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**Asian Futures, Naval Futures:  
How Do They Intersect?**

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**Asian-Pacific Security Issues in  
the Post-Deng Era**

**William J. Perry**

November 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.



## **Asian Futures, Naval Futures: How Do They Intersect?\***

*Richard Danzig*

It is a true honor to share the platform with Bill Perry, but it's a somewhat perilous one. In thinking about it, I was struck by the story about the chauffeur in Russia who drives a rabbi around, as the rabbi gives advice throughout the Russian heartland—this is at the end of the 1800s. One day, the chauffeur turns to the rabbi and says to him, "You know, rabbi, you're a very smart man and you give excellent advice, but I've followed you around for twenty years now and frankly, rabbi, the questions have become a bit repetitive and I think I could do this myself."

To this the rabbi responds, "All right, wise guy, put on the rabbi's robes. We'll go to the next town and I'll pretend to be the chauffeur and we'll see how you do." They drive to the next town, and it's just as the chauffeur predicted. The questions are very familiar, and the chauffeur, disguised as the rabbi, does a wonderful job answering just as the rabbi had answered. Then, suddenly, a new question is asked. The chauffeur realizes he's in serious trouble. And then inspiration hits. Gathering the robes of the rabbi around him, he says, "Well, that question is so easy, even my chauffeur can answer it."

I'm a little bit in that circumstance. So if you have any hard questions to ask, I'm absolutely certain Bill Perry will answer them tonight.

My topic is "Asian Futures and Naval Futures," and how they intersect. The world in which we operate is one that involves, as all of you know, some very revolutionary changes over the course of the last decade. There's the wonderful line at the beginning of *A Tale of Two Cities* in which Charles Dickens says that we live in the "best of times" and in the "worst of times." Those two cities were not Hong Kong and Beijing. But the observation is very apt. I think every generation tends to think of itself as living in a time of very dramatic and extraordinary change.

The changes that we're experiencing affect both Asia and the U.S. Navy and how they interact. I think of them as falling into three categories. I propose to just touch on two and concentrate on the third. One is the extraordinary change produced by technology. The

*\* Edited from a lecture given March 13, 1997, at Stanford University.*

information age has revolutionized Asia and the Navy. Second, social, economic, and ideological changes have changed the way people think and relate to one another. I plan to spend just a couple of minutes talking about these two changes. The third is the change in the security circumstance that we confront since the breakup of the Soviet Union, and the kinds of security challenges that are associated with the emergence of China as an ever stronger player on the world scene. This is central to the topic of these sessions, and something I want to talk about at greater length.

On the technology point, I don't need to spend any time telling you how Asia has been transformed by the information age; not only in its basic economics of production, but also in the way in which the relationships between Asian countries and the United States are aided by the internationalization that has occurred. If you think about the impact of the invention of the jet engine, or the impact of our modern methods of communications, you see all of that very vividly. I don't need to tell you anything about it.

You may be less aware of the technological transformation that the United States Navy has experienced in recent years. This has always been an extraordinarily technical service. The development of the Polaris submarine—the notion that one can run nuclear ships under the sea and then launch missiles from that circumstance with the kind of accuracy we've achieved—is, in my opinion, one of the great scientific achievements of our age. It is up there with NASA and the creation of the space station. The Navy, for a variety of reasons, has always been a very heavily technological service. But in recent years, the application of modern technologies has been, to my perspective, stunning in its implications for the United States Navy. It has led to precision power and ability to project force from the sea onto the land. It has led to an ability to defend, not only a fleet, but also much of the territory around that fleet; even, ultimately, some of the land areas near it, against all forms of attack including missile attack. The technological precision that the Navy brings to bear renders a fleet that is now some 350 ships as powerful as any that were envisioned when in the 1980s a secretary of the Navy was pursuing a 600-ship navy. We never quite got the 600 ships, but had he done so, the present 350 ships would be more potent than those 600.

In the adaptation of technology in these circumstances, I think all enterprises go through several stages. The Navy is no exception. The first stage is a stage of trying to do old things in old ways with the new technology. In this stage new technologies are used just to do things more efficiently or faster. I'm struck by how when the steam engine was invented by James Watt, the first use to which bright people put it was to power the lifting of water, so that buckets of water could run the machinery that they were attached to. It took a while for people to realize they could cut out that step entirely, and have the engine run the machine and not lift the water to run the machine. That tendency persists. There is then a second stage, which is a realization that you can do old things differently. And then there is a third stage, which is by far the most important—the realization that the new technology permits you to do new things. Wholly different kinds of things than the things you did before.

Let me offer a homely example suggested by Shoshana Zuboff of Harvard Business School. A bar-code system enables you to check out goods from the supermarket. The first impulse is for the market to use it to facilitate the transaction of the cash register—the price of goods can be calculated faster. The second use is from the realization that, 'Gee, we can use this as well to keep inventory.' But the third use is the perception that something wholly different can be done. That you have the capacity through this automated system to build a profile of your customers, to know who's taking out what, to start providing people with

coupons for house brands when they're buying other brands, and to suddenly fashion an information world alongside of your everyday world.

Well, in the U.S. Navy there is a growing perception that through substantial technology investments, and particularly in software, we have the ability now to capture an information picture of the environment around us for hundreds of miles. And that information picture can be developed with the precision that permits powerful entry into those areas, in ways that have never really existed before. This means that a navy is not simply a fighting force at sea, but is a fighting force highly relevant to what happens on land. And that transformation will, I think, become more visible to the world in the years ahead. And I'll come back in a moment to its implications for Asia.

I mentioned the economic and social and ideological kinds of revolution that are going on. You see it throughout Asia. You see it at the western edges of Asia in Islamic fundamentalism. You see it in the change in aspirations and attitudes in China and so many other countries. You see it in the tensions associated with nationalism in Indonesia and elsewhere. The pull of these forces within Asia is a very strong and its outcome difficult to predict.

Within the United States Navy, there are also very fundamental social, psychological, and economic changes. Two that I would mention are, first, the introduction of women, about which those of you in the United States may have seen press. The introduction of women has occurred over several decades, but it's been heightened and intensified in recent times. That intensification is, in my view, a consequence of a larger societal change, which is the increasing power of women, the distribution of professional and political and other kinds of attributes in American society to women. This leads almost inevitably, in a democracy, in my view, to a change in the nature of our military. We are not immune to these kinds of changes. Similarly, as we get the changes associated with the commercial development of technologies in society as a whole, as our ways of doing business change in society at large, so the Navy's way of doing business also changes.

So, the United States Navy is dramatically transforming itself while Asia is changing. But all this, in terms of the nature of the equation, is as nothing for Asian futures as compared with the change in the security circumstance. Here, it seems to me, the first fundamental fact was obviously the disappearance of the Soviet Union. It provoked for the U.S. Navy a fundamental rethinking, as it did for so many Asian countries, of the security implications of this change in the world at large. There is a comment by Friedrich Nietzsche that the commonest form of stupidity is forgetting what you're trying to do. A nice thing about a major change like the disappearance of the Soviet Union as a political and military force, and its replacement by Russia and other republics, is that it forces the institutions that are in this environment to grapple with the question of what is it they're trying to do.

The United States Navy, in a series of papers, beginning with *From The Sea*, written in the 1992-95 period, came to the conclusion that most fundamentally we needed to be an institution that focused not simply or predominantly on the blue-water battlefield. We are no longer dealing primarily with the Soviet Navy out at sea with our focus being on keeping, for example, Soviet submarines bottled up within Soviet ports in the event of a world war. Instead, in the modern post-Soviet age, the basic requirement is to be able to operate in the littoral. The littoral meaning essentially those land areas adjacent to the sea. And the observation was made that the great majority of the world's population and its power centers and its economic resources are within 200 miles of the sea, and that nations that can operate in those arenas can bring considerable influence to bear and achieve substantial

advantages in terms of stability. So we made a commitment to developing our organization in ways that enabled it to operate most effectively in the littoral.

A second observation was that naval presence in the world at large could be a highly stabilizing influence and could shape the environments in which events occurred. So that, for example, in circumstances like we saw between China and Taiwan in 1996, the presence of U.S. military ships could have a calming influence. And in a more enduring way, to take another Asian example, the presence of those ships could diminish the inclination of other nations to build extremely aggressive and strong navies, because they could feel that their naval futures were in a variety of ways protected by our navy.

That dual orientation towards being able to operate with respect to the littoral, and towards limiting instability through presence, really adds up in my mind to one very similar unifying proposition: the United States Navy has the opportunity, in a variety of areas of the world, to limit the use of force by other nations. We can do this by conveying very strongly a sense that their capability to use force is less than ours. By this means, we will be able to assure stability and minimize the apparent rewards for any nation from using that kind of force.

I mentioned a second component to the change in the region besides the breakup of the Soviet Union, and that is the emergence of China. The emergence of China, it seems to me, poses an issue of fundamental importance for the world as a whole. It is, whether from the Chinese perspective or from the perspective of others, probably best described as finding for China its appropriate place in the international order. Finding a circumstance in which China fits comfortably into the family of nations, has a stake in the preservation of order, and a sense of its own worth and responsibility.

The Navy, I think, contributes to that in several ways. U.S. policy is desirably one of engagement with China, of encouraging its introduction into the international organization and international order that we deal with. As a navy, we evolved our policy as a part of that larger picture: it is focused on engagement. Out of the recent visit, for example, of Chi Haotian, the Chinese defense minister, to see Bill Perry in the United States emerged five propositions that were particularly Navy-centered, and that we continue to execute over the course of 1997 and hopefully the years ahead. One of those propositions you see being played out right now; it is ship exchanges. We think there is value to letting the Chinese see our navy and giving their navy exposure to an understanding of what is involved, not only with the U.S. Navy, but in the U.S. as a nation as a whole. So that there's some appreciation both for our power and for the benefits of our system. Two Chinese destroyers, plus an oiler, just this last weekend have been in Hawaii, and this next weekend they will be in San Diego. This is the first visit to the U.S. mainland in modern times of Chinese ships, and represents, I think, a substantial accomplishment for the People's Republic of China, and for us—and I might say for Bill Perry, individually. Beyond that, we have U.S. ships visiting China periodically. We think that's a healthy interaction.

Second, a major issue that is, I think, being successfully peacefully negotiated is the continuation of U.S. ship visits to Hong Kong as a regular and frequent matter. An earlier panel discussed the normalcy of Hong Kong and China's desire to preserve it. I view the maintenance of those U.S. ship visits, which are for leave and recreational purposes for sailors, as one manifestation of China's interest in the normalcy of operations in Hong Kong after reversion. I think, through negotiation, we will see the continuation of ship visits, and I think that will be a healthy mode of interaction. We're also encouraging exchanges of people, and as a third point, high-level visits matter a lot to us as a manifestation of the navy-

to-navy cooperation. It's very useful and desirable, in my opinion, that, for example, Admiral Hepeng Fei, who came to the United States in December with Chi Haotian, has come back with these ships, was in Hawaii, and now will be in San Diego. He is, I think, a very positive force for encouraging exchange between these navies. We have talked about, and are trying to schedule, a chief of naval operations visit back to China in 1997.

Fourth, exchanges at lower levels are invaluable. The two naval war colleges, the Chinese equivalent and our Naval War College in Rhode Island, are negotiating exchange arrangements that we hope will again illuminate to each of the two defense establishments something of the reality of the circumstances of these two different navies, and enhance understanding and engagement in these regards. That will, I think, lead to a greater understanding.

Fifth, and finally, we are trying to negotiate an understanding with the Chinese that would deal with what in the context of the Cold War was called "incidents at sea." The notion of trying to find a cooperative engagement agreement that we and the Chinese can focus on, that will enable us to do modest levels of training with one another, and avoid misunderstandings in situations where ships come near to one another, or one another's territory, can be a very healthy and constructive thing.

So we have, on the fingers of one hand, if you will, five propositions associated with engagement. These are very real. They are operating now in ways as tangible as these ship visits that I've mentioned. Together they comprise an agenda for 1997.

All of this is, I think, significant, but none of it will in the end wind up driving the relationships between the U.S. Navy and the Chinese Navy, or the United States and China, if there's not underlying all of this a basic substantial coincidence of interest. But it seems to me that there is a very substantial likelihood that coincidence of interest will be found to exist, and that the United States Navy will, in fact, play a substantial role in helping to establish it. It arises, as so many of you have heard so many times in other circumstances, from the economic coincidence that occurs as a result of China's maturation as an economic power.

The role that the U.S. Navy plays in this regard may be evidenced by just taking one example, and it will be my concluding one. And that is the energy dependence that an economy that grows as rapidly as China's will experience in ever increasing amounts. The Chinese, as many of you are aware, depend in substantial measure on coal resources, and very substantial coal resources, that can be tapped for development in the time ahead. But those coal resources are not likely to do the whole job. They're in the wrong places; the infrastructure is not developed to get them from the north to southeastern coastal regions. They are not the optimal kinds of coal. Oil dependence will increase as dependence on fuel-driven vehicles and a variety of kinds of industry increases.

Oil will come, in substantial measure, from the Middle East. A recent Japanese estimate suggests that in the year 2000, the equivalent of three hundred 100,000-ton tankers each year will be traveling to and from China. That kind of reliance on sea-based import of oil, like the reliance on sea-based export of goods, means that China has an enormous stake in stability, not only of the Persian Gulf, but also of the sea lanes throughout Asia. And in large measure, the maintenance of the stability of those sea lanes is something that is central to the United States, and central to the operation of our fleet.

Moreover, to the degree that we can, by our presence in Asia, diminish the intensity of the desire of major nations like China and Japan that depend on these sea lanes of transportation to think they need to generate their own strong naval power, we will reduce



the tendency for these countries to invest their resources in military arenas, to compete with one another, and in the end to become major military powers that increase the unease of the world. In my opinion, this is a very valuable kind of contribution that the U.S. Navy is making, and needs to continue to make, as a part of the United States Defense Department, and as a part of U.S. policy as a whole, towards this region of the world.

There is a lot of discussion about the United States economic interest in Asia, and how that justifies so many of our security investments. I think that discussion is reasonably well-founded. One can point to three million U.S. jobs dependent on Asian trade. One can point to the steady growth of that trade, and the shift in balance of U.S. resources from Europe to Asia. It's a source of amazement to me, for example, that the United States does more trade with Malaysia than it does with France. But it isn't the economic argument that in the end motivates me most strongly. It is the security argument. Our security is wrapped up with the security of Asia. We have, over the last half century, three times fought in Asian wars. None of those wars were predicated on economic interests. We have a commitment in Asia that derives, in my view, from the fact that the more peaceful Asia is, the more peaceful the United States can be. In the end, the security of the United States is enormously assisted by the absence of a highly intense militarist kind of orientation in Asia.

To the degree that the United States Navy can contribute to that, through the operations of the Seventh Fleet and in other kinds of ways, I think we're doing a good thing. In conclusion, then, my answer to the question that was put to me—The United States naval futures and Asian futures, how do they intersect?—is that they intersect powerfully, and in my opinion, the greater the degree of intersection, the greater the good for both parties.

## **Asian-Pacific Security Issues in the Post-Deng Era\***

*William J. Perry*

Fifty years ago, almost to this very month, as a young soldier I landed at the port of Naha on Okinawa. I and my fellow soldiers were part of the 1541st Engineer Company, which was a small part of the Army of Occupation in Japan. I shall never forget the scene of devastation I saw when our LST landed. Not a building in the city of Naha was intact. The southern half of the island was stripped bare of almost all vegetation and livestock. People were living in caves. All of this was a grim legacy of the last great battle of the Pacific war, in which 160,000 combatants and civilians were killed. This was my personal exposure to the horrors of World War II, in which 50 million people died and hundreds of millions were maimed, orphaned, or made homeless.

As the United States began to recover from World War II, we resolved that we would not make the mistakes we made after World War I, where our disengagement was followed by a new war less than one generation later. For we knew that with the emergence of nuclear weapons, a new world war would be even more horrible than the last, truly risking the annihilation of humanity. So, since that time, our primary emphasis has been on preventing and deterring, rather than fighting, a war.

The most notable example of preventive defense was the Marshall Plan, which created the economic and social conditions which converted our former enemies, Germany, Italy, and Japan, into friends, indeed even into allies. But Joseph Stalin rejected the Marshall Plan for the Soviet Union and the eastern European countries he dominated, and so the Cold War started, attended by a nuclear arms race. During the Cold War we kept the peace through deterrence, maintaining a strong nuclear arsenal and a large standing army. Now the Cold War is over, and we no longer face the threat once posed by the Soviet Union and the Warsaw Pact. We have reduced our nuclear arsenal and our military forces, and just fifty years after Marshall's famous speech at Harvard, we are returning to his concept of preventive defense.

*\* Edited from a lecture given March 13, 1997, at Stanford University.*

DoD's program of preventive defense in Europe is highlighted by what we call the Cooperative Threat Reduction Program, and by the Partnership for Peace. In the Cooperative Threat Reduction Program we work cooperatively with the nuclear states of the former Soviet Union to significantly reduce the nuclear legacy of the Cold War. During the last four years this program has led to the dismantlement of 4,000 nuclear weapons formerly aimed at targets in the United States, the destruction of 800 launchers, and to converting three nations which were formerly nuclear nations into non-nuclear nations.

In the Partnership for Peace, the sixteen NATO nations have joined forces with twenty-six European nations, many of them former enemies, to plan and exercise together in peacekeeping operations. Most dramatic has been the cooperation of many of these nations in Bosnia, which is *not* a peacekeeping exercise. It is *the real thing*. The security situation in the Asia Pacific region is very different from that in Europe. There is no regional alliance comparable to NATO and no nuclear deployments comparable to those that were in Europe. Therefore, our program of preventive defense has been quite different, but equally significant. And preventive defense in the Asia Pacific region has four principal components: alliances, counterproliferation programs, confidence-building programs in the region, and a program of pragmatic engagement with China.

Our alliances with Japan, Korea, and Australia remain the key to our security strategy and to regional stability. And certainly, the security alliance with Japan is the linchpin of this strategy. Last year, the terrible incident on Okinawa called into question the relevance of the U.S.-Japan alliance, with some calling it a relic of the Cold War. Indeed, many believed that this incident would be the catalyst for ending the U.S.-Japan security alliance, which was already under heavy strain because of the intense economic competition between the two countries. Remarkably, this incident had the opposite effect, resulting in a reaffirmation and a strengthening of this alliance, which is so vital to both countries, and indeed, to the entire region. This surprising reaffirmation resulted because the incident motivated both countries to reexamine from first principles what value the alliance had to them. This reexamination led both the United States and Japan to conclude that our close partnership is vital to the economic and political health of the region, indeed of the world. We both concluded that our cooperative efforts helped keep the lid on regional conflicts. They guaranteed freedom of the seas. They reduced the risk of proliferation of weapons of mass destruction. They promoted democracy, respect for human rights, and free markets. And our efforts proved that, most fundamentally, the security and stability of the region depended on our continued friendship and cooperation.

Further, when Japan considered the realistic alternatives to the alliance, either building a strong military, capable by itself of defending Japan against all conceivable threats; or, alternatively, accepting a Finland-like foreign policy, it concluded that the alliance, with all of its problems, was far preferable to either of those alternatives. Thus, Japan decided not to abandon the alliance, but to strengthen it. Specifically, we and they agreed on three principles: a commitment to the importance of strong security relations, even in the face of problems arising from economic competition; a commitment to the reexamination of the role of Japan in supporting American forces in any regional conflicts; and a commitment to fix the problems on Okinawa through a Special Action Committee which would take strong action to significantly reduce the burden of American forces on Okinawa without reducing the military readiness or capability of those forces. Notice it was easy to solve either one of those problems: either reducing the burden or maintaining the military capability. The difficulty was doing them both at once. The acceptance of these political principles and the

success of the Special Action Committee in dealing with Okinawa problems led directly to the successful summit last April, highlighted by the signing by President Clinton and Prime Minister Hashimoto of the Joint Security Declaration. No one should underestimate the cardinal importance of this agreement. In my judgment, it established the U.S.-Japan security alliance as the bedrock of secured stability in the Asia Pacific region well into the next century.

Our alliance with Korea has played a key role in achieving the second principal component of our preventive defense strategy; namely, preventing nuclear proliferation in the Asia Pacific region. In the spring of 1994, just three years ago now, North Korea announced that it was ready to reprocess plutonium from its research reactor at Yongbyon. This would have allowed North Korea to extract enough plutonium to make five or six nuclear bombs, and it threatened to do so, all the while making menacing public remarks aimed at South Korea and Japan. A group of nations, led by the United States, the Republic of Korea, and Japan, insisted that North Korea stop its nuclear program or face severe economic sanctions. North Korea responded by stating that the imposition of sanctions would be equivalent to an act of war. And they gratuitously referred to me as a war maniac. This reference is etched indelibly in my memory as one of the great highlights of my diplomatic career. We, truly, were prepared to move ahead with those sanctions, and as we poised on the brink of imposing them, I recommended then to the president that we must increase our military deployments in South Korea. And we were in the process of doing that, but it turned out that was not necessary. It was not necessary, I believe, because of the unwavering and united position of the United States, Japan, and the Republic of Korea. That unity and that firmness convinced North Korea to reverse course and to sign what we called the "agreed framework." This agreement froze North Korea's nuclear program, thereby drawing the region back from the brink of conflict, and we were truly at the very edge of that brink, as close as we have been at any time since 1950. We have been implementing that agreement now for more than two years. And like all efforts with North Korea, it has been fraught with complexities and frustrations. But let's keep our eye on the bottom line. And that is that North Korea has maintained the essential features of this agreement. It has kept its nuclear weapon program frozen for that entire period, and the whole region is safer as a result.

Besides our security alliances with Japan, Korea, and Australia, we have security interests shared throughout the Asia Pacific region. That is why the third component of our preventive defense strategy includes the promotion of multilateral initiatives to reduce tensions and promote peace throughout the region. We make full use of multilateral institutions in the area, such as ASEAN, and the ASEAN Regional Forum, where nations throughout the region, including the United States, China, and Japan, address our mutual interests and concerns. To advance this multilateral pillar, I invited defense delegations from thirty-four Asia Pacific nations to join me in Hawaii in 1995 for the commemorations marking the ending of World War II. And all of them did join me for that. That same weekend, which by the way was the first time that that group had ever gotten together on any issue, we cut the ribbon on a security study center in Honolulu, where civilian and military personnel from all across the region can meet and learn together. The Asia Pacific Center is a counterpart to the Marshall Center, located in Germany, which for several years now has been building personal relations across Europe in the security field. I believe that the web of security and the personal ties that these dialogues build create trust, understanding, and cooperation.

NATO began forming this web in Europe in January of 1994 with its Partnership for Peace initiative, which reaches out to the new democracies of Eastern and Central Europe, Central Asia, and Russia. And in the summer of 1995, defense leaders from all thirty-three democracies of the Western Hemisphere convened the first defense ministerial conference at Williamsburg, Virginia. I believe that the time has come for the defense leaders of the Asia Pacific region to begin forming a comparable web of security ties, perhaps by convening a defense ministerial conference of the Asia Pacific region modeled after the meeting that we held in Williamsburg. Other defense ministers in the region support this idea, if the meeting includes the Chinese defense minister. However, the Chinese are not yet ready to support such a meeting, so there is a good idea which is hanging out there and will continue hanging for a while.

That unresolved situation brings me to the fourth critical component of our preventive defense strategy, what I call a *pragmatic* engagement with China. I emphasized the adjective before the word “engagement,” and I will define what I mean by that. Engagement has been the steady policy of the United States for more than twenty years under six presidents of both parties. It will remain our steady policy because China is playing an increasingly important role in the security of the region; indeed, in the security of the world. China is already a major military power and is engaged in an ambitious program of military modernization. China is also, of course, a nuclear power and a permanent member of the Security Council. These factors lead to the inescapable conclusion that China is a power of global significance. It is also inescapable that the United States and Chinese interest will sometimes be in harmony, and sometimes be in conflict. And pragmatic engagement means that we seek to cooperate when we are in agreement and seek to reduce tensions when we are in conflict. In short, we do not choose engagement as a favor to China. We choose engagement as a favor to ourselves. It serves our own security interests. It provides an avenue to influence China to help curb, rather than exacerbate, the spread of weapons of mass destruction. Engagement also provides an avenue to influence China to play a stabilizing role in unstable regions, where U.S. interests are very much at stake. Obviously, the Korean peninsula is a prime example. And engagement opens lines of communication with the People’s Liberation Army. By engaging the PLA directly, we can lessen the chance of misunderstandings or incidents when our forces operate in the area where Chinese military forces are also deployed. The critics in the United States tend to say that instead of engaging China, we should contain China, much like we did the Soviet Union during the Cold War. These critics are wrong. They have the wrong vision, first of all, of what *can* be done; not less, what *should* be done. These critics see a strong growing China as an implacable threat to America’s interest, and believe that we must oppose China at every turn. These critics go on to assume that since containment implies opposing China at every turn, engagement must mean accommodating or even appeasing China at every turn. This line of argument is doubly flawed. It’s flawed pragmatically, because containment could actually undermine our security. It could push China to accelerate even more its defense modernization efforts, contributing to regional arms races and increasing the likelihood of military conflicts in regional hot spots. The containment argument is also flawed philosophically, because it presumes that engagement equals appeasement. That idea is dead wrong. Engagement is not appeasement. Engagement does not mean that the United States blithely acquiesces to policies or actions with which we disagree, such as China’s serious and ongoing human rights violations. But we will not try to isolate China over these issues. Engagement recognizes that the best chance of changing China’s policies that we do not like is through firm diplomacy and dialogue. And it

recognizes that even when we strongly disagree with China, we cannot hold our entire relationship hostage to a single issue; that we still have security reasons for maintaining lines of communication. Engagement also does not preclude us from pursuing our interests with all appropriate instruments of national power.

Indeed, we are committed to engagement, but not at any price. It is important for audiences on both sides of the Pacific to understand both sides of that sentence. When China conducted missile tests and large military maneuvers off Taiwan, for example, we tried first to engage the Chinese government diplomatically to convince them that this action was wrong. But when diplomatic language did not succeed, we switched to the stronger language of military deployment. By ordering the deployment of two carrier battle groups to Taiwan, we were stating clearly that we did not believe in engagement at any price; and, more specifically, we were stating that we had vital national security interests in the Western Pacific, that we had the military means to defend those interests, and that we had the political will to defend those interests. At the same time, the United States tried very hard to send China the right diplomatic message in conjunction with the military message we were sending. We reaffirmed that we have no intention of advocating or supporting a policy of two Chinas or one China, one Taiwan. Our policy was and is a one China policy, and it rests on three legs: Washington-Beijing relations, built on pragmatic engagement; Washington-Taipei relations, which include helping Taiwan defend itself against missiles and other threats; and the promotion of healthy Beijing-Taipei dialogue and relations, which benefit us all. Beijing-Taipei relations have increased trade, investment, and other peaceful activities across the Taiwan Strait, which benefits the regional economy and unity. Ultimately, though, it is the responsibility of both Beijing and Taipei to build healthy relations, but it is in the abiding interest of all of us that these relations maintain a healthy, peaceful course without provocation or overreaction by any capital. Indeed, it is in the abiding interest of every capital throughout the Asia Pacific region to have one of the region's great powers stable and at peace.

These four preventive defense strategies have been designed and have succeeded in creating the conditions which minimize the threat of war in the Asia Pacific region. But our security does not depend solely on preventive defense. We also maintain military forces powerful enough to be a persuasive deterrent. Or, if deterrence fails, to fight and win. Past region conflicts were enormously costly in blood and in treasure, as demonstrated by the Korean War and Vietnam. Today, medium-sized countries—North Korea, Iraq, Iran—driven by virulent nationalism and armed with modern weapons, can cause enormous damage to their neighbors. And to compound the threat, these nations are seeking to acquire weapons of mass destruction. Thus, our vital interests dictate that the United States maintain its strong security presence in the Asia Pacific region. And a key part of this is the forward military presence. We maintain about a hundred thousand U.S. military personnel in the Asia Pacific region, and in the Joint Security Declaration, both the United States and Japan committed to continuing that forward deployment. We keep about 80,000 ground and air force personnel in Japan and Korea, and 20,000 to 30,000 naval personnel and a powerful fleet in the Western Pacific. This military force provides a security umbrella that protects the entire region by warning away threats posed by regional conflicts. Its presence has been a damper to regional arms races, and a damper to nuclear weapons proliferation. These forces supplement the large and competent military forces of Japan and the Republic of Korea. And any potential aggressor knows that they are backed up by large highly ready forces in the United States, along with the airlift and sealift capacity that can project this force anywhere

in the world. It has been rightly said that the stability and the security that our forces provide is the oxygen that helps fuel the engine of Pacific economic growth.

A few months ago I met in Washington with the defense minister of China, Chi Haotian. It was a cordial and a useful meeting, but at one stage in our discussions he complained about the U.S.-Japan Security Declaration we had just signed the previous April, and about the continuing presence of the hundred thousand American military forces in the Western Pacific. He said that his government viewed these as a threat to the security of China. I told him that if I put myself in his shoes, I could come to exactly the opposite conclusion. I said that it was clear that this alliance, and the American deployment that supported it, actually served the security interests of China, as well as those of Japan and the United States. It was the principal reason that other nations in the region, including Japan, were not engaged in an arms buildup, which surely was in China's interest. It was an essential ingredient for the security environment which permitted the explosive economic growth in the Asia Pacific region. And if you looked around in the last ten years to see who have been the principal beneficiaries of that economic growth, China tops the list. Indeed, I said, if I were the Chinese foreign minister, a primary goal of my foreign policy would be to try to *encourage* the continuation of the U.S.-Japan security alliance and the continuing presence of at least a hundred thousand American troops in the Western Pacific. I am doubtful that I fully persuaded him, but I do believe that I gave him pause, and I gave him a new way of thinking about Chinese security. I hope that I have also been able to give each of you a new way to think about American security in the Western Pacific, about the primacy of preventive defense, and about our approach to security. And about the necessity of buttressing this preventive defense program with strong, ready, forward-deployed military forces and with strong alliances.

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