studies* (Beijing), Numbers 3 and 4, 1994, respectively; and Yufan Liang, "The Rise of China and Asian Regional

Security," *SIIS Journal* (Shanghai), Volume 1, Number 2, 1994, pp. 8-9. This position was also asserted at virtually all research organizations visited by the author in Beijing and Shanghai in March 1994.

12. For recent examples, see Wei Yang, "International Commentary: Setbacks and Prospects for Sino-U.S. Relations," *Liowang* (Beijing), No. 27, July 3, 1995, p. 45, translated in *Daily Report: China, Foreign Broadcast Information Service*, FBIS-CHI-95-140 (hereinafter referred to as *FBIS-CHI-xx-xxx*), July 3, 1995, pp. 4-5; and Jen Hui-wen, "Gradual Escalation of China's Strategy Against the United States, Taiwan," *Hsin* (Hong Kong), June 30, 1995, p.29, translated in *FBIS-CHI-95-128*, June 30, 1995, pp. 10-12; and Robert Sutter, "China's Sinister View of U.S. Policy: Origins, Implications and Options," *CRS Report for Congress*, June 26, 1995.

13. David Shambaugh, "Patterns of Interaction in Sino-American Relations," in *Chinese Foreign Policy: Theory and Practice*, ed. by Thomas W. Robinson and David Shambaugh, New York: Oxford University Press, 1994, p. 214. Shambaugh structures his analysis around "levels of analysis: global, societal, and governmental."

14. For a sophisticated analysis of this phenomenon, see Gerald Segal, "China Changes Shape: Regionalism and Foreign Policy," *Adelphi Paper* 287, March 1994.

15. Ronald N. Monteparto, "The PLA: In Search of a Strategic Focus," *Joint Forces Quarterly*, No. 7, Spring 1995, p. 17.

16. Yufan Hao and Guocang Huan, "Introduction: Chinese Foreign Policy in Transition," in *The Chinese View of the World*, ed. by Yufan Hao and Guocang Huan, New York: Pantheon Books, 1989, pp. xvi-xvii.

17. However, Allen Whiting, "Chinese Nationalism and Foreign Policy After Deng," *The China Quarterly*, Number 142, June 1995, p. 316, argues that "the century of humiliation and shame" is already a declining influence, since China no longer need worry about foreign nations exploiting Chinese weakness because of its economic success.

18. Steven I. Levine, "Perception and Ideology in Chinese Foreign Policy," in *Chinese Foreign Policy: Theory and Practice*, pp. 43-44. Levine refers to this mind-set as "informal ideology" rather than world view.

19. Much of Hong Kong's imports from China was re-exported to the United States, and was recorded in U.S. trade data provided to the International Monetary Fund. However, China reported the same transactions as exports to Hong Kong. By the former reckoning, the United States was China's largest market; by the latter, the United

States was China's third largest market behind Hong Kong and Japan. See *Department of Trade Statistics Yearbook 1995*, pp. 123 and 436.

20. Jianren Lu, "Investment Opportunities in China: Policies, Problems, and Prospects," *The Journal of Contemporary China*, Number 9, Summer 1995, Table 4, p. 78. Hong Kong and Taiwan were far ahead, with \$103.94 billion and \$13.23 billion respectively.

21. For example, see Gu Ping, "Also Discussing 'Double Standards'," *Renmin Ribao*, March 8, 1995, p. 6; translated in *FBIS-EAS-95-089*, May 9, 1995, pp. 3-4.

22. Whiting, p. 295, distinguishes between affirmative, assertive, and aggressive nationalism.

Affirmative nationalism centers exclusively on "us" as a positive in-group referent with pride in attributes and achievements. Assertive nationalism adds "them" as a negative out-group referent that challenges the in-group's interests and possibly its identity. Aggressive nationalism identifies a specific foreign enemy as a serious threat that requires action to defend vital interests.

23. The negotiations of 1978 resulted in normalization of relations, effective January 1, 1979. The later negotiations followed a U.S. sale of armaments to Taiwan, and dealt primarily with the issue of Taiwan. They resulted in the Shanghai Communique of 1982. The three communiqués are reprinted in Harry Harding, *A Fragile Relationship: The United States and China Since 1972*, Washington: The Brookings Institution, 1992.

24. Ho Yuen Hua, "China Fires Three Missiles Over Taiwan, Says Report," *The Straits Times Interactive*, December 25, 1995, at Internet site <http://www.asia1.com.sg/straitstimes>.

25. See Ralph N. Clough, *Reaching Across the Taiwan Strait: People-to-People Diplomacy*, Boulder: Westview Press, 1993, pp. 1-181, for a thorough discussion of the evolution of cross-strait relations.

26. Lu, p. 78.

27. The PRC Constitution of 1982 included provisions for "one country, two systems."

28. The Taiwan portion of the speech is summarized and analyzed in Julian Baum, "Jiang Talks Strait," *Far Eastern Economic Review*, Volume 158, Number 7, February 16, 1995, pp. 14-15. The speech was held up as the definitive statement on Beijing's policy toward Taiwan

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even after the propaganda barrage concerning President Lee's visit to the United States. See "CPC Spokesman Emphasizes Jiang's Taiwan Speech," *Xinhua* Domestic Service, May 22, 1995, translated in *FBIS-CHI-95-105*, June 1, 1995, pp. 72-73.

29. Beijing's attacks on Lee and the United States were intensive and extensive. For samples of the propaganda, see Hua Xiazhi, "Li Denghui Must First Understand What is Called China," *Xinhua* Domestic Service, June 7, 1995, translated in *FBIS-CHI-95-110*, June 8, 1995, pp. 85-87; Song Ming, "Li Denhui's Mentality and the Welfare of People on Taiwan," Beijing Central Peoples Radio, June 11, 1995, translated by *FBIS-CHI-95-113*, June 13, 1995, pp. 74-75; and Miu Qun, "Substance of 'Pragmatic Diplomacy' vs 'Taiwan Independence'," *Renmin Ribao* Overseas Edition, July 27, 1995, p. 5, translated in *FBIS-CHI-95-152*, pp. 79-80.

30. For instance, see, "Beijing Official on Cooperation to Tap Spratlys," China News Agency (Taipei) in English, August 30, 1995, transcribed in *FBIS-CHI-95-168*, August 30, 1995, p. 75; and "Fujian, Taiwan Intensify Economic Cooperation," *Xinhua* in English, August 30, 1995, transcribed in *FBIS-CHI-96-168*, August 31, 1996, p. 71.

31. The changes also did not please many Taiwanese. See Jaw-ling Joanne Chang, "Clinton's New Taiwan Policy—A Step Forward or Backward?", unpublished paper, Institute of European and American Studies, Academia Sinica, Taipei, Taiwan, n.d.

32. China is discussed on pp. 14-15, and the intention to retain U.S. military in the region appears on p. 32.

33. For example, see "Visit Serious 'Retrogression'," translated from Zhongguo Xinwen She radio (Beijing), May 26, 1995, by *FBIS-CHI-95-103*, May 26, 1995, pp. 4-5.

34. David M. Lampton, "China and the Strategic Quadrangle," in *The Strategic Quadrangle: Russia, China, Japan and the United States in East Asia*, ed. by Michael Mandelbaum, New York: Council of Foreign Relations Press, 1994, p. 92.

35. According to Cabinet Secretary Koken Nosaka, the remaining grants will be for humanitarian purposes. Loans, which involve much larger sums, were not affected. *China News Digest*, Global, August 29, 1995, available at <ftp://ftp.cnd.org/pub/cnd-global>.

36. Robert A. Manning, "Burdens of the Past, Dilemmas of the Future: Sino-Japanese Relations in the Emerging International System," *The Washington Quarterly*, Volume 17, Number 1, December 1994, p. 47.

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37. The 1994 Asiad organizing committee had invited Taiwan President Lee Teng-hui to attend the games, which drew intensive protests from Beijing. Tokyo did not invite Lee, but despite persistent threats and protests from Beijing, it refused to revoke the invitation to Vice Premier Hsu Li-teh. Later in 1994 there were a number of important unofficial exchanges between officials of the two governments. See Michael Westlake, ed., *Asia Yearbook 1995*, Hong Kong: Far Eastern Economic Review, p. 114-115, for a brief summary of the events.

38. China was the largest recipient of Japan's ODA from 1982 to 1986; since 1987, it has been second to Indonesia. Qingxin Ken Wang, "Recent Japanese Economic Diplomacy in China: Political Alignment in a Changing World Order," *Asian Survey*, Vol. XXXIII, No. 5, June 1993, p. 637.

39. *Direction of Trade Statistics Yearbook 1995*, New York: International Monetary Fund, pp. 153-155, lists Hong Kong as China's largest export market. U.S. data, which includes Chinese goods initially exported to Hong Kong for reexport to the United States, places the latter first. See U.S. Department of State, Bureau of Economic and Business Affairs, "China: 1994 Country Report on Economic Policy and Trade Practices," np, available on the internet at [gopher://disfan.lib.uic.edu:70/OF-1%3A22746%3AChina](http://gopher://disfan.lib.uic.edu:70/OF-1%3A22746%3AChina).

40. Wang, p. 630.

41. Manning, pp. 45 and 46, makes reference to these Japanese terms which are frequently used to denote the levels of understanding in Japanese social interaction.

42. On Chinese attitudes on Japan, see Allen S. Whiting, *China Eyes Japan*, Berkeley: University of California Press, 1989, and Thomas L. Wilborn, *How Northeast Asians View Their Security*, Carlisle Barracks, PA: Strategic Studies Institute, U.S. Army War College, 1991, pp. 15-17.

43. For an extended, positive analysis of the Japanese economy, see *A Collection of Papers Presented at the International Symposium on Japan's Position and Role in the New World Pattern*, September 24-25, 1993, Shanghai, China, Shanghai: Shanghai Academy of Social Sciences, Institute of World Economy, 1994.

44. On Japanese security policy, see Peter J. Katzenstein and Nobuo Okawara, *Japan's National Security: Structures, Norms and Policy Responses in a Changing World*, Ithaca, NY: Cornell University East Asia Program, 1993; Joseph P. Keddell, Jr., *The Politics of Defense in Japan: Managing Internal and External Pressures*, Armonk, NY: M.E.

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Sharp, 1993; and Michael W. Chinworth, *Inside Japan's Defense: Technology, Economics and Strategy*, McLean, VA: Brassey's (US), 1993.

45. Several conservative political parties merged to form the Liberal Democratic Party (LDP) in 1955. It provided a stable majority until 1990, when a number of groups in the Diet withdrew and formed new parties. The rump LDP was the largest party after the 1990 elections, but lacked a majority and could not form a government. Since 1994, it has been the major party in a coalition with its old nemesis, the Socialist Party or Social Democratic Party of Japan, and one of the smaller splinter groups which formerly was a part of the LDP.

46. On the Japanese conception of themselves as victims, see David B. Bobrow, "Pursuing Military Security: Lessons from Japan," *The Ridgeway Papers in International Security Studies*, Number 91-1, December 1991, p. 8.

47. For careful analyses of the attitudes of Japanese officials and intellectuals, see the works of Eugene Brown, including *The Debate Over Japan's International Role: Contending Views of Opinion Leaders During the Persian Gulf Crisis*, July 17, 1991; and *Japan's Search for Strategic Vision: The Contemporary Debate*, February 15, 1993, both published at Carlisle Barracks, PA: Strategic Studies Institute. For a summary of attitudes after the first Peacekeeping Bill (PKO) debate in 1990, see Wilborn, pp. 27-42.

48. Two pieces of legislation were adopted to authorize participation in peacekeeping operations: the Bill Concerning Cooperation for United Nations Peacekeeping Operations and Other Operations and the Bill to Amend Part of the Law Concerning the Dispatch of Japan Disaster Relief Teams. Japan Defense Agency, *Defense of Japan 1993*, translated by the *Japan Times*, Tokyo: The Japan Times, 1993, pp. 127-128.

49. The limitations on the Self-Defense Forces in participating in peacekeeping operations is outlined in Thomas L. Wilborn, *Japan's Self-Defense Forces: What Dangers to Northeast Asia?* Carlisle Barracks, PA: Strategic Studies Institute, May 1, 1994, pp. 6-8.

50. *Ibid.*, p. 7.

51. "Public Said To Back SDF's Peacekeeping Role," *Kyodo* in English, December 8, 1995, transcribed in *FBIS-EAS-95-237*, December 11, 1995, p. 4. There were civilian Japanese casualties in the Cambodia operation, which did stimulate opposition to the operation. It was short lived, however. See Richard Halloran, "Japan's Military Force: Return of the Samurai?," *Parameters*, Fall-Winter 1995, pp. 28-40.

52. The cabinet empowered in June 1994 was a coalition of the LDP, the Social Democratic Party of Japan, and the reformist Sakigake Party. Historically, the Social Democratic or Socialist Party opposed the Self-Defense Forces and the alliance with the United States, although they have moved to a more centrist position in recent years. Sakigake leader Masayoshi Takemura also has pacifist tendencies.

53. For a discussion of attitudes of the emerging elite in Japan, see Wilborn, *Japan's Self-Defense Forces: What Dangers to Southeast Asia?*, pp. 25-26; and John Endicott, "Japan's Military Renaissance? Prognosis into the 1990s and Beyond," in *Japan's Military Renaissance*, pp. 241-248.

54. Nicholas D. Kristof, New York Times Service, downloaded from @Times on America On Line, July 30, 1995, documents that the Japanese self-image "is more like pathetic . . ."

55. See Wilborn, *Japan's Self-Defense Forces: What Dangers to Northeast Asia?* on which this discussion of the SDF and Japanese defense policy is based.

56. On the 1995 Defense White Paper, see "Defense White Paper Becoming Assertive," *Yomiuri Shimbun*, July 2, 1995, Morning Edition, p. 3, translated in *FBIS-EAS-95-132*, July 11, 1995, pp. 11-12; and "Government Urged to Set Guidelines for Moderate Buildup of Defense Capability," *Tokyo Shimbun*, July 3, 1995, Morning Edition, p. 5, and "Confidence Building Requires Long Term Perspective," *Sabkei Shimbun*, July 1, 1995, Morning Edition, p. 2, both translated in *FBIS-EAS-95-133*, July 12, 1995, pp. 29-30. For the National Defense Program Outline, see *Kyodo* in English, December 31, 1994, and June 30, 1995, transcribed in *FBIS-EAS-95-001*, January 3, 1995, p. 9-10, and *FBIS-EAS-95-126*, June 30, 1995, pp. 10-11, respectively.

57. Twenty-nine percent of Japanese exports were sold to the United States, and 23 percent of Japanese imports came from the United States. See *Direction of Trade Statistics Yearbook 1995*, p. 261.

58. Ronald E. Dolan and Robert L. Worden, *Japan: A Country Study*, Washington: U.S. Government Printing Office, 1992, p. 454.

59. Japan Defense Agency, *Defense of Japan 1992*, pp. 77-78.

60. There has been no public commitment by Japan for a specific contribution. As a full member of the Korean Energy Development Organization (together with the United States, which is prohibited by law from paying for any part of the light-water reactors, and South Korea), Japan will probably incur costs of over \$1 billion.

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61. See Halloran for the argument that such developments could possibly lead the Japanese to establish an independent military force, no longer restrained by the United States.

62. See Wang, pp. 625-641, for an excellent discussion of Japan's economic relations with China.

63. The value of U.S.-Japan trade was \$181.8 billion, and China-Japan trade was \$46.3 billion. The United States, Hong Kong, South Korea, Taiwan, and Singapore, in that order, were larger markets than China for Japanese goods. See *Direction of Trade Yearbook: 1995*, pp. 261-263.

64. Wang, p. 628.

65. The steps included a bilateral tax treaty to avoid double taxation (1983), trade insurance provided by MITI (1985), and a bilateral investment protection treaty (1988). *Ibid.*, pp. 628-629.

66. *Ibid.*, p. 629. Japanese private investment by 1990 was only 1.1 percent of total overseas investment, and worth only \$2.8 billion.

67. Japan had refrained from establishing diplomatic relations with the PRC, and continued to recognize the Nationalist government on Taiwan as the government of all of China, because of the U.S. policy of isolating China. Nixon's trip to China in 1971, apparently made without consultation with Tokyo, was called a "shokku" by the Tokyo press.

68. Foreign Minister Kono announced that ODA grants to China for humanitarian and emergency purposes were not expected to exceed 420 million yen, which at an exchange rate of 100 yen per \$1, would be \$4.2 million. "Panel Urges Reconsideration of PRC Yen Loans," *Mainichi Shimbun*, August 30, 1995, Morning Edition, p. 3, translated in *FBIS-EAS-95-169*, August 31, 1995, p. 8. See "Debates Yen Loan Review," *Kyodo* in English, August 29, 1995, transcribed in *FBIS-EAS-95-167*, August 28, 1995, p. 6; and "Deep Regret' Expressed Over Japanese Aid Cut," Hong Kong AFP in English, August 21, 1995, transcribed in *FBIS-CHI-95-161*, August 21, 1995, p. 6, for 1994 grant and loan totals respectively.

69. "Panel Urges Reconsideration of PRC Yen Loans," p. 8.

70. Thomas L. Wilborn, "U.S. Security Policy for Northeast Asia: Handmaiden for Export Promotion?" in *Northeast Asia in a Changing World*, ed. by Tae-Hwan Kwak and Edward A. Olsen, Boulder: Lynne Rienner Publishers, forthcoming.

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71. Trade data was extrapolated from *Direction of Trade Statistics 1995*, pp. 436-438.

72. See Wilborn, *How Northeast Asians View Their Security*, especially pp. 63-82.

73. See Thomas L. Wilborn, *Roles for the Army in a Peacetime Engagement for the Pacific*, Carlisle Barracks, PA: Strategic Studies Institute, 1992, pp. 13-15, for a discussion of the concept of forward presence.

74. The honest broker concept was stressed in James Baker, "America in Asia: Emerging Architecture," *Foreign Affairs*, Vol. 70, No. 5, Winter 1991/92.

75. On North Korea's nuclear program and the U.S.-DPRK Framework, see William E. Berry, Jr., "North Korea's Nuclear Program: The Clinton Administration's Response," *INSS Occasional Paper 3*, Institute for National Security Studies, U.S. Air Force Academy, March 1995; Young Whan Kihl, "Confrontation or Compromise on the Korean Peninsula: The North Korean Nuclear Issue," *Korean Journal of Defense Analysis*, Winter 1994, pp. 233-252; and Thomas L. Wilborn, *Strategic Implications of the U.S.-DPRK Framework Agreement*, Carlisle Barracks, PA: Strategic Studies Institute, 1995.

76. Author's interviews and discussions in Seoul, February 1995.

77. Wilborn, *Strategic Implications of the U.S.-DPRK Framework Agreement*, pp. 10-18.

78. *United States Security Strategy for the East Asia-Pacific Region*, Washington: Office of International Security Affairs, Department of Defense, p. 24.

79. Baker, p. 5.

80. William J. Clinton, "Fundamentals of Security for a New Pacific Community," address before the National Assembly of the Republic of Korea, Seoul, South Korea, July 10, 1993, *Dispatch*, Vol. 4, No. 29, July 19, 1993.

81. KEDO operating decisions reside in a three member Board of Governors (United States, ROK, and Japan) which makes decisions through consensus. Other members of the organization do not have a veto on activities. *Yonhap* in English, transcribed in *FBIS-EAS-94-242*, December 16, 1994, p. 42.

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82. Russia proposed an international conference of both Korea, China, Japan, the United States, and itself, to deal with North Korea's refusal to allow IAEA inspectors full access to a reactor at Yongbyon. Assistant Secretary of State Lord, on PBS's Weekend Edition on March 16, 1993, said that the United States was studying the proposal, but it was clear that he had serious objections.

83. P. 12, above.

84. For a more extended discussion, see Thomas L. Wilborn, *Security Cooperation With China: Analysis and a Proposal*, Carlisle Barracks: Strategic Studies Institute, 1994, pp. 12-15.

85. *Direction of Trade Statistics Yearbook 1995*, pp. 153.

86. *Direction of Trade Statistics Yearbook 1987*, p. 136.

87. These calculations are based on *Direction of Trade Statistics Yearbook 1995*, pp. 436-438.

88. Lu, p. 78.

89. See *Military Balance 1994-1995*, for comparisons.

90. On China's military capabilities, see Harlan W. Jencks, "China's Defense Buildup: A Threat to the Region?" in *China's Military: The PLA in 1992/1993*, ed. by Richard H. Yang, Taipei: Chinese Council of Advanced Policy Studies, pp. 95-120; and Karl W. Eikenberry, "Does China Threaten Asia-Pacific Regional Security?", *Parameters*, Vol. XXV, No. 1, Spring 1995, pp. 82-103.

91. Wilborn, *Security Relations With China: An Analysis and A Proposal*, p. 1.

92. See Christopher S. Wren, "No Action, But Rebuke From U.S.," *New York Times*, December 14, 1995, p. A20.

93. Rep. Nancy Pelosi, who has been a leader in the effort to withhold benefits from China because of its human rights record, threatened to re-link human rights and MFN unless Beijing reverses the decision against Wei Jingsheng. *Ibid.*

94. Pp. 13-18, above.

95. The Taiwan Relations Act declares that the United States would consider any effort to determine the future of Taiwan by other than peaceful means, including by boycott or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States. For an interesting perspective on the Act and the context

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in which it became law, see Hungdah Chiu, "The Taiwan Relations Act and Sino-American Relations," in *R.O.C.-U.S.A. Relations, 1979-1989*, by Jaw-Ling Joanne Chang, Taipei: Institute of American Culture, Academia Sinica, 1991, pp. 23-58.

96. *United States Security Strategy for the East Asia-Pacific Region*, p. 10.

97. *Ibid.*

98. The data on U.S.-Japan trade is derived from *Direction of Trade Statistics 1995*, pp. 436-438. In 1994, U.S. exports to Mexico were \$50.8 billion, about \$3 billion less than exports to Japan.

99. *United States Security Strategy for the East Asia-Pacific Region* estimates that U.S. trade with the entire East Asia-Pacific area in 1993, which was valued at \$375 billion, accounted for 2.8 million American jobs. Using the same ratio, 1994 trade with Northeast Asia accounted for 2.2 million jobs.

100. "Remember the Big Picture," editorial, *The Straits Times*, November 7, 1995, p. 28, transcribed in *FBIS-EAS-95-235*, December 7, 1995, pp. 9-10.

101. *Ibid.*

102. For a careful examination of the macroeconomic factors affecting the U.S.-Japan relationship, see Leif Rosenberger, *A Faltering Economy Frustrates Global Recovery*, Carlisle Barracks, PA: Strategic Studies Institute, 1992, especially pp. 19-20 and 25-26.

103. *Defense of Japan 1993*, Reference 14, pp. 247-249, lists 20 separate U.S.-Japan combined exercises for all services.

104. Tokyo pays all yen costs associated with stationing U.S. troops in Japan. For details, see *Defense of Japan 1993*.

105. *The Harris Poll #71*, November 20, 1995, pp. 3-4.

106. See recent essays by Chalmers Johnson, especially "The Pentagon's Ossified Strategy," *Foreign Affairs*, Vol. 74, No. 4, pp. 103-114, written with E.B. Keehn.

107. Thomas L. Wilborn, *Stability, Security Structures, and U.S. Policy for East Asia and the Pacific*, Carlisle Barracks, PA: Strategic Studies Institute, 1993.

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