

Stanford University



Asia/Pacific Research Center

The **Asia/Pacific Research Center** is part of Stanford University's Institute for International Studies. The Center focuses on contemporary economic, political, strategic, and social issues of importance to Asia and to the interaction of the United States with the nations in this region.

Proliferation and the U.S. Alliances in Northeast Asia

Bates Gill

September 1997

The discussion papers in this series are part of a research project, "America's Alliances with Japan and Korea in a Changing Northeast Asia, initiated in the fall of 1996 at the Asia/Pacific Research Center. The series is intended to make available to scholars and the policy community as quickly as possible seminar presentations in the project, draft manuscripts, and other timely pieces related to the security environment of Northeast Asia and/or the U.S.-Japan and U.S.-Korea security treaties.

Asia/Pacific Research Center
Institute for International Studies
Stanford University
200 Encina Hall
Stanford, CA 94305-6055
(650) 723-9741
fax (650) 723-6530
www-iis.stanford.edu/aparc/aparc

Proliferation and the U.S. Alliances in Northeast Asia*

This A/PARC discussion series clearly recognizes that the international and regional conditions of the post–Cold War era raise new and vexing questions about the future of the United States and its alliance relations in Northeast Asia. Today I would like to raise and begin to analyze a specific subset of questions related to proliferation, which I believe have a direct bearing on the future security situation in the region—and, more importantly for us, the U.S. alliances there. I do not think that this subject receives sustained analysis, so I would like to try to initiate that process. I am at the outset of putting this research together and welcome the opportunity to hear your thoughts and criticisms as the study evolves.

In this presentation, I take a preliminary look at how issues of proliferation affect the present and future disposition of U.S. alliances in Northeast Asia. In particular, I hope to answer three questions. First, how do issues of proliferation either weaken or strengthen U.S. relations with its allies in Northeast Asia? Second, how do issues of proliferation affect the overall security situation there? And third, how does the security situation, in turn, shape the rationale or justification for continued U.S. alliance presence in the region? For this presentation, when I speak of proliferation I generally refer to the spread of nuclear, missile, and advanced conventional weapon capabilities. I will not address issues related to chemical and biological weapons, although I do believe that these are a concern. Such a definition obviously casts a rather wide net, and in a presentation such as this at a relatively early stage of the research, I want to keep my focus relatively narrow. Thus, I will not address what I consider global issues of nonproliferation, such as the Non-Proliferation Treaty, the Chemical Weapons Convention, or the Comprehensive Test Ban Treaty. Rather, I want to focus more narrowly on issues of specific relevance to Northeast Asia.

** Edited from the proceedings of a seminar held May 12, 1997 at Stanford University*

In trying to keep this focus narrow, then, I will proceed in four steps. First, I wish to briefly consider the contemporary trends of proliferation, around the globe and regionally, which have a bearing on the security situation in Northeast Asia. Second, I want to discuss three types of proliferation concerns and show how they intersect and interact with U.S. alliance relations. The first is nuclear proliferation, and here I would like to look at alliance relations in the context of the Korean Peninsula Energy Development Organization, or KEDO. On the issue of the proliferation of theater missile defenses (TMD), I want to look specifically at the development of these capabilities by South Korea and Japan. And third, on the issue of ballistic missile proliferation, I would like to consider the efforts by South Korea to develop a more powerful ballistic missile force. In the third part of the talk, I would like to address how these and other proliferation issues affect relations with China, because future U.S. alliance relations will be shaped in no small measure by Chinese reactions to them. In the fourth and concluding section of the talk, I will try to look ahead and assess how these several developments affect relations between the United States and its allies in Northeast Asia; how they influence security in the region; and how U.S. alliance relations in Northeast Asia might be readjusted in the future so that cooperation and nonproliferation can help justify a continued U.S. presence in the region, simultaneously contributing to long-term regional confidence and stability.

Contemporary Trends

Let me consider contemporary trends briefly. First, increased multipolarity and complexity in the world today mean that the number of suppliers and recipients of weapons and military technologies is on the rise; as old alliance relations and rivalries break down, they are replaced by new and much more numerous opportunities for trade, military technical cooperation, and other partnerships. Second, and at the same time, the collapse of a clear, ideologically driven set of understandings about who the enemy is makes it far more difficult today to control and monitor the proliferation of weapons and military-use technologies. Third, military-use technologies are increasingly drawn from legitimately traded commercial technologies, and this exacerbates supply-side control efforts. Fourth, ballistic and cruise missiles are increasingly viewed as high-utility weapons; I would argue that this is especially true in Northeast Asia, where these types of weapons and defenses against them will be a growing concern. Finally, at a regional level, the countries of Northeast Asia, with the exception of North Korea, are increasingly powerful economically and therefore are more capable of assuming a greater role militarily and of seeking, through proliferation of their capabilities, to become more powerful military actors.

All these developments are interwoven within the continuing atmosphere of distrust and suspicion that defines relationships among the countries in Northeast Asia. This further motivates efforts towards modernization and proliferation of new weapon capabilities. In sum, general trends at the global and regional level are not particularly encouraging with regard to slowing proliferation in Northeast Asia. These trends could outlast the collapse of the North Korean regime if the U.S. alliances in Northeast Asia are not retooled in ways to more effectively address proliferation concerns.

Let me turn to the three case studies already mentioned—KEDO, the proliferation of missile defenses, and ballistic missile proliferation in the region—to give us some sense of contemporary proliferation issues and how they affect alliances in the region. These three provide examples of where alliance issues and problems of proliferation intersect. They also provide examples of the increased complexity and frequent tension which is associated with U.S. alliance relations in Northeast Asia. In addition, they can help us envision ways that future U.S. alliance relations there, through innovative nonproliferation efforts, can contribute to regional stability.

Nuclear Proliferation

On October 21, 1994, the United States and North Korea signed an Agreed Framework which, according to the document, was intended “to negotiate an overall resolution of the nuclear issue on the Korean Peninsula.” KEDO, the Korean Peninsula Energy Development Organization, was formally created in March of 1995. This was in part a political tactic meant to deal with the sensitivities of North–South distrust in particular. On the one hand, as an international organization KEDO can formally claim that it is not representative of any particular government, while at the same time being organized and financed by its three principal supporters—the United States, Japan, and South Korea. South Korea is the principal financial supporter of KEDO. However, it does not lead the organization and its role in determining KEDO’s activities is often circumscribed. The political and financial obligations of the parties are often a source of friction between the United States and South Korea, and to a lesser degree between the United States and Japan.

KEDO was tasked with three main objectives: to oversee the construction of two low-proliferation-risk, light-water reactors in North Korea; to finance and implement heavy-oil shipments to North Korea amounting to approximately 500,000 tons per year pending the completion of the first light-water reactor; and to organize the safe storage and eventual removal from North Korea of about eight thousand spent fuel rods associated with the Yongbyon nuclear facility. In return, North Korea agreed to freeze existing activities at its nuclear facilities; to remain a party to the nuclear Non-Proliferation Treaty; and to eventually allow the International Atomic Energy Agency to apply full safeguards to North Korean nuclear facilities. In effect, this probably has frozen North Korea’s ability to produce weapon-grade nuclear material, but it is unclear whether or not North Korea had already produced sufficient weapon-grade material to build bombs before these agreements were put in place.

Let me briefly stress the problems associated with South Korea and its operations in KEDO. Often, South Korea is frustrated because the work of KEDO goes forward without expected political or military concessions on the part of the North. For example, the operations of KEDO were suspended in September 1996 with the discovery of a North Korean submarine infiltrating South Korean territory. However, the Clinton administration, which has invested large amounts of political and financial capital to achieve the Agreed Framework and to see progress in KEDO, urged South Korea to not take drastic steps with regard to KEDO as a result of the submarine incident. It urged Seoul to accept “an acceptable gesture” rather than an outright apology for the North’s actions. President Clinton prevailed upon President Kim during the APEC Summit in November 1996, and that

allowed an expression of regret by North Korea to suffice. But this and other related actions on the part of North Korea are good examples of how tensions can arise when the North uses its leverage to embarrass the South—clearly attempts to drive a wedge between Seoul and Washington.

In addition, we see that the costs of KEDO and its operations are ballooning, and South Korea is being asked to bear the brunt of those. The United States has backpedaled somewhat from its financial commitments and, as a result, has supported the inclusion of the European Union (in the form of Euratom) as one of the executive board members of KEDO. Previously, only the United States, Japan, and South Korea were considered members of the executive board. The European Union has been asked to come in mostly because of its ability to pay a significant amount of money each year. I think this further exacerbates U.S.–South Korean relations because the South Koreans were not eagerly supporting EU inclusion on the board.

Overall, though, KEDO has a lot of promising possibilities. There is tension among the allies on this issue, and it will not be an entirely smooth road ahead. But steady progress is being made towards the dismantling of North Korean capacity to produce nuclear weapons, and at the same time—and this is what I think is important— KEDO is fostering a sense of cooperative achievement among South Korea, Japan, and the United States. This organization may be able to serve as a model for future alliance cooperation.

While I focused on some of the difficulties that the alliance relationship has with regard to KEDO, it might be worth our while to discuss how KEDO might serve as a kind of model for the development of a new set of alliance relationships, which I think has to come at some point in the future.

Theater Missile Defenses

A somewhat more contentious set of issues relates to TMD and their proliferation in Northeast Asia. These issues present a set of factors which I think can both exacerbate U.S. alliance relations in Northeast Asia and cause tension and suspicions for neighboring countries in the region, such as China and North Korea. It was not really until the test launch of the North Korean Nodong I, which is a 1,000-kilometer (600-mile) ballistic missile, in mid-1993, that South Korea and Japan became far more concerned with the presence of ballistic missiles in the North. Let us also remember that this firing came at a time of increased tensions, because North Korea had only recently threatened, in March 1993, to withdraw from the nuclear Non-Proliferation Treaty. The addition of the Nodong I to the North Korean arsenal augmented the hundreds of Scud missiles that North Korea already possessed and that probably can hit nearly any target in the southern part of the peninsula, as it is. Reports in early 1994 also confirmed that the North was in the active process of developing and seeking to deploy longer-range Taep'ŏ-dong I and Taep'ŏ-dong II missiles, which have ranges of 1,200 and 2,000 kilometers, respectively.

The United States reacted to these developments by deploying Patriot missile batteries to the South in March 1994 and by seeking to engage the South in discussions to develop a more sophisticated ballistic missile defense system in the southern part of the peninsula. South Korea accepted the Patriot missile batteries; however, to my understanding, they are stationed mostly to protect U.S. bases and are under U.S. command and operation. In

response to the missile threat posed by the North, the South has sought to develop its own deterrent and defense capabilities outside of the alliance relationship with the United States, which has led to concomitant problems.

One of these efforts was the initiation of discussions in 1994 with the Russians, for the importation of an air defense system known as the S-300. This is believed to be more effective than the original Patriot system in its ability to destroy incoming ballistic missiles. The S-300 was to be part of a larger “arms for debt” swap that the Russians have been trying to negotiate with the South Koreans. The United States has placed considerable pressures on South Korea to purchase Patriot missile batteries instead, and at present this effort has been successful, although I understand that Russia–South Korea discussions continue. For example, in March 1997, Kurt Campbell, deputy assistant secretary of defense for Asian and Pacific policy, noted that the United States continues to try to impress upon the South the need to stay with U.S. anti-missile systems rather than Russian systems. The U.S. government argues that interoperability is the key issue at stake here. In Honolulu in early April, Secretary of Defense William Cohen also urged South Korea to buy American rather than Russian anti-missile defense systems. Some commentators in the South have noted that the Russian system is about one-third as expensive. It can be acquired as part of the “weapons for debt” deal, and would make an important political statement to the United States about what is often perceived as a somewhat patronizing attitude of Washington towards South Korea and its alliance relationship.

The case of Japan and TMD similarly reveals some friction between the allies, but for different reasons. With the test firing of the Nodong I by North Korea, and reports of further development of other missiles, the United States and Japan initiated serious discussions about possible collaboration in the development of TMD. From late 1993 and throughout 1994, U.S. officials urged the Japanese to consider such collaboration. In particular, the U.S. side was interested in transferring TMD technology to Japan in return for access to certain Japanese dual-use technologies, such as radar circuit production technology, advanced materials, and opto-electronics, which in turn could be applied to enhancing the capabilities of the U.S. TMD system. In May 1994, the United States offered the Japanese four variations on a TMD system, ranging in cost from about \$4.5 billion for the cheap model, up to as much as approximately \$16.5 billion. In 1994, it was claimed that these systems could be deployed and operational around 2005.

In 1994, the Japanese Defense Agency budgeted only about \$200,000 for initial research into cooperating with the United States on TMD. On the other hand, it was revealed that Japanese defense contractors had participated in the early development of the strategic defense initiative (SDI) during the 1980s. This suggests that Japan’s capacity to contribute to TMD discussions and cooperation far outweighs its initial financial commitment. In October 1994, Mitsubishi Electric formed a consortium of about 128 Japanese defense contractors to study the issues related to TMD. Then in the fiscal year beginning in April 1995, the Japanese budgeted about \$2.7 million, a tenfold increase over the previous year but still a relatively small amount, to look at TMD issues. My latest figures indicate that for the fiscal year April 1996–March 1997, approximately \$4.7 million was committed to this issue by the Japanese Defense Agency. Importantly, a bureaucratic entity, the Ballistic Missile Defense Organization, was created within the agency.

In spite of these commitments, it remains unclear whether Japan is willing to fully contribute to TMD. By mid-February 1997, mid-level planners from Japan and the United States had met at least nine times over three years and had still failed to reach an agreement

on how the two sides might cooperate on TMD. This is especially true regarding the most expensive, high-altitude systems, or THAAD. It now appears that Japan will not fully commit the necessary billions of dollars—or the high-stakes political capital—to fully join with the United States in the development of TMD. This decision is apparently expected from Japan later this fiscal year, perhaps this summer, but my understanding is that Japan will not go forward fully with this plan, for domestic, financial, and international reasons.

Let us look at some of these issues. For Japan, the debate includes questions about whether the TMD system is contrary to Japanese law, which prohibits the militarization of space. It is unclear whether Japan should part with sophisticated commercial technologies, and there is still a debate in Japan over whether it can export technology for military use, even to the United States. It must be remembered that Japan is still stinging over what it perceived as ill treatment by the United States in the co-development of the FSX fighter aircraft. Many of the defense contractors are fearful that similar mistreatment could result from TMD cooperation. The Japanese are considering whether the enormous financial cost—about \$8 billion to \$10 billion, or approximately one-fifth of Japan's annual military expenditure—is worth spending at a time of financial uncertainty in Japan on a system which is not yet fully proven as an effective missile defense. And perhaps most importantly, they are considering whether the deployment of this system is worth the antagonism which is certainly going to result from China, North Korea, and other Asian neighbors concerned with a more militarized or a more militarily capable Japan. As this issue comes to the forefront again this summer, I think there will be some pressure on Japan to make some decisions. It may heat up, and test the resilience of, the U.S.–Japan alliance.

South Korean Missile Development

In response to tensions on the Korean peninsula, especially in the mid-1990s, South Korea has attempted to reinvigorate its ballistic missile development program. This program had been slowed since 1980 as a result of a memorandum of understanding between the United States and South Korea in which South Korea agreed that it would not develop missiles with ranges in excess of 180 kilometers and would not accept missile components from third countries. But, prompted by the Nodong test firing and increased tensions on the peninsula, South Korea sought in mid-1995 to abrogate this agreement with the United States. In addition, the South indicated its interest in joining the Missile Technology Control Regime, which only prohibits its members from exporting missiles and missile components with ranges of over 300 kilometers. I believe the South's thinking was that membership in the MTCR could allow South Korea greater access to missile-related technology. The United States refused the South Korean request to abrogate the 1990 memorandum of understanding, and at present, to my knowledge, the South has not gone forward openly with its announced intention to develop and employ ballistic missiles with ranges of over 180 kilometers. There is some concern that South Korea is working on cruise missiles that might have that kind of range, but that is not confirmed.

In 1997, South Korea joined the Missile Technology Control Regime and this may give it greater access to technology related to rocket and missile development. At present, the South seems fully confident in its reliance on the United States for missile defense and the U.S.-led deterrent to protect South Korea from possible missile attack from the North. However, these events indicate that there is a good deal of friction in the U.S.–South Korean alliance over these issues. They present interesting cases where U.S. goals of regional stability, good alliance relations, and nonproliferation are not always compatible, and this results in some friction for U.S. relations with its alliance partners.

The China Factor

Let me briefly turn to reactions of the single most important regional player in Northeast Asia outside of the U.S. alliance system, namely, China. Chinese reactions are important not only on issues of proliferation but, more broadly, for the future disposition and justification of a U.S. alliance presence in Northeast Asia.

I would say, generally, that China does not object to the activities of KEDO, nor to the more general efforts on the part of the United States and its allies to diffuse political tensions on the Korean peninsula and to ensure a non-nuclear Korean peninsula. At present, probably in deference to its friendship with the North Koreans, the Chinese have not expressed a public interest to join actively in the activities of KEDO, but it appears that they are willing to play a positive and cooperative behind-the-scenes role. But beyond this general area of agreement about a non-nuclear North Korea, if we look at a post-nuclear North Korea and a unified Korean peninsula, the Chinese and the United States begin to diverge. But at present and for the near term, Washington and Beijing do share an interest in a non-nuclear and stabilized Korean peninsula, and this is one area of very encouraging cooperation between the two sides.

The unavoidable issue of arms sales to Taiwan is slightly outside of our discussion today, because Taiwan is not a formal ally of the United States. But it deserves mention that, increasingly, U.S. arms exports to Taiwan are viewed in China as a matter of proliferation concern. In their bilateral discussions with the United States, the Chinese have sought to explicitly link the issue of U.S. arms sales to Taiwan to concerns of Chinese sales to countries such as Pakistan or Iran. The United States thus far has refused to even consider acceptance of this linkage. Furthermore, some recent Chinese statements have for the first time, to my knowledge, suggested that U.S. arms sales to Taiwan not only meddle in the internal affairs of China and encourage the continued division of the country—which we have heard before—but also that these sales present a direct threat to the Chinese mainland. This is a new development.

The Chinese have made it clear that they do not support increased Japanese military capability or the strengthening of U.S.–Japanese military relations. In particular, China has strongly objected to the proposed development by the United States of TMD, especially if it is going to be deployed in the Western Pacific with Taiwan or South Korea or Japan. China has made this position clear in a number of public statements, and also in private discussions with many of us who have talked with strategists there. In a pointed statement in early 1995, the Chinese suggested that a situation in which one

side might have a sword and a shield—in other words, have nuclear missiles and an anti-missile defense system—would drastically increase the likelihood of nuclear war.

Likely Chinese reactions to the development and deployment of TMD in East Asia would include the development of a more robust deterrent, including a larger number of more accurate and powerful solid fuel missiles; the employment of decoys; possibly the development of multiple-warhead missiles; and the employment of other technologies that would help the Chinese deterrent survive and, if need be, penetrate opposition forces. Whether or not China has the technological capability to accomplish this rather ambitious effort to improve its deterrent is another question, but I think they would feel compelled to seek that avenue. It is contrary to U.S. interests to see that occur.

Adjusting the Alliances

In conclusion, there are a number of somewhat disturbing developments in the region related to proliferation, trends that suggest an increase in the proliferation of weaponry, particularly missiles, including ballistic and cruise missiles, and advanced conventional weapons. I have tried to make the point that U.S. goals of stability, good alliance relations, and nonproliferation are often in contradiction with one another. I have also tried to suggest that China is deeply concerned about U.S. activities in Northeast Asia related to proliferation. None of these developments, in my view, appears conducive to the U.S. goals of improving alliance relations, relations with China, and the overall security situation in Northeast Asia. Looking ahead, and in the likelihood of a dramatic reduction in the threat posed by North Korea, how can the United States, Japan, and South Korea work together to harmonize their understanding about nonproliferation, maintain good relations with China, and readjust the role of the U.S. presence in the region?

I would like to narrowly focus on how nonproliferation efforts might help to meet these three goals, putting forward some ideas for your criticism and consideration. I suggest that U.S. alliance activities in Northeast Asia should adjust over a three-phase period. These three phases are interlinked and may overlap at times, and components of each can be instituted together, as appropriate. These three phases are intended to establish, over time, a foundation for future regional security which (1) diminishes proliferation risks; (2) maintains good relations with China; (3) readjusts the U.S. regional role; and (4) assures continued stability in the region—a rather ambitious agenda.

I consider phase one to be the period up until a considerable transition on the Korean peninsula results in a Korea which is reunified and non-hostile towards the United States. Up until the conclusion of that phase, U.S. alliance relations should focus on continued deterrence, but with a greater degree of flexibility in the relationships. Specifically, in the case of Japan, that might mean that rather than pushing ahead too far and too fast on TMD development, we should take into serious consideration Japanese concerns about such development and deployment. In the case of South Korea, I believe that the United States alliance needs to be more sensitive to South Korea's ties and intentions with regard to the North. However, it is probably correct to try to temper South Korean actions that might antagonize China.

In the second phase, following the unification of a non-hostile Korean peninsula, we need to think about de-emphasizing the military aspects of the alliance. The eventual removal of the military threat by North Korea would presumably diminish the need for the

U.S. alliance structure to deploy deterrent and defense options such as ballistic and cruise missiles and TMD. It would also remove sources of tension between the United States and its allies over North Korea, especially regarding the deployment of these weapon systems, and alleviate some tensions with China. In this second phase, what activities might the alliance structures assume? The alliance could work together to dismantle North Korean military capability, including its nuclear and missile capability, and its capacity to produce offensive chemical and biological weapons, if that capacity indeed exists. I think the alliances can work multilaterally in North Korea to support the demilitarization and revitalization of society and the economy there and allow for other forms of humanitarian assistance and relief in the rebuilding of a unified Korea.

In a third phase—this is looking much further ahead and thus is far more speculative—we would want to see the alliance relationships become more multilateral in their conceptual underpinnings and focus a great deal more on the goal of confidence-building. I say this because the removal of the North Korean threat would not be sufficient to remove suspicion and distrust within Northeast Asia. South Korea and Japan would continue to be concerned with China and would eye one another suspiciously. China would remain wary of its Korean neighbor, especially if the U.S. presence continues there, and of a possibly remilitarized Japan. All of these mutual suspicions would probably increase in a situation where the traditional balancer in the region, the United States, was understood to be diminishing its presence.

To avoid this scenario, this third phase for future U.S. alliance structures in Northeast Asia focuses on multilateralization of activities, to build confidence and reduce motivations which drive proliferation and distrust in the region. This is especially important for developing better relations with China. The activities that this phase might include would be such things as regular meetings of Japanese, Korean, Chinese, and other military leaders; a greater degree of military information-sharing among these countries, including observation of and possibly joint participation in military exercises; demilitarization of border regions and disputed territories; the conclusion of agreements on incidents at sea; and, possibly, joint cooperation in military-related activities, for example, to combat piracy, to control illicit trafficking of contraband, or to implement humanitarian relief operations. Looking forward, perhaps most speculatively, the alliances could contribute to the multilateralization of commitments among China, Japan, Korea, Russia, and the United States to create a nuclear weapons-free zone in Northeast Asia with the necessary negative and positive security assurances from the major nuclear powers in the region.

In sum, looking over the longer term, the U.S. alliances in Northeast Asia can play a constructive role in seeing that progress in areas related to nonproliferation contributes to a stable and more secure environment. But to do so will require a reconceptualization and readjustment of the behavior and purpose of alliance relations. The years of cooperation, nearly five decades, among these allies can be parlayed into continued close cooperation in areas of nonproliferation. As in the case of NATO, the alliance structures will probably need to be transformed to assess and implement cooperative security measures in the region. These might include arms reduction and disarmament measures, verification agreements, and other confidence-building measures related to security and arms. I do not wish to exaggerate its relevance, but I do think KEDO provides at least an interesting model of how allies, sharing a common interest and drawing from decades of cooperative relations, can work together towards a common aim without unduly alarming regional neighbors. KEDO certainly has its problems and it is not entirely clear whether it will be successful in its longer-term mission. But if it does go well, it can serve as an example of how allies can readjust their

missions to meet new and unique security challenges in the post-Cold War era. At a minimum, KEDO, or other similarly cooperative nonproliferation initiatives among allies, can point us towards a greater multilateralization and demilitarization of U.S. alliance structures in Northeast Asia, which will probably need to take place over the long term.

Questions and Answers

The one point that I did not understand in your recommendations was that we should allow the ROK greater flexibility in dealing with the North. What has come across in our seminar series is that that is not the problem. The problem is how to encourage them to have some flexibility, and the real point of tension is that they do not really want to deal with the North in a flexible manner.

I appreciate those comments; you are quite right on the point about South Korean flexibility. I was thinking, maybe wrongly, more in terms of flexibility in allowing the South to take decisions on its deterrent and defense options. There, the South Koreans probably would be eager to be somewhat more active in taking decisions on what they believe is necessary for their own defense and for their own deterrent capability. I was not thinking in terms of flexibility with respect to South Korea's political relationship with the North.

Your own remarks suggest that, if left to their own preferences, the South Koreans might then go for more purchases of Russian weaponry.

I tried to qualify that by saying that the United States probably is correct in trying to temper South Korean action from antagonizing China.

But some of these actions would antagonize the North.

I think we are assuming that there will be a significant transition in the North over the next ten years or so. If we are able to sustain good alliance relations with South Korea, at the same time not alarming China, and assuming that the North is on a downward trajectory, then these sorts of actions on the part of South Korea may not be as inflammatory as they might have been, say, five or ten years ago.

You are describing a nonconfrontational Korean peninsula?

Nearing nonconfrontational. And we are assuming that will take place in, say, the next ten years.

From South Korea's point of view, we think the United States is imposing on South Korea to purchase more weapons from the United States because of the United States' own interest rather than regional balance of power and nonproliferation. We think it would be more reasonable and rational to purchase Russian weapons because they can pay off their debt to us, and also because Russian weapons, in some cases, are better than U.S. weapons. But the United States is now demanding that South Korea buy Patriot missiles because of compatibility with existing weapon systems. There is a kind of emotional nationalism among the South Koreans, so the United States has to be more careful in dealing with South Korea. I

agree that South Korea has to be more flexible, but militarily it is not bad for the United States to give more of a free hand to the South Korean government.

[Different speaker] That was an important intervention, but I think your response to my question is that the United States must recognize, at the time that the process of reunification begins, that South Korean national interests may carry it in directions that are not totally coincidental with the traditional American posture in East Asia, and that we should react to its search for its own national identity and national security policy in a relatively relaxed fashion.

That puts it in a nutshell, though instead of “relaxed” I might say “realistic” or “pragmatic.”

You started your talk by arguing that an increase of multipolarity is driving this proliferation. Your solution is really for a further increase in multipolarity. If you look especially at Taiwan, one of its problems is that it does not have a security guarantee like Japan or South Korea. So your first policy implication would be, judging from the beginning of the talk, that the United States should give Taiwan a more solid security guarantee. Do you want to argue that as a policy prescription?

I am not sure if that would solve the problem of Taiwan’s motivation to have greater weapons. This is something of a hypothetical anyway, because I do not think that the United States would be prepared to go forward on that in any event. I think I am incorrect in using multipolarity both at the beginning and the end [of the presentation] in the way that I did. Maybe what I should say rather than multipolarity at the beginning is that there’s a diversification of sources, recipients, producers, exporters; that the number of these is increasing and that this makes the availability of weapons and technologies an easier path.

But looking at the demand side, it probably is part of the result of multipolarity because, certainly in the case of North Korea, they lost their backing.

The problem is that multipolarity invokes an understanding of balance of power and how the world system works, and that is not quite what I was trying to get at in terms of the proliferation problem. There are lots of sources of weaponry and technology which we probably would not consider as poles in the international system. If we were going to identify the poles of the international system, we would probably lay out five or six of them. But there are considerably more sources of weapons and technology available in the world today that do not necessarily come from these poles. The notion of multipolarity that I raised at the end of the talk is perhaps better understood as multilateralism. There is a need to reassess the bilateral and rather confrontational understanding of the purpose and behavior of our alliances vis-à-vis potential threats in Northeast Asia. But that has to be reconceptualized in a way that tries to draw from concepts of multilateralism and cooperative approaches.

I want to share with you some of the views I know from the Chinese side about threats to China. The Chinese view U.S. arms sales to Taiwan, whether they are offensive or defensive weapons, as supporting Taiwan to safeguard the separation movement. Second, recently I heard that the F-16s the United States sells to Taiwan are a modified version of the AB type with air-to-ground attacking capabilities. With the airborne early-warning system, Taiwan will possess the ability to attack sixteen provinces of mainland China, and now the only thing limiting Taiwan’s capability is the air-to-air link, but that can be delivered overnight. So, in this sense, there are not only defensive weapons to safeguard Taiwan’s separation, but a direct offensive system. This

information comes from Taiwan. What do you think the future U.S.–China military-to-military relationship will be, and what will be its impact on the future security situation in Northeast Asia?

Am I correct that this understanding of U.S. sales to Taiwan—as providing offensive capacity to Taiwan and being a threat to the mainland—is a relatively new phenomenon in China? Has it been developed over the past six months or a year?

I work in the government, not a research organization, so there may be some sources that I do not know. These F-16 capabilities are something I heard about some time ago, after I came here. According to the U.S. side, the AB type is defense oriented. But Taiwanese explained to me that it is actually an offensive system.

I am not familiar enough with the capabilities of the upgraded AB block of the F-16 to answer definitively. Most people assume that the AB is an air-to-air fighter and does not have ground attack capability. It is worth looking into and may explain part of what I have been hearing about how U.S. arms sales provide Taiwan with an offensive capability.

Your question ties into the earlier one of how the conventional activities I have suggested can contribute to the broader purpose of reducing nonconventional proliferation. Maybe the case of U.S.–China military-to-military exchanges can show us a kind of model. My understanding is that today these exchanges are at their best level since 1988, and that there have been a number of exchanges—strictly military-to-military—with universities and academies, port visits, and other activities of that nature. It is back on track to 1988 levels, so that is very encouraging. While I am no idealist, I do think that over time it is precisely those kinds of activities where a greater mutual understanding can take place. That process can take place at the conventional level and, if it goes well, it contributes to diffusing those tensions and motivations which might drive a country towards acquiring nonconventional capabilities, including ballistic missiles. My short answer is that I am very encouraged by these developments. I hope that they expand and I hope it is possible to multilateralize those discussions among the United States, its allies in Northeast Asia, and China.

Can you say a little bit more about the TMD system and Japan? From everything I have read and heard about it, this is likely to be a nonstarter in Japan, given shrinking defense budgets and some of the other political sensitivities. The system was first thought of to counter an increased North Korean projection capability. The fact that it would not be on line until about 2005 raises the question: Why go through the process if in a decade there will be a very different Korean peninsula and a different set of Chinese concerns?

Your point is an excellent one. In 1994, the United States and Japan expected a deployment of TMD in 2005, so now we are really pushing it along even farther. We can assume it will take another ten years, a period when a lot of analysts believe the threat which it is intended to counter will not be there anymore.

I will add one more point with regard to China, though. This was raised during an arms control meeting that I attended in Chengdu, China in November. Apparently, TMD which could be deployed in the region, in say ten years, would not be capable of stopping a Chinese strategic missile launched at the United States, and there are several reasons for that. One is simply that the range of the antiballistic missiles is not far enough. If China is going to launch against the United States, it will do it over the Pole, not over Japan or over Korea, at ranges that are distant from the ability of Western Pacific-deployed TMD systems to counteract—at

least the ones that are envisioned at this point. The obvious question is, if the limited deterrent of China remains robust and is not vulnerable to these systems, at least in its ability to deter action by the United States, does China need to be as concerned about it? Clearly, what these TMD systems are probably envisioned to do is protect U.S. bases. The problem that the Chinese would have with this is that their long-range strategic force is quite small at this point. Most estimates put it between only four and ten missiles. They are liquid-fuel missiles, so they take longer launch times, detection is easier, and their strategic force is much more vulnerable. In a situation of escalating crisis, if China decided to operationalize its nuclear option, it would maybe make more sense for them—rather than targeting the continental United States—to target the more militarily threatening presence of the U.S. forces in the Western Pacific. If you think all this through, I think that is really what concerns the Chinese: With an effective shield like TMD, the ability of the United States armed forces to inflict damage on the Chinese mainland is greatly enhanced.

It seems to me that as South Korea perceives the world right now, North Korea is the biggest threat and it therefore makes sense to develop new systems that can counterbalance or deter attack from North Korea. Once North Korea and South Korea are reunited, presumably under the auspices of the South Korean government, suddenly there is a united Korea, very close to Beijing and Tianjin, with much greater military capability and hence more likely to arouse China's ire. That, conversely, could hurt Korea's security, so I wonder if the Korean government is thinking about that possibility. At least in the short term, it might make more sense to rely upon the United States to keep a lid on some of these arms development projects so that in the longer term, assuming that North Korea can be absorbed without too much difficulty, a threat from China does not arise.

In other words, the South Koreans ought to be thinking about containing their military capabilities so as not to unduly antagonize China at this stage?

What I am worried about is if South Korea starts importing weapons from Russia, whether those are all defensive or some are offensive, the ability to import other weapons that are offensive will increase. As soon as the arms relationship is established with Russia, then if Korea becomes united, China will look on that as a threat. It seems to me that the South Korean government should at least consider the possibility that the peninsula will be reunited fairly soon and they will find themselves with either a large enough arsenal or access to enough weapons that China perceives them as a threat.

Moreover, whether South Korea gets weapons from Russia or from the United States, Korea will be seen as a big threat to China, not because of Korea, but because of U.S. troops in the Korean peninsula. Would it be possible in the short term for the United States to maintain a strong supportive relationship with South Korea, as soon as Korea is united? Then, perhaps, to withdraw American troops and leave a kind of oral guarantee of Korea's security, like the one that the United States has with Taiwan.

That is certainly the key question, and one that, to my knowledge, is probably not being discussed seriously between the United States and China. It is better that some discussion of this take place now rather than later, when people will not have the time and will be more reactive than proactive to developments. Professors Okimoto and Oksenberg have noted that we are going to see an historic event in a few years' time: for the first time in modern history, there will be a Korea which is neither under Japanese occupation nor Chinese suzerainty. The way it is handled will make a big difference to the security situation in the

region. This is where the notion of de-emphasizing the military aspects of the alliance comes into play. At this point it is just at a conceptual stage. I think it is important that the concept be taken seriously—that innovative approaches are found to shift the alliance from its traditional bilateral, confrontational purpose and behavior, to one that recognizes the very issues you raise and tries to create a more cooperative justification, a more cooperative set of behaviors for the alliance structure. As to the specifics of U.S. troop withdrawal and so forth, I think they have to be very carefully negotiated between the United States and its allies, and with China. But, certainly, the presence of U.S. troops in a country that borders China could be very provocative if we do not set in motion these other phases which I suggest.

Why do the Koreans, the ROK, wish to purchase these [Russian ballistic] missiles? How does it enhance their capability when the main threat is really artillery shells from across the DMZ? What they need is a missile that will hit the areas that protect this artillery and knock out as many of them as possible.

I think I was alluding to this in part by suggesting that the purchase of the Russian system probably has less military relevance than relevance for other issues, such as improving South Korean relations with Russia, getting some debt paid off, and making a political statement to the United States. The military utility of that sort of system may well be down the list of reasons for supporting that purchase. In the end, the S-300 is really an anti-aircraft system. Also, despite the claims of the Russian exporting companies, it is questionable in its ability to really defend against a ballistic missile coming in at something like seven miles or three miles a second. Other issues are at play, not just military relevance.

I agree that the Chinese are likely to move toward what in fact they have begun to discuss, which is a limited counterforce capability, and that the dispatch of the two battle carrier groups during the last Taiwan incident certainly attracted their attention. I would think one of the types of weapon systems they would be likely to go for is simply something to blast the battle carrier group out of the water.

On the issue of counterforce, and considering some of Iain Johnston's recent work, it is still unclear how high up that kind of thinking goes—whether or not this is something that colonels are being tasked to write at the academies or not. But I also have encountered an opposite argument: that the real conceptual thrust of the Chinese military is moving away from strategic weapon use and war fighting, moving away from the notion that they could actually take part in or survive a nuclear exchange, in favor of a more entrepreneurial approach to improving conventional capabilities. The threats that China is likely to have to face in the next ten to twenty years have to be dealt with conventionally, for the most part, and they would be unwise to get into a nuclear shooting war with the United States. There are fewer risks and greater opportunities for success if they push themselves farther along on a war fighting doctrine that is conventionally based, rather than based on a nuclear war-fighting doctrine.

South Korea feels psychologically threatened by the North Korean missiles, so I think the most important thing, psychologically, is for South Korea to have its own missile system, at least to reach the North Korean capital, Pyongyang, from Seoul. Even though South Korea is under the umbrella of the U.S. missile system, if we had an attack from North Korea, decisions would be made by the United States, not by South Korea. [We feel] this threat

because we have experience with North Korea. That is why Korea's position is that at least we want to join the [MTCR] and develop TMD. It's not offensive, it's purely defensive.

I think Professor Oksenberg was referring to antiballistic missiles, such as a TMD system. What you are saying is that South Korea needs ballistic missiles now, either as offensive capability or as a deterrent. These are actually two different systems.

How can the United States play the role of hegemon or regional balancer without bearing the lion's share of financial burden in KEDO operations? Korea and Japan are supposed to bear more of a burden than the United States, and the U.S. administration has difficulty in collecting money to provide North Korea with even heavy oil because of the uncooperative attitude of the Congress. Under these circumstances, how will the United States be able to play a major role in the regional balance of power?

You have raised the same sort of point that I tried to make in the presentation, that is, this contradiction between the kind of political façade which is KEDO—in order to accommodate the sensitivities of the North—and the realities of the situation. Maybe the United States should not expect to be a hegemon or to be the regional balancer on these issues if its contributions are far less than its allies' and if it is interested in seeing the achievement of a non-nuclear Korean peninsula. It is precisely on these sorts of issues where Japan and South Korea should be playing a greater role, both financially and politically, to achieve the aims which the various parties all share. It is a reality, then, that if the United States wants to try to exert itself politically in a situation where it does not contribute in an equal way or have the same kinds of interests at stake as do its partners, it may have to accede to the sensitivities of its partners. I am not sure that point is going to get through in Washington, but that kind of thinking must begin. Otherwise, we will just see more tensions, which I think is your point.

Concerning TMD and Japan, the biggest problem is financial. Japan has a huge deficit and our government has already decided to cut military budgets for next year. We cannot afford it. This does not mean that we stop joint development, however. We will try to continue to do research at a much lower cost.

It seems pretty clear that the United States government will continue to commit a considerable amount of resources to the development of TMD. It seems to continue to be very interested in having Japan join because of the technologies and expertise that Japan can provide. If Japan strings out the United States for another year or two, continuing to gain the advantages of potential cooperation without putting in the financial commitment, you get the best of both worlds. I think it is a very wise approach.

Have you been in touch with Ted Postol of MIT? He and his peers have a project to study TMD. He has some Chinese scientists and some Americans interested in TMD.

I have talked with him and seen him at work with Chinese scientists. He is clearly a skeptic and critic of the entire ballistic missile defense concept, and he has gone to China and shown the scientists who can talk at his level of scientific expertise that the Patriot missile is a sham, and so forth. If that message is sinking into the scientific community in China, then why is it not feeding back in the form of less concern on the part of the Chinese with the capability of this system? It *is* getting into policy development because the Chinese are still very suspicious of it. I think one of their arguments is that Postol is showing them seven- or eight-year-old technology while they understand there have been two iterations since that time, up to a

PAC-3 system that is ostensibly more capable. The Americans are going to continue to pour money into this, so the Chinese say they still need to be very concerned.

It could also be that the scientists don't talk to the arms controllers in the think tanks, or government. I don't think they do, so that may be the problem. COSTIND [Commission on Science, Technology and Industry for National Defense] is developing an arms control community of its own. And so, there may be more contact with that arms control community rather than with the scientific community.

KEDO is discussing the burdensharing issue among its members. Is the European Union paying for part of the nuclear reactor cost?

As far as I know, the European Union's financial commitment is small, relative to the cost needed to construct the two light-water reactors: only about \$16 million. That is minuscule compared to the probable total price tag for the reactors of \$5 billion to \$10 billion. The \$16 million is more likely meant to help the United States defray its financial obligation to pay for the heavy fuel oil shipments. The short answer to your question is that burdensharing and continued alliance tensions in KEDO are likely.

About the Author

Dr. Bates Gill is inaugural director of the East Asia Nonproliferation Project at the Center for Nonproliferation Studies, Monterey Institute of International Studies. He previously headed East Asia programs at the Stockholm International Peace Research Institute (SIPRI) (1993–1997) and was formerly the Fei Yiming Professor of Comparative Politics at the Johns Hopkins University Center for Chinese and American Studies in Nanjing, China (1992–1993).

