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DEMONSTRATING A U.S. COMMITMENT TO ASIA

Today's economic realities will require the U.S. and other countries to meet pressing needs at home...

Bill Clinton

From a letter of congratulations to the newly elected
President of the Philippines, Fidel Ramos.

EXECUTIVE SUMMARY

President-elect Clinton, Asians are worried and uncertain about whether your Administration will support America's nearly fifty-year-old commitment to preserving the peace in Asia. During the campaign you said repeatedly that America needs to concentrate less on foreign policy and more on "meeting pressing problems at home." You also advocated a tough policy against China and Japan that left the impression that you would be less committed to the pursuit of America's interests in Asia than George Bush was. True, you moderated your campaign pledges—after having defeated President Bush—to punish China with economic sanctions for its human rights abuses. And your comment that "America's relationship with Japan is vitally important" is firmly on the record.¹ Yet both of these reasonable statements cannot erase the strong impression on both sides of the Pacific that the United States' relationship with Asia is in for some pitching seas.

This impression arose from a series of statements you made during the campaign. At the Los Angeles World Affairs Council on August 13, 1992, for example, you declared that if elected, "we will link China's trading privileges to its human rights record." On the subject of trade with Japan, you said in the same speech that there will be "swift and stiff penalties to those who abuse the rules of trade once agreed upon." Defense was also covered that day. You promised "to bring savings of about \$60 billion over the current Bush plan," and went on to say that "our first foreign priority and our first domestic priority are one in the same: reviving our economy."

As a result of such statements, a Yomiuri-Gallup poll conducted in late September found that, whatever their differences, Americans and Japanese agreed that your predecessor would have done a better job than you at strengthening relations between Washington and Tokyo. Forty-one percent of the Japanese respondents thought that George Bush would have been

¹ *Asian Wall Street Journal*, October 26, 1992.

more effective at this difficult task, while only 14 percent picked you. As a group, Americans also chose Bush as more likely to smooth U.S.-Japan ties. Although your countrymen expressed more confidence in you than the Japanese, this makes little difference. It is Asian, and especially Japanese, perceptions that your foreign policy in the Far East must address.

As the second largest economy in the world, the Land of the Rising Sun is still at the center of America's concerns throughout the western Pacific, a fact reinforced by Japan's position as the largest repository of U.S. armed forces in Asia. But anxiety about your Administration's intentions is not restricted to Japan. One important issue that united South Korea's major party candidates throughout the election campaign, which Kim Young-sam won on December 18, 1992, was the undiminished need for America's armed protection. As opposition leader Kim Dae-jung noted in his October 1992 newsletter, "the first and most important [requirement for peace on the Korean peninsula] is the continued security cooperation of the United States."

Your failure to reverse this perception quickly and decisively can only lead to cracks, rips, and ultimately serious tears in the security umbrella American forces have provided since peace was declared in the Pacific at the end of World War II. The shield built by your predecessors has been critical to Asia's growing prosperity, its accelerating pace of democratization, the region's rapidly expanding potential as a market for American goods and services, and the perception throughout Asia and the world that America is a positive, influential force for good in the most populous quarter of the globe.

To calm fears in Asia, and demonstrate your commitment to maintaining all the benefits of America's continued influence there, you should take action immediately upon assuming office. You should:

Action 1: Use personal diplomacy to demonstrate your commitment to Asian security. You should invite Japanese Prime Minister Kiichi Miyazawa and the newly elected President of the Republic of Korea (ROK), Kim Young-sam, to meet you in Hawaii to reaffirm America's commitment to the security agreements that bind Washington to Tokyo and to Seoul.

Action 2: Back up words with deeds. While you are in private meetings with Prime Minister Miyazawa, promise to increase U.S. naval forces dedicated to Asia and based in Japan.

Action 3: Invite Japan to cooperate in sharing the burden. You should propose that Japan share with the U.S. the expense of returning two of the Navy's recently mothballed battleships to the U.S. Pacific Fleet. Their recently refurbished and modernized capabilities will help the Fleet's already stretched forces augment the amphibious battle groups whose increased presence offers incontrovertible proof of America's commitment to Asia.

Action 4: Resist trade protectionism in dealing with Japan. Japan's economic success is linked to its ancient, suspicious view of outsiders. You should do all within your power short of violating America's long-standing commitment to free trade to wear down such views.

Action 5: Encourage a unified and democratic Korea. Reaffirming America's commitment to the ROK's security will help inspire confidence in the newly elected government of Kim Young-sam. You should continue to work together with

Beijing, Moscow, Seoul, and Tokyo to prevent the North from developing nuclear weapons. Your Administration will also need to work closely with Seoul to protect and expand business opportunities for Americans in the ROK.

Action 6: Protect Taiwan's security and encourage its worldwide diplomatic recognition. President Bush's decision last summer to sell 150 F-16 fighters to the Republic of China (ROC) proved his grasp of a looming Asian strategic reality: Beijing is expanding its military. To assure Taiwan's defenses and balance a possible concentration of force in mainland China, the U.S. should continue to assure Taiwan's security. Washington also should persuade the international community to grant Taipei diplomatic recognition as well as membership in the world's major economic organizations.

Action 7: Advance human rights in China by supporting Beijing's economic reforms. As the economic reforms of Beijing's aging rulers bring capitalism within the grasp of more and more Chinese, the freedom of individuals to make choices about their own property will inevitably crack the authoritarian control of central communist rule. Continuing your predecessor's policy of engaging China in a growing two-way economic relationship will hasten this process and its accompanying expansion of political freedom. China's most-favored-nation (MFN) status thus should be renewed when it comes up for yearly reconsideration in June.

ASIA'S IMPORTANCE TO THE U.S.

As you noted during the campaign, President-elect Clinton, "our trade relationships with the Pacific Rim are critically important to the U.S., our Asian partners, and the global economy."² Taken together, Hong Kong, Taiwan, and the coastal provinces of China command a gross domestic product that is nearing \$400 billion a year. Japan, despite its current slump, remains a vibrant economy. And it is merely a question of time until Vietnam joins the other four Asian "tigers," Hong Kong, South Korea, Singapore, and Taiwan, as a well-heeled purchaser of American goods.

More important, American business is benefitting. According to the Commerce Department, U.S. exports to Asia increased by nearly 267 percent from 1985 to the end of 1991, up from \$30 billion to over \$80 billion. As the U.S. economy revives—and signs of its improvement are now apparent from sustained increases in gross domestic product to reductions in unemployment—it is necessary to sustain and build upon American commercial success in Asia. Success in this effort can add substantially to the healthy domestic economy you will need for re-election in 1996.

However, the long shadow over the brightening prospects for U.S. business in Asia is neither Japanese trade restrictions, nor the greater danger posed by protectionists within the U.S. Democratic party—although both of these obstacles can turn into serious problems for your foreign policy. Rather, the over-arching problem in the Far East is the possibility that peace and tranquility which are the conditions for any region's continued prosperity will be jeopardized by the withdrawal of the American security umbrella.

² *Ibid.*

WILL AMERICA REMAIN A PACIFIC POWER?

Fueling the perception that America is on the brink of such a withdrawal is a series of events which have taken place over the past five years. American military personnel in Korea have been reduced by 16 percent, from about 44,000 to over 37,000 troops since 1990. In addition, U.S. forces packed up and completed their withdrawal last year from the large naval and air bases in the Philippines. These forces provided a strategic anchor to America's military along the eastern rim of the South China Sea. And finally, the U.S. continues to cut the size of its entire military. Since its peak of \$314.3 billion in 1990, the Pentagon's budget has dropped 14 percent in two years, to \$270.9 billion, and the angle of the slide is likely to increase.

Of course, you bear no responsibility for these actions. However, your campaign pledges to put domestic policy ahead of foreign affairs, to trim the defense budget by \$60 billion over what your predecessor had budgeted for a five-year period, and your Secretary of Defense nominee Les Aspin's proposal to cut military forces even more drastically have confirmed suspicions and added to Asians' fears.

Private discussions with senior military and diplomatic officials in Taiwan, Hong Kong, and China that took place immediately after your electoral victory all produced anxious and piercing questions. These included such queries as: Will America turn isolationist? Does the President-elect understand how important U.S. forces are to peace in Asia? Is the new Administration prepared for the consequences of Japan's rearmament if the U.S. decides to slash its presence in Asia?³

These are not academic or idle queries. Since 1990, the year Washington reached the apogee of its defense spending, Tokyo has increased its military expenditures by the same fraction the U.S. has decreased its defense budget—by 14 percent. Of course, the Japanese are building upon a defense budget which is about one-tenth the size of what the U.S. spends, but the signals sent by a comparison of the two defense accounts—one falling and one rising—deserve attention.

And the Japanese are not alone in their apprehensions or rising defense budgets. Although exact figures are difficult to establish, experts calculate that China has ratcheted up its spending on arms by as much as 50 percent since 1989.⁴ Since 1990, the four Southeast Asian tigers have recorded a total average increase in their military budgets of 15.2 percent.⁵ In fact, Asia gradually is turning into the hottest market in the world for munitions. The Far East replaced the Middle East in 1991 as the globe's largest purchaser of conventional arms.⁶

True, Asia's growing prosperity is partially responsible for its weapons-buying spree. But this is not a complete explanation; the region's wealth preceded its growing appetite for arms by a decade. Far more significant is the recent end of the superpower rivalry between Washington and Moscow, which had necessitated both a large globe-spanning U.S. military and a powerful armed presence in the Western Pacific.

The disappearance of the Soviet threat, however, did not produce universal peace in Asia any more than it has elsewhere in the world. The memory of Japan's aggression before and during World War II lingers among both her immediate neighbors and the distant nations of Southeast Asia where Japanese forces plundered, killed, and raped. Asians from Singapore to the Korean

³ Heritage Foundation conversations in Taiwan, Hong Kong, China, November 9-20, 1992.

⁴ Ross H. Munro, "Awakening Dragon," *Policy Review*, Fall 1992, p. 10.

⁵ *U.S. and Asia Statistical Handbook 1992* (Washington, D.C.: The Heritage Foundation, 1992).

⁶ *The Nikkei Weekly*, October 3, 1992.

Peninsula to the Chinese mainland will rearm in earnest if they believe the U.S. is moving towards large reductions in its forward-based Pacific presence.

And so will the Japanese, who understand exactly how little they are liked or trusted throughout the region. With such unresolved issues as the fate of the Korean Peninsula, and the competing territorial claims to ownership of the Spratly and Paracel Islands made by nearly every nation that touches the South China Sea, there is plenty of dry tinder to burn.

Should any of these flashpoints ignite, it would prove to all that the U.S. had abandoned an important claim to its position as a world leader: its impartial and honorably motivated role as peacekeeper in Asia. Below the level of actual hostilities, a genuine arms race would hobble the Far East's growing prosperity thus postponing its progress towards democracy and its ability to purchase American goods. From every angle, Mr. Clinton, Asian instability represents an unqualified political disaster for an American President.

IMMEDIATE AND LONG-RANGE ACTION TO SHOW AMERICAN RESOLVE IN ASIA

From Iraq to Somalia to Bosnia to Russia, there are several urgent foreign policy problems that will confront you on January 20th. To prove that your policy is not merely reactive, however, you must also address issues that are of great importance to America over the long term.

None is more critical than our relationship with Asia. Your aim should be to quiet fears that the new Administration will concentrate on domestic problems at the expense of its Asian commitments. It is equally important to allay concerns that further reductions in U.S. defense spending will close the military umbrella America has held over the western Pacific since World War II. If the U.S. follows a wise policy, the day will come when Asians will work together to provide one another's security. But that time has not arrived. Until it does, the U.S. is the best guarantor of peace in Asia. To show your understanding of this fact, and commitment to the successful policies of all your postwar predecessors, you should upon inauguration:

Action 1: Use personal diplomacy to demonstrate your commitment to Asian security.

Invite Japanese Prime Minister Kiichi Miyazawa and the newly elected President of the Republic of Korea, Kim Young-sam, to meet you in Hawaii to restate America's commitment to the Mutual Cooperation and Security Treaties which the U.S. signed with its two foremost Northeast Asian allies in 1960 and 1954. These treaties are the bedrock of America's successful Asian policy, and your willingness as President to attach a high priority to their reaffirmation will calm Asian jitters and provide a stable basis for your Administration's relations with the entire region.

Action 2: Back up words with deeds.

In private meetings with Prime Minister Miyazawa, you should express your intention to increase U.S. naval forces based in Japan. From the Japanese islands and Korean Peninsula in the north, down along the booming coastline of China, through the populous island nations of the Philippine and Indonesian archipelagoes, and back to the Southeast Asian mainland, the Far East is connected and separated by water. The area's commercial rise depends upon the seas and free access to them. Because naval force is key to maintaining this access, as well as showing the flag, a small increase in U.S. surface combatants is the most direct way to back up commitments on paper with proofs in steel.

