American Security Policy in the Asia Pacific

Dr. William J. Perry

I. Maintaining Security in the Western Pacific

50 years ago, as a young soldier, I landed at Naha port, in Okinawa. I and my fellow soldiers were part of the 1541st Engineering Base Survey Company, which was a small part of the Army of Occupation of Japan. I shall never forget the scene of devastation that I saw when our LST landed. Not a building was intact where the last great battle of the Pacific War took place. The southern half of the island was stripped bare of almost all vegetation and livestock, people were living in caves, and over 160,000 combatants and civilians had been killed. This was my personal exposure to the horrors of World War II, in which 50 million people died, and tens of millions more were maimed, orphaned, or made homeless. As the United States began to recover from World War II, we resolved that we would not make the mistakes we made after World War I, where our disengagement was followed by a new war in less than one generation. For all we knew, that with the emergence of nuclear weapons, a new world war would be even more horrible than the last, truly risking the annihilation of humanity. So since that time, our primary emphasis has been on preventing and deterring, rather than fighting a war.

In Europe, our preventive defense program is built around NATO, and our deterrence built around our nuclear forces. The security situation in the Asian-Pacific region is very different from

that in Europe: there is no regional alliance comparable to NATO, and no nuclear deployments comparable to those in Europe. Therefore our program of preventive defense has been quite different, but equally significant. This security strategy has been stressed by crises three times during my tenure as Secretary of Defense--once in '94 in Korea, once in '95 in Japan, and once in '96 in Taiwan. These three crises, I believe, have fundamentally reshaped our thinking about security in the region, and have highlighted the importance of our alliances with Japan and Korea, and the importance of U.S. military presence in the Western Pacific. This new thinking is likely to guide our military deployments in the region on into the next century.

Today I will give you a personal, eye-witness account of how these three crises unfolded: the problems they created, the role of U.S. military forces in dealing with those problems, and how that turned out. Then I will generalize from the actions we took on these three specific crises, to what those actions suggest about the policies necessary to maintain security and stability in the Western Pacific.

At the same time these security actions were unfolding, a remarkable drama of economic and technological competition between U.S. and Japan was unfolding. Aside from the importance of this economic competition in and of itself, it raised the question of whether U.S. and Japan could cooperate in the security field at the same time they were competing in the economic field. I will describe this economic competition and suggest that it need not be a barrier to U.S.-Japan cooperation in the security field.

II. The U.S.-Korea Relationship

For the last few decades, the North Korean government has fielded an excessively large army of more than a million men, 2/3

based less than 100 km from the border. These forces have been deterred by an ROK force about half that size; a small but powerful U.S. force in the country; and a capability to rapidly reinforce U. S. troops in a crisis.

About a decade ago, North Korea initiated a nuclear program to produce electric power, but which used a reactor type whose spent fuel could be reprocessed to produce weapon grade plutonium. In the spring of '94, North Korea was prepared to reprocess plutonium from its reactor at Yongbyon. This would have allowed them to extract enough plutonium to make 5 or 6 nuclear bombs, and it threatened to do so, all the while making menacing remarks aimed at South Korea and Japan. The U.S., the Republic of Korea and Japan demanded that North Korea stop its nuclear program or face severe economic sanctions. North Korea responded by stating that the imposition of sanctions would be taken by them as an act of war. In June '94, as we poised on the brink of imposing these sanctions, General Shalikashvili and I met in the Cabinet Room with the President and the National Security Council to present the military options.

John Kenneth Galbraith once said: "Politics is not the art of the possible. Rather it consists of choosing between what is disastrous and what is merely unpalatable."

We gave the President a choice between a disastrous option: letting the North Koreans get a nuclear arsenal, which we might have to face someday; and an unpalatable option: blocking them from such an arsenal, and risking a conventional war. He chose the option which was merely unpalatable. We then laid out three alternatives for blocking the North Koreans from getting a nuclear arsenal requiring us to increase our military forces in South Korea, one of them involving quite large deployments, and all of them certain to be considered provocative by North Korea.

President Clinton was within the hour of authorizing one of

these deployments when, at this critical moment in history, the meeting was interrupted by a phone call from President Carter, who was in North Korea. He reported that North Korea had agreed to stop all reprocessing action and negotiate an agreement to freeze their program. After a few months of hard negotiations, North Korea signed the Agreed Framework- which froze its nuclear program and drew the region back from the brink of conflict.

We have been implementing that Agreement now for more than two years. Like all efforts with the North Korean government, it has been fraught with complexities. But significantly, North Korea has complied with the essence of this agreement---it has kept its nuclear weapon program frozen during this entire period, and the whole region is safer as a result.

III. U.S.-Japan Relationship

During this decade, there have been remarkable developments in the relationship between the U.S. and Japan, both in the fields of security cooperation and technological competition. These developments have already changed in fundamental ways how we think about competition and cooperation with Japan, and will guide our actions for years to come. I will sketch out the developments, first in the area of technological competition among our companies, and then in the area of security cooperation between our governments, and then draw conclusions about how this will affect our strategic relationship with Japan on into the next century.

At the beginning of this decade, Japanese companies dominated the world market in consumer electronics, and Japan's leading companies in the info-tech field were embarked on an intensive and concentrated effort to overtake the lead of U.S. info-tech companies. The Japanese strategy, orchestrated by MITI(Ministry

of Trade and Industry), focused on gaining leadership in three products involving leading edge technologies: memory chips, fifth-generation(artificial intelligence) computers, and high density television. They reasoned that these three were important products in and of themselves, but more importantly, leadership in these products would lead to compelling competitive advantages in all other products in the info-tech field. Many industry leaders in the U.S. agreed with this assessment, and became increasingly alarmed as Japanese companies gained an increasingly larger share of the market for memory chips.

Today the situation looks very different---indeed, it appears that many Japanese companies bet on the "wrong horses". Memory chips have become a commodity product, with increasingly lower margins prevailing when Korea and the other "Tigers" entered the competitive fray. Artificial intelligence applications for computers have not matured as had been envisioned a decade ago. And the market for high density TVs has been very slow to materialize.

In the meantime, info-tech companies in the U.S. proceeded in very different directions, concentrating their efforts in three different areas: microprocessors, which gave them a competitive advantage in the exploding market for increasingly capable work stations and increasingly versatile desk computers; telecom networks, which gave them a competitive advantage in the exploding market for internet products; and software, which gave them a competitive advantage in a wide variety of info-tech products.

Why did these two different countries, each with very capable technologists and managers, come to such outcomes? I believe that there were three primary factors affecting this outcome:

1) The Japanese strategy was driven to a large degree by their government, while the U.S. strategy was driven by a large number of individual entrepreneurs. The U.S. government role was not directed at supporting specific products, but rather consisted of

providing support for the underlying technology. When a government puts its support behind a product, it can be a powerful force, but if it guesses wrong, the corrective forces found in the marketplace may be rendered ineffective.

2) The technological skills required for success in these new markets were in abundant supply at the impressive technical universities in the U.S. This resulted in new product ideas from university labs, and even more importantly, a fresh wave of scientists and engineers trained in info-technology. The training was relevant and at the cutting edge because of the close association between American technological companies and technological universities.

3) American entrepreneurs initiating new products or new companies found an abundant supply of risk capital, both from ventures capitalists and in the dynamic market for initial public offerings. There are no comparable markets for risk capital in Japan.

While this drama of technological competition was playing out, a crisis unfolded which dominated the security cooperation between the U.S. and Japan in '95, and continuing on into '96. With the ending of the Cold War, pundits had opined that the Japan-U.S. security alliance was irrelevant, and forecast that the alliance would soon come apart at the seams. Aggravating this situation was the U.S. basing in Okinawa---this was a particularly sore point in Japanese domestic politics because more than half of the U.S. forces in Japan were based on Okinawa. Then, in September '95, a brutal rape occurred on Okinawa which had the potential of causing that volatile situation to explode. That set the stage for the so-called 2 + 2 meeting of U.S. and Japanese Foreign Ministers and Defense Ministers, which was held in N.Y. later that same month.

The U.S. government and the Japanese government both had

been giving low priority to the Okinawa issue for years, but now it totally dominated the meeting. At that meeting, Minister Kono and Eto expressed very serious concern about the situation, and all four ministers agreed that strong action was necessary. I proposed 3 courses of action: that I come to Japan in December and publicly apologize for the tragedy; that we jointly set up a Special Action Committee on Okinawa (SACO), with a mandate to fix the Okinawa basing problems in the next year--my emphasis was on the word ACTION; and that we commit to take the hard actions that would necessarily be entailed by the fixes we knew were necessary. All four ministers agreed, and SACO was immediately created, and staffed by some of the ablest officials in the Japanese and U.S. government.

By my December visit, the Japanese and American SACO team had already made significant progress, and so I was able to lay out a concrete plan of action to Prime Minster Hashimoto. He applauded the SACO solution, promised support for it, and said he was prepared to move forward with a security reaffirmation which not only extended the alliance, but strengthened it in ways not previously thought possible.

In April, President Clinton and Prime Minster Hashimoto met in Tokyo and signed the Joint Security Declaration. This declaration established the alliance as the principle means for preserving security and stability in Asia-Pacific region; and it initiated a reexamination of the guidelines which defined Japan's role in regional security crises. No one--NO ONE--should underestimate the cardinal importance of this agreement to the Asia-Pacific region.

IV. U.S.-China Relationship

The first half of this decade was marked by an increase in trade

and travel attended by a decrease in tensions between China and Taiwan. However, subsequent to President Lee's visit to the United States in 1995, and especially during the run-up to the presidential election in Taiwan in 1996, tensions dramatically increased. This period of increased tension culminated in March of 1996 with the crisis surrounding the provocative military exercises conducted by China in the Strait of Taiwan. This crisis was indicative of: the security issues faced by China today; how China is dealing with these issues; and how these issues influence--and are influenced by--the U.S.-Japan relationship.

In March of '96, Secretary Christopher, Tony Lake, and I met in Washington with Chinese VFM(Vice Foreign Minister) the evening after the Chinese launched their first wound of missiles--one of a few tens of miles north of Taiwan and one of few tens of miles south of Taiwan. At that meeting the three of us spoke as one voice about the American concern with the Chinese action. In particular, I spoke very plainly to the minister, so as not to be misunderstood. I said:

> "Your actions will be counterproductive, particularly if you repeat your launches.(that is, I argued that their action would actually increase the votes for President Lee). Your statements that these missiles launches are routine military exercises are not credible. As an old artillery officer, I understand very well, and the PLA understands very well, the symbolism of bracketing a target. You have underestimated the political will of U.S. The U.S. has vital national security interests in the Western Pacific which these actions threaten. The U.S. has more than enough military capability to protect its interests in the region, and is prepared to demonstrate that."

For all these reasons, I argued that their missile firings,

particularly if repeated, would be a political failure, and would come to be seen as such, even in China. This advice, as we know, was not followed, and the Chinese repeated their missile attacks.

General Shalikashvili and I considered very carefully and precisely what response would be most effective. We considered: a diplomatic response only, which we feared would be misunderstood by Chinese as a lack of will; deploying one CBG(Carrier Battle Group), which we believed was too weak; deploying two CBGs steaming into the Taiwan Strait, which we believed was unnecessarily provocative. We concluded that we should send two CBGs into the area, but not into the Strait, believing that this action sent a message of capability and firmness, but one of provocation.

President Clinton, after consulting on this plan with regional leaders, including Prime Minister Hashmoto, authorized me to deploy the two CBGS and to suspend the visit of the Minister of Defense which was scheduled for the following week. At the same time he authorized Secretary Christopher to announce that we continued to maintain a "One China" policy. Results were as we expected: The deployment was effective in communicating to People's Republic of China how seriously we viewed their action--in retrospect it seems clear that we had been misread by the Chinese, and our deployment cleared the air. It also communicated to other countries in the region our commitment to maintaining stability in the region. And, as we forecasted, the Chinese action was counter-productive(from their viewpoint) on the election results.

After the dust had settled on all of this military action, the President sent Tony Lake to China to meet with senior government officials to reaffirm that we were serious about maintaining our " One China" policy, but that they had to be serious about not using military force to create the "One China". That meeting was

successful. It was followed by a reinvitation to the Minister of Defense to visit the U.S., which he did in December. That was a warm, friendly meeting, but at that time I did reaffirm to the minster that I firmly believed that our deployment was the correct response to their action, and that it had the full support of the American people.

V. Summary and Conclusions

What do these three crises tell us about security issues we will face into the next century, and how we should deal with them? First, and foremost, they tell us that we have not arrived at the " End Of History", simply because the Cold War is over. History is being written every year, in the towns of Bosnia, in the deserts of Kuwait, in the mountains of Korea, and in the Strait of Taiwan.

Second, they tell us that security cooperation between the U.S. and Japan and the U.S. and Korea continue to be important; indeed, these security alliances form the linchpin in maintaining security and stability in Asia-Pacific region.

Third, they tell us that technological competition between American companies and Japanese companies is a dynamic fact of life, with the advantage shifting from one to the other, depending on whether production skills or entrepreneur skills are more decisive.

Therefore, it is clear that our technological competition and security cooperation can coexist. We should not withhold cooperation in the security field to gain economic advantage; and neither U.S. nor Japan need to hold back from competition in the technological field for fear that this competition will have an adverse effect on our ability to cooperate in security matters. In my talk today, I have described the U.S. security strategy in the Western Pacific region, and how it was applied to three crises that

arose during the last three years. In doing so, I hope that I have been able to give each of you a new way to think about American security in the Western Pacific, and in particular to understand: the primacy of preventive defense in our approach to security; the pivotal role of strong alliances to regional security; and the necessity of buttressing these alliances with strong, highly ready forward deployed forces.

Discussions

Q Thank you so much for your speech this morning. We very much appreciate your thoughts on American defense policy in the Pacific. Since the end of the WWII, U.S. has made many bilateral treaties with the far East. Have you ever thought about having a collective security system as in the western Pacific, as in Europe's NATO?

A Yes, we have. I have especially thought about it while I was the Secretary of Defense. My own conclusion is that it is not feasible today and is not feasible in the foreseeable future. It is possible to cooperate on security matters, and we should do more to enhance that cooperation on regional basis. That can be done perhaps by extending and strengthening the regional form. I have also proposed a regional meeting of defense ministers like the meetings we have with NATO and in Latin Americas, where the defense ministers come together not in an alliance, but in a spirit of openness and cooperation, to discuss the matters of joint security interest. I think this is the best we can hope and go for. Even the last proposal, the meeting of the defense ministers, I was not able to get it established while I was in office, the reason being though nearly all countries wanted to participate, they would do so only on the condition that the Chinese participate also. The reason for

the condition was that they did not want to seem to correlate behind the Chinese government. They did not want to be on bad terms with the Chinese, an understandable caution.

Q 21st century will see a unified Korea, at least a functionally unified one. Please describe the basic set of U.S. security policy on the unified Korea serving the U.S. national interest in this region.

A U.S. policy in that regard is that we want some level of deployment, even if there is a unification or even a political settlement, provided that we are still invited- that goes without saying. The rationale is that the U.S. forward deployment is not just to deal with that one military contingency. Precisely because we do not have a NATO, no regional security, the forces provide an indispensable role in maintaining security and stability for the entire region. It has been said that the U.S. deployment forces is the oxygen that fuels the remarkable economic growth of the whole western Pacific region. It provides the security and stability which allows that economic growth to take place. It is not clear where the stability and security would have come from in the absence of U.S. deployment forces. By a analogy, after unification in Germany and the threat of Warsaw Pact invasion disappeared, there was substantial readjustment and downsizing of U.S. deployment forces in Europe, but we still have about 100,000 forces in Europe, mostly in Germany, as in the western Pacific. It is the best assurance for security and against regional arms races. That is our judgement and the judgement should be shared by the Korean and the Japanese government. If they agreed, there would be a deployment. Of course, the nature of the deployment would be changed: No armed division along the border, but I believe the need for army and navy bases would remain the same.

Q You mentioned that the presence of the American forces on the Korean peninsula is a part of deterrence to North Korea. If the two Koreas are united, will U.S. pull out its military? Under what circumstances can U.S. troops withdraw from Japan?

A Let me elaborate since I was asked the same question by the Chinese Minister of Defense last December: Why does U.S. have a forward deployment forces in the area? Is it in anyway intended to pose a threat to China or to encircle China, referring both to our alliances with Korea and Japan and to our forces there. We do not consider China a threat to the U.S. and do not consider that we pose a military threat to China. The purposes of these forces are not to pose a threat to China or any nation. It is there to retain stability and security in the region. These forces have retained the stability that has allowed for the remarkable economic growth. Who benefitted the most from this stability in the last five years? China. These forces being deployed here means that regional arms races are kept in line. I asked if he would want to see regional arms races or Japan rearm itself again. I said if I were the Chinese Minister, I would encourage these forces and their movements. He did not agree. However, it is true that the U.S. forces do not represent a threat to any nation in the region and that they were in fact, beneficial to the economic growth in the region.

Q 1) Once China becomes an economic giant, and militarily strong, there would be a reason for the Japanese rearmament. The probability is relatively high... how should Korea react?

2) We are constantly on the North Korea's military threat. What is your perception of North Korean capability in getting into a war?

3) How soon might the North Korean regiment collapse?

A 1) Alliances do not pose threat. I do not believe Chinese poses a threat to Japan or the U.S. with rapid economic growth or modernization. I do not think there will be a need for Japan to rearm. What is happening is that China is in the process of catching up, modernizing.

2) On one hand, the military capability of North Korea is much less now than it was in the last three years, the reason being that their readiness had declined. Despite of its drastic decline in readiness, it is still large and dangerous: while their capability is substantially reduced, because of their desperate economic situation, they might be forced to do something drastic. I do not think we can discount its intentions.

3) I do believe that the North Korean regime has failed and had manifested into a miserable economic conditions that is now the reality in the North. How long they can hang on, is unguessable.

Q Is there a U.S.-Korean contingency plan in case of a war?

A We do have a contingency since the 1940's. It is reviewed and improved each year. In June of '94, we studied that contingency with the commanders and chiefs who would be implementing the plan. I hope that we don't have to implement the plan, and we will not have to use it because of the plan: the best plan is prevention. During the Cold War we saw a serious threat to the security for most of the world. Today we see regional threats, but no threats on a global basis. But we see dangers. There are still 20,000 nuclear weapons in Russia. Struggling to become a democratic society, there are dangers out there. The job is to create a barrier to keep the danger from becoming a threat. That is why every year we spend a large portion of our defense budget dismantling Russian nuclear weapons. If North Korea persists in becoming a threat, the U.S. is there to deter North from mounting

an invasion, through very capable and sizable forces. If deterrence fails, you need military forces necessary to defeat the invasion. Prevention is important: we deploy our military forces in a way to deter threats. Maintaining the forces and the contingency plan is the key, but if all else fails, then the readiness to fight is necessary.

Q Do you believe that the North Korea has nuclear weapons?

A The North has stopped the program; I have no doubt that it is stopped. But the ambiguity is in their status when the program was stopped. When the program was stopped, they had at most a few kilograms of plutonium, enough to make one or even two nuclear weapons, I am not certain. I do not believe, personally, that the North has any nuclear weapons, contrary to the North Korean refugees' information.

Q In that regard, what is your view on the danger of chemical warfare?

A North has many tons of chemical weapons. The North might deem it necessary to use chemical warfare in case of a war. That is one of the reasons why we signed a chemical weapons convention treaty and why we are trying to persuade the North to join. The introduction of chemical weapons will not change the outcome of the war, not tipping the balance to a North Korean victory, but it will cause more casualties by the time the North is defeated.