THE ASIA-PACIFIC
IN THE U.S. NATIONAL
SECURITY CALCULUS
FOR A NEW MILLENIUM

Andrew Scobell
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March 2000
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FOREWORD

The Asia-Pacific region has become increasingly central to U.S. national security concerns. The drawdown of U.S. forces that began in the mid-1970s has not translated into a decline in U.S. interest or engagement in the Asia-Pacific. The United States continues to have a significant forward presence, steadfast allies, and thriving trade and investment in countries throughout the region.

While most countries there have enjoyed dramatic economic growth rates and unparalleled prosperity in the late 20th century, challenges to peace and stability remain. The United States must continue to monitor carefully the proliferation of weapons of mass destruction and missile technology, simmering ethnic conflict, on-going territorial disputes, and also be alert to the threats of terrorism, international crime, and drug trafficking. Moreover, the potential for a major theater war remains, as does the prospect of small-scale contingencies.

The authors of this monograph survey the challenges to U.S. national security that confront this diverse and dynamic region, highlighting the particularly volatile situation that continues on the Korean peninsula. Beyond continued U.S. attention to maintaining a robust military presence and steadfast U.S. alliances, they argue that the United States, without ignoring the key dimensions in the U.S. National Security Strategy of “responding” and “preparing now,” should give a greater emphasis to “shaping” the Asia-Pacific region. They contend that the time is ripe for the United States to launch a major “shaping initiative” to help ensure that the positive trends of marketization, democratization, and regional integration continue and strengthen in the 21st century. Building on a bipartisan consensus with careful attention to interagency coordination at home, and in close consultation with allies
abroad, the United States, they recommend, should devise a new road map to guide Asia-Pacific policy.

The authors conclude that, due to finite resources, the United States should concentrate in particular on “pivotal” states—those countries that serve as linchpins in the region. They identify several such states and urge special attention to these to help ensure that they evolve along democratic, prosperous, and peaceful trajectories. The authors conclude that the most serious concern remains North Korea. They suggest a cautious, consistent, and pragmatic approach to Pyongyang targeted at fostering evolutionary change with incremental improvements in bilateral relations by the United States depending on positive moves by North Korea.

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In the 20th century the Asia-Pacific region became a focal point of U.S. national security interest. In the 21st century the Asia-Pacific region threatens to supplant Europe as the region of paramount national security interest to the United States. Despite the strong Eurocentrism long dominant in the U.S. national security establishment, the United States has long seen Asia as a vast potential market and an important source of raw materials. The United States has a 100-year history as an Asia-Pacific power—an era that began with the annexation of Hawaii and the Philippines in 1898. Since then, Asia’s strategic importance has only grown. This is reflected in the fact that U.S. Army battle deaths since 1945 were more than double those incurred in the Asia-Pacific Theater during World War II. Five of the seven defense and security agreements and treaties to which the United States committed itself since 1945 are in Asia. In addition to three military conflicts in Asia during the 20th century, the closest to the brink of war that the United States has come in the 1990s has been in Asia: a confrontation with North Korea over Pyongyang’s nuclear program in 1993-94 and the crisis in the Taiwan Strait in early 1996.

The most serious flash point in Asia today continues to be Korea. This was demonstrated by the launch of the Taepo Dong 1 ballistic missile on August 31, 1998, on a trajectory over Japan and by the naval battle that took place between North and South Korean vessels on June 13, 1999. In the year 2000, a state of war continues to exist on the Korean Peninsula. A North Korean regime that many predicted would collapse has a significant weapons of mass destruction (WMD) capability and missiles capable of delivering a warhead perhaps as far away as Alaska and Hawaii.
Today, foreign trade with Asia is as vital to the United States as that with Europe, and approximately 100,000 U.S. military personnel are stationed in the Asia-Pacific. The United States places great emphasis on the region's security and stability. Unfettered access to the sea and air lines of communication necessary to maintain commerce and economic growth in Asia is vital to the United States, its allies, and friends. As the Secretary of Defense wrote in the 1999 Annual Report to the President and the Congress: “The United States seeks a stable and economically prosperous East Asia that embraces democratic reform and market economics.” Specifically, the report identifies as the most significant danger to U.S. interests in the Asia-Pacific region the military threat posed by the Democratic People's Republic of Korea (DPRK) both to South Korea and to the 37,000 U.S. troops stationed there as part of our forward presence. The United States seeks a peaceful resolution to the Korean conflict, desires to maintain its current alliance structure in Asia, and to build on its bilateral alliances. In a departure from earlier policies, the United States also supports multilateral security efforts in Asia, such as the Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF).

The national interest of the United States is best served by a region free of conflict, and the majority of countries in the Asia-Pacific agree that the presence of American forces is key to regional peace and stability. More broadly, in addition to fulfilling a security role in the region, the United States wants to use its influence and leadership to expand democracy in the region and to counter such transnational threats to peace as the proliferation of missiles and WMD, illegal trafficking in drugs, and terrorism.

The U.S. role as a “security guarantor and regional balancer” in the Asia-Pacific is important and worthy of further discussion. In its most recent update of the East Asia Strategy Review, the Department of Defense made it clear that being the dominant power in the region is not part of the U.S. vision. Rather, the United States seeks a balance
of power wherein no country is in a position to become a hegemon by dictating to the other countries in the region how territorial, security, or economic matters will be solved. The enlargement of democracy and market economies in Asia are also important U.S. interests related to humanitarian concerns and the region's vitality.

The cornerstone of U.S. policy in the Pacific is the strong economic relationship and military alliance with Japan. Relations with the Republic of Korea are also key to U.S. interests in the Pacific. That said, special attention to China is a feature of nearly all U.S. strategy documents on the Asia-Pacific. China is the most populous country in the world, has the largest military force, and by virtue of geography, dominates the region. Historically, from the 3rd century to the 19th century, China exercised suzerainty over most of the region. U.S. foreign policy and security strategy commits the nation to continued engagement with the People’s Republic of China (PRC) as a means to encourage Beijing to fully integrate itself responsibly in the world community. Despite the strains in U.S.-China relations during 1999 over the accidental bombing of the Chinese Embassy in Yugoslavia by U.S. aircraft during Operation Allied Force, the Cox Report on Chinese espionage, and allegations of illegal campaign financing in the United States by China’s intelligence services, it is simply impossible to ignore and isolate China today. Neither the realities of the post-Cold War world nor the actions of U.S. friends and allies in the Pacific or Europe will permit a return to the past. Some form of engagement with China has been a factor in U.S. security policy since 1971. Given China’s permanent membership on the United Nations Security Council, its role and influence on the Korean Peninsula, in Southeast Asia, and South Asia, its economic weight, and its activities as a provider of advanced weapons and technology to other countries, the United States will maintain a basic policy of continued contact with China. There will be some military and security component of that engagement policy, despite recurrent strains. China
has a history of isolation, xenophobia, and the use of force along its periphery.\textsuperscript{17} The United States seeks to encourage China to become more politically, economically, and even militarily integrated into the Asia-Pacific region. Notwithstanding the emphasis on China, however, the most important component of U.S. security policy in the region is the alliance with Japan.

**The Human Rights Issue.**

There is a certain tension inherent in the American goals of promoting democratic reform and the authoritarian traditions in Asia. Leaders from countries with which the United States enjoys some of the closest friendships in the region, Singapore, for instance, argue forcibly for a different understanding of human rights than Washington. Asian values, explain the leaders from these countries, emphasize the stability of society and the general well-being and health of the populace over the emphasis placed by the United States and the West on rights of individuals.\textsuperscript{18} China and a number of ASEAN states share this alternative view.\textsuperscript{19} One argument that is often heard from China in particular is that a low “educational and cultural level,” as well as social tradition, make the Western liberal form of human rights with its emphasis on the individual and self-determination inappropriate for Asia.\textsuperscript{20} Liberal democracy and free elections, so successful in Japan and Thailand, are political institutions that are characterized by critics of U.S. strategy as foreign, and imposed there by the post-war American presence. But that argument is belied by the successful transitions to democracy of the Republic of Korea, the Philippines, and Taiwan.\textsuperscript{21} The broad trend is toward the establishment of a civil society and democratization, and those countries that have embraced democracy in East Asia have been successful.
The Security Environment Today.

The Military Dimension. The continued military threat posed to the Republic of Korea (ROK) by the DPRK (North Korea) is the greatest danger in the region. This threat demands the presence of a United Nations Command on the Korean Peninsula, because a state of war still exists there. But other threats to peace and stability continue to exist.

China refuses to renounce the use of force against Taiwan to reunite that island with the mainland. China's claims to the disputed Spratly Islands, in the South China Sea, also pose a latent danger to security. Although Beijing has told ASEAN that it will discuss joint development in the South China Sea, the People's Liberation Army (PLA) continues to establish new military outposts and upgrade existing structures on reefs in the disputed areas, most recently on Mischief Reef, claimed also by the Philippines. China's National Defense Law, which charges the PLA with the responsibility to defend its extensive maritime claims, is also threatening to China's neighbors. Japan, China, and Taiwan also dispute control of the Senkaku Islands, in the East China Sea. There have been demonstrations of military force there. Russia continues to occupy the Northern Territories of Japan, which it occupied after World War II. Despite the degraded capability of the Russian military, that dispute has yet to be settled. Table 1 shows existing threats and conflicting territorial claims.

Instability and Non-military Conflicts. From a military security standpoint, although the Asia-Pacific region has been relatively stable since the U.S. withdrawal from Vietnam, there have been serious conflicts. Vietnam was unified by force in 1975 and then invaded Cambodia 3 years later. China invaded Vietnam in 1979, Myanmar military forces repeatedly have crossed the border into Thailand, and China has threatened to invade Taiwan and attacked ships from Vietnam in the South China Sea. The insurgency in Sri Lanka continues to simmer, and India and Pakistan...
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<tr>
<th>Country/Area</th>
<th>International Dispute(s)</th>
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<td>Bangladesh</td>
<td>• boundary with India</td>
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| Brunei      | • may wish to purchase the Malaysian salient that divides the country  
              • Spratly Islands claims  
              • Louisa Reef “exclusive fishing zone” proclaimed |
| Cambodia    | • offshore islands, boundary with Vietnam  
              • maritime boundary with Vietnam  
              • border with Thailand  
              • maritime boundary with Thailand |
| China       | • boundary with India  
              • two sections of the boundary with Russia  
              • boundary with Tajikistan  
              • boundary with North Korea  
              • Spratly Island claims  
              • maritime boundary with Vietnam  
              • Paracel Islands occupied by China, claimed by Vietnam and Taiwan  
              • claims Japanese-administered Senkaku-shoto (Senkaku Islands/Diaoyu Tai)  
              • land border with Vietnam |
| India       | • boundary with China  
              • status of Kashmir, against Pakistan  
              • Indus River water resources, with Pakistan  
              • boundary with Bangladesh |
| Indonesia   | • sovereignty over East Timor Province  
              • demarcation line with Vietnam on continental shelf in South China Sea, near Natuna Island  
              • two islands in dispute with Malaysia |
| Japan       | • Kurile Islands, against Russia  
              • Liancourt Rocks (Takeshima/Tokdo) disputed with South Korea  
              • Senkaku-shoto (Senkaku Islands) claimed by China and Taiwan |
| North Korea | • 33-km section of boundary with China  
              • Demarcation Line with South Korea |
South Korea
• Demarcation Line with North Korea
• Liancourt Rocks (Takeshima/Tokdo) claimed by Japan

Laos
• parts of the border with Thailand

Malaysia
• Spratly Islands against China, Philippines, Taiwan, Vietnam, Brunei
• Sabah State claimed by the Philippines
• Malaysian salient dividing Brunei
• two islands in dispute with Singapore
• islands in Celebes Sea, in dispute with Indonesia
• offshore demarcation line with Vietnam

Pakistan
• status of Kashmir, with India
• Indus River water rights

Philippines
• Spratly Islands
• claims Malaysian state of Sabah

Singapore
• two islands in dispute with Malaysia

Spratly Islands
• all of the Spratly Islands are claimed by China, Taiwan, and Vietnam; parts of them are claimed by Malaysia and the Philippines
• in 1984, Brunei established an exclusive fishing zone, which encompasses Louisa Reef in the southern Spratly Islands, but has not publicly claimed the island

Taiwan
• claims by China, Malaysia, Philippines, Vietnam, Brunei
• Paracel Islands occupied by China, but claimed by Vietnam and Taiwan
• Japanese-administered Senkaku-shoto (Senkaku Islands/Diaoyu Tai)

Thailand
• parts of the border with Laos, Cambodia
• maritime boundary with Cambodia

Vietnam
• maritime boundary with Cambodia
• Spratly Islands
• maritime boundaries with China, Malaysia
• Paracel Islands occupied by China
• Offshore islands and sections of boundary with Cambodia
• sections of land border with China
• demarcation line with Indonesia on continental shelf near Natuna Island
face each other on the Line of Control in the intractable Kashmir dispute. And the Korean Peninsula is a continuing source of tension. But other forms of conflict could also destabilize the region. Conflict does not always mean war, and factors with the potential for internal or external competition and friction must be considered.

Political instability, ethnic conflict, and religious strife are also present in the Asia-Pacific. In South Asia the disputed areas of Jammu and Kashmir have been the focus of three wars between India and Pakistan. For months in mid-1999, the two countries clashed as India used ground and air forces to drive Pakistani guerrillas from Indian-controlled Kashmir. This half-century-old conflict seems to defy resolution. While both countries are loath to attribute these conflicts solely to religious and ethnic differences, they play a major role by placing the Indo-Pakistani border in intractable dispute. With nuclear weapons and missile delivery systems under the control of New Delhi and Islamabad, the standoff on their border is now a far more serious problem. It is unclear how the military regime that seized power in October 1999 in Pakistan will affect the situation on the subcontinent.

Before May 1998, it appeared that the state of tension that existed between China and India over their mutual border was being resolved. However, when India’s Defense Minister George Fernandes strongly criticized Chinese military intentions in the Indian press immediately after the departure of General Fu Quanyou, the Chief of the General Staff Department of the Chinese People’s Liberation Army, it was clear that the Sino-Indian rift had merely been papered over.28 Fernandes’ insult to General Fu reminded the Chinese of the way that Jawaharlal Nehru had treated Zhou Enlai in the negotiations over the McMahon Line in 1960.29 India used the threat posed by China’s existing nuclear arsenal as justification for its own nuclear tests of May 1998, and Pakistan followed with tests on May 28 and 30, 1998.30 The Pakistani missile systems and nuclear weapons were built with considerable
assistance from China; a fact not lost on New Delhi, which only compounds the poor state of Sino-Indian relations. Mutual suspicion between China and India over intentions in the Bay of Bengal and the Indian Ocean also remain factors that affect relations between the two countries and create concerns in the rest of Asia. A security study by Chinese scholars in 1993 expressed concerns over Indian naval expansion into the South China Sea, also a latent concern of Australia, Malaysia, and Singapore.

Indonesia, the fourth most populous country in the world and the planet's largest Muslim state has also been a center of instability in the wake of the 1997-98 East Asian financial crisis. Problems that were exacerbated by the economic situation only worsened already-existing ethnic and religious tensions. Malaysia shares similar economic and stability problems, particularly with Chinese minorities who, since well before independence, have been concentrated in the banking and commercial sectors. This conspicuous ethnic concentration of wealth has made the Chinese citizens of those countries the target of periodic ethnic attacks.

In Indonesia pressure for political reform led to the ouster of President Suharto in 1998 and the electoral defeat of his successor, B.J. Habibie, in 1999. It is not clear how well the new administration of President Abdurrahman Wahid will cope with the myriad of problems confronting the country. While the Indonesian parliament on October 20, 1999, ratified the August 30 pro-independence vote in East Timor (as of this writing the former Portuguese colony was under United Nations' trusteeship and all Indonesian military forces had left the territory), ethnic and religious strife continue to plague the country and secessionist movements persist in areas like the Aceh region of western Sumatra.

In Malaysia, President Mahathir Mohamad has used a series of legal maneuvers to suppress his political challenger. Mahathir, the longest serving democratically
elected leader in Asia, led his party to another electoral triumph in November 1999, although with a reduced majority in the parliament. The most noteworthy outcome of the election was the dramatically improved showing of the Pan-Malaysian Islamic Party known as PAS. This tendency to use rule by law, rather than the rule of law, to maintain its ruling People’s Action Party in power also exists in Singapore, but does not presently threaten stability there. In both places, but more sharply in Indonesia, the ethnic and religious tensions have the potential to explode out of control and turn into the sort of mass-hatred and “ethnic cleansing” that engulfed the Balkans, most notably in Kosovo, in the recent past. Such an outcome would affect Australia, a traditional and staunch ally of the United States, and Singapore, which has permitted the United States to maintain a naval presence.

In Oceania, where Australia exercises the most influence, there are also serious security problems. A coup was attempted in Papua New Guinea by mercenaries and a low-level insurgency continues on the island of Bougainville.

Instability threatens Cambodia, where rival factions still fight along the northern border with Laos and Thailand. The March 6, 1999, arrest of Ta Mok, the Khmer Rouge leader, helped stabilize the situation somewhat. Moreover, the populace of Cambodia, Vietnam, and Laos face the continued threat of land mines. Many of these were left from the Vietnam War, a legacy of the United States. But the Vietnamese invasion of Cambodia and subsequent internal war there with Chinese-supported forces also left a considerable number of land mines behind. The U.N. still manages a major demining effort in Cambodia.

Tensions persist along the Thailand-Myanmar border fueled by the presence of refugees from Myanmar living in camps along the Thai side of the border. The Thai government, for example, has permitted the Karen ethnic group to maintain camps inside. The Karen are opposed to
the rule of the existing regime in Myanmar, the State Peace and Development Council (SPDC, formerly called the State Law and Order Restoration Commission, or SLORC) and are conducting a cross-border guerrilla war from refugee camps in northwest Thailand. While the Thai and Myanmar governments seem to have worked out a modus vivendi, should the Karen rebels conduct a major offensive, initiate acts of serious economic sabotage, or threaten the rule of the SPDC, the potential exists for large-scale incursions into Thailand by the Myanmar Army against Karen camps. The extreme actions of radical groups from Myanmar have also caused turmoil inside Thailand recently. The most shocking incident was the seizure by 10 gunmen from Myanmar of a Thai hospital filled with hundreds of staff and patients on January 24, 2000.

Finally, Southeast Asia, Myanmar and Thailand in particular, are ravaged by prostitution, drugs, and the AIDS epidemic wrought by these two social problems. An indication of the magnitude of this problem is that in 1995 the HIV-positive rate among Thai military recruits was more than 15 percent.

**Security Structures in the Asia-Pacific.**

In Asia, there is no multilateral security structure to provide for collective defense or the management of regional security issues such as the North Atlantic Treaty Organization (NATO) and the Organization for Security Cooperation in Europe (OSCE) in Europe. In the Americas, the United States relied on the Rio Pact to serve as a security mechanism and bulwark against the Soviet Bloc. In Asia, however, security issues have defied regional approaches and, for the United States as well as for Russia, bilateral or limited multilateral approaches have been the norm.

The Southeast Asia Treaty Organization (SEATO), a sub-regional grouping that was based on Cold War containment strategy led by the United States, withered in
the heat of the U.S. war in Vietnam.\textsuperscript{40} Seeking to stabilize peninsular Southeast Asia after independence for Singapore, the United Kingdom, New Zealand, Australia, Singapore and Malaysia formed the Five-Power Defense Arrangement (FPDA).\textsuperscript{41} While still extant, the FPDA is strained today as much by new hostility between Singapore and Malaysia as by the limitations of combined training among the member countries because the financial crisis in Asia has reduced defense budgets. It was far stronger and served as a confidence-building and security mechanism in the 1960s and 1970s, when a new Singapore was fearful it would be swallowed by Malaysia; both of those countries were wary of Indonesia; and a communist insurgency was still simmering. The ANZUS pact, the trilateral organization of Australia, New Zealand, and the United States, was weakened considerably when New Zealand refused to permit U.S. nuclear-armed (or powered) ships or aircraft to visit or operate in its sovereign territory. U.S. bonds with Australia remain strong, but American security ties with New Zealand are weaker, and will continue to be limited so long as New Zealand maintains its anti-nuclear stance.

The bilateral alliances of the United States in Asia either grew out of World War II or emerged during the Cold War. Originally designed to guarantee security against communism and the Soviet Union, the U.S.-Japan and U.S.-Republic of Korea security agreements are strong today. Our security ties with Japan are the most important. They are the bedrock of the U.S.-Pacific presence.\textsuperscript{42} The U.S.-Thailand security agreement perhaps had more teeth during the Vietnam War era, but our bilateral ties with Thailand are important to both countries and there is still strategic glue in the treaty. The final U.S. security treaty that existed in the region, the Mutual Security Treaty with the Republic of China, was abrogated unilaterally by the United States when President Carter recognized the PRC as the sole government of China on January 1, 1979. The U.S. is still obligated to maintain a security relationship
with Taiwan, however, by the Taiwan Relations Act (TRA) of 1979. The TRA makes clear “that the U.S. decision to establish diplomatic relations with the People’s Republic of China rests on the expectation that the future of Taiwan will be determined by peaceful means.” The Act also requires that the United States provide arms to Taiwan of a defensive character and maintain its own (the United States) capacity to resist any “resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people in Taiwan.” It is a finely worded document with intentional ambiguity built into it, which nevertheless makes it clear that some security relationship remains between the United States and its former ally. One source of controversy is the U.S.-Japan Joint Logistics Support Agreement, renegotiated in 1997, as it applies to contingencies involving Taiwan.

**Future Challenges and Desired Outcomes.**

How the division of the Korean Peninsula is resolved presents the greatest challenge not only to the United States, but to all of the countries in the region. There is no single security problem in Asia that could bring us into war with such certainty. The balance of forces in the Taiwan Strait are also a matter of serious concern. Any attempt by the PRC and its PLA either to blockade the island of Taiwan to pressure its reunification through the use of force, or to invade the island is sure to evoke a strong American response. This was the case in March 1996, when two U.S. aircraft carrier battle groups were sent south of Taiwan when the PLA bracketed the island with M-9 (Dong Feng-15) missiles. In South Asia, the nuclear balance between India and Pakistan has eroded U.S. security policy and leadership, in the effort to counter the proliferation of WMD and their delivery means. In Sri Lanka a bloody communal war continues between the Tamil minority and the Sinhalese majority. In Southeast Asia and the South China Sea, the transition of Cambodia to stability and the removal of land mines are important to the United States,
and affect directly a U.S. ally, Thailand. In neighboring Myanmar the ruling military junta refused to accept the outcome of a democratic election. This junta, the SPDC, is engaged in a counter-insurgency war that often involves cross-border military operations into Thailand against a Myanmar minority group, the Karen. And in Indonesia, a society with a precarious balance of Muslim, Christian, Hindu, and Confucian faiths and cultures is percolating as the country confronts major economic and political challenges. These religious and ethnic schisms, as they rupture, have the potential to boil over and affect the social orders of Malaysia, Singapore, and the Philippines, which to one extent or another share the diverse ethnic and religious makeup of Indonesia.  

Turning to Northeast Asia, North Korea now depends on outside sources for about 25 percent of its food supply. Despite the collapse of its policy of self-reliance and the near collapse of its economy (as many as a million North Koreans may have starved to death), the North maintains a strong military with forward-emplaced artillery directly threatening South Korea. The North also has a formidable special operations capability that could cripple defenses in the South and disrupt the economy. Despite its economic problems, North Korea continues to launch dangerous, provocative commando operations against the South. As noted earlier, in August 1998, in a move that shocked United States and Japanese observers, North Korea launched a ballistic missile. Whether this was a failed satellite launch, as claimed by Pyongyang, or not, North Korea demonstrated that it may soon be able to hit the United States with these missiles. This capability is especially alarming because when the Agreed Framework was negotiated with North Korea in 1994, the Central Intelligence Agency concluded that Pyongyang's nuclear weapons program might have obtained enough plutonium for one or two devices. Ideally, through patient diplomacy backed by the teeth of our strong military presence on the Korean Peninsula, the reconciliation of the two Koreas can
take place peacefully (see conclusion). But a sudden collapse in the North or a last-ditch military adventure by Pyongyang against the South is possible. In either case, Chinese military leaders have made it clear that U.S. forces would not be welcome along the Sino-North Korean border.

The North Korean missile launch has also raised the specter of another eventuality that would send chills throughout Asia—the possibility of Japanese remilitarization and military action. According to Akitaka Saiki, deputy press secretary to Prime Minister Keizo Obuchi, Japan’s constitution permits preemptive attacks for self-defense, even if Japan has suffered no damage or attack. Indeed, the concept of self-defense, according to Defense Minister Hosei Norota, would permit Japan to launch preemptive strikes on North Korean missile bases or bases in other countries.  

Regional Trends.

The broad trend in the Asia-Pacific region has been to subordinate political and military competition to the maintenance of an environment that encouraged economic development and prosperity through trade. While matters of national sovereignty occasionally flare, such as in Kashmir, the Spratly Islands, and the Yellow Sea, nearly all of the governments in the region seem to avoid serious conflicts that would jeopardize economic growth. Most of the countries affected by the Asian financial crisis in 1997-98 rankled at what they say as the heavy-handed approach of the International Monetary Fund (IMF).  

Nonetheless, all of the countries in the region have instituted major structural and institutional economic reforms. Defense spending, however, has dropped significantly in many countries. This has lessened the likelihood that an arms race would develop in the region, but has had a negative effect on security cooperation. Those countries with which the United States normally seeks to engage with exercise or training activities have not had the
funds to be as active as in the past. There are two significant, perhaps even alarming, departures from this trend. First, North Korea is developing new classes of missiles despite its economic problems. Second, China is purchasing significant quantities of first-line military weapons from Russia and is developing new classes of ballistic and cruise missiles. The People's Liberation Army is slowly building its capability to project military force into the South China Sea. China's published defense budget has only kept up with inflation, according to its July 1998 Defense White Paper, but its hardware purchases and the missile buildup indicate that much more is being spent on defense modernization than Beijing admits. The missile build-ups in North Korea and in China are particularly serious and have highlighted the question of whether or not theater and national missile defenses (TMD and NMD) are necessary for the Asia-Pacific region. If such missile defenses are not carefully configured as part of a larger cooperative security framework in the region, they may trigger an arms race and increase tensions rather than reduce them. However, with or without the introduction of missile defense systems, current trends in Asia have the potential to spark a serious arms race. China views missile defense measures as destabilizing, especially as far as Taiwan is concerned, because TMD for the island threatens to negate China's significant missile strike capability in the Taiwan Strait. Moreover, the ambitions of China, Japan, and the two Koreas could escalate into the militarization of outer space.

Future Challenges.

The simplest way for defense planners and strategists to deal with how the future may look is by conceiving of it as a linear projection of the present. This sort of conception requires a minimum of creative thinking and permits resource planners to factor in parallel increases in defense budgets. Even if least-preferred and most-preferred outcomes are factored in, linear projections are simply
easier to deal with from a fiscal and psychological standpoint. A linear projection of the security situation in East Asia would have North Korea implode, explode, or somehow muddle through its present troubles, only to reconcile somehow into a unified Korean Peninsula. But the U.S. presence in Asia would not change. This linear projection does not foresee a world war or even regional conflict resulting from a North Korean attack on the south. Such a projection envisions China evolving into a responsible, albeit authoritarian, power which seeks to avoid dominating the region through military actions. The status quo in the Taiwan Strait would remain, with occasional military demonstrations on either side to deter the other from action. Under this linear forecast, economic recovery from the East Asian financial crisis would continue for Indonesia, Malaysia, and Thailand. These trends, combined with continued diplomatic and military engagement by the United States, should produce the sort of region envisioned in the National Security Strategy.62 And all of this is possible; not likely, but possible. Rather than outline these bad-better-best scenarios in detail, we will instead outline some of the significant types of upheavals and departures from this vision that could seriously challenge the United States in the next 20-25 years.

The Proliferation of Missiles and Weapons of Mass Destruction.

The use of missiles and precision weaponry so successfully by the United States has made missiles, especially, a weapon of choice. The lessons of the Gulf War (1990-91), the ability to use anti-radar missiles to suppress Iraq's anti-aircraft batteries, the response to the bombings of U.S. embassies in Africa in 1998, and the use of precision weaponry in Kosovo during the air campaign in 1999, have, for many countries, reinforced the belief that there is a viable alternative to the sacrifice of soldiers in combat. Longer-range cruise missiles are expensive, but are effective in what will become “stand-off warfare.” While this
development is not new, what is new is how accurate these missiles have become, and the ready availability of nuclear, chemical, biological warheads. Shorter-range missiles, such as over-the-horizon cruise missiles, are considerably cheaper and would be effective in controlling contested waters, straits, or across disputed land borders. These systems are highly mobile and difficult to hit with anti-missile systems. More seriously, the best defense against them is to hunt down launch platforms or storage areas and strike them. Thus the proliferation and use of cruise and short-range ballistic missiles, which we see as highly likely, are also particularly destabilizing because defense against them requires some kind of strike. Thus the emphasis by the United States on non-proliferation is unlikely to succeed because of the very effectiveness demonstrated by the United States and its allies in using the weapons. Missile proliferation will be a tremendous challenge for the U.S. armed forces in Asia. More seriously, threatened countries or nation state-like actors (here Taiwan comes to mind) will need to build up the capacity to attack potential enemies and strike missile launch points or production facilities. A volatile crisis, then, could escalate much more quickly into war in the future, and the United States could be involved.

Ballistic missiles are perhaps less destabilizing than cruise missiles as weapons, since we may be able to develop effective defenses against them, but they are cheaper and easier to manufacture. These too, will proliferate. India, Pakistan, Iran, Iraq, North Korea, and China all have ballistic missile programs and nuclear capabilities. China is building a formidable missile force opposite Taiwan to coerce the people on that island not to opt for independence. Right now, according to opinion polls on Taiwan, that coercion appears to be working. Numerous surveys conducted between 1995 and 1998 on the island consistently show 45 percent or more of those interviewed favor some form of the status quo. But future voters on Taiwan may be more independence-minded. The scenario in
the Taiwan Strait is particularly alarming because China continues to threaten the use of force to prevent a declaration of independence by Taiwan.  

The March 2000 presidential election in Taiwan should provide a bellwether of both the direction of political trends on the island and the trajectory of Taiwan-mainland relations for the rest of 21st century. The goal of unification with Taiwan was highlighted on the threshold of the new millennium with the return of the small Portuguese colony of Macao to Chinese control in December 1999 after more than 450 years of foreign occupation. Beijing's propaganda machine played up this event as a proud day for all Chinese and President Jiang Zemin recently remarked that now “the task of resolving the Taiwan issue” is “increasingly urgent.”

North Korea's No Dong and Taepo Dong series missiles almost guarantee that some form of retaliatory or defense capability must be developed in Japan and South Korea. In fact, of all of the emerging threats from “rogue nations,” North Korea stands out as the main threat in Northeast Asia. While some doubt that North Korea can survive another decade given its current problems, others anticipate the Pyongyang regime will somehow muddle through. In Japan, where a new sense of security is developing, one security specialist at the Institute for International Policy Studies insisted that China, not North Korea, is the real target of regional defense buildups in Asia.

The Nation-State as the Primary Actor. As the foregoing discussion suggests, we believe that the nation-state will continue to exist and remain the primary structural component of relations in the region during the 20-25 year period under discussion. Thus, issues of territorial sovereignty, national self-determination, political and economic interest will continue to be resolved between or among nations. That said, regional groupings and sub-groupings, such as ASEAN, the security-related ASEAN regional Forum (ARF), the Asia-Pacific Economic Cooperation (APEC), the Northeast Asia Cooperative
Dialogue (NEACD), and the South Pacific Forum will still be influential. Non-governmental organizations like NEACD or the Conference for Security Cooperation in the Asia-Pacific (CSCAO) will be useful, but will only facilitate state-to-state relations. The difficulty will be whether a regional sub-grouping can, or should, successfully begin to address security issues with a collective voice backed by arms if necessary, instead of just discussing problems. The strength of NATO is that it can act, even if it takes some time to reach a political consensus. In Asia, no sub-regional group has successfully made the transition from dialogue to action. If there is a place where nations may come to address security issues collectively it is probably Northeast Asia. The periodic belligerence of North Korea combined with its nuclear and missile capabilities has brought about no concrete steps between Japan and South Korea to respond to Pyongyang, but Tokyo and Seoul are talking about the issue.\textsuperscript{71}

Ethnicity and Religion. The polarizing trend of ethnic or religious division and strife that tore apart the Balkans could manifest itself in Asia. Indeed, such tensions are already present, as evidenced by the anti-Chinese riots in Indonesia in 1998. One relic of the colonial period in Asia is the disproportionate influence or control of national economies, particularly in Southeast Asia, by minority ethnic Chinese. Singapore aside, ethnic Chinese, who make up no more than 10 percent of the population in the states of Southeast Asia, control 70 to 90 percent of the wealth in these countries.\textsuperscript{72} There is little tension in Thailand over ethnicity, and most Chinese there have been assimilated. In Vietnam, after unification in 1975, the massive expulsion of ethnic Chinese led to problems in Malaysia, the Philippines, and Thailand as refugees fled. In fact, one pretext used by China as justification for its 1979 attack on Vietnam was to “punish” that country for its treatment of what Beijing called “overseas Chinese compatriots.”

That exodus from Vietnam was an irritant, but not a threat to regional security and stability. Nor did it
fundamentally affect U.S. interests. A major, destructive round of attacks on ethnic Chinese, such as what happened in 1998 in Indonesia, however, could so destabilize that country that an evacuation of U.S. citizens might be necessary. The United States might also be asked to cooperate with Australia to help stabilize the situation. One of Australia's security concerns is that serious unrest in Indonesia could lead to destabilizing refugee outflows into the Northern Territories. A similar scenario might affect Malaysia. In both Indonesia and Malaysia, which are predominantly Muslim, Chinese are not only ethnic, but also religious minorities. If the U.S. Department of Defense is currently maintaining approximately one division in the Balkans on humanitarian missions, could it, or would it do the same in Southeast Asia?

On the border between Myanmar and Thailand another manageable irritant could turn into a major crisis with the potential to involve the United States. In a small series of enclaves on the Thai side of the border north and southwest of Chiangmai, the Royal Thai Armed Forces have allowed the Karen people to maintain villages and farms. The Karen are a distinct ethnic group in Myanmar who are also different from the predominant religion there because they are primarily Christians (a legacy of the British colonial period and the Karen's service with British forces fighting the Japanese in World War II). The Karen National Liberation Army conducts a low-level insurgency against the Myanmar Army, which could escalate. In the event that the conflict grows more serious, Burmese troops would undoubtedly violate the territorial sovereignty of Thailand to suppress the guerrillas. They have done this before, in small scale, resulting in clashes with the Royal Thai Army. A larger scale offensive against the Karen could escalate to a major clash with a traditional U.S. ally putting the United States in the difficult position of somehow assisting in the situation.

Control of Natural Resources. Resource conflicts are also potential sources of regional instability. In Indochina, the
headwaters of the Mekong River begin in China and flow along the Lao-Thai border through Cambodia into Vietnam. Security thinkers at strategy institutes in Vietnam are concerned that efforts to control the headwaters of the Mekong in China or Laos could dry up the major source of water for Cambodia and southern Vietnam's rice crops. Similar concerns are expressed in Hanoi about efforts in China to control the headwaters of the Red River, which feeds agriculture in the Hanoi-Haiphong delta. Resource concerns like this may be of peripheral interest to the United States today, but could become explosive security issues that might disrupt regional security. Analysts in Bangkok and in other institutes studying Asia make similar arguments about control of the headwaters of the Chao Phya, Salween, Irrawaddy, Brahmaputra, and Ganges Rivers, all of which are in China. Major water control projects in China, they argue, could have deleterious effects on Thailand, Burma, Nepal, Bangladesh, and India.

**Conclusion: “Shaping” and “Pivotal States.”**

The greatest and most fundamental future challenge to the United States in the Asia-Pacific region may simply be to maintain a presence. A peaceful resolution of the division of the Korean Peninsula could lead to broader challenges to the continued forward stationing of U.S. troops in Northeast Asia. A resurgent, expansionist, or nationalistic Russia could emerge in the coming years, which would require a response from the United States. And China, which many analysts of strategic affairs believe is a country focused on internal matters with no history of expansion, could turn into a more modern state with an effective military force. Thus any U.S. withdrawal from the Asia-Pacific could serve as a catalyst for the destabilization of the region. The United States must nurture and strengthen relationships with its traditional allies: Japan, the Republic of Korea, Australia, Thailand, and the Philippines. Today all of these countries are democracies and share our values.
Beyond this immediate attention to military presence and alliances, the United States should pay greater attention to “shaping” the Asia-Pacific region. The United States tends to give most attention to the “responding” and “preparing” aspects of our National Security Strategy and National Military Strategy. In shaping, all the elements of national power should be employed—including “soft” dimensions—to decrease tensions and nurture the regional trends of democratization and marketization. A comprehensive approach of engagement that includes commercial, educational, and cultural programs as well as military-to-military relations is necessary.

To have a reasonable chance of success, a concerted “shaping initiative” in U.S. policy toward Asia must be consensus-based, sustained, and focused. There must be a bipartisan consensus that such an effort is important. Furthermore, coordination and planning between the executive branch agencies and the Congress is essential. It is very difficult for any policy initiative to rise above the bureaucratic infighting and partisan politics of Washington. To be sustained, a presidential advisory group should be established and charged with: (a) designing a road map for U.S. policy toward Asia with a 20- to 25-year time horizon, and (b) developing a coordinating mechanism for whatever policy is devised—along the lines suggested by the Perry Report that reviewed U.S. policy toward North Korea.

The foundations for thriving democracies and vibrant open markets are not formed in a matter of a few years; rather, such institutions require decades of effort and persistent optimism in the face of inevitable setbacks and crises. Democratization in particular is a difficult and frustrating process. And the Asia-Pacific region encompasses dozens of extremely diverse countries, all in different stages of political, economic, and social development. A “one size fits all” approach is ill advised. Moreover, in the current post-Cold War resource-
constrained policy environment, customizing an initiative for each country is simply unworkable.

A shaping policy that is focused on a handful of linchpin or “pivotal” states is the only realistic option. These are volatile countries upon which the stability and prosperity of the region or a sub-region hinge. Clearly, one such country is China. Without a peaceful, prosperous China firmly integrated into the global economic system, the bright future of the Asia-Pacific region cannot be assured. The critical bilateral relationship to facilitate this is the U.S.-China relationship.

After some difficult years in the Washington-Beijing ties, the trade and Belgrade embassy compensation agreements reached in late 1999 hold out the promise of continued improvement in bilateral ties. While a host of other thorny issues confront bilateral relations, both sides have important interests in continued cordial ties. The most potentially explosive issue for the foreseeable future is Taiwan. Tensions may periodically increase in the Taiwan Strait and the threat of hostilities there is real. Washington must continue to press both Beijing and Taipei to work towards a peaceful resolution of their ongoing dispute. And China has changed in profound ways over the course of two decades of reforms. These changes are not limited to market-oriented economic reforms—there have also been significant political and social transformations that might become building blocks for democratization in the 21st century.

Indonesia is the pivotal state in Southeast Asia. As the most populous and expansive state in the sub-region, Indonesia is very much also a pivot for the entire region. As noted earlier in this monograph, this sprawling archipelago confronts enormous political, economic, social, and ethnic challenges. Nevertheless, dramatic changes in 1998 and 1999, including the election of a new president, acceptance of independence for East Timor, and a surprisingly resilient economy, hold significant promise for Jakarta.
North Korea is the pivotal country in Northeast Asia and arguably a key state upon which the security and prosperity of the entire Asia-Pacific region hinges. The Korean War is still technically and de facto ongoing: since the hot war finished with the 1953 armistice, a cold war has existed. Now, half a century after the outbreak of hostilities in June 1950, it is time for the United States to seek a peace settlement on the peninsula. After the dramatic and remarkable progress in managing the communal conflicts in the Middle East and Northern Ireland, the United States, in coordination with its friends and allies, should begin a peace process in Northeast Asia. However, no peace process can move forward without our staunch ally, the Republic of Korea, being fully consulted and in complete accord. The goal should be to render obsolete the tripwire at the 38th Parallel. Whether this entails the continued existence of two Korean states or unification, the matter is ripe for shaping.

While in conventional wisdom the Pyongyang regime is depicted as an irrational and unpredictable player, upon closer examination its actions seem very rational and quite predictable. Hence it is feasible to conceive of a rapprochement with North Korea. Indeed, the major barrier to improved relations may be the actions to date of the United States. Too often the United States has concentrated exclusively on either a ‘carrot’ or ‘stick’ approach rather than attempting to use the two in tandem. Dealing with North Korea is admittedly a tricky business even in the best of circumstances. Focusing exclusively on Pyongyang’s nuclear and missile capability and status as a proliferator has its pitfalls. It is advisable to build a relationship across a broader front. Certainly WMD capability and delivery systems are the most critical aspects of the North Korean issue but developing bilateral relations in this area alone provides a fragile and narrow base upon which to build future growth. Moreover, while the United States should proceed expeditiously, Washington should avoid the temptation to rush into agreements and appear to
reward—and hence reinforce—Pyongyang's brinkmanship behavior with various material quid pro quos. The establishment of liaison offices and the normalization of relations should be done slowly and carefully, and only in response to tangible progress and verifiable concessions from North Korea. Starting modestly and gradually to increase non-official and non-political interaction and exchanges with Pyongyang would be well worth the effort. We could build a relationship through cultural exchanges and athletic competitions. Before one dismisses this as a waste of energy or time, it is worth remembering that “Ping-Pong diplomacy” was central to paving the way for a rapprochement with China in the 1970s, and friendly soccer and wrestling matches have warmed ties with Iran in the 1990s. Even the Women’s World Cup Final championship game played between China and the United States in July 1999 helped warm the chill in relations between Washington and Beijing. While it is true that the game took place during a troubled period of U.S.-China relations and many Chinese believe the U.S. team won the game unfairly (because the American goalkeeper violated penalty kick rules), it did prompt an exchange of goodwill at the highest levels. President Clinton attended the game, met with the Chinese team afterwards, and sent a personal note to Chinese President Jiang Zemin congratulating him on the performance of the Chinese women. President Jiang responded to President Clinton’s note the very same day.\textsuperscript{85}

In fact, sporting and cultural diplomacy has already begun. The North Korean national women’s soccer team visited the United States in mid-1999 to participate in the World Cup Finals. The U.S. team and North Korean teams actually met on the soccer field in an opening round game. The contest and, indeed, the North Korean visit itself, can only be termed a success in regard to the goodwill it generated. More recently, in December 1999, Roger Clinton, President Clinton’s half brother, performed in a variety show along with a troupe of popular entertainers from
South Korea before an elite North Korean audience in Pyongyang. The younger Clinton also met with Kim Yong Nam, North Korea's number two leader. However, while such people-to-people diplomacy proceeds, military pressure must continue to be applied. The annual Foal Eagle exercises between U.S. and South Korean forces should continue, for example.

Beyond tangible economic benefits, North Korea seeks international respect and acceptance. If Pyongyang is forthcoming in other more substantive matters (e.g., lives up to its agreements in the 1994 Agreed Framework and 1999 Berlin Accord), a full set of cultural and sporting exchanges can get underway. These can begin on a very modest basis at the grassroots level. American high school or college bands and basketball or soccer teams, for example, could visit North Korea and be reciprocated. Such activities entail no substantial cost or risk to the United States but build much needed understanding and goodwill between populations. It is vital that Washington involve the American people in the conduct of North Korea policy—the American public must understand and support this policy initiative if it is to be sustained and have a chance of succeeding.

Perhaps, a way can be found for the North to provide a venue for one or more games in the 2002 World Cup Soccer Finals. Such a possibility is eminently feasible since, by being awarded to two countries instead of the usual one—the tournament is to be hosted jointly by Japan and South Korea—the event is already unprecedented in world soccer history. Possibly, if the U.S. team qualifies, there exists the prospect of playing one of its opening round games north of the 38th parallel. The goal of such efforts, of course, is to reduce Pyongyang's isolation, provide incentives for the regime to cooperate on security issues, and beyond that for North Korea to evolve into a more open and prosperous society.
With an appropriate consensus-based, sustained, and focused policy initiative on the part of the United States, the new millennium can herald a new era of prolonged peace with unprecedented political and economic development for all the countries of the Asia-Pacific.

ENDNOTES

1. In this monograph the terms Asia-Pacific and Asia will be used interchangeably to refer to the portion of the globe stretching from Hawaii to Pakistan and the Aleutian Islands to Australia.


3. The United States has security or defense treaties with Australia and New Zealand (although because of New Zealand's stand on nuclear weapons and warships, our ties to that nation are moribund), Japan, South Korea, Thailand, and the Philippines. In addition, the Taiwan Relations Act of 1979 commits the United States to maintain the capacity of that island to defend itself against China. It also declares that the use of force by the mainland against Taiwan to be a serious concern to the United States, and declares that blockades or embargoes against Taiwan that could disrupt the stability of the Asia-Pacific region to be of grave concern to the United States.


6. Commission to Assess the Ballistic Missile Threat to the United States, July 15, 1999, Pursuant to Public Law 201, 104th Congress,


9. Ibid.

10. Indonesia, Malaysia, Thailand, Singapore, and the Philippines to strengthen regional cohesion and self-reliance with special emphasis on economic, social, and cultural cooperation and development on August 9, 1967, formed the Association of Southeast Asian Nations (ASEAN). These five countries are often referred to within ASEAN as the “forming five.” Brunei was later admitted as a member nation. Vietnam joined ASEAN in 1995, followed by Laos, Cambodia, and Burma. The ASEAN dialogue partners are the United States, Canada, Japan, Russia, South Korea, the European Union, Australia, New Zealand, China, and India. In testimony before Congress on March 31, 1993, Assistant Secretary of State designate Winston Lord stated the U.S. willingness to accept and support multilateral approaches to security in the region. Testimony cited in Susumu Awanohara, “Group Therapy,” Far Eastern Economic Review, April 15, 1993, accessed on ProQuest Direct.


15. EASR 1998, pp. 31-34; NSS, pp. 41-47.

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20. The seminal political science texts of the 1960s and 1970s have argued to the contrary, making the case effectively that people inherently know and choose what is in their best interest in the long term, whether they are peasants or uneducated workers. States that follow a Leninist model, however, such as China, Singapore, North Korea, Vietnam, and Taiwan before its move to open elections, argue that the masses are simply deluded by a “false consciousness” about their fundamental interests and therefore require a “vanguard of the party” to lead them. For some of these arguments, see James C. Scott, The Moral Economy of the Peasant: Rebellion and Subsistence in Southeast Asia, London: Yale University Press, 1979; Samuel L.


27. Table 1 was taken from John Garofano's article "Flexibility or Irrelevance: Ways Forward to the ARF" which first appeared in *Contemporary Southeast Asia*, April 1999, Vol. 21, No. 1, pp. 80-81. Reproduced here with the kind permission of the publisher, Institute of Southeast Asian Studies.


35. Ta Mok was arrested in Cambodia on the Thai border, possibly with the cooperation of the Thai government. Bangkok Post, March 7, 1999, p. 1; The Nation, (Bangkok) March 7, 1999, p. 1.


39. HIV positive individuals are those who have tested positive for HIV antibodies but have yet to exhibit any actual symptoms of the AIDS

40. SEATO, founded in 1954, was composed of the United States, the United Kingdom, France, the Philippines, Thailand, and Pakistan.


43. The Taiwan Relations Act, Public Law 96-8, H.R. 2479, 22 USC 3301 through 3316; 26 USC 911, 913; 26 USC 3301; 42 USC 401.

44. Ibid., Sec. 2. (b) (3).

45. Ibid., Sec. 2. (b) (5) and (6).


51. The North Korean Taepo Dong I missile already threatens U.S. forces in the Asia-Pacific region. It has a range of about 2,000 kilometers and can carry a warhead of several hundred kilograms.
52. This assertion was hotly disputed by the Department of State and nuclear experts in the U.S. Government. See Oberdorfer, The Two Koreas, p. 307.


54. Malaysia, Thailand, Indonesia, Japan, and the Republic of Korea have instituted substantial reforms, and China, which avoided the crisis, is reforming its banking system.

55. For an analysis of how the crisis has affected Southeast Asia, see Sheldon W. Simon, The Economic Crisis and ASEAN States' Security, Carlisle Barracks, PA: Strategic Studies Institute, October 1998.

56. See East Asia in Crisis.


62. NSS, pp. 41-47.

64. Rumsfeld Report.

65. China is developing an entire new class of ballistic missiles capable of hitting the United States that are mobile and designed as a first strike weapon. The Washington Times, June 28, 1999, p. 1.

66. See, for example, Mainland Affairs Council, Zhonghuaminguo Taiwan diqu minzhong dui liangan guanxi de kaifang (public opinion on cross-strait relations in the Taiwan district of the Republic of China), Taipei: Mainland Affairs Council, November 1998, p. 1.

67. The July 1999 crisis between Beijing and Taipei is an example of how quickly the Taiwan-Mainland situation can explode. In an interview with the press of Germany, Taiwan President Lee Teng-hui characterized relations between the island and the Mainland as "nation-to-nation... or at least special state-to-special state relations." Although Lee's statement was not an announcement of independence, and was probably directed toward influencing next year's elections in Taiwan, it immediately brought about a strong reaction from Beijing. In 1995, as a result of Lee's unofficial visit to the United States, China began a series of exercises in the straits opposite Taiwan and launched ballistic missiles near the island. "Voice of Germany Interviews Li Teng-hui," Taipei Chung-yang Jih-pao, July 10, 1999 in Foreign Broadcast Information Service online (FBIS), July 12, 1999; Washington Post, July 14, 1999, p. A17. A Sharp retort from Beijing in the People's Liberation Army newspaper renewed the threat to use force against China in Jiefanjun Bao, July 22, 1999, pp. 1, 4.


70. Ibid. See also International Herald Tribune August 16, 1996, p. 6, where a security expert from Indonesia explicitly identifies China as the major future threat to Asia.


77. See “Key Findings, #6” and “Key Policy Recommendations #2 and #4” in Perry Report.


79. The compensation package was particularly challenging to negotiate. In the agreement the United States agreed to pay US$28 million for bomb damage inflicted on the PRC embassy in Belgrade, Yugoslavia, and China agreed to pay the United States US$2.87 million for damage done to U.S. diplomatic missions in China by rioting mobs. See Elisabeth Rosenthal, “U.S. Agrees to Pay China $28 Million for


82. See, for example, John Bresnan, “Indonesia,” in Chase et al., The Pivotal States, pp. 15-39.


84. Many argue that we have been too forthcoming with carrots to the exclusion of the stick (e.g., Downs, Over the Line; Sheldon W. Simon, “Is There a U.S. Strategy for East Asia?” Contemporary Southeast Asia, Vol. 21, No. 3, December 1999, pp. 337-338, 340-341. But a case can also be made for the opposite point of view.


87. In fact, North Korea is only one of a handful of states that declined to enter a team for the preliminary qualifying round of the 2002 World Cup. Significantly, however, the president of the international soccer federation FIFA, Sepp Blatter, remains receptive to the possibility of North Korea hosting two games in the final tournament. Eric Talmadge, “North Korea Eyed for World Cup 2002,” Associated Press dispatch, Tokyo, December 7, 1999, cited in NAPSNet Daily Report December 7, 1999, accessed on www.natilus.org/napsnet/dr/index.html.