EAST ASIA: A STRATEGIC APPRAISAL OF THE REGION, SOVIET STRATEGY, AND THE U.S. POSTURE

BY

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During the past 20 years, East Asia has become a power in world affairs proportionate to its vast size and population. As the United States and the Soviet Union continue their global competition, American leaders must appreciate the region's importance and understand General Secretary and President Mikhail Gorbachev's strategy. Given the vital importance of Asia, there is a need for the United States to reassess its approach to the Asian-Pacific region. The purpose of this study is to begin that extraordinarily important process. The study examines how the East Asian nations influence the rest of the world.
It explores how the Soviets have been successfully implementing their strategy in terms of military, socio-psychological, political, and economic power. The study identifies United States' vital interests in the region and U.S. posture relative to those interests. Finally, the current US strategic objectives are identified and recommended initiatives are presented.
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EAST ASIA: A STRATEGIC APPRAISAL OF THE REGION, SOVIET STRATEGY, AND THE US POSTURE

AN INDIVIDUAL STUDY PROJECT

by

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ABSTRACT

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# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABSTRACT</td>
<td>ii</td>
</tr>
<tr>
<td>CHAPTER I. INTRODUCTION.</td>
<td>1</td>
</tr>
<tr>
<td>Emerging World Trends.</td>
<td>2</td>
</tr>
<tr>
<td>Dynamic Change in East Asia</td>
<td>4</td>
</tr>
<tr>
<td>II. VITAL IMPORTANCE OF EAST ASIA.</td>
<td>7</td>
</tr>
<tr>
<td>Japanese Growth</td>
<td>7</td>
</tr>
<tr>
<td>ASEAN</td>
<td>9</td>
</tr>
<tr>
<td>Newly Industrialized Countries</td>
<td>10</td>
</tr>
<tr>
<td>China</td>
<td>10</td>
</tr>
<tr>
<td>US—Both a Pacific and an Atlantic Nation</td>
<td>11</td>
</tr>
<tr>
<td>III. SOVIET STRATEGY.</td>
<td>14</td>
</tr>
<tr>
<td>Military Strategy</td>
<td>16</td>
</tr>
<tr>
<td>Socio-psychological Strategy</td>
<td>17</td>
</tr>
<tr>
<td>Political Strategy</td>
<td>20</td>
</tr>
<tr>
<td>Economic Strategy</td>
<td>23</td>
</tr>
<tr>
<td>Summary</td>
<td>26</td>
</tr>
<tr>
<td>IV. US INTERESTS AND POSTURE</td>
<td>30</td>
</tr>
<tr>
<td>Interests in East Asia</td>
<td>30</td>
</tr>
<tr>
<td>US Posture in East Asia</td>
<td>35</td>
</tr>
<tr>
<td>U.S. Strategic Objectives</td>
<td>41</td>
</tr>
<tr>
<td>V. CONCLUSIONS AND RECOMMENDATIONS</td>
<td>45</td>
</tr>
<tr>
<td>Recommendations</td>
<td>46</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>52</td>
</tr>
</tbody>
</table>
Both the United States and the Soviet Union need positive political and economic relations with Europe and Asia in order to achieve their national goals. In the United States, there is consensus that the American and European powers must cooperate in striving to protect their national interests. This same type of appreciation, however, is not generally extended to Asia. Convincing evidence of this problem was the absence of Asian issues from the agenda of both candidates in the 1988 presidential election campaign. With few exceptions (notably, protectionist proposals to reduce US trade imbalance with Japan), public discussion of American foreign and defense policy centered on European issues.

This US national policy vulnerability and the importance of Asia indicate the United States should reassess its approach to the Asian-Pacific region. The purpose of this study is to begin that extraordinarily important process. Because of the immense size and diversity of Asia, the study focuses on East Asia, with emphasis on Northeast Asia. It consists of three basic parts--an appraisal of the region's importance, an examination of the Soviet strategy
in Asia, and an assessment of US interests, posture, and strategy in the region.

In his July 1986 Vladivostok Speech, General Secretary and President Mikhail Gorbachev emphasized that:

The Soviet state calls on all Asian and Pacific nations to cooperate for the sake of peace and security. Everyone who is striving for these goals, who hopes for a better future for their peoples, will find us to be benevolent interlocutors and honest partners.¹

American political and military leaders should be asking themselves why the Soviet leadership is accommodating Asian interests in Afghanistan, Kampuchea, Mongolia and on the Sino-Soviet border while the US seems to be leaning towards withdrawal and protectionism with regard to Asia? What do the Soviets apparently recognize in Asia that we do not?

EMERGING WORLD TRENDS

The US Government Commission on Integrated Long-Range Strategy, which included Henry Kissinger, Zbigniew Brezenski and Fred Ikle, completed a study in 1988 which provides a good foundation for addressing these questions. The Commission believes that emerging economic, demographic, and military investment trends portend a more complex, multipolar world by the year 2010. The Commission also predicts that in 20 years the combined GNPs of Japan, China, South Korea, and Taiwan will exceed that of the US ($8.5 trillion vs $7.9 trillion).² By that time, the United States, China, and Japan will probably have the world's three largest GNPs.³ If Gorbachev's perestroika (economic, political, and social restructuring) is successful during the next two
decades, the Soviets could generate a GNP greater than either China's or Japan's and dramatically diminish the Soviet economic gap with the US.

The Commission foresees today's demographic trends impacting on the future international security environment as a result of differential population growth rates and age structures. Current disparities in developing Asian counties between their percentage of world population and GNP are creating mounting tensions. As developing countries grow economically and militarily, they will be more inclined to apply their power against less densely populated neighbors. For the U.S., another demographic impact will be that as the US population ages, pressures will increase to divert resources necessary for adequate defense into social and health care programs.

The same study forecasts that if the US defense budget grows by one percent annually and if perestroika succeeds, the USSR will likely devote almost twice as much as the US to defense spending by the year 2010. Given current trends and this scenario, China's defense spending could reach almost half of US defense spending by the same year. Twenty years from now, if Asia continues to outpace Western economic growth, the world will be very different from the one we know today. In this more complex world, the orientation and strategies of Japan and China will unequivocally be as important as those of Western Europe and the Soviet Union.

In order to be best prepared for this developing reality, the US must adjust its traditional attitudes concerning Asia and become more sensitive to its cultures and customs. From the earliest
recorded meetings of West and East, an enthusiastic trade in technology and material goods developed without a similar exchange of culture and philosophy. This exchange amounted to trade between deaf people. As strong differences arose, the better armed Western nations employed their advantage against the more densely populated but vulnerable Asians. Significantly, for today's proud Asians, their history is not a failure of values or society but simply of military inferiority. They take considerable pride in the fact that the world's center of power is shifting back toward the Pacific and Asia after residing in Europe for so many centuries.

**DYNAMIC CHANGE IN EAST ASIA**

The last 45 years have witnessed the decline of European colonial powers and the rise of the United States and the Soviet Union as nuclear superpowers. The resulting superpower rivalry has overshadowed a quiet but widespread diffusion of international political, economic, and military power over the past two decades. For example, the United States gave 4.5% of its GNP to Europe via the Marshall Plan between 1949 and 1952. Today, however, Japan is the principal creditor nation and the major recipient of foreign capital is the United States. This era has seen a transition of the US from a nation of financial hegemony to one of increasing financial dependence on Japan for its world position and prosperity.

Further, China's one billion people constitute almost one fourth of the world's population, and half of the world lives in
Asia. Immigration from Asia to the US has grown dramatically: the number of Chinese and Filipino Americans has doubled and the number of Korean Americans has increased by 413% during the 1970s.¹⁰

In Northeast Asia, the Korean Peninsula remains a dangerous flashpoint because of the colliding interests of China, Japan, the USSR, and the United States. The North Korean Armed Forces currently have an active force of 838,000, with up to 5,500,000 people in a reserve status.¹¹ In southeast Asia, the communist regime in Vietnam commands over 1,250,000 active soldiers, making it the third largest standing army in the world.¹² Historically, the US cannot forget that it paid an enormous price in attempts to secure its interests during three wars in the region. Since 1945, the United States has "lost" China to communism and has fought wars in Korea and Vietnam—all giving rise to bitter foreign policy issues.

ENDNOTES


3. Ibid., p. 3.

4. Ibid., p.5.

5. Ibid., p. 8.

6. Ibid., p. 9.


8. Ibid., p. 1.

CHAPTER II

VITAL IMPORTANCE OF EAST ASIA

A current appraisal of East Asia's spectacular growth in economic capacity and international trade confirms the vital U.S. interest in the region. The ratio of Pacific Basin Gross Domestic Product (GDP) to Atlantic Basin GDP soared from 40% to 60% between 1960 and 1982. Similarly, during the same period, the ratio of Asian-Pacific GDP to American GDP almost tripled from 18% to over 50%; and relative to Europe, the Asian-Pacific GDP grew from 17% to 54%.1

Trade trends have been equally spectacular for the Asian-Pacific region. A shift in trade flows has occurred consistent with the redistribution of world domestic product. The ratio of Asian-Pacific exports to world exports doubled from 1960 to 1982. Total Asian-Pacific trade (exports plus imports) equaled 69% of U.S. international trade in 1960. But in 1983, Asian-Pacific trade grew to 130% of U.S. trade. Asian-Pacific trade has risen similarly in relation to European trade.

The primary powers in East Asia include Japan, the Association of South East Asian Nations (ASEAN) countries, the Asian Newly Industrializing Countries (NICs) and China. Significantly for the U.S., all of these growing Asian-Pacific countries, except China, have market economies with private entrepreneurship and ownership, and they practice varying degrees of democracy.2

JAPANESE GROWTH

Leading the dynamic economic growth in Asia, Japan became the
world's largest capital exporter in 1981. Its trade surplus rose from $35 billion in 1983 to over $53 billion in 1985. Even more startling, Japan's net assets overseas rose to over $129 billion in 1985; in comparison, Great Britain's holdings abroad were $90 billion and West Germany's were $50 billion. At the same time, the United States' net international investment position was a negative $264 billion. In another area of economic interest, Japan's international reserves increased 260% from 1982 to 1987, to a total of over $57 billion. During the same period, U.S. reserves equaled only $35 billion. Japan's economic development outpaced GNP growth in both West Germany and the United States.

By the mid-1980s, Japanese investment in the U.S., coupled with its large trade surplus, shored up the dollar, helped support the defense buildup and contributed to domestic prosperity. In effect, the world monetary system based on the dollar has become largely underwritten by Japanese capital. The increasing integration of the two economies has become a dominant feature of today's global economy. The Japanese refer to the U.S.-Japanese economy as the "Nichibei" economy. It accounts for over 30% of total world output.

Japan's new power and influence are reflected by its significant increase in political activity. Foreign Minister Uno visited Israel in 1988, despite Japan's heavy reliance on Arab oil. Japan sent an official to the UN peacekeeping mission in Afghanistan, and Japan actively supported Cambodian resistance leader Prince Sihanouk. General Kawara, Director of Japan's Self-Defense Agency, traveled to Singapore and Indonesia to assure ASEAN
that Japan would not become a military power. Prime Minister Takeshita visited Europe twice in the past year to open "a new era" in relations with Europe.\textsuperscript{10}

**ASEAN**

Also important to U.S. interests in Asia are ASEAN's six members--the Philippines, Indonesia, Thailand, Malaysia, Brunei, and Singapore--which are the focus of United States policy in Southeast Asia. Imports from ASEAN increased by almost 200\% between 1977 and 1986.\textsuperscript{11} U.S. military access to Subic Bay and Clark Air Base contributes to countering the Soviet presence in Vietnam and helps maintain U.S. access to strategic sea lines linking the Pacific and the Middle East. In fact, it provides a security umbrella for all of the region.\textsuperscript{12} Over half of ASEAN's 310 million people live in Indonesia, which is the fifth most populated country in the world. It is a member of OPEC and is the largest oil exporter on the Pacific Basin. Indonesia's 3,600 mile archipelago offers control of air space and sea lanes critical to the USSR, Japan, and the U.S. Thailand's armed forces are essential to deterring further Vietnamese expansion in Indochina.\textsuperscript{13} Malaysia is a major world producer of rubber, tin, timber, oil, and natural gas, and friendly Brunei is an oil-rich sultanate on the South China Sea. The sixth ASEAN country, Singapore, is also one of the four Asian Newly Industrialized Countries (NICs).
NEWLY INDUSTRIALIZED COUNTRIES

Japan and the NICs--Singapore, South Korea, Taiwan, and Hong Kong--constitute both a new economic opportunity and a new challenge to Europe and North America. Their vigorous dynamism, industry, exports, and economic growth offer strong competition to the older industrialized nations. Over twenty percent of the U.S. trade deficit is with the NICs. Singapore has become a successful financial center as well as a manufacturing and trading city-state. The World Bank ranks Singapore's per capita income as nineteenth, putting it ahead of such countries as Spain and Italy. One indicator of its prosperity is that eight of ten families own their homes. South Korea's economic growth rate during the past 20 years was among the world's fastest. The South Koreans are global giants in construction, shipbuilding, steel, and all forms of land transportation. Militarily, Korea provides bases for U.S. forward-deployed forces, which demonstrate American commitment on the Korean Peninsula and also to all of East Asia. Taiwan is another economic success story. In 1987, it exported $22 billion worth of products to the U.S. Today, Taiwan has amassed $75 billion in foreign exchange reserves, second only to Japan in the world. South Korean and Taiwanese exports to Japan rose over 50% in 1987. Hong Kong achieved similar economic growth, exporting $29 billion worth of products.

CHINA

The world's most populated country, China, is quietly moving toward becoming a great world power. Since 1982, economic reforms
have resulted in over 10% annual GNP growth—a doubling of their GNP over a ten year period. At this rate, China will be equal to France or Great Britain as a trading nation within the next 11 years. China holds a unique position. Although not yet an economic superpower, like the USSR it has a strategic nuclear capability and a massive conventional military potential.

Since World War II, China's foreign and defense policies have clearly affected Asia, Europe, and the United States. By the end of the 1970s, China surpassed Great Britain and France and emerged as the world's third largest nuclear power. In 1988, China acquired more strategic nuclear delivery means than both great Britain and France combined. Today, the United States, the Soviet Union, and China constitute the "great-power triangle" in Asia. China is the fifth largest exporter of conventional weapons in the world. The transfer of long range Chinese CSS-2 ballistic missiles to Saudi Arabia has created global repercussions, as has the sale of Chinese Silkworm missiles to Iran. This evidence of Beijing's increasingly assertive foreign policy and its growing national confidence is supported by its developing nuclear force and economic power.

U.S.—BOTH A PACIFIC AND AN ATLANTIC NATION

The U.S. must fully understand and accept that it has equally important Pacific and Atlantic interests. This is true mostly because of extraordinary Asian economic success, which has begun to generate influence in world affairs proportionate to its vast population and land area. A U.S. foreign policy with Asian
countries that results in regional security, free trade, and open markets will significantly contribute to global democracy and prosperity. "Two vastly different civilizations, which have moved across the globe over the centuries from opposite directions, east and west," former Japanese Prime Minister Nakasone pointed out in this regard, "are making giant steps to meet in a dramatic way over the Pacific, pulling toward each other like two magnets." It is this dynamism in the Asia-Pacific region that drives the underlying and urgent requirement for the United States to begin to examine what can be achieved, rather than what can be maintained.

ENDNOTES

2. Ibid., p. 1.
5. Ibid., p. 370.
8. Nichibei in Japanese is a blend of the Japanese characters for Japan (Nihon) and America (Beikoku, or rice country).


17. Lovett, pp. 80-82.


CHAPTER III
SOVIET STRATEGY IN EAST ASIA

Correctly assessing the current Soviet strategy in Asia requires a review of its actions and activities in the region. This review should be conducted in the context of long range Soviet goals. It appears that many in the West are accepting Gorbachev's dynamic rhetoric and proposals while losing sight of the underlying Soviet goal of a Marxist-Leninist oriented world. Gorbachev's "peace initiatives" and his limited experimentation with capitalism and democracy through implementation of glasnost and perestroika adds further uncertainty about his true intentions.

Winston Churchill once referred to the Soviet Union as "a riddle wrapped in an enigma." Historically, understanding Moscow's true intentions and motivations has always been a challenge. Today, however, a review of the USSR's actions, statements and activities clearly reveals that nation's goals and national strategy. It appears that General Secretary Gorbachev's foreign policy goals include acquiring European and Asian economic assistance in the form of technology, capital and joint ventures. Moscow's goals include disarming U.S. and European military capability and reducing foreign political resistance in order to increase its security and to facilitate international support.

The USSR's strategy is designed to gain time for eliminating the internal threat to Soviet goals created by its stagnant and unsatisfactory economy. In order to achieve major economic growth, Gorbachev is attempting to convince the West of a new Soviet strategic defensive doctrine while maintaining a sufficiently
strong military force to support Soviet national objectives. The Soviets also appear interested in conforming to the norms associated with Western political and economic affairs.

This profound change in Soviet political thinking reflects a long term strategy to develop and employ the political and economic elements of Soviet national power while refining the application of military and socio-psychological power. Gorbachev, for the near term, is moving away from the traditional Soviet reliance on military power as the primary basis for achieving domestic and foreign policy goals. The Soviet strategy can be defined in the context of ends, ways, and means. Their ends have not changed, but their ways and means have changed dramatically.

The Soviet leadership apparently believes that the realities of the Soviet Union's unsatisfactory economic condition require a more balanced approach to building national influence and security. Consequently glasnost, democratization, perestroika, and arms control initiatives serve primarily to create a world environment that is supportive of the Soviet Union's economic revitalization. Gorbachev is attempting to implement structural reform and resource allocation policies which give priority to economic development while reducing the growth rate of military capability. This "New Thinking," however, still provides for anti-Western political struggle and the continued Soviet goal of world hegemony. To be successful, this new strategy requires the economic and technological support and cooperation of the United States, Europe, and Asia. This part of the study focuses on how (the ways and means) the Soviets are implementing their
comprehensive strategy in Asia with emphasis on Northeast Asia.

The current Soviet strategy for Asia began in 1986 at the 27th Communist Party Congress. That Congress approved a plan for the improvement of Moscow's Asian geo-strategic posture. Two resulting goals are to reduce American influence throughout the region and to develop receptive attitudes for improved Soviet economic and political relationships.

MILITARY STRATEGY

Although the Soviet strategy may not anticipate the direct use of military power, the overwhelming size of Moscow's conventional and nuclear muscle is recognized throughout the region. The Soviet Far East Theater of Military Operations, for instance, contains 53 army divisions, 1,730 tactical aircraft, and 375 nuclear capable tactical surface to surface missiles--plus the Soviet's strategic arsenal. The Soviet Pacific Ocean Fleet includes 41% of the USSR's heavy surface ships including two of its three new KIEV-class carriers. The fleet has almost 40% of the Soviet combat naval aviation aircraft. Some eighty Backfires based in the Far East and flying out of Petropavlovsk or Cam Rahn Bay can strike targets in Australia, Hawaii, and the Pacific Northwest without refueling. The Pacific Fleet, once a coastal defense force, now constitutes the largest component of the entire Soviet Navy. The 25 naval ships based in Vietnam cut 12 sailing days from Vladivostok to the strategic Indonesian straits, on which the Soviet Far East is becoming increasingly dependent.
The Soviets are quietly increasing their use of air and naval bases in Vietnam, Kampuchea, and Laos. Improved relations with North Korea have resulted in overflight rights which allow Soviet access to Vietnam without flying through Western controlled airspace. The Soviet Navy has gained access to North Korean bases on the Sea of Japan; it also sails into Nampo, North Korea's main port on its west coast. Access to Nampo, which can be reached by land and rail from Vladivostok, allows the Soviets to bypass the Japanese controlled choke points in the Sea of Japan and to more easily blockade Chinese ports in time of war. To intimidate the Japanese, the Soviets have deployed nuclear capable MiG 23 FLOGGERS to the disputed islands of the Kurile chain within sight of Japan. Additionally, elements of a Soviet Army division containing air assault troops are only five miles from Japanese territory, and Soviet bombers routinely fly in attack formation into the Japanese Air Defense Zone. Recently, the Soviets conducted a large amphibious operation of the type necessary to invade Japan. While Gorbachev is charismatically advocating disarmament and peace, his military power remains the most threatening and formidable to our allies and friends in Asia.

SOCIO-PSYCHOLOGICAL STRATEGY

Actively complementing the military element of Soviet strategy is the socio-psychological element which includes propaganda, disinformation, agitation, subversion, negotiations, and intimidation. Moscow centrally plans these activities, which are implemented by Soviet KGB agents throughout Asia.
primarily out of Soviet Embassies, these agents focus on means to
distort, manipulate, and sometimes control public opinion. Their
methods include blackmail, and forgery, along with employment of
terrorists, religious fronts, insurgents, and surrogates. The
Soviets have a long history of playing on legitimate fears, natural
resentments, and irrational emotions to maintain or increase anti-
American attitudes.

The Soviet Embassy and its two consulates in Japan consist of
300 people, including many KGB agents. For instance, Stanislav
Levchenko, former chief of the Tokyo KGB Active Measures Group,
posed as a correspondent until 1979. After defecting to the U.S.,
he explained his modus operandi in Japan. He recruited politically
knowledgeable and influential members of the Japanese press corps
to conduct "active measures." According to Levchenko, "The KGB had
a network of approximately 200 recruits in Japan, used for
political intelligence, external counterintelligence, and
scientific and technological intelligence."

Moscow also skillfully exploits the anti-nuclear sentiment in
Japan, attempting to weaken its relationship with the U.S.
Elsewhere, the Soviets are pressing to increase their embassy staff
in Manila and to establish a consulate in Cebu City which is near
a major center of insurgent activity. Bangkok has served for many
years as a regional hub for Soviet intelligence activities. Since
1982, sixty to seventy Thai students on scholarships in the USSR
have annually reported Soviet attempts to indoctrinate and recruit
for the KGB.
Other Soviet applications of the socio-psychological aspects of power include the routine use of forged documents. One example is the forged "Last Will of Zhou En-lai," which was recently published in a major Japanese newspaper. The objectives were to reinforce Japanese distrust of the PRC and to confuse Chinese leaders. Another example is Moscow's exploitation in the Philippines of the existing anti-American attitude by circulating a forged public survey. This fraudulent survey printed on United States Information Service stationary was designed to stimulate opposition to American bases through provocatively worded questions.

Exploiting religious beliefs is another area of Soviet expertise in the socio-psychological arena. Moscow, for example, supports the Asian Buddhist Council for Peace (ABCP), which is a religious front for maintaining and improving relations with Buddhists around the world. The Soviets actively participated in an international ABCP conference in Laos in 1986, which resulted in condemnation for SDI and support for the Soviet-backed Asian-Pacific zone of peace initiative. Other Soviet sponsored religious front groups include the All-Union Council of Evangelical Christians-Baptists, Catholics in the Soviet Union, The Anti-Zionist Committee, Central Asian Muslims, and The Christian Peace Conference.14

On a different front, the USSR mounted a campaign in October 1985 to convince the world that the U.S. had created the AIDS virus while developing new biological weapons. Also, Moscow warns Asian countries that AIDS-ridden U.S. military personnel present a major
public health danger. In early 1987, TASS reported panic and closing of doors to U.S. servicemen in Japan, asserting as well American responsibility for spreading AIDS to Korea and the Philippines. In a similar manner, a major communist newspaper in India reported a U.S. Department of Defense experiment in Africa to determine the "depopulating effect" of AIDS. Gorbachev understands the power of fear and wishful thinking in creating the desired world opinion.

POLITICAL STRATEGY

The Soviets have traditionally been experts in employing military and socio-psychological power. Today, Gorbachev is masterfully employing a third element of national power--political means. The "New Thinking" requires that political negotiations and consultations rather than military means should form the cornerstone of national security. Apparently, the Soviet leadership has decided to see if negotiations and diplomacy can assure more security in the near term than can increased defense spending. Moscow hopes that arms control agreements are a smarter way for achieving national security than ever increasing defense budgets. For example, former Chief of the General Staff Akhromeyev stated that the removal of theater nuclear weapons from Europe eliminated the danger of limited nuclear war in the European USSR. Similarly, stopping the fielding of SDI through international political pressure or negotiations would be greatly preferable to developing counter capabilities. The Soviet economy cannot support another arms race. The USSR needs to conduct a
strategic delay in order to gain time for restructuring and developing its economy. 19

One method for maintaining a benevolent Asian-Pacific is to divide adversaries and thereby prevent them from creating possible anti-Soviet coalitions. Gorbachev wants to maintain the already complex nature of the relationships within the region and to exploit conflicting perspectives and policies between the U.S. and its friends and allies. For example, Soviet interests benefit from Japanese-American disagreement on trade policies.

On the other hand, the Soviet Union is working through diplomatic channels with Asian-Pacific nations to engage in negotiations over security matters and arms control. In this regard, Moscow refers to the Helsinki Accords as a model for bilateral and multilateral negotiations leading to an "All Asian Forum." 19 The Soviet support of the December 1986 Rarotonga Treaty, sponsored by the 13 nation South Pacific Forum, is a manifestation of this policy. This treaty, which Australia signed, prevents the production, introduction and testing of nuclear weapons in a large portion of the South Pacific.

Indonesia supports Gorbachev's proposal for a nuclear free zone in Korea and Southeast Asia. Foreign Minister Shevardnadze's visit to Jakarta in March 1987 confirmed a Soviet-Indonesian agreement on this subject. The joint communique resulting from the visit expressed vigorous opposition to SDI. 20 In an interview reported in an Indonesian newspaper the same year, Gorbachev proposed a series of arms control measures that included limitations on naval activity, army exercises, and aircraft flying
with nuclear weapons. 21

Gorbachev's most important foreign policy goal in Asia, however, is to improve relations with China and Japan. He understands that the Soviet military buildup in Asia during the 1970s forced the Chinese into improved diplomatic relations with the U.S. To restrain American-Chinese relations, Moscow is meeting Beijing's conditions for improved cooperation. The Soviets withdrew a division from Mongolia in 1987 and completed their withdrawal from Afghanistan in 1989. Surprisingly, the Soviets have even accepted the Amur River's main channel as the Northeast border with China. This border dispute ignited the break between the two countries in the late 1960s. Moreover, Soviet troop strength along China's border has been reduced by a reported 85,000 soldiers; and under Soviet pressure, the Vietnamese have agreed to pull out of Kampuchea. 22

In relation to Japan, Gorbachev indicated in his 1986 Vladivostok speech that the Soviets were concerned about the disputed Kurile Islands, the United States-Japan-South Korea triangle, and increased Japanese militarism. 23 Foreign Minister Shevardnadze's visit to Japan in 1986 was intended to reinforce Japanese support for arms control, to sell the "All Asian Forum" and high technology transfers, and to soften the territorial issue. Based on the joint communique that referred to "unresolved questions" in Soviet-Japanese relations, that effort was a failure. When Foreign Minister Shintaro Abe made a return visit to the USSR in 1987, Moscow used that occasion to criticize in public Japanese participation in SDI. At the same time, the Soviets maintained
that the post-war borders were "inviable." On 7 August 1987, Pravda approved Chinese criticism of Japanese national security policies. This series of public statements froze Soviet-Japanese political relations. It appears that Moscow has, for now, accepted the circumstance that it enjoys little diplomatic leverage over Japan because of Tokyo's strong military and economic relationship with the United States.

ECONOMIC STRATEGY

Gorbachev's Vladivostok speech revealed the fourth and most vital element of his Far East strategy. He announced a strategic Soviet economic offensive in both Soviet Asia and the rest of the Asian-Pacific region. The first half of his speech focused on concepts for the accelerated economic development of the Soviet Far East. The second part called for integrating the vast economic potential of Siberia with the new economic growth and power in East Asia. The Soviets realize that development of Soviet Asia's vast natural resources will require internal development made possible only with foreign technology, capital, and markets. Moscow envisions increased regional interdependence based on bilateral trade throughout Asia.

Moving in this direction, the Soviets announced in March 1988 the formation of a national committee for Asian-Pacific economic cooperation. One month later, the Soviets sent two bankers as observers to the Philippines to attend the annual meeting of the Asia Development Bank. In May of the same year, a top Soviet foreign policy advisor attended the Pacific Economic Cooperation
Conference (PECC) in Japan. Although not yet a member of the PECC, the Soviets emphasized their sincere desire to become both active members and economic partners.26

It has been estimated that the Soviet Union requires $134 billion in capital investment to achieve its ambitious plans for Soviet Far East development.27 Soviet economists are seeking ways to eliminate major obstacles to foreign investment. One option they are considering is to decentralize decision-making authority on trade matters from Moscow to the Far East. The Soviet Economic Cooperation Committee, for instance, is considering giving Dalintorg, a Far East trade organization, more authority in coordinating trade matters with China, Japan, and North Korea.26 This action would facilitate trade by reducing the current level of bureaucratic procedures. Another current consideration is to change the requirement of at least 51% Soviet ownership in joint ventures in designated areas. Free trade zones are being discussed for the South Primorsky region, where the borders of China, North Korea, and the USSR are adjacent. South Sakhalin is also being considered as a possible free trade zone and vacation resort.29

A prerequisite to successful Soviet Far East development is a vastly improved sea port capacity. Recognizing this fact, the Soviets are expanding the ports of Vladivostok and Nakhodka on the Sea of Japan and Petropavlovsk on the Bering Sea. In addition, the Soviets are building a deep-water, all-weather port near Vladivostok. It is envisioned as becoming the largest container-handling port in the world.30 Sea lines of communications will become increasingly indispensable to Soviet Far East trade and
development and to secure a return on European Russia's investment in Siberia.

Since the Vladivostok policy speech, Soviet authorities have realized the advantages of working with the Japanese, Koreans and Chinese. For example, in 1987 the city of Khabarovsk, an economic center in the Far East, hosted almost 100 meetings with foreign businessmen 90% of whom were Japanese. Japan Airlines is putting larger aircraft on flights to Khabarovsk to accommodate increased demand. In addition, Intourist is planning new hotels for Nakhodka, Vladivostok, and Sakhalin; likewise, the Khabarovsk Airport is being expanded. The Japanese have proposed a joint venture which would make Khabarovsk the producer of literally billions of chop sticks. A joint fish-processing venture with a Japanese firm is imminent. Even North Korea's xenophobic Kim Il Sung recently visited Khabarovsk and discussed establishing a Korean collective farm to produce rice, soybeans, and early vegetables. The Soviets already send materials to North Korea to be sewn into finished clothing. Trading along the Sino-Soviet border is dramatically expanding as a function of their improved political relationship. An agreement signed in June 1988 will allow the Chinese to negotiate directly with local authorities in the Soviet Far East—a significant departure from the previous policy of negotiating only at the national level.

The Soviets are also developing trade with South Korea, Taiwan, and Singapore—in addition to other regular trading partners in Asia. Gorbachev addressed trade with South Korea in a speech in the Siberian city of Krasnoyarsk in September 1988.
South Korea is negotiating with the Soviet Union to build two spinning mills in Siberia. A Taiwanese trade delegation visited the Soviet Union in October 1988. The NICs are a source of inspiration for the Soviets. The Soviet leadership sees them as potential Asian investors in the Russian Far East.

SUMMARY

Gorbachev has apparently recognized that the Soviet Union must undergo a social, political, and economic revolution to achieve his vision for making it a true world power. Reducing international tension is a prerequisite for profitable Soviet relations with the world's economic powers. Today's increasingly multipolar world, coupled with the limited value of nuclear weapons, has caused the Soviets to recognize that political and economic power, in addition to military capability, are key to their success. Surely the West should welcome and properly respond to all Soviet initiatives for arms reductions. But the West must also understand that the nature of today's battlefield is changing. If the Soviets are successful in developing their vast resources and in gaining international political leadership, they will have much more than the military option with which to impose their thinking and to secure their interests. Gorbachev reminded the world during his United Nation's speech on 7 December 1988 that "We are not abandoning our convictions, our philosophy, or traditions." As Asia and the West welcomes improved relations with the Soviets, all nations should remember Gorbachev's pledge.
To an unprecedented degree, the Soviet leader's charismatic presentation of initiatives has commanded international public opinion. In fact, Gorbachev's global popularity leads many to conclude that he also has a commanding position of power to which the U.S. must now respond. Perhaps the U.S. must respond to Gorbachev's initiatives, but it should not be driven by them. The United States is still fortunate to be the greatest national power on the face of the earth. The U.S. must correctly assess today's international and domestic realities—perception of vanishing Soviet military threat, Asian economic power, U.S. trade imbalance and budget deficit, opportunities, etc.—and move forward with a sound strategy and the diplomatic skill necessary to secure American interests and values. Otherwise, U.S. power and prosperity will likely decline.

ENDNOTES


2. Ibid., p. 128.


13. Hanson, p. 25.


15. Ibid., pp. 33-40.


17. Meyer, p. 139.


27. Quinn-Judge, p. 60.


30. Sicher, p. 2.


CHAPTER IV
U.S. INTERESTS AND POSTURE

Current East Asian realities and emerging domestic trends applicable to U.S. national strategy are clear. The preceding regional appraisal and depiction of Soviet strategy provides a foundation for identifying vital U.S. interests in East Asia and for assessing America's posture relative to those interests. So this chapter addresses U.S. interests. It will offer an overview of U.S. interests in East Asia and will present an assessment of the U.S. posture relative to these interests.

INTERESTS IN EAST ASIA

Overall, East Asia should be considered a region of vital interest to the United States. In accord with Donald Nuechterlein's definition an interest becomes vital when the highest policy-makers in a sovereign state conclude that the issue at stake is so fundamental to the political, economic, and social well-being of their country that it should not be compromised—even if this may result in the use of economic and military sanctions.¹

Though President Bush's immediate reason to visit Asia was Emperor Hirohito's funeral, his first trip abroad took him to Japan, China, and South Korea—a clear signal of the region's vital importance to the United States.

General

The current National Security Strategy identifies five global national objectives.² Using them as a guide, the following general U.S. interests in East Asia are proposed:

1. Flank security for the Western United States against a
Soviet Union attack.

2. Regional security for East Asian nations friendly or allied with the U.S.


4. Political stability sufficient for the continued maturation of democratic political methods.

5. The development of capitalist oriented economic systems.

6. Access to strategic resources and secure U.S. investments in the region.

7. Eradication of Marxist-Leninist ideology and practices within East Asia.

Defense

The U.S. defense relationship with Japan, South Korea, and the Philippines is important for several reasons. Existing security relationships enable the U.S. to provide affordable and efficient military support for its interests in the vast Asian-Pacific region. The U.S. access to East Asian airfields, ports, and other military facilities provides for the projection of military power in the Pacific and Indian Oceans from the U.S. West Coast across to the Africa's East Coast and into the North Arabian Sea. This basing system provides a military presence which deters conflict and simplifies support to Asian allies and friends during a crisis.

Further, both South Korea and China serve as a brake on expanding Soviet military presence and influence in the region. Thus, they contribute directly to U.S. security objectives. The South Koreans are staunchly committed to preventing the Soviet
backed North Koreans from exporting their ideology or values south of the DMZ. Likewise, as mentioned earlier, one of China's preconditions for a Sino-Soviet summit meeting was the Russian withdrawal from Afghanistan. China has also exercised a restraining influence on Vietnam and North Korea. In terms of military potential, China is developing a blue-water seapower capability that by the end of the next decade is likely to make it the world's third most powerful maritime force.

Today, eight of the world's 10 largest armies are in Asia; six are in East Asia. The Korean Peninsula remains an area of possible military conflict because of colliding U.S., USSR, and Chinese interests. Likewise, the Soviet-backed Vietnamese offensive within Kampuchea continues to threaten the entire Southeast Asian region. The Soviet military buildup in Asia and the USSR's access to Vietnamese and North Korean airfields and ports could significantly threaten Pacific and Indian Ocean sea lines of communication.

Gorbachev wants to exploit the Soviet Union's natural resources east of the Ural Mountains to benefit European Russia, where 75% of the Soviet population lives. Even if Siberia is successfully developed, the domestic and international transportation infrastructure is key to achieving this goal. Because the Trans-Siberian Railroad is being used at maximum capacity, the Soviets have decided to rely increasingly on seaways from the Black Sea through the Indian Ocean to Far Eastern ports. Thus access to Indian and Pacific sea lanes has become a vital Soviet interest. Similarly, physical geography and political
boundaries render most East Asian nations dependent on open sea routes and navigation rights in international waters. Therefore, the strong U.S. military presence and multi-lateral defense arrangements in East Asia constitute a key element for securing the vital U.S. interest of unimpeded waterways that could be threatened during increased tensions with the USSR.

Economic

As noted earlier, another U.S. interest relates to East Asia's economic growth, which has been spectacular in all areas--rates of growth, levels of trade, capital flows, and accumulation of foreign exchange reserves. Among many statistics, one convincingly depicts the new economic relationships between East and West: In 1960, North America accounted for almost 40% of Gross World Product, while East Asia accounted for only 10%. Today, only 29 years later, the North American share has declined by half to only 20% of Gross World Product. During the same period, East Asia's portion doubled to equal the current North American share. In 1987, the GNPs of Japan, South Korea, China, and Hong Kong equaled $2.5 trillion compared to the European Economic Community's GNP of $3 trillion. The Japanese have become the second strongest economic power in the world.

In the area of foreign trade, U.S. trade with Asia has exceeded trade with Europe since 1980 and stands today at 36% of all U.S. foreign trade. The combination of political stability, economic growth, available natural resources and markets, and industrious people has fostered the possibility that the world will soon enter the "Pacific Century."
World Order

American world order interests in East Asia hinge on the maintenance of a peaceful international environment and a regional balance of power as well as stable alliance systems. Japan plays a major role in supporting U.S. world order interests because it exercises pronounced political and economic influence throughout Asia. These interests are supported by Tokyo's growing military power and commitment in the Pacific and South China Sea.\textsuperscript{10} As an alliance partner, Japan provides generous Host Nation Support for U.S. forces--just one example of its major contribution to regional stability in the Pacific and its growing commitment to the U.S.-Japan security structure.\textsuperscript{11}

As indicated earlier, China is also instrumental in maintaining the region's balance of power. That country has a unique role even though it is not an advanced industrialized state like Japan. The world's third largest nuclear power, complemented with an enormous conventional military force, the PRC, through its foreign and defense policies, can forcefully affect both Asia and Europe. China could tilt the balance between North and South Korea, between Vietnam and the rest of Indochina, and between Pakistan and India.\textsuperscript{12}

Ideological

U.S. ideological interests call for promotion of American values believed to be universally good and appropriate for adoption by other countries.\textsuperscript{13} In America's ideological competition with communism, the U.S. style economies of Japan, South Korea, Taiwan,
Hong Kong, and Singapore present persuasive examples for the entire world. Interestingly, the Chinese leadership under the charge of ideology stated that Chinese leaders are pursuing a market-oriented economy versus the stagnant Soviet-style economy. No better proof exists for the superiority of private businesses and market-oriented economies over the communist system than these successful Asian countries.

U.S. POSTURE IN EAST ASIA

The general U.S. posture in East Asia presents significant and diverse challenges to U.S. interests. Under the constant military shadow of the world's largest armed forces, the region's nations are pursuing growing nationalism and economic prosperity. Of major concern is the pending Sino-Soviet rapprochement, which has the potential to alter dramatically the world balance of power. The Soviet Union's current, favorable international image is attracting new interest and at times causing the U.S. government to be reactive in the region.

Each nation within the region sees different threats to its interests and generally has different strategic priorities which complicates the formulation of an optimum U.S. foreign policy. American diplomats must conduct bilateral negotiations on U.S. regional issues that often conflict with the interests of other regional powers. Japan and South Korea provide a good example. The existing U.S. military command structure within Northeast Asia has been significantly influenced by the political relationship between Japan and South Korea.
Defense Posture

The greatest challenge to the U.S. security posture is the increased Soviet power projection capability within the region. The Soviets are modernizing their 50+ Army divisions in the Far East. Further, the Soviet air regiments in the region are receiving new ground attack and air defense aircraft as well as new aircraft which can support possible Asian-Pacific strategic and tactical operations. The Soviet Pacific Fleet is their largest; it is currently modernizing with new cruisers, destroyers, and submarines. These Soviet Far East military improvements increase the threat to Japan and other East Asian nations. The forward deployment of Soviet air and naval forces in Vietnam greatly increases their ability to interdict the sea lines of communication and to respond militarily to any regional crises. Soviet-supported North Korean and Vietnamese armed forces continue to threaten South Korea and Indochina.

The military balance of power in Asia could shift dramatically depending upon the degree of Sino-Soviet rapprochement. China's current counterbalance to Soviet influence in East Asia is changing. Beijing's apparent shift toward Moscow may have a serious effect on U.S. defense interests. Since the early 1980s, China's naval forces have been assuming a greater presence in East Asian and Pacific waters. As mentioned earlier, the Chinese navy appears to be training to improve its blue-water operational capability. China's third largest nuclear arsenal and biggest armed force in the world constitute a potential survival-level
threat to all Asian nations. China's growing arms exporting ventures could also prove destabilizing to U.S. interests.

These diverse threat assessments, combined with growing nationalism throughout the region, are creating pressures for withdrawal of bases for forward deployed U.S. forces. Anti-American sentiment in the Philippines is particularly threatening to the bilateral defense agreement for strategically important U.S. air and naval bases in that country. At the same time, U.S. isolationists are advocating withdrawal of U.S. forces from South Korea and Japan. Moreover, the growing nuclear free zone movement also has serious ramifications for U.S. ability to secure its regional interests.

Further, U.S. posture in East Asia is contingent upon the Soviet-U.S. balance of military power. The Soviets have the advantage in ground forces, and the U.S. holds a maritime advantage. The U.S. has the advantage in power projection. But the Soviets, because of geography, have the advantage in sustainability. American strategic forces retain the ability to deter a direct nuclear attack against the U.S. or its allies and friends. Regarding the South and North Korean military balance, the U.S. presence is adequate to deter an attack from the north. In addition to its deterrence value, the strong U.S. military presence in South Korea reflects American resolve to protect its interests in East Asia. Further to the south, continued access to the U.S. bases in the Philippines is also key to securing American interests. At the crossroads of the Southeast Asian-Western Pacific and Indian Ocean-North Pacific sea lanes, the Philippine
bases are critical to the fulfillment of U.S. regional security requirements.\textsuperscript{22}

**Economic Posture**

Perhaps East Asian economic power is the most dangerous challenge to U.S. interests in Asia. The U.S.-East Asia trade imbalance is creating friction that threatens the entire international economic framework by adding impetus to the spiraling U.S. national debt. Asymmetrical Asian economic growth and the resulting decline of the American share of world GDP threaten U.S. international leadership and national security. The trade imbalance indicates that East Asia is successfully challenging American competitiveness. The resulting friction stimulates many Americans to identify Japan and the Asian NICs as scapegoats and as a consequence to blame these countries for U.S. economic problems.\textsuperscript{23}

Economically, the U.S. posture in East Asia is declining. Asian imports and investments are increasingly supporting the U.S. standard of living.\textsuperscript{24} If East Asian governments lose confidence in the United States and withdraw their investments, the U.S. economy would most likely collapse. Japan and the Asian NICs are increasing their economic influence over U.S. interests in East Asia. Japanese foreign aid to developing nations now exceeds U.S. foreign aid.\textsuperscript{25} Continued economic growth will further diminish U.S. political and economic influence in the region. Japan is already the largest net creditor nation, and within ten years East Asia could become the world’s largest source of credit.

While Americans are benefiting from East Asian productivity,
investment, and technology, the sustained strength of the U.S. economy is uncertain. The American budget and trade deficits, combined with the U.S. shift from net creditor to the world's largest debtor nation, demand changes in U.S. economic policy. If Soviet strategy presented during Gorbachev's Vladivostok speech is successful at improving Soviet-Asian cooperation, U.S. global interests will be placed at risk. Fortunately, East Asians do not appear very interested. The region is more concerned about the U.S. continuing to provide a large market for Asian exports, high technology, and investment capital.

World Order Posture

From the perspective of world order, the regions "hot spots" include the Korean Peninsula, the Philippines, Kampuchea, and the South China Sea. Each area is a potential site for communist sponsored insurgency or armed conflict between great powers. Regional rivalries present the greatest challenge to American world order interests in East Asia. Violence and demonstrations generated by radical groups, particularly in South Korea and the Philippines, are also challenging U.S. interests.

As has been noted, the U.S. is winning the ideological competition with Marxism in East Asia. Both China and the Soviet Union are experimenting with Western economic concepts. Japan's truly democratic government offers a persuasive model throughout the area. Ideologically, the U.S. should nurture the growing democracies in South Korea, the Philippines, Singapore, and Taiwan. As China integrates Hong Kong and courts Taiwan, the U.S. must be concerned about the future freedom of these two important partners.
in trade and security.

The United States continues to be the strongest world-wide supporter of human rights. Strong U.S. global economic growth will enable America to sustain its strong advocacy in this area.26 Thus, U.S. economic growth can contribute to helping East Asian nations and to maintaining a stable world order by overcoming health, food, education, population and other social problems.

America's Eurocentric bias is a major challenge to U.S. world order interests in East Asia. This bias must be changed if the U.S. wants to successfully participate in the world's most dynamic region.27 For example, in 1986 only 23,000 American college students studied Japanese. By comparison, in the same year over 400,000 students studied Spanish, 275,000 French, and 121,000 German. The study of Chinese ranked after the study of Ancient Greek.28 This lack of U.S. public interest in Asian cultures and languages is exacerbated by a shortage of articulate and influential public spokesmen on American interests in East Asia.

Posture Summary

The U.S. posture in East Asia is generally positive in view of strong economic incentives for Asian cooperation and the balanced, but tenuous, security relationships. From the perspective of world order interests, the East Asian nations are benefiting from the current regional political equilibrium. They find U.S. political, economic, and military postures in the region critical to their interests. So East Asians look to the U.S. to maintain the current climate of dramatic economic growth. However,
as stated earlier, the ability of the U.S. to continue absorbing Asian exports is dependent upon restored American competitiveness. Successful East Asian countries, practicing U.S. economic and political concepts, plus Soviet and Chinese experimentation with Western economic and political concepts, help secure U.S. ideological interests in East Asia.

Overall, the U.S. posture in East Asia relative to the USSR and China is strong. In terms of geography, history, and demographics, the U.S. is much more of an Asian-Pacific nation than the USSR. America's access to the region is infinitely superior to that of the Soviets, who have inadequate ports and an unsatisfactory domestic transportation infrastructure. Historically, the Russian reaction to centuries-long Mongol domination and Peter the Great's successful transformation of Russia to European thinking largely account for the USSR's European orientation. Demographically, the European Soviets live seven time zones from Japan and the intervening geography discourages travel. In comparison, 8.7 million people traveled between Asia and the United States in 1987.29

U.S. STRATEGIC OBJECTIVES

The current United States strategy for securing American interests in East Asia is extremely supportive of the policies suggested and implied in this study except for economic competitiveness. Although regaining American competitiveness in the region is essential to achieving U.S. objectives, this subject is not included in the national strategy for the region.30
following is a summary of the strategic objectives:

- Help our allies and friends develop economically and politically.
- Strengthen natural political and economic ties.
- Encourage increased defense burdensharing.
- Continue modernization of U.S. military forces.
- Reduce economic imbalances through a combination of measures including multilateral trade liberalization.
- Achieve U.S.-Japan cooperation on economic policies.
- Maintain adequate military presence in South Korea.
- Continue to support a strong, secure, and modernizing China.
- Help the Philippine government sustain economic growth, counter the communist insurgency, and strengthen democratic government.
- Continue security cooperation with Thailand.
- Seek to normalize relations throughout Indochina.

ENDNOTES

1. Donald E. Nuechterlein, America Overcommitted, p. 18.

2. The five key national objectives are as follows: Secure U.S. as a free and independent nation; sustain healthy and growing U.S. economy; encourage stable world, free of major threats to U.S. security; encourage human freedom, democratic institutions, free market economies linked by fair and open trade; and maintain strong alliance relationships.


5. According to the Military Balance 1988-1989, the eight armies are from the USSR, China, North Korea, South Korea, Vietnam, India, Pakistan, and the USA. The other two top 10 armies are from Iraq and Turkey, which have historical Asian connections.


11. Shultz, p. 81.


20. Ibid., p. 25.

21. Ibid., p. 28.

22. Ibid., p. 36.

23. Ibid., pp. 89-94.


25. Li, p. 28.

26. Shultz, p. 3.

28. Li, p. 35.

29. Li, p. 35.

Both Europe and East Asia are critical to the United States' effort to remain a free, strong, and independent nation, with its values intact and people secure. In comparison to Europe, however, East Asia's importance is generally not as well recognized. This national vulnerability must be corrected. East Asia's recent dynamic growth in political and economic arenas signals the beginning of a new era. All trends and indicators project continued pace setting growth for the Asian-Pacific region.

Gorbachev's vision and strategy recognize these realities. His concessions in regard to Afghanistan, Indochina, Mongolia, and on the Sino-Soviet border; his unprecedented diplomatic activities in Asia; and his 1986 speech at Vladivostok make his goals and strategy for Asia quite clear. The USSR desperately needs time and resources in order to develop its economy and improve its social and political structure. Time is being acquired through disarmament agreements and other peace initiatives. Key to Soviet national restructuring is the development of Siberia’s vast natural resources. The USSR, however, does not have adequate investment capital, industrial capacity, or technology to overcome the severe geographic and climatic challenges to Siberian development. East Asian nations, on the other hand, have in abundance all that the Soviets need.

Significant Soviet and Asian economic cooperation, however, is not in the United States' best interests. Regardless of
Gorbachev's increasingly popular public standing, the USSR remains the most significant threat to U.S. security interests. Many believe that Gorbachev has not only the initiative but also the power to drive U.S. policy and strategy direction. The facts do not support such analysis of the situation. In reality, the U.S. in Asia commands a strong but precarious position in regard to its competition with the Soviets.

RECOMMENDATIONS

U.S. strategy for East Asia is well formulated but it ultimately will be evaluated on the basis of its implementation. Since the national strategy is presented in general terms, as it should be, those responsible for its implementation have only broad guidance. No structure or process exists to ensure the coordinated applications of political, military, economic, and socio-psychological power in a manner consistent with the President's policies and strategy. It seems, therefore, that perhaps the National Security Council or the State Department should have the lead for coordinating the development of specific regional grand strategies for the President's approval. This approach could better ensure the unified and coordinated efforts of State, Defense, Treasury, Commerce, and the U.S. Trade Representative.

A glaring deficiency of the current strategy for East Asia is the absence of a national program emphasizing Asia. The U.S. should promote public interest in Asia, which will better prepare America for what some predict will be the "Pacific Century." Americans, regardless of heritage and tradition, have little choice
but to recognize and accept current realities. The alternative
course of action--an attempt to maintain the status quo--will not
sustain cherished U.S. values and interests.

The application of U.S. power in East Asia must remain certain
but become more subtle. East Asians are impatient with unilateral
U.S. regional policy decisions, and they expect to be consulted in
order that their interests will be considered. General MacArthur
provides an excellent historical example for Americans to follow
today. After the Japanese surrender, he told his staff that the
Japanese emperor must be shown courtesy, respect, and an
understanding of his situation. MacArthur reasoned that mutual
trust was essential for the rapid creation of a new Japan. The
general's sensitivity did much to create a foundation for a
democratic Japan and a friendship between the two bitter enemies
that has endured over fifty years.\(^1\)

With MacArthur's approach in mind, American diplomats and
politicians must work to create a Pacific Economic Community--an
association patterned after the European Economic Community and
built upon its experience. Interest already exists in certain
U.S., Japanese, and Australian circles, but it needs more active
American political support. The Pacific Basin Economic Council has
opened the door by promoting multilateral consultations between
open market economies with the aim of developing mutually
satisfying economic policies and activities.\(^2\)

Americans must understand and accept that Japan decided as a
matter of policy to use its financial resources to support the
United States. In the future, new Japanese political concerns and
interests may change its willingness to continue financially supporting American prosperity. Weak U.S. political and ideological ties with Tokyo could threaten current Japanese economic cooperation. Rather than simply expecting Japan to solve the American trade imbalance problem, the U.S. should seek to strengthen its political relationship with Japan and thus constructively prepare for the emergent international economic order.

Japan is often the target of Congressional and editorial criticism for its commonly perceived lack of adequate defense burdensharing. In terms of contributing to U.S. world order interests, Americans should appreciate that Japan's burdensharing takes more forms than just significant contributions to U.S. defense related costs. Japan provides over 70% of China's development aid and 75% of South Korea's. Tokyo has also provided more economic aid to the Philippines than any other nation since Marcos left the country. Moreover, Japan has the sixth largest defense budget in the world. Politically, Tokyo unveiled proposals for a settlement in Kampuchea and promised to contribute substantially to a peacekeeping force to monitor Vietnamese withdrawal. Another example of Japan's increasing contributions to matters of U.S. interest was Prime Minister Takeshita's recently presented plan for Third World debt-relief.

U.S. strategy includes providing security assistance—both military and economic aid in support of friendly and allied nations. Despite the great benefits and modest costs, each year since 1986 the President's requested security assistance budget
has been reduced an average of 20%. Further hindering the U.S. security assistance program, the Congress has earmarked more than 93% of the funding for FY 1989. The degree to which congressional controls on the security assistance program contribute to national security objectives should be evaluated—particularly in light of the facts that over 60% of the budget is earmarked for Israel and Egypt and less than 1/2% of the budget for all of East Asia and the Pacific. Additionally, the security assistance program needs reform so that it can better support national security priorities, rather than narrow domestic political ends.

As previously noted, increased Soviet abilities to project military forces and the continued improvement of Soviet Pacific forces threaten U.S. and East Asian interests. The U.S. military strategy to deter the Soviet threat is based on the pillars of forward-deployed forces and strong alliances. But American naval power is overcommitted around the globe and Asian-Pacific nations are particularly vulnerable if the vital choke points in East Asian waters are not open. Effectiveness of the U.S. military strategy could be strengthened by initiatives centering on the need of the U.S. Navy for additional ships to ensure the future freedom of maritime commerce.

USCINCPAC should have responsibility and authority for developing and executing the military strategy and war plans for the entire Asian-Pacific Theater.

U.S. forces forward deployed in South Korea should establish a posture and mentality supportive of an East Asian strategy instead of focusing primarily on the Korean Peninsula.
The U.S. Army's command structure in Korea and Japan should be changed so that all major Army unit commanders within the theater report to the Pacific Command's Army Component Commander. The challenge is so great and the resources so scarce that unity of command is a high priority.

Funding and support for U.S. Army Western Command's Expanded Relations Program should be increased, for it is a powerful means to improve bilateral relationships and interoperability. Army-to-Army relationships are key because East Asian armies, without exception, are the dominate military service in their country and routinely provide the power base for their political leaders.

The U.S. should continue active support for the Multilateral Assistance Initiative as a means for the Philippines to solve its economic challenges and to help them defeat their communist insurgency. Successful implementation of the initiative could convince the Philippine government to provide affordable access to the vital bases at Clark and Subic Bay.

USPACOM should establish informal relationships which could facilitate future "interoperability" with foreign regional security relationships such as the Five Power Defense Arrangements (FPDA) involving Australia, Malaysia, New Zealand, Singapore, and the United Kingdom.

Finally, the U.S. must maintain its forward deployed military forces in the Asian-Pacific region because the Soviet strategy threatens the continued bonding of U.S. and East Asian mutual interests. Given current economic realities and the Soviet strategy, the United States must continue providing stable and
dependable regional security forces to ensure an environment conducive for the continued evolution of common U.S.-Asian objectives and to secure American regional interests.

ENDNOTES

8. Armitage and Jackson, p. 38.
10. The MAI was initiated by the Reagan administration to provide the Philippines with $10 Billion of aid. Japan, West Germany, France, Italy, Canada, and the U.S. are expected to be the donors. The World bank and the Asian Development Bank are also involved. Japan is likely to be the largest donor.


