



America at Risk

Memo

Protect America Month: Providing for the Common Defense in the 21st Century

The Heritage Foundation's Protect America Month is a month-long campaign focusing on the need for increased defense spending in the 21st century. America still faces serious threats in the world and now is not the time to weaken our military through defense budget cuts.

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Managing Alliances in an Upside-Down World

Walter Lohman

America's network of alliances is critical to maintaining our role as the Asia-Pacific's indispensable, predominant power. Seemingly, all sides of the debate over U.S. Asia policy converge on this key point, and, to its credit, the Administration has logged its fair share of frequent flyer miles and speech text underscoring it. But what is the network's purpose?

Standing vigil with the South Koreans on the Demilitarized Zone requires a military commitment both on the Korean Peninsula and in Japan. Our military flies through Utapao Air Base, Thailand, on its way to Iraq and Afghanistan. The Australians are among our most highly regarded partners on the ground in Afghanistan. We are helping our Filipino allies put down a dangerous insurgency in their South.

Our alliances in Asia have a real geostrategic objective: Managing the rise of China. All of the other things we do with our allies, while important, are ultimately secondary.

America's alliance network in East Asia is delivering, but these missions are transitory. President Barack Obama is clearly intent on ending the American military presence in Afghanistan and Iraq. The Filipinos will one day achieve peace in Mindanao, or at least isolate the violence to the point where the American presence becomes unnecessary. One day, even the conflict on the

Korean Peninsula will be settled. Besides, some of the most effective cooperation with any of these countries—cooperation on humanitarian relief for instance—does not necessarily require a military alliance.

Fortunately, our alliances in Asia do have a real geostrategic objective: Managing the rise of China. All of the other things we do with our allies, while important in their own right, are ultimately secondary.

The China Challenge

The policy crowd in Washington has largely coalesced around some version of a China-hedging strategy: trying to bring China into the existing international order as a "responsible stakeholder" while preparing for an alternative, more adversarial outcome. In government circles, however, this clarity is obscured by the real-life complexities of the U.S.–China relationship: economic dialogue and diplomacy around hot-button political/security issues like the Iranian and North Korean nuclear programs.

The Obama Administration, like the Bush Administration before it, has reconciled the complexities through indirection. The North Korean threat is a problem on its own, but it also stands in for the China threat. Administrations talk about the security of sea lines of communication, but the real problem is not pirates in the Straits of Malacca, but Chinese territorial claims in the South China Sea. Weapons sales to Taiwan are about an imbalance in arms strongly in favor of the



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Chinese. The trilateral dialogue among the U.S., Japan, and Australia was about China. The U.S.–India relationship is in large part about China. Engagement with the Association of Southeast Asian Nations (ASEAN) is about China.

By denying the hedges, we keep open the full range of options for working with the Chinese. Regrettably, we also obscure the real rationale for our alliance network and create uncertainty over our long-term staying power.

New Power Perceptions

Our allies are patient with indirection. Indeed, they are accomplices in the charade. But their comfort level depends on their faith in the underlying realities, and the past 18 months have shaken that faith. They need reassurance about the fundamentals of American strength and leadership in Asia.

Until the global financial crisis hit in September 2008, our allies were worried but essentially okay with the pace of change in the region. It was happening at a pace they could understand and to which they could adapt. Thirty years of double-digit growth in China's economy and 20 years of similar growth in its military spending was only gradually transforming China into a major power.

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The financial crisis turbocharged this change. The U.S. was seen struggling with its own economy, racking up massive debts with no plan or concern for righting them. The other side of this popular picture highlighted Chinese economic strengths and influence. Massive dollar reserves have come to symbolize Chinese strength instead of the massive waste of resources that they truly are.

The fact that the crisis was largely the fault of the U.S. did not help matters. Never mind that it was not "excesses" of economic freedom, banking or otherwise, but politically selective regulation, excessively loose monetary policy, and government intervention in the market's mechanism for shaking out failure that brought about the crisis; it is the U.S. "neo-liberal" eco-

nomical model that has come under assault. The "Beijing Consensus," an authoritarian manipulation of markets in furtherance of state mercantile interests, is presented as the safe alternative.

Most of what people know about China, even in Asia, they read in the papers, and the newspapers are deceptively clear: China's model survived the crisis; America's is shaken. Headlines for years now have been foreshadowing the arrival of Chinese predominance, and here it is, much sooner than anyone in the region was expecting.

Overlooking Regional Perceptions

The Administration seems to have overlooked the enormity of this change in perceptions. Unfortunately for the new team, what might have (barely) passed for prudent indulgence of the Chinese two years ago looks like obeisance today.

Indecision on desperately needed F-16s for Taiwan is a perfect case in point. Of course, the Bush Administration was no more eager than the Obama Administration to fill this critical part of what the Taiwan Relations Act calls Taiwan's "sufficient self-defense capability." Then, it looked like a matter of setting priorities (and deep presidential-level displeasure with Taiwan's leadership); today, it looks like an unwillingness to offend "America's banker." Deference to the U.N. Security Council on North Korea and Iran, then seen in the region as a welcome resort to traditional multilateralism, today is seen as seeking China's blessing. Even something as minor as the bare flagpole in the courtyard of the American Institute in Taiwan (America's *de facto* embassy), once just a simple over-reach by State Department lawyers, today could be construed as a bow to Chinese sovereignty.

This new context is what makes the impasse over American bases in Okinawa so unsettling. This conflict has been percolating since the Clinton Administration. Today, it is cast as a crisis in the U.S.–Japan alliance and a harbinger of regional realignment.

Nervousness over the changing power dynamic also underlies thoughtful criticism of President Obama's miscues in the region. The Japanese were not flattered by President Obama's bow to their emperor. They were no doubt less impressed by his bow to Chinese President Hu Jintao. And the image of President Obama in

Copenhagen hunched over, hard at work persuading a skeptical Premier Wen Jiabao to make a deal, looks like pleading.

The new context has made indirection look less like prudence and more like a changing of the guard in Asia.

Taking Corrective Action

What can the Administration do to reassure our allies?

First, we must get our own finances in order. America's public debt amounted to 53 percent of GDP in 2009 and is on track to practically double over the next 10 years. That will put us halfway to Japan's level of debt and somewhere between the levels currently carried by Sudan and Greece. To economy-focused Asia, this screams weakness.

Improving America's economy doesn't mean mercantilism and protection. Free trade is the mechanism by which American prosperity has been made most relevant to the world. The President should dust off our free trade agreement with ally South Korea and move it through Congress, and he should move to conclude a comprehensive *free trade-oriented* Transpacific Partnership by APEC 2011. The U.S. currently has two free trade partners in the region: Australia and Singapore. By contrast, consider the proliferation of Chinese trade agreements with, among others, the 10-country ASEAN, New Zealand, Singapore, Pakistan, and soon with a country that without the United States would already have been swallowed whole—Taiwan.

Second, stand by the principles that have made America great. Democratic Presidents used to be famous—and dreaded in Asia—for speaking up for human rights. China's human rights record is abysmal. Twenty years of State Department human rights reports make that absolutely clear. We share basic democratic values with all of our treaty allies in the region. This distinction is a moral and strategic strength.

Third, sustain American capacity for high-intensity conflicts. The U.S. needs a military that can win its current conflicts in Afghanistan and Iraq, but it must be no less able to deal effectively with an increasingly capable China. Procurement decisions like cancellation of the F-22 and shrinking our naval forces send allies a signal that our core interests—the things we are willing

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to fight for—lie in regions of the world where such assets are not necessary.

Fourth, talk clearly about the Chinese military threat and its relationship to territorial claims. Taiwan's sovereignty remains "unsettled" in international law. Americans should know that the Taiwanese people consistently oppose unification with the mainland. Their economic ties to the mainland have not changed that. Taiwan needs the American presence in the Pacific to avoid being dragged unwillingly into unification. The single most important thing the Administration can do to support Taiwan is to sell it the F-16s it so desperately needs.

There is another territorial issue again gaining currency. The Chinese claim virtually all of the South China Sea—an issue of particularly critical interest to our treaty allies in the Philippines and friends in Vietnam. The demonstration effect of American naval vessels conducting operations in international waters is useful, but we should also be explicit: The Chinese claim to the South China Sea is exceptional (not least because of the aggressiveness it takes in asserting it). It is not simply one co-equal claim among six.

Fifth, look, talk, and behave like a superpower. An American President's every move is frozen in time and scrutinized in the media. He should use these moments to convey American strength, not deference. In Asia, deference does not ease one into a relationship; it *establishes the basis* for the relationship. Why did the Chinese respond so hysterically to President Obama's sale of \$6.4 billion in arms to Taiwan and his meeting with the Dalai Lama? Because he created expectations over his first year in office that he would go the extra mile to avoid offending them.

Sixth, make an honest assessment of how much cooperation the U.S. can really expect from the Chinese on international hotspots. Protracted negotiations with the Chinese over any number of issues, but particularly North Korea and Iran, are not worth the sacrifice of

other interests. They run interference in the Security Council for both regimes, and others besides, more than they contribute to solutions.

Conclusion

Our allies in Asia and our friends who depend on us have long wrung their hands at the prospect of American withdrawal. At no time since the Carter Administration, however, has their concern looked more plausible. The countries in the region are in the early stages of planning against that eventuality. They need reassurance. All the trips to the region and speeches in

the world, however helpful to the cause, will not alone fill the gap.

The region wants a “resident” America. It wants a strong America. It is even good for the Chinese themselves because it precludes some of the most aggressive scenarios in their own development. The Obama Administration needs to consider the full range of policy decisions and diplomacy in this light. The future of America’s alliances and, by extension, America’s long-term security depends on it.

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