Alliance Prospects in Northeast Asia: Implications for Japan and the United States

John Arquilla and Theodore Karasik

DRU-168-CUSJR

February 1993

Prepared for the Center for U.S.-Japan Relations

This Draft is intended to transmit preliminary results of RAND research. It is unreviewed and unedited. Views or conclusions expressed herein are tentative and do not necessarily represent the policies or opinions of the sponsor. Do not quote or cite this Draft without permission of the author.
PREFACE

This Draft Report (DRU) examines the changing security environment in Northeast Asia and its potential impact on U.S.-Japan relations. It is designed to stimulate dialogue on emerging alliance configuration issues. This paper should be of interest to public and private groups in both countries as they search for ways to guide bilateral relations. Moreover, this research provides "early warning" of potential conflicts and misunderstandings, thereby contributing, the authors hope, to their alleviation.

Limited in scope to political and military-strategic considerations, this is the first paper in a larger project on *The Future of U.S.-Japan Relations*, sponsored by the Center for U.S.-Japan Relations. The project is designed to elaborate the interplay between strategic and economic factors, with particular emphasis on the effects that amending the U.S.-Japan Security Treaty might have upon bilateral relations. Also, the project considers the manner in which movement from *laissez-faire* to more managed trade relations might bear upon security issues. Analysis of economic strategy, the other component of the research agenda, is addressed in a companion report.
## CONTENTS

Preface ..................................................................................................................... iii
Summary .................................................................................................................. vii
The Russian Dynamic .......................................................................................... vii
Russia and Other Regional Actors ....................................................................... viii
Policy Alternatives for Japan ................................................................................ x
Implications for U.S. Security ............................................................................... xi
Acknowledgments ................................................................................................... xv

1. INTRODUCTION .................................................................................................... 1
   Objectives and Approach ..................................................................................... 1
   Structure of the Study ........................................................................................... 1

2. THE RUSSIAN DYNAMIC .................................................................................. 3
   Yeltsin’s Loss of Control ...................................................................................... 3
   Siberian Regionalists and Japanese Relations ................................................... 4
   The Russian Foreign Policy Spectrum and Japan: Atlanticists Versus Eurasians ......................................................................................................................... 5
   Russian Military Defense Doctrine and Its Impact on Northeast Asia ............... 7

3. RUSSIA AND THE OTHER REGIONAL ACTORS ............................................ 9
   Japan .................................................................................................................... 9
   The People’s Republic of China ........................................................................ 11
   North and South Korea ...................................................................................... 14

4. POLICY ALTERNATIVES FOR JAPAN ....................................................... 16
   Japan and Re-Militarization .............................................................................. 16
   Which Course Should Japan Travel? .................................................................... 17

5. IMPLICATIONS FOR U.S. SECURITY ............................................................ 19
   Maintaining the Treaty ...................................................................................... 19
   Abrogating the Treaty ....................................................................................... 21
   A “Middle Course” ............................................................................................ 22
SUMMARY

The Soviet Union's dissolution has had a profound impact on the strategic balance in Northeast Asia. From 1950 to 1991, the perceived Soviet threat impelled the United States and other regional actors to forge close political and economic ties. Thus, Japan and South Korea became strong U.S. allies. The People's Republic of China (PRC) first found itself allied with the Soviets, then became Moscow's enemy, eventually opening up relations with the United States in the early 1970s. North Korea received its primary political, military, and economic assistance from the PRC. However, with the waning of the Soviet threat, and growing questions about the quality of post-Cold War American security guaranties, Japan, the PRC, and the Koreas face a changing strategic environment. In particular, the possibility arises that old adversaries may evolve into new friends. In some instances, though, old friends may have cause to reexamine their relationships.

The Russian Dynamic

Under Yeltsin, the consequence of territorial disintegration for the new Russia is the loss of geopolitical and economic space. Russia, in theory, has become a predominantly northern country with limited direct access to the Black Sea and the Baltic. The importance of Russia's northern and Pacific regions should grow as a result. The characteristics of this new geographical emphasis have started to emerge in the Russian regions that had direct foreign trade activity in the Far East. This shift is a serious handicap to Yeltsin. For instance, there has been a general politicization of regional economic values in which local organs of power and management link up to compete against other regions of Russia. Often, their attacks focus on Moscow. Their demands include greater autonomy, including more power over foreign economic relations, taxation, and development of natural resources. Significantly, Yeltsin recognizes his presidency's weakness on the Kurile issue, and he has shifted his foreign policy strategy to accommodate various opposing interests.

The Russian government itself is in the midst of a policy debate over which direction its foreign policy should take: Should Russia look only towards Europe since its economic survival relies heavily upon investment and aid from these states? Or should Russia take a continent-wide view that includes not only Europe, but states to its south and east? Two groups, the Atlanticists and the Eurasians dominate this debate.
Yet, most Atlanticists and Eurasians seem to have made Russo-Japanese economic relations an important issue despite the Kurile dilemma. The debate has come full circle: both the Atlanticists and the Eurasians have earmarked Japan as a critical player in Russia's future development, even though both factions look for primary economic assistance in opposite directions.

Finally, in the wake of the Cold War, military officials speak of Russia's current needs. They recognize that there is, and likely will continue to be, a lack of international security institutions in Northeast Asia. Consequently, the Russian military leadership complains that a return of the Kurile Islands to Japan would compromise Russian security in the Pacific with no offsetting benefits, and recommends halting troop withdrawals from the islands until all political disputes are resolved. Thus, two central factors in Russian security policy in Northeast Asia--the retention of territory occupied at the end the Second World War and the maintenance of robust local military capabilities--are in tension with the political aim of improving economic relations with all of the region's relevant national actors, especially Japan. This tension will undoubtedly have a powerful impact on regional relations, though its effects will likely vary on a case-by-case basis.

**Russia and Other Regional Actors**

Many Asian countries remain wary of Russia's intentions in the region. They are uneasy because Moscow retains the capability to exert great influence through its military might. Simultaneously, they recognize that, absent the galvanizing Soviet threat, the United States is less likely to view substantially regional interactions through the lens of global rivalry, reacting swiftly to even slight disturbances in the balance of power. Therefore, crafting fully articulated political, economic, and military policies toward Russia has become high-priority policy matters for Japan, the PRC, and the Koreas, even as they maintain or contemplate restructuring their relations with the United States.

The demise of the Soviet Union has emboldened Japan to embark on a new course, in which it seeks increased visibility as a leading economic and political power. Concurrently, this new "freedom" assists Japan in breaking away from or significantly altering its close relationship with the United States, despite the interdependence between the two countries. Washington's demands for a larger Japanese contribution to the regional defense burden remain unlikely to be met if the perception of regional threat remains mild. But if relations between Beijing and Washington become tense, or Russo-American rapprochement falters, Tokyo may find itself involved in a complicated
situation in which it jockeys to retain good bilateral relations among nuclear powers whose own interactions have grown strained.

With the end of the Cold War, the PRC has reassessed its policy in Northeast Asia. Primarily, Beijing no longer feels a threat from Moscow and has even welcomed a new era in bilateral relations with Russia. By maintaining comprehensive relations with Beijing, Russia could learn from China's experience in carrying out economic reforms. On the whole, relations between Russia and China might improve to the point where others could use China against Russia or, more significantly, discourage China from playing "the Russia card." Thus, the PRC is likely to align with Russia on any future major foreign or security policy issues in Northeast Asia. Also, it is important to recall that Beijing's relationship with Washington has become strained in recent years. The situation could worsen under President Clinton--pushing Beijing and Moscow further toward closer cooperation.

Finally, the Cold War's end has had a great impact on both North and South Korea. On the one hand, North Korea has become increasingly isolated. South Korea has, instead, made strides toward reestablishing ties with the PRC and Russia, all the while maintaining its alliance with the United States.

The collapse of communism has left North Korea with few totalitarian compatriots, and has dealt a serious blow to its economy. But at the same time, Pyongyang is nervous about the potential loss of Moscow's backing and Russia's overtures to Seoul. North Korea's international position has been weakened by the dramatic shifts in power that have already taken place in the region, and the potential loss of Russia may act as a spur to North Korean proliferation of weapons of mass destruction. If Pyongyang grows further isolated, it will be forced either to conciliate with South Korea, and the world, or to quicken its search for the weapons that will give it an independent capability to protect its vital national interests.

South Korea continues to establish new political and military links throughout the region. For instance, Yeltsin's visit to South Korea in November 1992 led to a new era in relations between Moscow and Seoul. Significantly, South Korea stands to benefit from Russia's growing estrangement from North Korea. Yet, this divorce is not complete. Russia has the unique opportunity to influence both sides on the Korean peninsula since Moscow is the only state to have diplomatic relations with both entities. Furthermore, South Korea has ambitious economic plans for the region. According to some South Koreans, Seoul's aim is to establish a "Greater Korea," where a new economic zone will be created to reunify with the North. South Korea seeks to merge the two powers over a
number of decades, not years. Such a strategy calls for greater cooperation with Russia and the PRC. But South Korea’s ambitious plan also calls for increasing economic competition with Japan. This bodes ill for Japan and, to a lesser extent, South Korea, because competition between the two as they encourage the development of the untapped resources around them in Russia and the PRC will likely result in strengthening the bargaining positions of both Moscow and Beijing. Friction with Japan also opens a “second front” with which Tokyo must contend, even as it grapples with its increasingly testy relations with the United States. Thus, the Koreas, the South in particular, on cordial terms with Russia, the PRC and the United States, may be ideally positioned to gain economically and politically from the end of the Cold War. For Japan, this prospect must be troubling.

Policy Alternatives for Japan

While Russia seeks ways to improve its relations with Japan, the prerequisite for which is a resolution of the dispute over the Kuriles, the future of the U.S.-Japan Security Treaty is also being debated. With the Soviet threat in abatement, and America’s persistent trade and budgetary problems a growing impediment to healthy U.S.-Japan relations, questions are being asked, in Japan and the United States, about the 1951 pact as well as its successor agreements, and their significance in the post-Cold War world.

Japan’s economic standing in the world has created external and internal pressures for it to re-militarize. The 1991 Gulf War provided the first post-Cold War opportunity for Japan to participate in a war thousands of miles distant from Tokyo. Since the Gulf conflict, Japan has moved to begin participating in UN-sponsored peacekeeping activities, notably in Cambodia. Also, a small but growing number of Japanese feel that their nation’s great economic strength ought to translate into more robust, independent political and military capabilities. However, if Japan were to announce its desire to obtain a force projection capability, or to acquire nuclear weapons, it would no doubt provoke strong international opposition, fomented by memories of World War II.

Significantly, Japan’s policy options appear to be limited in response to the changing security environment in Northeast Asia. Japan can continue to work within the U.S.-Japan pact without straining it, may modify it, or give one-year abrogation notice. In the post-Cold War era, Japan will most likely continue to seek U.S. support in fostering a regional security system. The critical issue for Tokyo is how to make the U.S.-Japanese Security Treaty the cornerstone of any future defense and security regime. To make this work, Japan might encourage the inclusion of Russia. If a plan based on the
existing U.S.-Japan treaty fails, then it is possible, though not likely, that a regional structure could be modeled on the Conference on Security and Cooperation in Europe (CSCE). The timing may seem ripe for a major diplomatic agreement between the states of Northeast Asia in order to provide peace and stability. However, a variety of factors militates against the chances for the establishment of a collective security regime in Northeast Asia. China appears engaged in a military build-up that inherently threatens Japanese interests. South Korea has become a strong economic rival, and has little capability to assure Japanese security. North Korea may soon have weaponry able to threaten the home islands. Finally, Russia’s domestic political constraints continue to impede efforts to resolve the Kuriles dispute. For all of these reasons, therefore, continuing the existing U.S.-Japan Security Treaty remains Japan’s most attractive option. The implication for Japanese policy is that it should strive to smooth over the tensions in its relationship with the United States, as the costs and risks of forging new alliances appear prohibitive.

Implications for U.S. Security

For the United States, it is important to evaluate the merits of either maintaining or scrapping the current security regime, and also to consider mid-range alternatives that modify the existing relationship without severing it. In the literature that discusses this matter, five reasons for keeping the treaty have been articulated. They are:

- **Basing:** This perspective concentrates on the grave strategic consequences of losing military bases in Japan.

- **Trade and Finance:** The end of security cooperation may foster the rise of a more aggressive, invidious economic rivalry.

- **Remilitarization:** Simply put, this viewpoint suggests the possibility that ending the security relationship would spark an undesirable “resurgence of Japanese militarism.”

- **Hedging:** Absent the U.S.-Japan Security Treaty, no viable counterweight to a revived Russian, growing Chinese, or Sino-Russian threat exists.

- **Information Technology:** This argument contends that the United States has grown dependent on Japanese products designed to improve military communications, and also the guidance of specific weapons systems.

To these concerns, the authors add the possibility that abrogating the treaty would, under some circumstances, encourage Japan to seek alliance with either Russia or China,
or both. The analysis performed in this study suggests that such a course would be
difficult, but not impossible for Japan to pursue, due to the enduring conflicts of interest
between these parties and Japan.

In contrast, the case for terminating the U.S.-Japan Security Treaty grows from the
notion that, absent the Soviet threat, little purpose remains in keeping the Cold War
security regime. Indeed, American tolerance for unfavorable outcomes in U.S.-Japan
economic relations ought to diminish as the perception of military threat fades, and the
rationale for protecting Japan has gone away. With regard to the arguments for
supporting the continuance of the treaty, several lines of rebuttal exist. They may be
summarized as follows:

- **Substitutability**: The United States can maintain a nearby military presence in
  this region, even if it loses basing rights in Japan.

- **Asymmetrical Interdependence**: With regard to American vulnerability to
  Japanese “capital flight,” little evidence exists to suggest that the United
  States would suffer more than Japan, or even incur damage more substantial
  than it experiences in its current relations.

- **Naval and Air Mastery**: The fear of Japanese remilitarization is irrational.
  Pre-eminent American air and naval capabilities will long hold the balance in
  Northeast Asia.

- **Politics**: The notion that Japan must somehow be “kept down” runs contrary
  to the deepest American feelings about democracies, whom we continually
  reaffirm, “do not fight each other.”

- **Technological Independence**: The security treaty with Japan has fostered
  dependence. Its abrogation will encourage self-sufficiency.

If the foregoing analysis encompassed all relevant concerns, then abrogating the
treaty would be superior to retaining it. However, none of the above arguments grapple
with the potential problem, introduced in this study, that Japan might pursue either an
alliance with Russia (and/or China) or the development of an independent security
capability, including acquisition of weapons of mass destruction. With this in mind, the
United States would do well to consider ways of dissuading Japan from pursuing new
allies or proliferating. The following options outline a “middle course:”
- xiii -

- Empowering Japan: The United States, as an act of confidence, should allow Japan to resume a more balanced role as a nation-state in the international system, implying that the latter’s military capabilities should increase substantially. However, Japan’s re-emergence as a regional military power should be limited to conventional capabilities. Consequently, neither Russia nor the PRC would have any real fear of Japanese aggression.

- Maintaining the Nuclear Umbrella: In order to dissuade Japan from either developing its own nuclear capability, or seeking out a new nuclear protector, the United States must continue to guard Japan against nuclear attack. South Korea should also be protected.

This specialized security regime will ensure a stable balance of power in Northeast Asia for the foreseeable future. It is the least provocative way to reintroduce Japan to the security aspects of international relations, expressing confidence in Japan’s conventional capabilities and reassuring Tokyo, and its regional neighbors, that nuclear concerns should not arise. On this point, however, preventing North Korean nuclear proliferation becomes an important corollary. Finally, a more substantial re-arming of Japan implies that a larger share of its GNP will be devoted to the defense sector, while American military expenditures will continue to decline. From the standpoint of structural impediments to more equal economic competition, this development should yield positive results. When the benefits of this “middle course” are considered in relation to Japan’s preferred strategy of maintaining alliance ties with the United States, the outline of an emergent post-Cold War security regime of exceptional robustness appears.
ACKNOWLEDGMENTS

The authors deeply appreciate the many useful comments and suggestions derived from discussions with Paul Davis, Deborah Elms, Arnold Horelick, Norm Levin, David Lyon, Katy Oh, Jonathan Pollack, David Ronfeldt, Kirsten Speidel, and Michael Swaine of RAND; Mike Mochizuki of the University of Southern California; Russell Hancock and Scott Callon of the Asia/Pacific Research Center at Stanford University; and Satoshi Morimoto of the Nomura Research Institute in Tokyo. They bear no responsibility for our errors and will surely disagree with some of our judgments. Comments are welcome.
1. INTRODUCTION

The Soviet Union’s dissolution has had a profound impact on the strategic balance in Northeast Asia. From 1950 to 1991, the perceived Soviet threat impelled the United States and other regional actors to forge close political and economic ties. Thus, Japan and South Korea became strong U.S. allies. The People’s Republic of China (PRC) first found itself allied with the Soviets, then became Moscow’s enemy, eventually opening up relations with the United States in the early 1970s. North Korea received its primary political, military, and economic assistance from the PRC. However, with the waning of the Soviet threat, and growing questions about the quality of post-Cold War American security guaranties, Japan, the PRC, and the Koreas face a changing strategic environment. In particular, the possibility arises that old adversaries may evolve into new friends. In some instances, though, old friends may have cause to reexamine their relationships.

Objectives and Approach

This paper focuses primarily upon the emerging linkages between Russia and its neighbors in Northeast Asia: Japan, the PRC, and the Koreas. It examines the complex dynamics of Russian interest groups, parties, and subnational regional actors involved in the Kuriles debate, among other issues, and how the sometimes heated internal debate influences Russia’s behavior toward Northeast Asia. Finally, the paper considers the consequences of this debate, and their potentially dramatic impact on regional security arrangements. The paper concludes that shifting regional alignments may have serious implications for U.S.-Japan security relations, and observes that the United States appears to have greater flexibility than Japan in its ability to craft new political, economic and security arrangements in the region. For the latter, the lingering specter of their aggression in World War II continues to hamper efforts to develop a foreign policy independent of American preferences.

Structure of the Study

Section 2 provides background on the Russian debate on policy toward Japan. It explores how Russian President Boris Yeltsin has partially lost control of the policymaking process, the impact of Siberian regionalists and separatists on the debate, and the ongoing struggle between Russian foreign policy specialists and defense experts.
Section 3 examines Japanese, Chinese, and Korean reactions to the Soviet collapse and how they may interpret Russian actions in the region, coupled with their own future defense plans. Section 4 investigates how Japan may react to increased instability in the region and, given the proper circumstances, might pursue and independent security capability. Finally, Section 5 suggests how U.S. policymakers should view these regional dynamics. Special attention is given to the impact of Sino-Russian rapprochement on bilateral U.S.-Japanese relations.
2. THE RUSSIAN DYNAMIC

The Soviet Union’s dissolution at the end of 1991 and its subsequent economic and foreign policy retrenchment impels the emerging Russian state to articulate views on its relationship with countries on its eastern periphery, especially Japan. The ongoing debate over the status of the Kurile Islands (Etorofu, Kunashiri, Shikotan, and the Habomai Islets) is the focal point of much of the debate. Russian President Boris Yeltsin’s failure to move forward on resolving this heated territorial dispute has many root causes.

Yeltsin’s Loss of Control

Under Yeltsin, the consequence of territorial disintegration for the new Russia is the loss of geopolitical and economic space. Russia, in theory, has become a predominantly northern country with limited direct access to the Black Sea and the Baltic. The importance of Russia’s northern and Pacific regions should grow as a result. The characteristics of this new geographical emphasis have started to emerge in the Russian regions that had direct foreign trade activity in the Far East. This shift is a serious handicap to Yeltsin. For instance, there has been a general politicization of regional economic values in which local organs of power and management link up to compete against other regions of Russia. Often, their attacks focus on Moscow. Their demands include greater autonomy, including more power over foreign economic relations, taxation, and development of natural resources.

The move toward greater autonomy for Siberia and the Far East has had a substantial impact on Yeltsin’s policy toward Japan, because the agenda is being pushed and pulled by various conflicting forces. Nationalist sentiment throughout the Russian Federation is rising and has become a central theme in Russian politics, as its leaders reject a change in the Kurile Islands’ status. Simultaneously, various regional movements are gaining strength, increasing the potential for fragmentation of the Russian state. Some Siberian nationalists, for instance, refuse to cooperate with the Yeltsin government and, instead, push for greater autonomy. Finally, the Russian military expresses its reluctance to support Yeltsin because of the islands’ strategic value.

---

1 For more on the geographical ramifications, see Vladimir Fedotov, “Russia and the APR: Problems and Prospects,” International Affairs, October 1992.
2 See Moscow News, No. 41, October 11-18, 1992, p. 5.
three groups have put significant pressure on the Russian president in recent months, culminating in the September 1992 cancellation of Yeltsin's planned visit to Japan. There is little doubt that this type of pressure will continue, given the current coalition of Russian actors united by their opposition to a return of these islands.

Yeltsin recognizes his presidency's weakness on the Kurile issue, and he has shifted his foreign policy strategy to accommodate the various opposing interests. He has embraced a moderate form of Russian nationalism in order to protect himself from attacks from other Russian governmental institutions. In the Russian Supreme Soviet, for instance, many parliamentarians argue that Yeltsin plans to return two of the Kurile Islands in the near future. This group is being led by Sergei Baburin and Oleg Rumantsev—one who supports hard-core Russian nationalism (Baburin) while the other advocates democratic values (Rumantsev)—both appear to have united to fight for keeping the Kuriles under Russian auspices. One former democrat-turned-Russian nationalist, Sakhalin governor Valentin Fedorov, put the matter succinctly, warning Yeltsin that "patriotic sentiments" would always prevent the Russian president from reaching any agreement on this issue.

Siberian Regionalists and Japanese Relations

In the Russian Far East, the present borders correspond to those of natural, historic, and economic boundaries dating from the mid-19th century. Increasingly, there has been a salient restructuring of Russian economic space with the organization of intermediate regional entities. Such groupings form due to a profound distrust of the central administration in Moscow and from local desires to protect regional wealth. In several cases, these regional coalitions are in opposition to Yeltsin. The Great Urals Association (June 10, 1991), the Siberian Charter (July 1, 1991), and the Far Eastern Association (June 3, 1991) are three entities that can produce tensions in the heart of Russia when Moscow tries to impose strict, centralized control. The declared goals of the associations are economic: coordination of intraregional exchange and the promotion of regional

---

6 The Great Urals Association includes Kurgan, Orenburg, Perm, Yekaterinburg (Sverdlovsk), Chelyabinsk, and Tyumen Oblasts and the Bashkortostan and Udmurtia Republics.
7 The Siberian Charter includes Tyumen, Omsk, Tomsk, Novosibirsk, Kemerovo, and Irkutsk Oblasts, Krasnoyarsk and Altai Krays, and Khakassia, Tuva, and Gorno-Altay Krays.
8 The Far Eastern Association includes Amur, Sakhalin, Kamchatka, Magadan, and Chita Oblasts, Khabarovsk and Maritime Krays, and Buryatia and Yakutia-Sakha Republics.
coherence. Leaders of the Urals, Siberia, and the Far East have united to demand that they be granted autonomy in economic matters, especially following the August 1991 coup attempt. In the Kremlin, Russian authorities react strongly to these groups and seek to isolate them despite the fact that the Siberians have established their own political and financial institutions that are capable of operating autonomously from Moscow. Many of them seek economic links with Japan, preferring to leave the Kurile Islands issue to Moscow.10 Overall, the emergence of these group has led to a strengthening of regional authorities. If Moscow lags as power shifts from the center to the periphery, and Siberia intensifies its designs for separatism rather then regionalism, then a “Rump Russia” or “Siberian Russia” may emerge.11

Some Siberian organizations have started to articulate security issues specific to their region. A recent manifestation, the North Pacific Forum (NPF), declares that it will fight for “the merger of the territories and regions of the Pacific area in a north Pacific Federative Republic, for uniting the citizens of this territory in a Pacific nation, and for the integration of the Pacific states.”12 Significantly, the North Pacific Forum sees its task as creating the republic’s armed forces by uniting the commands of the Pacific Fleet and the Far Eastern and Transbaikal Military Districts.13 The NPF recognizes that it would be part of Europe and not East Asia due to its Slavic roots.

The Russian Foreign Policy Spectrum and Japan: Atlanticists Versus Eurasians

The Russian government itself is in the midst of a policy debate over which direction its foreign policy should take: Should Russia look only towards Europe since its economic survival relies heavily upon investment and aid from these states? Or should Russia take a continent-wide view that includes not only Europe, but states to its south and east? Two groups, the Atlanticists and the Eurasians dominate this debate.

The Atlanticists consist mainly of democratic-minded diplomats who made their careers under perestroika and now want to continue the policy of “new thinking” initiated

---

13Ibid.
by Former USSR President Mikhail Gorbachev.\textsuperscript{14} Yeltsin supports the Atlanticists, who are headed by Russian Foreign Minister Andrei Kozyrev.\textsuperscript{15} The Atlanticists believe that the confrontation between the West and the East is in the process of transformation into a confrontation between the North and South. They do not regard the West as an adversary, but rather as a partner in the creation of a new world order. In the opinion of the Atlanticists, Russia and the West share the same values: democracy, a market economy, and human rights. For them, returning the Kurile Islands will help Russia enter the world economy.

The Eurasians consist of intellectuals, defense industrialists, military personnel, and Siberians who favor a less Western-oriented approach. They vigorously attack current Russian foreign policy. It is incorrect to see the Eurasians as anti-democratic, since they do favor reforms; But they do not want to downplay the potential influence of countries that exist to Russia's south and east.\textsuperscript{16} The Eurasians claim that rather than seeking to become an integral part of Europe, Russia needs to give equal weight to the Middle East and the Pacific Rim. Eurasians feel that Russia should have its own unique view on these regions and distance itself from supporting Western views. Finally, the Eurasians recognize that the natural resources and industry of Siberia and the Far East will play an essential strategic role in Russia's rise as an Eurasian power. In their opinion, Russia has neglected its relationship with China and Japan long enough. Nevertheless, it should not give in to pressures to return the Kurile Islands.\textsuperscript{17}

Yet, most Atlanticists and Eurasians seem to have made Russo-Japanese \textit{economic} relations an important issue despite the Kurile dilemma. In October 1992, the Russian Foreign Ministry released a document “On the Concept of Foreign Policy.” It

\textsuperscript{14}The Atlanticists's definition is from an interview with Russian Presidential Advisor Sergei Stankevich in \textit{Nedavisimaya gazeta}, March 28, 1992.

\textsuperscript{15}For example, Kozyrev rejected the Eurasian line in foreign policy and termed all calls for a separate Russian way as an effort to prevent Russia from joining Western democracies. Kozyrev said that in the event that the Eurasian line prevails, Russia would need a new foreign minister and a new president. See \textit{Trud}, August 4, 1992.

\textsuperscript{16}The Eurasians' definition is from an interview with Russian Presidential Advisor Sergei Stankevich in \textit{Nedavisimaya gazeta}, March 28, 1992.

\textsuperscript{17}The Civic Union Program supports the Eurasian point of view: “We would like to have development of friendship and cooperation with Japan, but the formulation of the question by the present Japanese leadership regarding the unconditional transfer of four Kurile Islands to Japan is absolutely unacceptable for us. No one can speak with Russia in the language of ultimatums (emphasis added). We recognize the presence of problems in these difficult questions, but believe that they must be resolved gradually, in the course of development of mutually beneficial cooperation and change in the general climate of our mutual relations.” From the document, \textit{Towards a United, Strong, and Democratic Russia}, 1992.
emphasizes that relations with Japan must be considered as a global aspect of Russia's foreign policy because Japan plays an important role in the G-7 and also acts as an economic powerhouse in the Western Pacific.\textsuperscript{18} In sum, this document illustrates that the debate between both schools has come full circle: both the Atlanticists and the Eurasians have earmarked Japan as a critical player in Russia's future development even though both factions look for primary economic assistance in opposite directions.

\textbf{Russian Military Defense Doctrine and Its Impact on Northeast Asia}

In the wake of the Cold War, Russia's military doctrine is evolving in line with attempts to redefine vital national interests. Although there is not a single document which articulates clearly the new doctrine, some military officials speak of Russia's current needs. Doctrine will likely grow from their comments.

In a keynote speech to a conference "Russia's Military Security" in Moscow in May 1992, Colonel General Igor Rodionov delivered his views on Russia's vital interests.\textsuperscript{19} According to Rodionov, the very expansiveness of Russia predetermines that its vital interests extend from the Atlantic to the Pacific Ocean. Significantly, the emerging military doctrine argues that Russian national interest requires the maintenance of mutually advantageous economic relations with all of the countries of Northeast Asia, along with the protection of the region's sea lines of communication. Thus, the Russian military wants to retain possession of the Kuriles, with their anti-submarine warfare facilities, because they safeguard the Russian Pacific Fleet and help to protect economic transport throughout the region.\textsuperscript{20}

The Russian military recognizes that there is, and likely will continue to be, a lack of international security institutions in Northeast Asia. There are no counterparts to European security regimes, for example, where NATO and the CSCE play significant roles. Consequently, the Russian military leadership complains that a return of the islands would compromise Russian security in the Pacific with no offsetting benefits, and recommends halting troop withdrawals from the islands until all political disputes are resolved. These military leaders argue that concessions on the islands could also lead to

\textsuperscript{18}\textit{Interfax}, October 20, 1992.
\textsuperscript{19}For more on Rodionov's speech, see Mary Fitzgerald, "A Russian View of Russian Interests," \textit{Air Force Magazine}, October 1992.
\textsuperscript{20}The Russian military continues to bypass Yeltsin's orders in order to support its own objectives. According to a source in the CIS Navy, an order has been issued to reinforce military units on Iturup Island. By 1993, it is planned to double both its manpower and the number of missiles it deploys. \textit{Interfax}, August 18, 1992.
further territorial demands by Japan, and could even weaken the Russian position in border negotiations with China; that it would undermine the integrity of the Pacific fleet, disrupt the region’s unified radar system, and compromise Russian coastal defense in the Far East; and that, ultimately, Russia would have to allocate large sums of money to rebuild its defenses in the region.\textsuperscript{21} For all these reasons, the return of the Kuriles to Japan remains an unlikely prospect.

These two central factors in Russian security policy in Northeast Asia, the retention of territory occupied at the end the Second World War and the maintenance of robust local military capabilities, are in tension with the political aim of improving economic relations with all of the region’s relevant national actors, especially Japan. This tension will undoubtedly have a powerful impact on regional relations, though its effects will likely vary on a case-by-case basis. The next section addresses issues of regional actors’ relations with Russia, as well as among themselves.

3. RUSSIA AND THE OTHER REGIONAL ACTORS

Many Asian countries remain wary of Russia's intentions in the region. They are uneasy because Moscow retains the capability to exert great influence through its military might. Simultaneously, they recognize that, absent the galvanizing Soviet threat, the United States is less likely to view substantially regional interactions through the lens of global rivalry, reacting swiftly to even slight disturbances in the balance of power. Therefore, crafting fully articulated political, economic, and military policies toward Russia has become high-priority policy matters for Japan, the PRC, and the Koreas, even as they maintain or contemplate restructuring their relations with the United States.

Japan

With the waning of the Soviet threat, Japan has a number of questions to consider, among them: What kind of potential threats does Tokyo face? To what degree will its economic agenda continue, if at all, to supersede security-related foreign policy objectives?

The Japanese are analyzing their future defense needs. Even before the end of the Cold War, the U.S. encouraged Japan to strengthen its forces. Japanese Prime Minister Yasuhiro Nakasone supported the policy by increasing defense spending and giving financial support for U.S. troops stationed in Japan. The Japanese Self-Defense Forces (SDF) became much more active and ready for assignments overseas. Currently, the SDF views several territorial threats to their security. For example, it recently warned that the PRC continues to have designs on the Diaoyutai Islands in the East China Sea.22

Some Japanese support a strong economic agenda, since the waning of the Soviet threat may imply that military power is not as significant as it once was. Instead, economic ties are now critical. The Japanese Economic Planning Agency, the Ministry of Finance, Ministry of Foreign Affairs, and the Ministry of International Trade and Industry, which all have an impact on Japanese foreign policy goals, also have been arguing that Russia will have to wait for aid until after it returns the Kurile Islands. Other conditions have also been mentioned. They maintain that Russia must have internal political stability, precise legislation on private business, favorable terms for foreign investors, a working transportation and information infrastructure, and a trained workforce before aid will be made available.

22See Takashi Inoguchi, "Japan's Foreign Policy in East Asia, Current History, December 1992."
Simultaneously, in December 1992, these powerful governmental agencies also forced a cut in Japanese defense spending, which rose only two percent—the smallest increase since 1960-1961. The reduction was seen as a triumph for the Finance Ministry which wanted to cut defense expenditures in order to stimulate the economy. Moreover, the defense cuts mark an abrupt change in Japanese policy in the wake of the Cold War. During the 1960s and 1970s, Japanese defense spending rose by more than 10 percent per year.23

Given its views about the primacy of the economic sphere in the post-Cold War world, Japan may seek to establish greater commercial ties with Russia and the PRC, encouraging them to avoid destabilizing the regional balance. Japan could further this plan by playing a more active foreign policy role in curbing the international arms trade, using the granting or withholding of its assistance alternately as either a “carrot” or a “stick.” Japan, which has its own ban on arms exports, thinks that it is a natural leader in international efforts to restrain arms transfers.24 Consequently, it will likely change its foreign aid programs in 1993 to reflect its desire to eliminate the arms traffic in the region.

However, Sino-Japanese relations could be damaged if this plan is implemented. Japan’s biggest aid recipient is China. But the PRC is also the world’s fourth largest arms exporter to the Third World, and is currently engaged in a rapid build-up of its own forces. Tensions between the two could escalate. Furthermore, Japan wants to prevent China’s relationship with the West from collapsing. Japan led the efforts to prevent the isolation of China after the Tiananmen Massacre in 1989.25 Yet, Japan also has to be concerned about China’s future power projection capabilities. Japanese officials made it a point to warn China not to acquire airplanes or aircraft carriers from the post-Soviet states. Japanese Parliamentary Vice Minister for Foreign Affairs Koji Kakizawa warned

\[23\textit{Financial Times}, \text{December 17, 1992.}\]
\[24\textit{Foreign Report}, \text{December 10, 1992.} \text{However, there is one exception to Japan’s ban on weapons transfers. A 1985 U.S.-Japanese agreement allows weapons-related technology to be transferred between the two countries which includes stealth technologies.}\]
\[25\text{This assessment rests on the fact that Japan rarely makes public mention of human rights violations in the PRC. Only recently has Japan strayed from this position. See, for example, Japanese Foreign Minister Kiichi Miyazawa’s comments during Chinese Communist Party First Secretary Jiang Zemin visit to Japan as reported in the \textit{Los Angeles Times}, April 7, 1992 and the \textit{Christian Science Monitor}, April 9, 1992.}\]
that such an action could force Tokyo to review its economic assistance package to the PRC.26

Overall, the demise of the Soviet Union has emboldened Japan to embark on a new course, in which it seeks increased visibility as a leading economic and political power. Concurrently, this new “freedom” assists Japan in breaking away from or significantly altering its close relationship with the United States, despite the interdependence between the two countries. Washington’s demands for a larger Japanese contribution to the regional defense burden remain unlikely to be met if the perception of regional threat remains mild. But if relations between Beijing and Washington become tense, or Russo-American rapprochement falters, Tokyo may find itself involved in a complicated situation in which it jockeys to retain good bilateral relations among nuclear powers whose own interactions have grown strained.

**The People’s Republic of China**

With the end of the Cold War, the PRC has reassessed its policy in Northeast Asia. Primarily, Beijing no longer feels a threat from Moscow and has even welcomed a new era in bilateral relations with Russia. Before his resignation, Soviet President Mikhail Gorbachev had begun to ease Sino-Soviet tensions by demobilizing 200,000 troops, reducing the Soviet Pacific Fleet, and removing Soviet forces from Mongolia. All contributed to the favorable reception that Boris Yeltsin received in his first visit to Beijing.

On the other hand, Beijing’s relationship with Washington has become strained. The PRC rejected George Bush’s call for a “New World Order,” perceiving it as a rationalization of a neocolonial American policy. The situation could worsen under President Bill Clinton.27 In addition, the PRC has begun to question the basic tenets of Cold War-era strategic relations that drove Beijing to warm up to Washington during the 1970s. The waning of the Soviet threat has allowed the release of pent-up pressures in Sino-American relations. Also, it is possible that China and Japan will become regional rivals if Beijing continues its pursuit of a power projection capability. Chinese military

---

26Specifically, Kakizawa criticized the purchase of a fleet of Sukhoi-27 fighters and reports that Beijing was considering buying aircraft carriers from both Ukraine and Russia. See the *Los Angeles Times*, September 8, 1992.

officials are already devising scenarios for countering a newly assertive Japan.\textsuperscript{28} Moreover, plans to build three large naval bases along China’s eastern seaboard have recently come to light.\textsuperscript{29} The PRC’s quest for increased regional military capabilities might lead to greater political overtures and links to its neighbors, but it could also frighten them into affirming security ties with the United States.

The PRC also has taken the lead in establishing itself as a regional power broker based on its economic and military strength. One of the first areas that the PRC has attempted to establish itself as a leader is between the Koreas. China has been instrumental in facilitating a thaw in their relations. This relationship has expanded even beyond Beijing, Pyongyang, and Seoul to include Tokyo and Washington. China has a substantial interest in defusing Korean tensions. A demilitarized and unified Korea could help the PRC to develop parts of Manchuria and reduce its defense burden. China feels that a U.S. presence in the region is no longer needed and is prepared to replace Washington in this role.\textsuperscript{30}

Another sphere in which the Chinese promote their regional interests is through arms sales. Changes in the Chinese leadership reveal that arms transfers will continue to be a central component of the PRC’s foreign policy. In October 1992, the promotion of new elites at the 14th Congress of the Chinese Communist Party signalled that an alliance of military factions had helped to cement a new leadership. Generals Liu Huaqing and Zhang Zeng received high party and military posts. Significantly, these leaders will likely favor an accelerated military modernization and more assertive policies toward its regional neighbors, including arms sales. These sales are made mostly to unstable or tense areas, including the Korean Peninsula. For instance, PRC military sales to North Korea have risen since the early 1970s and are likely to maintain their current levels.\textsuperscript{31} Beijing sees its arms sales to North Korea as a major test of its resolve not to be pressured by any country, including the United States, on its arms transfer policies. Moreover, arms transfers are seen as a way for China to establish power and wealth throughout the region. Earnings from the arms deals are a way for Beijing to return to its historical role as a prominent actor in Northeast Asia.

\textsuperscript{29}Kyodo, January 12, 1993.\
\textsuperscript{30}See Samuel S. Kim, “China as a Regional Power,” \textit{Current History}, pp. 250-251.\
A Sino-Russian entente, the potential for which seems good, could cause great concern among the other regional actors. Deteriorating conditions in Russia might lead to a change of regime, or in the behavior of the current one, that puts less stress on good relations with the West and is willing to work more closely with a China that challenges the West from time to time. Some of these developments may already be seen. For example, Russian officials have openly discussed military cooperation with the PRC. Chinese Foreign Minister Qin Qichen’s visit to Moscow in November 1992 illustrated the growing relationship between the two powers. Russian Foreign Minister Andrei Kozyrev, who was under intense pressure from Russian conservative circles, stated that both sides plan to prepare agreements for signing during Yeltsin’s visit to China including documents on “military cooperation” and on “interaction on security issues.”\(^{32}\)

In a speech before the Russian parliament, Acting Prime Minister Egor Gaidar, who has since resigned, called the arms trade with China a “very important market” and pointed out that “major contracts” had been signed including sales totaling “about $1 billion.”\(^{33}\)

However, the Russians are concerned about the political implications, for their relations with the West, of the budding entente with the PRC. Commentator Vladimir Skosyrev warned about the consequences of such an arrangement in two articles in early December. In the first one, Skosyrev argued that the Chinese may “attempt to play the Russian card against the West.”\(^{34}\) In his second commentary, Skosyrev attempted to absolve Moscow of responsibility for some contacts in areas of military technology because the “Russian government is not exactly privy [to deals signed by] people from our military-industrial complex.”\(^{35}\)

In the past, confrontation with China was a major reason for Russia’s alienation from the region. By maintaining comprehensive relations with Beijing, though, Russia could learn from China’s experience in carrying out economic reforms. On the whole, relations between Russia and China might improve to the point where others could not be tempted to use China against Russia or, more significantly, to discourage China from playing “the Russia card.” Thus, the PRC is more likely to align with Russia in any future major foreign or security policy issues in Northeast Asia.

\(^{32}\)ITAR-TASS, November 25, 1992.


\(^{34}\)Izvestiya, December 1, 1992.

\(^{35}\)Izvestiya, December 4, 1992.
North and South Korea

The Cold War’s end has had a great impact on both North and South Korea. Its ghost lingers most palpably on the Korean peninsula, where the two countries remain divided along the 38th Parallel. Tremendous pressures remain, which may impel both countries to reevaluate their political objectives. On the one hand, North Korea has become increasingly isolated. South Korea has, instead, made strides toward reestablishing ties with the PRC and Russia, all the while maintaining its alliance with the United States.

The collapse of communism has left North Korea with few totalitarian compatriots, and has dealt a serious blow to its economy. North Korean dissidents have reported chronic food shortages, widespread starvation, and growing dissent against the rule of Kim Il-sung. Against this backdrop, North Korea sees that its security treaty with Moscow may no longer be important, because it can adapt to regional changes on its own accord. North Korean government spokesmen have stated that the treaty is “not suited to the realities of today.” But at the same time, Pyongyang is nervous about the potential loss of Moscow’s backing and Russia’s overtures to Seoul. North Korea’s international position has been weakened by the dramatic shifts in power that have already taken place in the region, and the potential loss of Russia may act as a spur to North Korean proliferation of weapons of mass destruction. If Pyongyang grows further isolated, it will be forced either to conciliate with South Korea, and the world, or to quicken its search for the weapons that will give it an independent capability to protect its vital national interests.

North Korea seems to have taken a two-track approach. Primarily, Pyongyang continues to build up its conventional and potential nuclear forces. The North Korean army remains a huge threat on the peninsula, where 700,000 men are deployed on the DMZ. Moreover, North Korea has failed to comply with international norms on nuclear weapons and its ballistic missile program. Both programs appear to be moving forward despite external pressures to halt proliferation. However, Pyongyang has made several leadership appointments which suggest gains by pragmatists within the regime. They seek gradual and limited economic reform at home while hoping for economic cooperation with the outside world. The People’s Assembly promoted Kang Song-san,

---

38 This is subject to debate. Japanese sources reported that Kim Il Sung had made a secret visit to Beijing in November 1992 for military and economic aid. Apparently, PRC leaders decided to only give him economic assistance. See NHK, January 20, 1993.
Kim Yong-sun, Kim Tal-hyon, and Kim Hwan because of their previous industrial reform experience and support for economic change.\textsuperscript{39}

South Korea continues to establish new links with the region. For instance, Yeltsin visited South Korea in November 1992. During his talks with President Roh Tae Woo, the two leaders signed an accord aimed at improving Russian-South Korean relations, agreed to high-level military exchanges, and discussed the economic assistance Moscow needs to achieve economic reform at home. Yeltsin made an effort to distance Russia from North Korea and move closer to the South. He pledged that Russia had halted military cooperation with Pyongyang and that Moscow was reconsidering its mutual defense pact with the country.\textsuperscript{40} Significantly, Russia has the unique opportunity to influence both sides on the Korean peninsula since Moscow is the only state to have diplomatic relations with both entities.

South Korea has ambitious economic plans for the region. According to some South Koreans, Seoul’s aim is to establish a “Greater Korea,”\textsuperscript{41} where a new economic zone will be created to reunify with the North. South Korea seeks to merge the two powers over a number of decades, not years. Such a strategy calls for greater cooperation with Russia and the PRC. In fact, diplomatic relations with China warmed in August 1992, followed by an acceleration of economic ties. Almost $500 million in South Korean investments in the PRC are on the drawing board.\textsuperscript{42} But South Korea’s ambitious plan also calls for increasing economic competition with Japan. This bodes ill for Japan and, to a lesser extent, South Korea, because competition between the two as they encourage the development of the untapped resources around them in Russia and the PRC will likely result in strengthening the bargaining positions of both Moscow and Beijing. Friction with Japan also opens a “second front” with which Tokyo must contend, even as it grapples with its increasingly testy relations with the United States. Thus, the Koreas, the South in particular, on cordial terms with Russia, the PRC and the United States, may be ideally positioned to gain economically and politically from the end of the Cold War. For Japan, this prospect must be troubling.

\textsuperscript{39}Pyongyang Radio, December 11, 1992.
\textsuperscript{40}ITAR-TASS, November 19, 1992.
\textsuperscript{41}Business Week, November 16, 1992.
\textsuperscript{42}Ibid.
4. POLICY ALTERNATIVES FOR JAPAN

While Russia seeks ways to improve its relations with Japan, the prerequisite for which is a resolution of the dispute over the Kuriles, the future of the U.S.-Japan Security Treaty is being debated. With the Soviet threat in abatement, and America’s persistent trade and budgetary problems a growing impediment to healthy U.S.-Japan relations, questions are being asked, in Japan and the United States, about the 1951 pact as well as its successor agreements, and their significance in the post-Cold War world.

Having lost its military bases in the Philippines, the United States will need to rely more on bases in Japan, at least in the near-term future. Because of its favorable characteristics, including the production of many goods for the American market, internal political stability, and splendid strategic position, Japan remains geopolitically attractive to the United States. In turn, Japan looks at its defense relationship with the United States as a way to control its military spending in favor of fostering economic growth. Also, the United States provides vital markets for Japan’s export-driven economy.

But now the U.S.-Japan relationship is characterized by growing tension, covering practically all of its aspects. The huge American trade deficit with Japan, strong Japanese investments in the U.S. economy, Japanese targeting of U.S. industries for takeovers and removal of technology and jobs back to Japan, damage relations between the two economic giants.43 The long-term ramifications of these developments may impact future economic and security cooperation between Tokyo and Washington. The U.S. Congress could begin such a process by encouraging the Clinton Administration to restrict Japanese exports to the United States in retaliation for Japan’s restrictions on American goods.44 Subsequently, Japan would have to make critical decisions about this economic relationship, as a trade war might erupt between the two allies. If Japan fails to react positively, from an American perspective, then the security arrangement could be damaged.

Japan and Re-Militarization

Japan’s economic standing in the world has created external and internal pressures for it to re-militarize. The 1991 Gulf War provided the first post-Cold War opportunity

---

44 American action might also emanate directly from the executive branch, as the chief economic advisor to the President, Laura D’Andrea Tyson, expresses profound sympathy for protectionist-type policies.
for Japan to participate in a war thousands of miles distant from Tokyo. Although the Japanese monetary contribution was very sizeable, $9 billion to the U.S., covering a portion of its war costs, U.S. officials criticized Tokyo for being too slow to aid the war effort, and for limiting its involvement to financial support. Moreover, nations which engaged in fighting Iraq specifically criticized the lack of Japanese military personnel in the Gulf. Following the war, Tokyo sent the Maritime SDF to the Persian Gulf, to assist in minesweeping activities.

Since the Gulf conflict, Japan has moved to begin participating in UN-sponsored peacekeeping activities, notably in Cambodia. Also, a small but growing number of Japanese feel that their nation’s great economic strength ought to translate into more robust, independent political and military capabilities. For example, while the Japanese navy is sizeable, compared to others in the world, it possesses no vessel larger than a destroyer. It can only function, in modern sea warfare, in conjunction with a larger fleet capable of the kind of positive sea control achieved by carrier battle groups.

These external and internal pressures to develop independent security and foreign policy capabilities are offset, however, by the lingering concerns in the world, however unjustified they might be, about a resurgence of aggressive Japanese nationalism. Even though many call for more Japanese participation in multilateral military undertakings, there is a sense that increases in Japanese military power should be incremental only. Indeed, if Japan were to announce its desire to obtain a force projection capability, or to acquire nuclear weapons, it would no doubt provoke strong international opposition, fomented by memories of World War II.

**Which Course Should Japan Travel?**

Japan’s policy options appear to be limited in response to the changing security environment in Northeast Asia. Japan can continue to work within the U.S.-Japan pact without straining it, modify it, or give one-year abrogation notice. Should the pact remain intact? If Japan ends its alliance with the United States, how would it protect its interests?

---


In the post-Cold War era, Japan will most likely continue to seek U.S. support in fostering a regional security system. The critical issue for Tokyo is how to make the U.S.-Japanese Security Treaty the cornerstone of any future defense and security regime. To make this work, Japan might encourage the inclusion of Russia. Some Russians have recognized this already, leading them to seek closer security ties with Tokyo. In a popular Russian foreign affairs journal, an analyst argued that Russia should join the U.S. and Japan in a security agreement in order to facilitate more trade between the three countries. His maxim was "Japanese money, American technology, and Russian Brains" to make the pact succeed. But the dispute over the Kuriles continues to serve as a stumbling block to this sort of security establishment.

If a plan based on the existing U.S.-Japan treaty fails, then it is possible, though not likely, that a regional structure could be modeled on the Conference on Security and Cooperation in Europe (CSCE). The timing may seem ripe for a major diplomatic agreement between the states of Northeast Asia in order to provide peace and stability. However, a variety of factors militates against the chances for the establishment of a collective security regime in Northeast Asia. Aside from the seemingly intractable dispute over the Kuriles between Japan and Russia, China's military expansion creates an impetus to respond in Japan. Finally, the situation on the Korean Peninsula, both in the conventional military and nuclear spheres, remains tense. The foregoing concerns suggest that conditions are not yet ripe for the establishment of a CSCE-style security regime.

To summarize, Japan's growing tensions with the United States might cause it to seek alternative security partners. Prospects, however, are unpromising. China appears engaged in a military build-up that inherently threatens Japanese interests. South Korea has become a strong economic rival, and has little capability to assure Japanese security. North Korea may soon have weaponry able to threaten the home islands. Finally, Russia's domestic political constraints continue to impede efforts to resolve the Kuriles dispute. For all of these reasons, therefore, continuing the existing U.S.-Japan Security Treaty remains Japan's most attractive option. The implication for Japanese policy is that

---

47 In Bangkok, Prime Minister Kiichi Miyazawa's stated that Japan would participate in the establishment of a regional security discussion and the need to keep U.S. forces in the Western Pacific. See the Washington Post, January 17, 1993.

it should strive to smooth over the tensions in its relationship with the United States, as the costs and risks of forging new alliances appear prohibitive.
5. IMPLICATIONS FOR U.S. SECURITY

Unlike Japan, for whom the end of the Cold War has not substantially improved its international political maneuvering space, U.S. policy options in Northeast Asia may have been “liberated” by the termination of its rivalry with the Soviets. The central question for U.S. policy makers will revolve around whether the U.S.-Japan Security Treaty should remain in force, given growing American dissatisfaction over its economic relations with Japan, and recognition that the latter’s strategic value has declined relatively. This section evaluates the merits of either maintaining or scrapping the current security regime, and also considers mid-range alternatives that modify the existing relationship without severing it.

Maintaining the Treaty

If a conventional wisdom exists regarding U.S.-Japan relations, it centers around the notion that the security treaty should remain in force. In the literature that discusses this matter, five reasons for keeping it have been articulated. One describes solely military concerns, while another does the same from an economic perspective. Two arguments feature combined political-military factors, with the last taking on a primarily economic character. In the order mentioned, the reasons for keeping the treaty are:

Basing. This perspective concentrates on the grave strategic consequences of losing military bases in Japan. Not only would American response-time in regional crises diminish, but the absence of U.S. forces could well undermine deterrence stability.

Trade and Finance. The end of security cooperation may foster the rise of a more aggressive, invidious economic rivalry. The United States relies heavily on Japanese financing of its deficits, which provide the wherewithal to continue purchasing much-

---

prized Japanese products. Furthermore, increased competition can only cause greater
damage to the United States than it might suffer presently.\textsuperscript{50}

\textit{Remilitarization.} Simply put, this viewpoint suggests the possibility that ending
the security relationship would spark an undesirable “resurgence of Japanese
militarism.”\textsuperscript{51}

\textit{Hedging.} Absent the U.S.-Japan Security Treaty, no viable counterweight to a
revived Russian, growing Chinese, or Sino-Russian threat exists. The regional balance of
power will become gravely distorted.

\textit{Information Technology.} This argument contends that the United States has grown
dependent on Japanese products designed to improve military communications, and also
the guidance of specific weapons systems.

To these concerns, the authors add the possibility that abrogating the treaty would,
under some circumstances, encourage Japan to seek alliance with either Russia or China,
or both. The analysis in earlier sections of this study suggests that such a course would
be difficult, but not impossible for Japan to pursue, due to the enduring conflicts of
interest between these parties and Japan.\textsuperscript{52}

567. Kennedy, who contends that the United States has entered a period of decline, worries that the recall
of Japanese capital would spark a new Depression in America. Moreover, Joseph Nye, who takes a more
sanguine view of American economic strength and potential, nevertheless agrees that the U.S. should not
try to “manage” its trade with Japan. See Joseph S. Nye, “Coping with Japan,” \textit{Foreign Policy}, Winter

\textsuperscript{51}A direct quote from former prime minister Yasuhiro Nakasone. See \textit{The Japan Digest}, February
21, 1992. For further discussion, see Jimmy Carter and Yasuhiro Nakasone, “Ensuring Alliance in an

\textsuperscript{52}The authors suggest three scenarios in which Russia and Japan could form an alliance. These
flow from the least probable to most likely: 1) The formation of a Siberian government led by Boris
Yeltsin or a liberal successor; 2) Siberia and the Far East become their own state (or states) and
accelerate(s) their ties to Japan despite Boris Yeltsin’s continued weakness in Moscow; and 3) Boris
Yeltsin and his successors defeat their enemies in Moscow and return the Kuriles to Japan. The authors
recognize that scenarios 1 and 2 would have to overcome immense roadblocks including the likelihood of
Russian civil war. For a Russian view on these scenarios, see \textit{Rossiya}, No. 45, November 4-10, 1992, pp.
1,3 in \textit{FBIS-SOV}, November 9, 1992, p. 27.
Abrogating the Treaty

The case for terminating the U.S.-Japan Security Treaty grows from the notion that, absent the Soviet threat, little purpose remains in keeping the Cold War security regime. Indeed, American tolerance for unfavorable outcomes in U.S.-Japan economic relations ought to diminish as the perception of military threat fades, and the rationale for protecting Japan has gone away. In effect, the treaty may have outlived its usefulness, serving now to foster rather than reduce tensions, as Japan also will increasingly feel its constraints instead of quietly enjoying its benefits.

With regard to the arguments for supporting the continuance of the treaty, several lines of rebuttal exist. They may be summarized along these lines:

Substitutability. The United States can maintain a nearby military presence in this region, even if it loses basing rights in Japan. For example, South Korea could host naval assets as well as ground and air forces. Taiwan would also likely accommodate American requests, though this would no doubt cause some irritation with the PRC. Finally, basing in Guam or other areas within the U.S. Trust Territory could occur. Thus, there are several viable alternatives to Japanese bases.53

Asymmetrical Interdependence. With regard to American vulnerability to Japanese “capital flight,” little evidence exists to suggest that the United States would suffer more than Japan, or even incur damage more substantial than it experiences in its current relations. Indeed, the contrary appears true, as many of Japan’s capital investments in the United States cannot “take flight,” such as its massive holdings in real estate and corporate debt financing. The only area in which Japanese capital can be called home without risk of sale at depressed prices would be in the realm of Treasury securities, an area in which Japan has been disinvesting for some time.54

Naval and Air Mastery. The fear of Japanese remilitarization is irrational. Japan could only project force beyond its shores if the United States allowed it to do so. Similarly, Russia and China, even if they wanted to, would not be able to invade Japan

53For the legal ramifications that would need to be worked out, see L.D. Pullen, Legal and Related Constraints on U.S. Basing in the Pacific, RAND, N-3419-USDP, 1992.
without American acquiescence. Pre-eminent American air and naval capabilities will long hold the balance in Northeast Asia.

*Politics.* The notion that Japan must somehow be "kept down" runs contrary to the deepest American feelings about democracies, whom we continually reaffirm, "do not fight each other." The United States has spent two generations nurturing democracy in Japan. Can it now proclaim a lack of faith in the institutions of popular rule? At the international political level, there is a further hedge against Japanese militarism. Very simply, it would be easy to cobble together a coalition, including China and possibly Russia, against any adventurism emanating from Tokyo.

*Technological Independence.* First, one can dispute the degree of American dependence on Japanese information and defense technology. In the area of semiconductors, for example, it is seldom noted, when production figures are cited, that the United States continues to develop the most sophisticated types, and that companies often have internal production capabilities. Nevertheless, some analysts point out a disturbing trend in this area. Therefore, the sensible solution seems to retain American production capabilities in these key areas. The security treaty with Japan has fostered dependence. Its abrogation will encourage self-sufficiency.

If the foregoing analysis encompassed all relevant concerns, then abrogating the treaty would be superior to retaining it. However, none of the above rebuttal arguments grapple with the potential problem, introduced in this study, that Japan might pursue either an alliance with Russia (and/or China) or the development of an independent security capability, including acquisition of weapons of mass destruction. With this in mind, the United States would do well to consider ways of dissuading Japan from pursuing new allies or proliferating. These options consist of a "middle course."

A "Middle Course"

The analysis in this study suggests, first, that Japan can reach out to new alliance partners only with difficulty. The specter of its aggression in World War II lingers on in continuing territorial and political disputes. Second, American fears about Northeast Asian security, after the termination of its bilateral security treaty with Japan, are somewhat overstated. Nonetheless, the dissuasion of Japanese nuclear proliferation should become a policy goal, as allowing it to develop nuclear weapons would create the
potential to overturn the regional balance of power, as would Japan’s entente with Russia, China, or both powers.

The strategy by which the United States can move away from the constraints of the treaty, easing its costs and allowing for more balanced economic competition with Japan, reconfigures the American engagement in Northeast Asia in a modified, specialized security regime. Its approach follows these lines:

_Empowering Japan._ The United States, as an act of confidence, should allow Japan to resume a more balanced role as a nation-state in the international system, implying that the latter’s military capabilities should increase substantially. However, Japan’s re-emergence as a regional military power should evolve in as non-threatening a manner as possible. First, it should be limited strictly to conventional capabilities. Consequently, neither Russia nor the PRC would have any real fear of Japanese aggression. Additionally, Japan’s future naval development should exclude the creation of a submarine force capable of preying on shipping. As submarines are ideally suited to commerce raiding, and have little capability for engaging surface forces that might threaten the Japanese islands, their offensive nature should cause their acquisition to be eschewed. Instead, Japan should be encouraged to develop well-integrated naval surface groups.

_Maintaining the Nuclear Umbrella._ In order to dissuade Japan from either developing its own nuclear capability, or seeking out a new nuclear protector, the United States must continue to guard Japan against nuclear attack. South Korea should also be protected.

This specialized security regime will ensure a stable balance of power in Northeast Asia for the foreseeable future. It is the least provocative way to reintroduce Japan to the security aspects of international relations, expressing confidence in Japan’s conventional capabilities and reassuring Tokyo, and its regional neighbors, that nuclear concerns should not arise. On this point, however, preventing North Korean nuclear proliferation becomes an important corollary. Of course, Japan and South Korea will no doubt agree fully with the United States in this issue area. Finally, a more substantial re-arming of Japan implies that a larger share of its GNP will be devoted to the defense sector, while American defense expenditures will continue to decline. From the standpoint of
structural impediments to more equal economic competition, this development should yield positive results.

When the benefits of this "middle course" are considered in relation to Japan's preferred strategy of maintaining alliance ties with the United States, the outline of an emergent post-Cold War security regime of exceptional robustness appears. In a region where largest indigenous military powers suffer from internal political crises, territorial disputes abound, from the Spratly to the Kurile islands, and the smallest state shows the strongest desire for weapons of mass destruction, a specialized U.S.-Japan security relationship, of the kind outlined above, becomes the prerequisite for peaceful progress. Ironically, putting more distance between Japan and the United States in the security sphere may impel the Japanese to increase their defense spending, lessening the structural impediments to a balanced economic relationship.