

THE UNITED STATES SECURITY STRATEGY FOR THE EAST ASIA PACIFIC REGION

Underpinning [our security] vision is the essential requirement that America remain engaged in world affairs, to influence the actions of others -- friends and foes -- who can affect our national well-being. Today, there are some who would have us pull back from the world, forgetting the central lesson of this century: that when America neglects the problems of the world, the world often brings its problems to America's doorstep. [Secretary of Defense William Cohen during a speech to the Commonwealth Club of California, July 21, 1997]

Introduction

The story of U.S. engagement in the Asia-Pacific region is one of continuity, but within that larger context there is change and reaffirmation. The Department of Defense issued its first and second East Asian Strategy Reports (EASR) in 1990 and 1992, respectively, to outline the changes we would make in our strategy and force structure in response to the end of the Cold War. In 1995, DOD issued a third report, this time noting that continuing areas of uncertainty and tension require a reaffirmation of our security commitments to the region. Where the 1990 and 1992 reports anticipated reductions in our forward deployed forces, the 1995 report confirmed our intention to maintain approximately 100,000 troops in the region for the foreseeable future, while increasing our efforts to share security responsibilities with our friends and allies, and to broaden bilateral and multilateral engagement.

Based on this approach, we have taken a series of strategic steps over the past three years to reduce areas of uncertainty and to reinforce the region's progress toward economic prosperity and political cooperation:

Through the Quadrennial Defense Review, we have confirmed our ability and intention to maintain a robust overseas military presence of approximately 100,000 in the region, while harnessing new technology to retain our lead in capabilities;

We have strengthened our alliance with Japan through the April 1996 Joint Security Declaration and the September 1997 revised Guidelines for U.S.-Japan Defense Cooperation, working within the framework of our alliance relationship to enhance security cooperation and readiness with Japan;

We have expanded our security cooperation and military access in Southeast Asia, while working with ASEAN states to enhance region-wide dialogue and confidence-building through the ASEAN Regional Forum;

We are working with South Korea and China to engage North Korea through the Four Party Talks on a formula for reducing tensions and making the transition from armistice to lasting peace on the Korean Peninsula;

We reaffirmed our security alliance with Australia through the 1996 Joint Security Declaration (ASydney Statement[®]) pledging mutual cooperation on regional and global security concerns;

We continue to build the foundation for a long-term relationship with China based on comprehensive engagement, as reflected in the 1997 and 1998 Clinton-Jiang Summits and as typified by a range of military exchanges and security dialogues;

We have worked with our friends and allies in the region to initiate new mechanisms for transparency and confidence building, including trilateral and multilateral meetings; defense forums; and combined education at the Asia-Pacific Center for Security Studies in Hawaii; and

We have focused attention on the threat from weapons of mass destruction, addressing potential proliferation through the Agreed Framework and missile nonproliferation talks with North Korea, and improving our capabilities for counterproliferation through various means, including research and development of theater missile defense.

These steps are credible and sustainable because they are clearly in the interests of the United States, our allies and partners. Countries in the region watch our level of commitment as a key determinant of regional peace and stability. The dispatch of USS *Nimitz* and USS *Independence* during the March 1996 crisis, for instance, reaffirmed to Asia-Pacific nations U.S. commitment to peace and stability in the region. Consistent with our global security strategy, U.S. engagement in Asia provides an opportunity to help shape the region's future, prevent conflict and provide the stability and access that allows us to conduct approximately \$500 billion a year in trans-Pacific trade.

While our policies since the 1995 EASR have confirmed U.S. commitment to the region and strengthened bilateral relationships, areas of uncertainty remain and new challenges have emerged. North Korea's August 1998 missile launch and uncertainty over its commitment and adherence to the Agreed Framework threaten to set back the prospect for renewed South-North dialogue and progress in Four Party Talks to reduce tensions on the Peninsula and achieve a peace treaty. The Asian financial crisis has shaken the region's assumptions about uninterrupted economic development and is testing regional economic cooperation, globalization, and the livelihood of two billion Asians. The nuclear tests conducted by India and Pakistan in May 1998 also add new complications not only for South Asia but also for security calculations of Asia-Pacific nations.

Indonesia's economic and political difficulties will pose challenges to the established order both internally and in the region. In Cambodia and Burma, domestic crises threaten the region's progress toward stable political cooperation. Historical mistrust and territorial disputes, including those in the South China Sea and elsewhere, remain unresolved, providing potential flashpoints over issues of sovereignty and nationalism. Crises outside the region, particularly in the Arabian Gulf, increasingly affect regional security, as Asia becomes more dependent on Gulf oil supplies for economic

growth.

In spite of these challenges, however, we still see a region mostly at peace, where interests converge and the reservoir of political will to deal with new challenges runs deep.

The intention of the United States is to help dampen the sources of instability by maintaining a policy of robust engagement, overseas presence and strengthened alliances, while searching for new opportunities to increase confidence and a spirit of common security. Where our strategy during the Cold War was primarily one of worldwide strategic deterrence, today we must deter actions in critical localized areas, such as the Korean Peninsula, while maintaining our capability to respond to crises should they emerge anywhere around the world. In time of peace, our responsibility also extends to taking actions that shape the strategic environment to sustain the peace and prevent conflict over time.

In this way, U.S. security strategy in the Asia-Pacific region reflects and supports our global security strategy. DOD's 1997 Report of the Quadrennial Defense Review (QDR) presented the three integrated concepts of Shape, Respond, and Prepare: the United States will remain globally engaged to **shape** the international environment; **respond** to the full spectrum of crises; and **prepare** now for an uncertain future.

The United States aims to promote a stable, secure, prosperous and peaceful Asia-Pacific community in which the United States is an active player, partner and beneficiary.

This fourth East Asia Strategy Report is not being issued because of a change in our security strategy. Our priorities remain constant, but as always, we remain ready to promote fresh approaches to security in response to changes in the regional environment.

Finally, the EASR process itself represents a fundamental U.S. interest to promote openness and transparency of force structure, defense strategy and military doctrine throughout the region. Transparency fosters understanding, and enhances trust and confidence among nations. Other nations may choose to challenge elements of this report, but they cannot claim ignorance of American intentions, approach and status in the Asia-Pacific region. The U.S. welcomes honest dialogue concerning this report as constructive for mutual understanding and trust, and we encourage the continued development of similar public documents throughout the region to promote these ends.

1. MAINTAINING COMPREHENSIVE ENGAGEMENT: PRESENCE PLUS

Maintaining an overseas military presence is a cornerstone of U.S. National Security Strategy and a key element of U.S. military policy of *shape, respond, and prepare*. In Asia, U.S. force presence plays a particularly key role in promoting peace and security in regional affairs. However, this presence, while serving a critical shaping function, is but one element of general U.S. overseas engagement in the Asia-Pacific region that includes everything from conventional diplomacy, to international trade and investment, to people-to-people contact in educational, scientific and cultural exchanges.

The U.S. military role itself, reflected in the USCINCPAC Theater Engagement Plan, is far broader and more actively constructive in host countries than simply waiting for military action. The diversity of U.S. activity reflects comprehensive U.S. overseas engagement to protect and promote security interests in Asia, or *Presence Plus*.

[Box (entitled United States Pacific Command (USPACOM), with insignia):*The United States Pacific Command (USPACOM) is geographically the largest unified command in the U.S. defense structure. It stretches from the west coast of the Americas to the east coast of Africa, and from the Arctic to the Antarctic. USPACOM's area of responsibility includes the Pacific, Northeast Asia, Southeast Asia, South Asia and the Indian Ocean, encompassing 43 countries. The Commander in Chief, U.S. Pacific Command (USCINCPAC), commands approximately 300,000 personnel of all U.S. services, about one-fifth of the total U.S. Armed Forces. Approximately 100,000 of USCINCPAC's military personnel are forward deployed in the Asia-Pacific region.*]

1.0 Principles of U.S. Military Presence in Asia

U.S. military presence in Asia has long provided critical practical and symbolic contributions to regional security. Our forces stationed in Japan and Korea, as well as those rotated throughout the region, promote security and stability, deter conflict, give substance to our security commitments and ensure our continued access to the region.

Our military presence in Asia serves as an important deterrent to aggression, often lessening the need for a more substantial and costly U.S. response later. Today deterrent capability remains critical in areas such as the Korean Peninsula. A visible U.S. force presence in Asia demonstrates firm determination to defend U.S., allied and friendly interests in this critical region.

In addition to its deterrent function, U.S. military presence in Asia serves to shape the security environment to prevent challenges from developing at all. U.S. force presence mitigates the impact of historical regional tensions and allows the United States to anticipate problems, manage potential threats and encourage peaceful resolution of disputes. Only through active engagement can the United States contribute to constructive political, economic and military development within Asia's diverse environment. Forward presence allows the United States to continue playing a role in

broadening regional confidence, promoting democratic values and enhancing common security.

Overseas military presence also provides political leaders and commanders the ability to respond rapidly to crises with a flexible array of options. Such missions may include regional and extra-regional contingencies, from humanitarian relief, non-combatant evacuation and peacekeeping operations to meeting active threats as in the Arabian Gulf.

During the Arabian Gulf crisis in early 1998, for example, USS *Independence* deployed to the Gulf and was an important element of our deterrent force posture that alleviated the crisis. Military presence also enhances coalition operations by promoting joint, bilateral and combined training, and encouraging responsibility sharing on the part of friends and allies.

1.1 Force Structure

The 1995 East Asia Strategy Report stated that the United States will maintain approximately 100,000 U.S. military personnel in the Asia-Pacific region. This report reaffirms that commitment. We will sustain our presence with contributions from all military services, ensuring that we have maximum operational flexibility in the event of a crisis.

This force level in the region is based on our analysis of the strategic environment for now and in the future, and the military capabilities needed to achieve our goals. The presence of 100,000 U.S. military personnel is not arbitrary -- it represents the formidable capabilities of the U.S. Eighth Army and Seventh Air Force in Korea, III Marine Expeditionary Force and Fifth Air Force in Japan, and the U.S. Seventh Fleet, all focused on shaping, responding and preparing as necessary to achieve security and stability in the region.

Important actions have been undertaken to enhance the ability of these forces. These range from updated bilateral defense arrangements such as the Defense Guidelines with Japan, to increasingly sophisticated exercises and training with countries in the region, to the technological revolution that our militaries are now undergoing. All these additions enhance our presence in the region.

1.2 U.S. Military Presence in Asia: Japan, Korea, Southeast Asia, Australia

U.S. bases in Japan and Korea remain the critical component of U.S. deterrent and rapid response strategy in Asia. U.S. military presence in the region also enables the United States to respond more rapidly and flexibly in other areas.

The basic outlines of U.S. force presence in Japan and Korea will remain constant.

Japanese peacetime host nation support (HNS) remains the most generous of any of America's allies around the world, averaging about \$5 billion each year. Despite its severe financial crisis, Korea too provides substantial support for maintenance of U.S. troops, recognizing like Japan that HNS is a critical strategic factor in the alliance.

Both nations continue to modernize their forces and have procured substantial amounts of U.S. equipment, services and weapons systems to enhance interoperability and cooperation between alliance forces. In fact, the U.S. has more equipment in common with Japan than any other ally.

Korea hosts the U.S. 7th Air Force, including the 8th and 51st Fighter Wings, and the 8th Army, including the 2nd Infantry Division. Japanese bases maintain the U.S. 5th Air Force, including 18th Wing, 35th Fighter Wing and 374th Airlift Wing, Navy 7th Fleet, including USS *Kitty Hawk* Carrier Battle Group and USS *Belleau Wood* Amphibious Ready Group, III Marine Expeditionary Force (MEF), 9th Theater Area Army Command (TAACOM) and 1st USA Special Forces Battalion. The diversity, flexibility and complementarity of our force structure in the region provide credible and practical contributions to regional stability and security.

The maintenance of a diverse and flexible force presence in Asia remains of fundamental strategic importance to the U.S. In addition to providing U.S. commanders great flexibility in tailoring forces to meet national objectives, a strategic mix is essential to a credible deterrent posture because it presents an enemy with an overwhelming array of capabilities against which to defend.

Southeast Asia and Australia

After the closure of our bases in the Philippines in 1992, the United States has benefited from a series of access agreements and other arrangements with Southeast Asian partners that have supported continued U.S. military engagement. These arrangements, including port calls, repair facilities, training ranges and logistics support, have become increasingly important to our overseas presence.

For example, Singapore announced in early 1998 that its Changi Naval Station, which will be operational in the year 2000, will be available to U.S. naval combatants and include a pier which can accommodate American aircraft carriers. In January 1998, the United States and the Philippines negotiated a Visiting Forces Agreement that, when ratified, will permit routine combined exercises and training, and ship visits. Thailand remains an important refueling and transit point for possible operations to neighboring trouble spots, including the Arabian Gulf. Australia has long provided key access to facilities for U.S. unilateral and combined exercises in order to ensure readiness and coordinated responses to regional contingencies. The existence of such arrangements throughout the region underscores the increasing importance of Southeast Asia and Australia to regional security, and their commitment to a credible and potent U.S. overseas presence as a cornerstone of their security interests.

Additionally, U.S. port calls to Hong Kong have continued uninterrupted since the reversion of Hong Kong to PRC sovereignty. These port calls also contribute constructively to U.S. military presence in the region, allowing for minor maintenance and repair of transiting ships.

Good Neighbors

Although our overseas presence in Asia serves both regional and U.S. security interests, the impact on local communities in host countries can be great. The United States understands and appreciates the sacrifices of the citizens who live near training areas or bases, and who sometimes endure noise and other inconveniences. U.S. forces work to mitigate these effects and coordinate closely with officials at both the national and local levels, and local citizens groups to reach mutually satisfactory arrangements.

In Japan, for instance, U.S. forces have relocated artillery training and, when possible, carrier landing practice to alleviate the inconvenience to local residents. The United States has also worked with Japan to establish quiet hours to minimize the impact of routine air operations on local communities. In both Japan and Korea, there has been a continuing effort to address environmental issues associated with its base presence. The U.S. has pledged to work closely with Japanese and Korean authorities to ensure U.S. military operations and maintenance of military facilities are carried out with due regard for the environment and public safety.

The U.S. has also made progress to return base and training-related land, to alter operational procedures in host countries in an effort to respond to local concerns, and to be better neighbors while maintaining operational capabilities. For instance, the U.S. and Japan established the Special Action Committee on Okinawa (SACO) process in 1995 to consider ways to reduce the impact of the activities of U.S. forces on Okinawa with the aim of alleviating the burden on the Okinawan people. The result was the SACO Final Report, released in December 1996. The report outlined 27 measures to reduce, realign and consolidate U.S. facilities and areas on Okinawa, adjust operational procedures and improve implementation of the U.S.-Japan Status of Forces Agreement, such as timely notification of all major accidents.

The SACO report presented a plan under which the U.S. would return 11 pieces of land, encompassing 21 percent of the total area used by the United States on Okinawa. The centerpiece of the land return program is the relocation of Marine Corps Air Station Futenma from the crowded southern portion of Okinawa. The replacement facility will maintain the airfield's critical military functions and capabilities. The U.S. and Japan remain strongly committed to implementation of the SACO Final Report.

In Korea, the United States and the Republic of Korea also completed negotiations in December 1997 to return about 5,000 acres of U.S. Forces, Korea (USFK) training areas to the ROK government. In exchange, U.S. forces in Korea secured access to ROK Army training areas. In this way, the United States and ROK responded both to the needs of the people of Korea and the mission requirements of USFK.

In addition, U.S. personnel have reemphasized the importance of being good guests who make constructive contributions to the communities in which they live. U.S. forces and their spouses in Japan and Korea, for instance, sponsor cultural and social events,

contribute to environmental clean-up activities, maintain local parks, provide assistance to charitable institutions and contribute in a variety of other ways to improving their communities.

1.3 Exercises, Training and Military Sales

U.S. strategy emphasizes the importance of active bilateral and multilateral exercise programs between the United States services and the armed forces of friendly and allied nations. Significant joint, combined and other smaller military-to-military exercises take place annually with our allies in Japan, Korea, Australia, Thailand and the Philippines.

Exercises serve as a visible demonstration of U.S. commitment to the region, improve interoperability and readiness, and demonstrate our ability to form and lead effective coalitions. Exercises promote burden sharing on the part of friends and allies and facilitate regional integration. They exhibit our capabilities and resolve, and provide realistic conditions for working with the technologies, systems and operational procedures that will be crucial in times of crisis. International exercises also provide geographic familiarity and foster an understanding of cultures, values and habits of other societies.

The United States also participates in a variety of combined training activities. These include Mobile Training Teams (MTT), Joint and Combined Exchange Training (JCET), Subject Matter Expert Exchanges (SMEE) and Observer Training. The International Military Education and Training (IMET) and its component E-IMET (Expanded IMET) programs, which focus on promoting responsible military values and lasting ties between U.S. and regional military leaders, are also essential elements of U.S. regional strategy. Section 4 addresses the benefits of IMET and E-IMET in greater detail.

U.S. Foreign Military Sales (FMS) and Foreign Military Financing (FMF) programs also play a key role in supporting our regional engagement strategy. FMS ensures critical interoperability with allies and friends that facilitates coalition operations. FMF programs enable key friends and allies to improve their defense capabilities by financing acquisition of U.S. military articles, services and training. While only two countries -- Cambodia and Laos -- received FMF grants in FY97 (for demining operations), FMF may serve as an effective tool in the future to assist our Asia-Pacific allies and friends as they weather the current financial crisis.

1.4 Technological Revolution

The Department of Defense recognizes that even as we maintain the ready, versatile forces necessary to meet the challenges of shaping and responding in the near term, we must at the same time be transforming our forces, capabilities, and support structures to be able to shape and respond effectively in the future. This transformation involves more than the acquisition of new military systems. It means harnessing new technologies, operational concepts and organizational structures to give U.S. forces greater mobility, flexibility and military capabilities so they can dominate any future

battlefield. In 1997, the Chairman of the Joint Chiefs of Staff released *Joint Vision 2010* to address the impact of advances in technology and information systems on U.S. military strategies, force structure and operations around the world.

The Revolution in Military Affairs (RMA) that embodies this transformation in U.S. military capabilities is already being felt in Asia. Advances in command, control, communications, computers, intelligence, surveillance and reconnaissance will combine with the introduction of new weapons systems to revolutionize U.S. ability to respond rapidly to any conflict and dominate any battlefield situation.

The United States will continue to ensure that we maintain interoperability with forces of allied and partner nations. This can be achieved through joint research and development, combined doctrine development and training, and a focus on the compatibility of systems.

The impact of the technological revolution on U.S. forces in Asia will be substantial, supplementing our forward deployed personnel to enhance dramatically our operational capabilities in the region. However, the full promise of RMA remains in the future. The improvements in military hardware and support systems are not yet at the stage of fundamentally altering our strategic perceptions or force structure in the region, or elsewhere around the world.

[Separate box: *Even as Asia-Pacific nations work to base their societies increasingly on advanced, computer-based technologies, we must remain aware of, and indeed anticipate, potential complications such modern and intricate systems may engender. The Year 2000 (Y2K) computer problem, for instance, threatens to affect major public and private operating systems around the world, with potentially substantial impact on economic, social and military security in the Asia-Pacific region.*

The Y2K problem is the term used to describe the potential failure of information technology prior to, on or after January 1, 2000. The potential exists because of the widespread practice of using two digits, not four, to represent the year in computer databases, software applications and hardware chips. Difficulties will arise in the Y2K when that year is 00 and information technology will be unable to differentiate it from the year 1900.

DOD is taking the Y2K problem seriously and has generated cross-service work groups to address the issue. Likewise, the United States encourages all nations in the region to redouble their attention to the problem, and work together to anticipate and manage this potential security challenge.]

1.5 Comprehensive Engagement

U.S. engagement in the Asia-Pacific Region to promote mutual security extends beyond military bases and access to encompass a broad range of vehicles for promoting our interests and influence. Our diplomatic missions serve at the forefront as the engine of

U.S. overall engagement with the region. U.S. trade and investment, cultural, social and religious exchanges, foreign study and tourism all contribute markedly to comprehensive and constructive U.S. overseas engagement in Asia. Approximately 400,000 U.S. citizens, excluding military personnel and dependents, live, work and study in the region. Thousands more travel to the region as tourists each year, serving as unofficial ambassadors of U.S. values and friendship. U.S. businesses conduct more than \$500 billion in trade and have invested more than \$150 billion throughout the region, serving in the process as exemplars of the benefits of market capitalism.

The presence of U.S. military personnel in the region multiplies our diplomatic impact through engagement with counterparts and the demonstration of professional military ethics and conduct in a democratic society. The combination of U.S. political, military, diplomatic, economic and social engagement that this activity in the region represents reassures friendly nations and encourages pursuit of policies in U.S. and regional interests. In this way, the full range and diversity of U.S. engagement in the Asia-Pacific region must not be overlooked when considering the value of U.S. overseas presence to security.

2. ENHANCING OUR REGIONAL RELATIONSHIPS

The U.S. recognizes and reaffirms the critical role that our alliances play in securing peace and stability in Asia. We also highly value the substantial progress we have made in our bilateral and multilateral relationships throughout the region as we explore a range of vehicles for promoting constructive ties among nations. These frameworks complement rather than supplant one another, serving to promote general stability. The United States welcomes continued development of such frameworks throughout the region as long as they remain transparent and constructive.

Consistent with these principles, U.S. alliances in the region have long served as the cornerstone of regional security. In contrast to Cold War-era alliances, they are not directed at any third power but serve the interests of all who benefit from regional stability and security. The United States views the reaffirmation and enhancement of these alliances over the past three years, and the concurrent and complementary development of constructive ties with non-allied states, as evidence of our continued confidence that an integrated network of security relations is in the mutual interest of all Asia-Pacific nations.

This section reviews the development of U.S. regional relationships over the past three years. Section 6 will address our vision of the future course of these relationships into the new century.

2.0 Strengthening the U.S.-Japan Alliance

The U.S.-Japan alliance remains the linchpin of our security strategy in Asia. The end of the Cold War changed the security environment in Asia and challenged some assumptions about the purpose and role of the alliance. The United States and Japan recognize the fundamental and continuing contribution of the alliance to the defense of Japan and regional peace and stability. Both sides have moved actively over the past three years to update the framework and structure of joint cooperation to reflect the new environment.

In April 1996, President Clinton and Prime Minister Hashimoto issued the U.S.-Japan Joint Declaration on Security, which reaffirmed the continued and growing importance of our alliance to the security of both nations and to the stability of the Asia-Pacific region. The Joint Declaration established a vision for preserving and strengthening the bilateral security partnership. Included was an agreement to conduct a review of the 1978 Guidelines for U.S.-Japan Defense Cooperation in order to update the alliance and enhance bilateral defense cooperation.

The September 1997 release of revised Defense Guidelines marked a new era in U.S.-Japan relations and regional security. Besides further outlining bilateral cooperation during normal circumstances and for the defense of Japan, the new Guidelines provided the basis for more effective bilateral cooperation during a regional crisis that affects Japan's peace and security.

In the new Guidelines, Japan has set forth a more definitive role in responding to situations in areas surrounding Japan that will have an important influence on Japan's peace and security. For instance, the revised Guidelines outline Japanese rear area support to U.S. forces responding to a regional contingency. This support may include providing access to airfields, ports, transportation, logistics, and medical support. Japan would also be able, as applicable, to cooperate and coordinate with U.S. forces to conduct such missions and functions as minesweeping, search and rescue, surveillance, and inspection of ships to enforce UN sanctions. By enhancing the alliance's capability to respond to crises, the revised Guidelines are an excellent example of preventive diplomacy: they contribute to shaping the security environment by improving deterrence and stability in the region.

Defense cooperation under the Guidelines will remain consistent with rights and obligations set forth in the U.S.-Japan Treaty of Mutual Cooperation and Security, the limitations of Japan's Constitution and basic principles of international law. The United States and Japan will determine independently whether to cooperate, consistent with the Guidelines, in the event of a regional contingency. This decision will be based on the nature of the situation. As such, the concept of situations in areas surrounding Japan embodied in the revised Guidelines is not geographical but situational.

During the review process, U.S. and Japanese officials engaged in extensive briefings throughout the Asia Pacific region on the scope, objectives and substance of the Guidelines review. This exercise in transparency should serve as a model for other nations in the region as they establish and update their defense relationships and strategies in the future.

2.1 Toward a Lasting Security Partnership with the ROK

The long-run U.S. objective remains a peaceful resolution of the Korean conflict with a non-nuclear, democratic, reconciled, and ultimately reunified Peninsula. Toward this end, the security alliance between the United States and the Republic of Korea (ROK) serves as the foundation on which all U.S. diplomatic, defense, and economic efforts on the Korean Peninsula rest. Our treaty commitment and the presence of U.S. troops in South Korea help deter any North Korean aggression by making it unmistakably clear that the U.S. would immediately be fully engaged in any such conflict. The U.S. and ROK continue to maintain and strengthen the three major elements of our security alliance: the 1953 Mutual Defense Treaty, bilateral consultations and combined military forces.

The strong U.S.-ROK deterrent posture has created the potential for improved security conditions and political relations on the Korean Peninsula. In particular, a firm stance by the United States and ROK laid the groundwork for the 1994 Agreed Framework, which froze North Korea's nuclear facilities at Yongbyon and Taechon under IAEA inspection, defused a critical source of tension and deflected what could have been a military confrontation with North Korea.

Ongoing concerns about DPRK compliance with the Agreed Framework have underscored the need for continued vigilance and close monitoring of the terms of the

agreement. However, the United States still regards a properly functioning Agreed Framework as the best vehicle available for limiting North Korean nuclear activities and creating an opening to pursue other issues of concern with the DPRK, such as missile and chemical weapons proliferation and the recovery of Korean War remains. The United States will insist that North Korea abide fully by its obligations under the Agreed Framework and will pursue any suspect DPRK activity until it has been clarified and resolved satisfactorily. If North Korea proves unwilling to fulfill the terms of the agreement, the United States will pursue its fundamental security interests through other diplomatic and security means.

A strong U.S. and ROK security posture has also fostered the Four Party peace process, which convened in plenary sessions in December 1997, March 1998, and October 1998. This proposal for peace talks among North and South Korea, the United States and China has enabled the United States and ROK to create a diplomatic venue for reducing tensions and ultimately replacing the Armistice Agreement with a permanent peace settlement.

However, the most critical forum for lasting peace and security on the Peninsula, remains direct South-North contact. Only South and North Korea can resolve the division of Korea. Until a permanent peace arrangement is concluded with genuine reduction of tensions on the Korean Peninsula, the United States remains committed to the terms of the Armistice Agreement and to closely coordinating its policy towards North Korea with the ROK.

U.S. and ROK military forces unified under the Combined Forces Command (CFC) continue to enhance their capabilities to deter and, if necessary, defeat aggression. Although the substantial deterioration in North Korea's economic conditions has inevitably affected its military forces, North Korea is still capable of inflicting terrible destruction on South Korea, especially with artillery, missile, and chemical weapons. Even as it issues periodic appeals for food for its citizens, North Korea expends very substantial resources on military exercises and the enhancement of certain military capabilities. Its August 1998 missile launch, which overflowed Japan, underscored for the entire region that North Korea, despite its domestic hardship, continues to pose a threat not only on the Peninsula but to common regional security.

In response to this continuing threat, the CFC continues to modernize its military equipment, with significant upgrades in armor, artillery, attack aviation, counterfire, and pre-positioned stocks. Also, to sharpen readiness, the Command is continually refining its vigorous program of exercises, field training, computer simulation and reinforcement plans.

Deteriorating economic conditions, including its serious food shortage, have raised troubling questions about future developments in North Korea. In these uncertain circumstances, the ROK and United States continue to consult closely to prepare for a wide range of contingencies. We cannot ignore the possibility that potentially destabilizing conditions could arise in the North in the form of famine, massive refugee flows, or other disruptive scenarios. The United States and South Korea will work

together to resolve such situations at the lowest level of tension possible and in a way that is least disruptive to regional stability.

The ROK's own economic difficulties may challenge its ability to maintain financial and other security-related responsibilities. The United States will work with South Korea to minimize the impact of the crisis on stability on the Peninsula. Despite a substantial reduction of the ROK's defense budget, the ROK has assured the United States that it will maintain combined operational readiness and deterrent capabilities.

Anti-Personnel Landmines in Korea

Korea is a unique theater of operations for U.S. forces. Boasting the most heavily fortified border in the world, Korea is one of the last remaining examples of Cold War-era confrontation. Along the DMZ, just 24 miles from Seoul, the North Korean Peoples=Army has nearly 600,000 troops, more than 2,400 tanks, and over 6,000 artillery pieces. It is an area where hostilities could erupt with little or no warning.

Anti-personnel landmines (APLs) serve as an integral component of U.S. capability to deter and defend the ROK against a potential invasion by the DPRK. The extensive barrier system in place, which is linked to the restrictive terrain, is key to U.S.-ROK integrated defense plans and to minimizing U.S. and ROK civilian and military casualties that would result from the absence of APLs during an invasion.

Citing his responsibility to protect U.S. troops, President Clinton announced in September 1997 that the United States would not sign the Ottawa Convention to ban anti-personnel landmines. He noted that the Convention did not contain an adequate transition period for the United States to safely phase out and develop alternatives to its APLs, including those in Korea. Neither did it contain a provision permitting use of U.S. self-destructing mixed anti-tank mine systems, which are critical for effective defense on the Korean Peninsula.

President Clinton has directed the Department of Defense to end the use of all anti-personnel landmines outside Korea by 2003, including those that self-destruct. For Korea, the objective is to have alternatives to anti-personnel landmines ready by 2006.

2.2 Building on a History of Cooperation: Australia and the Pacific

The U.S.-Australia alliance remains as close as any alliance we maintain in the region. Australia and the United States have fought alongside one another in five major conflicts in this century: both World Wars, Korea, Vietnam, and the Gulf War. We have some 250 bilateral legal arrangements and agreements in place that are specifically defense-related.

In July 1996, the U.S. and Australia reaffirmed their alliance commitments in the Joint Security Declaration (ASydney Statement@). The Joint Declaration strengthened our cooperation to include new and expanded combined exercises and opportunities for

training. Our combined exercise schedule is robust and covers the full range of operational and tactical cooperation and interoperability, from full-scale joint/combined activities to unit-level tactics involving all branches of the services of both countries. In March 1997, TANDEM THRUST, a combined United States-Australia force-on-force field training exercise, was the largest military exercise conducted in Australia since World War II. Some 17,000 U.S. and 5,000 Australian troops participated.

Besides significant bilateral exercises, the U.S. Navy conducts numerous port calls annually. In 1997 alone, the U.S. Seventh Fleet made 102 port visits to Australia. Increased Australian and U.S. combined training, particularly in the Northern Territory, is also being explored.

New Zealand and the Pacific Islands

Although U.S. relations with New Zealand are generally positive, the major policy disagreement remains over New Zealand's prohibition of nuclear-powered or nuclear-armed vessels in its waters. The United States suspended ANZUS alliance defense obligations to New Zealand in 1986 and revised its defense policy to prohibit exercises and place limits on other aspects of the bilateral defense relationship.

The United States appreciates the contribution of New Zealand to regional fora such as the ASEAN Regional Forum and important shared defense policy goals, including its participation in a range of humanitarian and peacekeeping missions around the world, and its contribution to the Korean Peninsula Energy Development Organization (KEDO).

Given the findings of then-Prime Minister Bolger's *Somers Report* in 1992 affirming the safety of nuclear-powered warships, the U.S. hopes that in the future conditions will allow full restoration of military cooperation with New Zealand.

The United States has specific legal responsibility for the defense of the U.S. territories of Guam and American Samoa, the Commonwealth of the Northern Marianas, and, under the Compact of Free Association, the Republic of the Marshall Islands (RMI), the Republic of Palau and the Federated States of Micronesia (FSM). The Economic Relations and the Security and Defense Relations of the compact with the RMI and FSM are due for renegotiations in October 1999. The facilities at Kwajalein Atoll, located within the RMI, afford the U.S. military the opportunity to conduct ballistic missile defense and intercontinental ballistic missile testing, space surveillance, and research and development.

Continued lease option for facilities at Kwajalein Atoll is guaranteed until 2016 regardless of the outcome of the Compact renegotiation.

We continue to support the developing nations of the South Pacific and note their contributions to regional and international peacekeeping efforts. We remain engaged in the area through our Joint and Combined Exchange Training (JCET), International Military Education and Training (IMET), and Humanitarian and Excess Property programs, supporting the establishment and growth of democratic processes and the role of the military in those processes.

2.3 U.S.-Thailand Alliance: Partners in Practice

Our longstanding alliance with Thailand remains strong and serves a critical function in enhancing our strategic interests worldwide. Thailand has been a consistent supporter of the U.S. overseas presence in Asia, and a strong partner in addressing global issues such as counterproliferation and drug trafficking. Our bilateral relationship with Thailand has facilitated U.S. access and interoperability. The relationship has afforded the U.S. important refueling and transit arrangements that have enhanced our ability to operate within the region.

Thailand's cooperation is essential to support counterdrug and anti-piracy operations, activities of the Joint Task Force Full Accounting [POW/MIA], and munitions pre-positioning operations. The War Reserve Stockpile Agreement has been a real success, and has contributed to increased readiness in Southeast Asia.

COBRA GOLD is the largest joint training opportunity in Southeast Asia and the centerpiece of an impressive joint exercise program that provides training opportunities and enhances interoperability. To the United States, COBRA GOLD provides an important opportunity to communicate through action our continued serious commitment to the security and well-being of our treaty ally, and demonstrate how serious we are about remaining engaged in the Asia-Pacific region.

The United States will work with Thailand to minimize the impact of its current economic difficulties on security needs. It is important that Thailand retain interest in preserving a high level of interoperability to serve our common interests should we have to conduct joint military operations in the region.

We also continue to assist the efforts of the Thai armed forces to modernize and streamline their organization, and improve their leadership capabilities. We want to reinforce the increasing professionalism of the military, which has contributed to the continued development of democracy in Thailand.

2.4 After Bases: Solidifying our Alliance with the Philippines

The U.S.-Philippine security relationship has evolved since the withdrawal of U.S. military bases in 1991-92. We are gradually establishing a post-bases relationship that is consistent with our activities elsewhere in the region -- exercises, ship visits, exchanges, and policy dialogues. Upon ratification by the Philippine Senate, the January 1998 Visiting Forces Agreement, which lays out the legal status of U.S. defense personnel temporarily in the Philippines in connection with official duties, will facilitate expanded military cooperation. The visit of President Ramos to Washington in April 1998 further affirmed our mutual commitment to the timely resumption of U.S. training activities in the Philippines.

Familiarity, cooperation and interoperability are important ingredients of a strong alliance, and we will work to solidify the U.S.-Philippines security partnership in the

coming years. Despite lingering suspicion by some in the Philippines that the United States is seeking to re-establish a military foothold, the era of U.S. bases is over. We seek to develop the defense relationship in ways and at a pace comfortable to the Philippines.

2.5 Comprehensive Engagement with China

The United States understands that lasting security in the Asia-Pacific region is not possible without a constructive role played by China. The October 1997 and June 1998 summit meetings between President Clinton and President Jiang marked a turning point in U.S.-China relations and were central events in furthering the U.S. strategy of comprehensive engagement with China.

China presents numerous challenges, as well as opportunities, in our regional security strategy. As a nuclear weapons state, a leading regional military power, and global player with a permanent seat on the UN Security Council, China plays a key role in Asia-Pacific security. The United States, and indeed the rest of the Asia-Pacific region, has a substantial interest in China's emergence as a stable, secure, open, prosperous and peaceful country. Prospects for peace and prosperity in Asia depend heavily upon China's role as a responsible member of the international community.

The United States and China share many common global and regional interests. The United States and China both have an interest in maintaining regional stability to foster continuation of Asia's economic development. We share with China an interest in its emergence as a stable, prosperous nation. We both share strong interests in maintaining peace on the Korean Peninsula and in preventing the spread of weapons of mass destruction and their means of delivery. We both have concerns for world and Asian stability resulting from nuclear testing in India and Pakistan. We cooperate in countering a wide range of non-conventional security threats.

China's rise as a major power presents an array of potential challenges. Many of China's neighbors are closely monitoring China's growing defense expenditures and modernization of the People's Liberation Army (PLA), including development and acquisition of advanced fighter aircraft,; programs to develop mobile ballistic missile systems, land-attack and anti-ship cruise missiles, and advanced surface-to-air missiles; and a range of power projection platforms. Given international and regional focus on China's growing military power, China's adherence to multilateral nonproliferation and arms control regimes, and to increased military transparency are of growing importance. The United States welcomed China's publication of a Defense White Paper in August 1998 as a positive step towards greater openness.

[EASR BOX ON CHINA WHITE PAPER

In a significant move toward greater transparency and participation in international security dialogue, China released a White Paper in July 1998 entitled, "China's National Defense." The document outlines the Chinese Government's views on international and regional security issues, and its own defense policies. The paper

restates China's desire to resolve outstanding issues in regional affairs through diplomatic means and to work with other nations to establish a stable regional security framework for the Asia-Pacific region. The White Paper also explains that China's primary national security concern is economic construction. Finally, the White Paper highlights China's growing role in global security problems such as nonproliferation.

[China's National Defense asserts Beijing's view that the enlargement of military blocs and the strengthening of military alliances have added factors of instability to international security. This view runs counter to the prevailing recognition that U.S. alliances in Asia have promoted stability. China's economic modernization has benefited from the constructive regional environment that U.S. alliances in Asia have promoted. China has an important role in the evolving security architecture of the Asia-Pacific region and the development of multilateral institutions that complement the existing network of bilateral alliances. As the United States, China and others in the region work to build that security architecture, the greatest challenge will be to manage the gap that still exists in strategic visions and to develop mutually acceptable approaches to security.]

Dialogue between the United States and China will also remain critical to ensure that both countries have a clear appreciation of one another's regional security interests. Dialogue and exchanges can reduce misperceptions between our two countries, increase our understanding of Chinese security concerns, and build confidence between our two defense establishments to avoid military accidents and miscalculations. The agreement not to target strategic nuclear weapons at one another, reached during President Clinton's June 1998 visit to China, was also an important symbolic action that reassured both sides and reaffirmed our constructive relationship.

The United States and China have continued to make progress in establishing institutional frameworks for communication and mutual understanding. The United States has undertaken this approach on a step-by-step basis to avoid false expectations and to build on actual achievements.

The establishment of a direct Presidential communications link in May 1998 provides an important conduit for consultation on global, regional and bilateral issues. The Military Maritime Consultation Agreement of January 1998 is designed to establish a process for dialogue between the two militaries that will enhance understanding and trust as our maritime and air forces operate in close proximity to one another. DOD has also begun to conduct regular high-level strategic dialogue through annual Defense Consultative Talks, which were initiated in December 1997. Our militaries have exchanged port visits and begun exchanges on humanitarian assistance and disaster relief.

And we have conducted reciprocal senior defense and military visits and continued defense academic exchanges through our respective National Defense Universities.

Hong Kong

The United States Navy conducts 60-80 port calls a year to Hong Kong. This

program has continued uninterrupted since the reversion of Hong Kong to PRC sovereignty. Port calls to Hong Kong contribute to U.S. overseas presence in the region, allowing for minor maintenance and repair of transiting ships. Continued access to one of the world's premier quality-of-life ports contributes positively to sailor retention and also serves as symbolic support for the continued autonomy of Hong Kong as called for in the 1984 UK-PRC Joint Declaration, and Hong Kong's Basic Law.

Taiwan

The United States maintains robust but unofficial relations with the people on Taiwan, governed by the Taiwan Relations Act (TRA) and guided by the three U.S.-PRC joint communiques. We have consistently held that the Taiwan issue is a matter for the Chinese people on both sides of the Taiwan Strait to resolve. The United States has an abiding interest that any resolution be peaceful. In accordance with the TRA and consistent with the three U.S.-PRC communiques, the United States sells defensive arms to Taiwan to enable it to maintain a sufficient self-defense capability. Our limited arms sales have contributed to maintaining peace and stability in the Taiwan Strait and to creating an atmosphere conducive to the improvement of cross-Strait relations, including dialogue.

2.6 Enhancing Nascent Relations with Mongolia

The United States has enjoyed excellent relations with Mongolia since establishment of diplomatic relations in 1987. The United States has supported Mongolia's commitment to democracy, free markets and integration into the Asia-Pacific security network as consistent with our interests. The United States welcomes the inclusion of Mongolia in the ASEAN Regional Forum, and will work in coming years to facilitate Mongolia's participation in a wide range of multilateral conferences involving Asia-Pacific military forces. In addition, the United States supports continued specialized military training and education through the IMET program, future joint training in such areas as disaster preparedness, peacekeeping and humanitarian assistance, expansion of our nascent policy dialogue on international and security issues, and the establishment of regular high level political and military visits between our countries.

2.7 Broadening Cooperation with Southeast Asia

Southeast Asia, particularly through the Association of Southeast Asian Nations (ASEAN), has played an increasingly important role in regional security. The nations of ASEAN have grown more confident and assertive in the years following the end of the Cold War, an appropriate posture for countries that have undergone a generation of considerable struggle, accomplishment and development. Despite the financial crisis that has shaken the area's leading developing economies, we expect that these countries will continue as important security partners.

ASEAN's patterns of consultation, cooperation and consensus, now being adopted in the Asia-Pacific Economic Cooperation (APEC) forum and ASEAN Regional Forum (ARF), are an important model for regional cooperation. ASEAN nations join with the

United States in common purpose to prevent conflict, enhance stability, promote economic growth, and assure that the interests of all nations are taken into account. ASEAN has distinguished itself by tackling such issues as political instability in Cambodia and territorial disputes in the South China Sea.

Consistent with this common purpose is open support and advocacy among ASEAN nations of a continued U.S. military presence in the region. Port access agreements, military training and education programs, and other bilateral and multilateral security-related frameworks complement U.S. overseas presence and further affirm Southeast Asia's increasing importance as a regional partner for enhancing security.

The security of the United States and the region has benefited from the markets and friendships that have developed between the U.S. and ASEAN nations. The United States will remain committed to our friends and partners in Southeast Asia both in good times and in bad.

Brunei

Brunei has publicly supported the U.S. role in maintaining Asia-Pacific security, including a continuing U.S. military presence in the region. U.S. defense objectives in Brunei are modest: the United States desires active, albeit limited, military interaction in the form of periodic small-scale exercises using Brunei's jungle training facility, ship and personnel visits, and aircraft transits. In political-military terms, however, a friendly and relatively active military-to-military relationship fits within our overall security framework.

Our 1994 Defense Cooperation Memorandum of Understanding and periodic bilateral meetings conducted under its auspices form the foundation of our defense ties.

Burma

The United States continues to have serious concerns about the repressive and unstable situation in Burma. The Burmese government's intransigent and repressive policies against its own citizens, including its failure to honor the results of legislative elections held in 1990, pose challenges to regional stability and security. The results are all too evident in the many thousands of refugees who have fled across borders to escape continued fighting and repression.

U.S. economic sanctions on Burma serve notice to the regime that the deteriorating situation in the country affects U.S. interests. Now that Burma has become an ASEAN member, we look to ASEAN to shoulder greater responsibility for producing progress by prodding the State Peace and Development Council (SPDC) to halt its repression of the democratic opposition, move to meaningful political dialogue with the National League for Democracy under Aung San Suu Kyi, and with the ethnic minorities, and continue effective action against the narcotics trade.

Cambodia

The United States suspended assistance to the Royal Cambodian Government, including military assistance to the Royal Cambodian Armed Forces (RCAF), as a result of the events of early July 1997, which unseated the First Co-Prime Minister, Prince Norodom Ranariddh. Humanitarian aspects of U.S. assistance to Cambodia, including assistance to the Cambodian Mine Action Center, continued during this interim period. However, training, exercises and the provision of equipment and security assistance remained suspended. The United States will reevaluate the situation after Cambodia seats a new government following the parliamentary elections held in late July 1998.

Prior to suspension of U.S. military assistance, the United States has stressed the importance of comprehensively reforming the RCAF, including reducing the number of troops, instilling and sustaining discipline, providing consistent pay to the military, and eliminating corruption. U.S. military assistance to Cambodia featured non-lethal humanitarian assistance including English-language training, training for military engineers, medical exercises, and assistance to the Royal Government's efforts to reintegrate Khmer Rouge defectors into society. The U.S. has a strong interest in, and willingness to support, Cambodian military reforms.

Indonesia

As the world's fourth most populous nation and home to the world's largest Muslim population, Indonesia has played a pivotal role in fostering regional stability and will continue to have a critical influence in the Asia-Pacific region into the next century. Indonesia's geostrategic position and regional influence make it important for the United States to maintain a cooperative bilateral defense relationship. Indonesia's vast span of thousands of islands forms a gateway between the Pacific and Indian Oceans, and straddles some of the world's most critical sea lines of communication. Indonesia's support for long-term U.S. presence in the region also has been an important factor in our overall regional security strategy.

In the security arena, as in political and economic affairs, the U.S. and Indonesia share important, broad interests in promoting stability and peaceful resolution of conflict both regionally and internationally. Indonesia has been a cornerstone of ASEAN, has served as an influential participant in the ASEAN Regional Forum and APEC, and has demonstrated leadership on regional security problems such as Cambodia and the South China Sea. Indonesia has also established a long tradition of supporting UN peacekeeping operations and has been heavily involved in global disarmament efforts.

The unprecedented financial crisis and political transition with which Indonesia is currently grappling will focus Jakarta's energies on internal stability and recovery for the foreseeable future. The outcome of the economic turmoil and political evolution nonetheless will have an important impact on regional stability and security. Economic restructuring and the opening of the political system pose serious challenges for post-Soeharto governments and have the potential to significantly affect many nations in the region. Continued U.S. engagement in Indonesia will help promote the stability necessary to manage this difficult situation.

Laos

The United States remains committed to exploring ways of broadening and developing our military relationship with Laos. Lao POW/MIA cooperation is good and producing results. A majority of remaining cases of missing Americans are actively being pursued through substantive leads.

The United States remains interested in establishing a defense attaché office in Laos to complement offices opened in Cambodia and Vietnam in 1995. DOD interests in counter-narcotics programs, especially the aggressive efforts of Laos to eliminate heroin production and refinement, require on-the-ground management and collection support. Our growing humanitarian assistance programs in the Lao countryside serve to build contacts within the Lao Ministry of Defense to address these and other concerns.

Malaysia

Our bilateral defense relationship with Malaysia has expanded and matured over the past decade because of our shared regional outlook and mutual security interests. Malaysia publicly supports a continued U.S. military presence in Asia and makes available naval and air maintenance and repair facilities.

Our ship visits and exercises in Malaysia, which have gradually increased, have become an important component of our Southeast Asian presence. We will look for ways to expand our access to, and engagement with the Malaysian defense establishment.

Malaysia is also a regional leader in UN peacekeeping operations, as well as an active member of the ASEAN Regional Forum, offering additional avenues for enhanced cooperation in the future.

Singapore

Singapore has been Southeast Asia's leading advocate of a continued U.S. military presence. Singapore actively searches for ways to keep the United States engaged in the region, whether in multilateral institutions such as the ASEAN Regional Forum, or by expanding U.S. military access opportunities in Singapore itself.

Well before the U.S. entered basing negotiations with the Philippines in the early 1990s, Singapore offered to conclude an access agreement that would help disperse the U.S. presence and spread the political responsibility of hosting U.S. forces. The 1990 Access Memorandum of Understanding has been instrumental in sustaining our post-bases presence in Southeast Asia. Although fewer than 200 U.S. personnel are permanently assigned to Singapore, we conduct a variety of naval and air training, most notably fighter aircraft deployments that occur approximately six times per year. A naval logistics unit -- Commander, Logistics Group Western Pacific -- that was relocated from Subic Bay at the time of our military withdrawal from the Philippines assists in fleet support and coordinates

bilateral naval exercises in Southeast Asia.

Singapore continued its forward-looking engagement effort by offering U.S. access to its long-planned new pier facility at Changi that can accommodate a U.S. aircraft carrier.

This initiative will greatly facilitate our carrier visits and operations in the region, and represents Singapore's strong commitment to continued close relations with the United States into the next century.

Vietnam

Following the establishment of diplomatic relations with Vietnam in July 1995, the United States has kept the initial stages of the U.S.-Vietnamese security relationship purposefully modest in pace and scope. Initiatives have focused on enhancing mutual understanding. The fullest possible accounting of missing in action from the Indochina War continues to be the most important issue in the bilateral relationship.

At the same time, the Department of Defense has a range of regional security interests that could profitably be addressed through normal, routine contacts with the Vietnamese military. Our goal is to develop a frank and serious dialogue with Vietnam about such issues and build mutual confidence. The security relationship must also be transparent, leaving no possibility that our intentions will be misunderstood by others in the region.

The United States is prepared to move forward with incremental steps aimed at improving the relationship in a manner maintaining our priority concern of accounting for missing American service personnel.

2.8 Expanding Regional Cooperation with Russia

Although Russia is traditionally considered a European power, geographically, historically and culturally, Russia is also an Asia-Pacific nation.

In the past, the Soviet Union's contributions to Asia-Pacific security was deemed either negative or negligible. Today, America welcomes the Russian Federation's active and constructive role in Asia-Pacific security as important to regional stability. Military exercises and cooperation, port visits, and both senior-level and staff-level exchanges with the region's armed forces have enhanced transparency and trust, and reduced suspicions left over from the Cold War. Russian engagement in such regional fora as the ARF may enhance habits of security cooperation.

In November 1998, Russia will become a member of the Asia Pacific Economic Cooperation (APEC) forum, which will enhance Russia's engagement with its Asia-Pacific neighbors and increase its participation in a variety of multilateral economic discussions. The development of Russia's economy, including the Far East region with its abundant natural resources, can contribute substantially to regional economic growth and buttress regional peace. At the same time, Asian capital and know-how can fuel Russia's

prosperity and contribute to its historic transition from an authoritarian communist regime to a liberal, market democracy.

Increasing Russian engagement may help relieve historical tensions and resolve several longstanding disputes that have plagued the region. For example, Russia and Japan are working toward the conclusion of a peace treaty to fully normalize the relationship between the two countries. Toward that end, they have begun to identify new paths toward settling their dispute over the Northern Territories, which has delayed completion of the treaty for half a century. Their pledge at the Krasnoyarsk summit of November 1997, to do their utmost to conclude a treaty by the year 2000 benefits the United States and all who value regional security.

Likewise, Russia has enhanced its relations with South Korea, while its relationship with China has improved markedly. The 4000-mile shared border between Russia and China has historically been a military flashpoint. As a result of joint initiatives, today the border disputes have largely been resolved, military equipment has been drawn back, cross-border trade has increased and relationships focus more on development of resources than marshalling of forces. The United States welcomes these improved relations.

Interaction between the U.S. Pacific Command (USPACOM) and Russian military forces has expanded rapidly in recent years from a few high-level exchange visits to substantive, routine and cooperative working-level meetings. USPACOM has also established a range of conferences, symposia and other fora on such issues as special operations, military medicine, search and rescue, criminal investigation and peacekeeping operations, to further strengthen our bilateral relationship in the region. These activities will continue to expand.

As an Asia-Pacific power with a substantial presence and relevance to the security of the region, Russia's open and constructive participation in regional security affairs will remain in the U.S. national interest.

2.9 Supporting the Development of Security Pluralism

In only a short time, frameworks for discussion and cooperation in the Asia-Pacific region beyond traditional bilateral relationships have become an important and permanent feature of the regional security structure. The scope of these activities has widened dramatically and is critical in a region whose nations do not have many institutional links.

The United States supports and participates actively in this growing pattern of security pluralism. Multilateral dialogues include larger meetings such as the ASEAN Regional Forum, sub-regional multilateral confidence-building efforts, and other fora for interaction and discussion of regional security matters. Meanwhile, bilateral discussions in the region have proliferated rapidly in recent years to address lingering tensions and historical disputes, or simply to enhance mutual confidence and encourage transparency.

Multilaterals

The United States engages in a variety of official and unofficial multilateral security dialogues to enhance mutual cooperation and trust in Asia, most notably the ASEAN Regional Forum (ARF). Initiated by ASEAN nations, the ARF includes 22 members representing Asia, Europe and North America, including the United States. The ARF has developed into a useful vehicle for official region-wide discussion and exchange. The ARF's attention to promoting greater mutual understanding and transparency promises to build trust among Asia-Pacific nations and others outside the region, and provide an important contribution to regional security.

Also contributing to the development of multilateral discussion are a number of unofficial security fora -- ranging from trilaterals to larger multilateral groupings. The United States, Japan and Russia, for example, have begun an unofficial dialogue process that anticipated the historic November 1997 summit meeting and thawing of relations between Japan and Russia, while the U.S., Japan and ROK have established an official forum for discussion and cooperation that has facilitated not only trilateral but bilateral relations. Academics from the United States, Japan and China have begun a dialogue that may lead eventually to official trilateral talks between these three critical Asia-Pacific nations.

These and other multilaterals are intended to be non-exclusive, overlapping and interlocking, complementing each other to develop an informal security framework for promoting understanding and mutual confidence, and facilitating bilateral ties between participants. The current emphasis on trilateral meetings does not prevent their expansion into broader forums involving more nations. Multilateralism in all its forms will become an important element of U.S. engagement in the region in coming years.

The United States also participates regularly in regional conferences on practical security cooperation, as well as other multilateral fora designed to address specific regional problems, from political turmoil in Cambodia to the Four Party Talks on the Korean Peninsula. The Asia-Pacific Center for Security Studies in Hawaii, established by the U.S. Pacific Command, has served as a further vehicle of security pluralism by facilitating open exchanges of ideas and perspectives among government officials throughout the region to foster understanding, cooperation and study of security-related issues.

[Separate Box describing Asia-Pacific Center for Security Studies (with insignia):

Established in September 1995, the Asia-Pacific Center for Security Studies is an academic institution established by the U.S. Pacific Command (USPACOM) to study regional security and preventive defense in the Asia-Pacific region. The Center's mission is to foster understanding, cooperation and study of security-related issues among military and civilian representatives of the United States and other Asia-Pacific nations. The Center provides a forum for national officials, decision makers and policy makers to exchange ideas, explore pressing issues and achieve a greater mutual understanding of the challenges that shape the Asia-Pacific security environment.

The Asia-Pacific Center builds on USPACOM's strategy of maintaining strong bilateral relationships with the armed forces of the nations of the Asia-Pacific region and

applies a broader multilateral approach to addressing regional security issues and concerns. The focus of the Center is on the interrelationships among military, economic, political and diplomatic policies relevant to regional security issues.

The Asia-Pacific Center is staffed with military and civilian personnel who serve as professors, conference-organizers and researchers. Seventy-five percent of the Center's students come from Asia-Pacific nations other than the United States, and include senior military and government-equivalent civilians in security-related government positions. The continued development of the Center reflects U.S. commitment to engaging and consulting with Asia-Pacific nations to enhance mutual understanding and develop constructive approaches that promote regional security into the new century.]

The United States views all of these multilateral mechanisms, built upon the foundation of solid bilateral relationships and continued U.S. military presence in the region, as playing an increasingly important role in regional affairs in the future.

Growth of Bilateral Discussions between Asia-Pacific Nations

The Asia-Pacific region has witnessed dynamic growth in bilateral diplomatic and defense interaction in recent years, leading to progress in addressing many of the historical tensions and security problems that plague the region. China and Japan have established a security dialogue that in 1998 included the first visit of a Chinese Defense Minister to Japan in 14 years and Japanese Defense Minister to China since 1987. Russia and Japan have held a series of summit meetings and have resolved to complete a formal peace treaty that includes resolution of the Northern Territories dispute by the year 2000. China and Russia have reached agreement on most of their longstanding border dispute. The United States welcome the landmark Japan-ROK summit meeting in October 1998 that addressed longstanding historical tensions between the two nations. Japan and the ROK have been working together to address continued tension on the Peninsula while addressing constructively outstanding bilateral issues. The growth of bilateral interaction is clearly positive for regional security.

Section 3: PROMOTION OF DEMOCRACY AND REGIONAL SECURITY

Continued U.S. engagement in the Asia-Pacific region also facilitates the promotion of democracy, one of the three central U.S. security goals of the 1997 National Security Strategy (NSS). Support for the growth of democratic institutions and processes in Asia will remain a key U.S. security interest.

Promoting democracy does more than foster our ideals. It advances our interests because we know that the larger the pool of democracies, the better off we, and the entire community of nations, will be. Democratic values of transparency and accountability have proved critical not only in the political but also economic realm to ensure sustainable development and stable societies. These values will also affect the way nations interact externally, enhancing openness and ultimately promoting mutual confidence and regional stability.

U.S. military engagement in Asia promotes the spread of democratic norms primarily by helping establish the kind of secure environment under which democracy can develop and flourish. The presence of severe international tensions or immediate national security threats enable authoritarian regimes to argue that democracy is a luxury and that strong and assertive central control is required to meet challenges. Conversely, a secure regional environment enables nations to focus on internal development, both economic and political, and provides the breathing space for invention, experimentation and development that a transition to democracy requires.

More directly, our interaction with the armed forces of regional allies and friends promotes democratic norms and values in the Asia-Pacific region. Military-to-military contacts allow us to better understand our military counterparts throughout the region and provide a mechanism through which we can work to constructively engage new generations of military leaders. Such contact is a key component of our military strategy in Asia.

The International Military Education and Training (IMET) program is an important tool in this regard. By exposing military leaders to democratic values, and working to foster respect for civilian authority and military professionalism, IMET provides a window through which we can positively influence the development of foreign military institutions.

While such engagement cannot be expected to guarantee a perfect human rights record on the part of any military force, it nonetheless represents an important opportunity to encourage adherence to the rule of law, respect for basic human rights, and appropriate professional conduct in the face of internal or international challenges. Indeed, constructive civil-military relations are an essential element of a democratic society.

Expanded-IMET (E-IMET), mandated by the U.S. Congress as part of the overall IMET program, deepens exposure to IMET principles by broadening program participation to include civilians performing defense-related functions. By engaging representatives from nongovernmental organizations and national parliamentarians to address topics such as defense resource management, military justice, civil-military

relations and human rights, E-IMET courses reinforce constructive civil-military values and promote democratization within participant nations.

The United States will continue to promote the development of democratic processes and norms throughout the Asia-Pacific region. The United States recognizes the achievements of many Asian nations in making difficult but successful democratic transitions over the past several years. Their achievements, as well as the aspirations of millions of others in the region, demonstrate that Asian values include the promise of democracy. This promise has been at the heart of U.S. purpose since our nation's founding, and we remain committed to assisting all nations of the Asia-Pacific region in the realization of this promise in the interest of our common security.

4. **PROLIFERATION OF WEAPONS OF MASS DESTRUCTION**

Stemming and countering the proliferation of nuclear, biological and chemical (NBC) weapons and the missiles to deliver them remains a strategic priority of the United States. The United States actively participates in international efforts to develop and support global norms preventing the proliferation of these weapons of mass destruction (WMD). However, since proliferation will sometimes occur despite our best efforts, the United States must also be prepared to deter the use of these weapons, defend against their delivery and counter their effects.

4.0 Nonproliferation

Nonproliferation remains a serious security challenge, and one of increasing concern to the United States and its Asia-Pacific allies. Increasing regional competition and tension, combined with significant technical expertise, could increase the spread of WMD capabilities within the region.

Indeed, the global proliferation of WMD, the perception that they have both military and political utility and the increasing likelihood of their use -- whether in war, as a tool for political blackmail, or by terrorists -- all serve to increase the threat to U.S. and allied forces in the Asia-Pacific region. Stemming the spread of WMD will become increasingly difficult under these conditions, though no less critical for maintaining international peace and security. The United States employs several measures to prevent WMD proliferation, from attempts to persuade nations that their security interests are best served by not acquiring WMD, to limiting a nation's ability to obtain WMD technologies or devices through the promotion of arms control regimes and the use of sanctions and other punishments.

Several countries in the Asia-Pacific region possess the ability to produce and export WMD. Entry into force of the Chemical Weapons Convention in April 1997 and a series of bilateral agreements between the United States and Asia-Pacific nations focused attention on and strengthened the nonproliferation regime in the region. While nonproliferation efforts often are largely diplomatic in nature, DOD plays an important supporting role by providing inspection, verification and enforcement support for nonproliferation treaties and control regimes; helping to identify states that might acquire, or are acquiring, NBC capabilities; and, when necessary, conducting interdiction missions. The nature of the proliferation threat necessarily requires continuous vigilance.

Indian and Pakistani nuclear tests, followed by each nation's claim to nuclear power status, threaten to complicate global nonproliferation efforts, as well as security perceptions and the security environment in the Asia-Pacific region. The United States has strongly condemned the actions of India and Pakistan as counterproductive to regional and international stability, as well as to the South Asian nations' economic and security interests. In addition to upholding the Nuclear Nonproliferation Treaty (NPT), the Comprehensive Test Ban Treaty and other key arms control conventions, all nations in the region should redouble their commitment to regional cooperation in light of these actions

to manage any changes in their security perceptions, ensure that their responses remain appropriate and constructive to common interests of peace and stability. Asia-Pacific nations should engage where possible with India and Pakistan to reduce tensions in South Asia, and discourage further development and deployment of nuclear weapons and missiles and production of fissile material in the region.

Korean Peninsula

The United States places high priority on cooperation with South Korea, since it faces the greatest military threat from WMD due to North Korea's considerable inventory of chemical and biological weapons, and means of delivery. The United States and South Korea have formed a Nonproliferation Task Force to address regional proliferation issues, especially our mutual concerns about North Korean proliferation activities.

While the U.S.-North Korea Agreed Framework of October 21, 1994, substantially reduced the threat posed by North Korea's nuclear program, close monitoring of North Korea's full compliance, as well as continued support for the Agreed Framework process from the United States, ROK and Japan is critical to reducing the threat of nuclear proliferation on the Korean Peninsula.

North Korea has developed the No-Dong missile, and is developing Taepo-Dong 1 and 2 missiles as potential delivery systems for its WMD. In August 1998, North Korea flight-tested the Taepo-Dong 1 missile, apparently with a small satellite attached. No satellite entered orbit, but the DPRK demonstrated new missile capabilities with this launch.

The Taepo-Dong 2 could have a range of more than 4000 kilometers. North Korea also has the ability to deliver chemical weapons with its ballistic missiles. The implications of the DPRK's missile program reach far beyond the Korean Peninsula and the Asia-Pacific region, however. North Korea continues to place a high priority on the development and sale of ballistic missiles, equipment and related technology, particularly to countries in South Asia and the Middle East. The United States entered a dialogue with Pyongyang in April 1996 to seek a negotiated freeze on North Korean missile technology exports and indigenous missile programs. Although no agreements have yet been reached, these discussions continue.

China

The United States places a high priority on its nonproliferation dialogue with China.

The United States and China will continue to hold frank discussions on nonproliferation issues. Substantial progress on nuclear issues led to implementation of the 1985 U.S.-PRC Peaceful Uses of Nuclear Energy Agreement. In other areas, differences have narrowed but continue at levels that are not helpful to our bilateral relationship. In particular, the United States is concerned about activities of Chinese entities in the missile and chemical fields. However, the United States recognizes progress, including China's ratification of the Chemical Weapons Convention, signing of the Comprehensive Nuclear Test Ban Treaty (CTBT), participation in the Zangger (Nonproliferation Treaty Exporters) Committee, a multilateral nuclear export control group, and other related commitments

made in the past few years to bring China's nonproliferation practices and regulations more in line with international norms. U.S.-Chinese consultations on these issues at both the expert and senior policy level will continue.

4.1 Counterproliferation

In addition to preventing WMD proliferation, the United States will prepare itself and its allies to deter use of such weapons, defend against their delivery and counter their effects. The United States will retain the capacity to respond to those who might contemplate the use of WMD and to prevail in any conflict in which these weapons are used, so that the costs of using WMD will be seen as outweighing any possible gains. Since U.S. forces are likely to fight in coalition with other nations in future conflicts, the combined readiness of the coalition to deal with WMD threats or use is of great concern.

If future partners are not prepared to fight in a chemical/biological environment, any combined efforts would be vulnerable to such attacks.

In addition to discussing proliferation concerns in the region, we have focused on improving military capabilities in the face of NBC threats and identifying areas of cooperation in programs and activities designed to combat the use of WMD. The United States conducts on-going dialogues with the Republic of Korea and Japan in particular since they face the threat of WMD use from North Korea's considerable inventory of

e w

l a c i m e h c

exercises and war games designed to increase threat or use of WMD.

The development of Theater Missile equation. We will continue our efforts to develop the technologies that will enable us to help defend against WMD delivered by ballistic missiles. Such a goal by combining the efforts of the two nations. It will further strengthen the alliance as our two militaries grow closer through partnership.

Cooperation between the Australian Defense Science and Technology Agency (DSTO) and the U.S. Ballistic Missile Defense Organization is broad in scope. The Australians have a strong defense against ballistic missiles. This close cooperation is strengthening of counterproliferation regime.

Section 5: THE SEARCH FOR COMPREHENSIVE SECURITY: TRANSNATIONAL SECURITY CHALLENGES FOR THE 21ST CENTURY

The term comprehensive security refers to a broader definition of security that encompasses elements unrelated to traditional military power and influence. Relatively new and unconventional threats to international security are typically not based on an ability to seize territory or defeat military forces. Rather, they may bypass military forces entirely to directly threaten the basic political, economic and social fabric upon which the stability and prosperity, and therefore security, of a nation or region are based. That these threats may bypass traditional military structures does not mean that defense establishments cannot play important roles in meeting these challenges. This section addresses several transnational threats that are projected to be of particular strategic concern to Asia-Pacific security in coming years.

5.0 Terrorism

East Asia is not immune to the threat of terrorism or penetration by international terrorist groups. A new and particularly dangerous phenomenon is represented by ad-hoc, loosely knit groups of extremists who have gained deadly operational experience in the Afghan conflict, and now travel the region in an effort to expand their networks and operational capabilities.

Some terrorism is state-sponsored. Other terrorist activities are rooted in ethno-religious tensions, such as the insurgent operations of radical elements in the Philippines.

In Japan, the Aum Shinrikyo, the cult that carried out a Sarin gas attack in the Tokyo subway system in 1995, further demonstrated the vulnerability of Asian societies to terrorist attacks. The attack also highlighted the potential connection between the proliferation of weapons of mass destruction and terrorism.

Difficult political, economic and social changes occurring throughout the region in coming years may exacerbate popular discontent and frustration that can fuel resort to terrorism as a means of redress. In such an environment, terrorist groups may consider the Asia-Pacific region's relatively benign operational environment as an increasingly attractive theater of activity. The nations of the region should prepare themselves for this possibility and work together to establish cooperative frameworks for preventing and addressing terrorist threats.

5.1 Environmental Degradation

Economic development in the Asia-Pacific region has come at substantial environmental cost. Although environmental problems largely stem from internal, domestic activities of individual nations, the impact of these activities often has transnational effects, such as on air and water quality. The threshold for conflict may be high, but the cumulative effect of these conditions on regional tensions cannot be ignored.

Concern about environmental degradation has also facilitated military-to-military

contacts between the United States and Asian nations. The Department of Defense (DOD) has developed a comprehensive program to address environmental aspects of military operations, including pollution prevention, conservation of natural resources, decontamination and fire safety. U.S. military engagement with other nations on environmental matters has proved to be a productive area for cooperation between militaries. In addition to the direct environmental benefits, through this mechanism trust is established that may lead to easing of tensions and better understanding of different military cultures.

The United States and China, for instance, have agreed to cooperate to address military environmental protection. Secretary of Defense Cohen and China's Central Military Commission Vice Chairman Zhang Wannian signed a joint statement in September 1998 authorizing discussions to define the scope and content of this cooperation. As a result of these contacts, China's People's Liberation Army has developed a special office to oversee its environmental program. This example of military environmental cooperation may serve as a model for military-to-military interaction throughout the region.

DOD has developed strong and effective environmental cooperation with Australia and Canada. This trilateral partnership addresses issues such as management of hazardous materials, and detection and clean-up of contaminated sites. The partnership is also working to engage other Asian nations in a dialogue on military environmental issues that are common to the region.

DOD continues to hold conferences in the Asia-Pacific region that bring together military representatives to discuss environmental issues. The United States has hosted these conferences since 1996. The conferences have resulted in a growing appreciation in the region for military environmental issues and for the importance of incorporating an environmental dimension into military operations as both a domestic and international security matter.

5.2 Infectious Diseases

Presidential Decision Directive NSTC-7 (PDD NSTC-7), established a national policy to implement actions to address the threat of emerging infectious diseases by improving surveillance, prevention and response measures. PDD NSTC-7 states that the national and international system of infectious disease surveillance, prevention and response is inadequate to protect the health of United States citizens from emerging infectious diseases. PDD NSTC-7 further mandates that DOD's mission be expanded to include support for global surveillance, training, research and response to emerging infectious disease threats. DOD will strengthen its global disease reduction efforts through centralized coordination, improved preventive health programs and epidemiological capabilities, and enhanced involvement of military treatment facilities around the world, including U.S. and international laboratories in the Asia-Pacific region such as the Naval Medical Research Unit - Two (NAMRU-2) in Jakarta, Indonesia, and the Armed Forces Research Institute of Medical Sciences (AFRIMS) in Bangkok, Thailand.

5.3 Drug Trafficking

Drug trafficking throughout the Asia-Pacific region continues to threaten United States interests both at home and abroad. U.S. Pacific Command (USPACOM), through Joint Interagency Task Force (JIATF) West, provides DOD counterdrug support to U.S. Country Teams and partner nations. JIATF West's mission is to apply DOD-unique resources to conduct detection and monitoring operations and to support efforts of law enforcement agencies and U.S. Country Teams to disrupt and deter international drug trafficking throughout the region.

Southeast Asia is the world's leading region for poppy cultivation and heroin production, particularly within the Golden Triangle, comprised of parts of Burma, Laos and Thailand. Burma is by far the world's largest opium producer. Its annual production of opium typically accounts for more than 60 percent of worldwide production and about 90 percent of Southeast Asia's production. However, drug trafficking routes traverse the entire region, posing significant challenges to our international efforts to reduce availability of illicit drugs in the United States. Various concealment methods, along with widely dispersed international organized crime organizations, also make interdiction difficult without adequate resources and intelligence. The influence of drug kingpins on the stability and authority of regimes in the region must also be watched as a potentially agitating force. In addition, trafficking in precursor and essential chemicals used for illicit drug production, particularly from China, has emerged as a serious drug-related threat.

The illicit drug trade has a direct impact on domestic security and social stability in the United States. DOD counterdrug support will continue to support the detection, disruption and deterrence of drug trafficking in the Asia-Pacific region.

5.4 Energy

Asia is entering a period in which its demand for energy will grow. Rapid population growth and economic development are fueling this trend. In the next decade, Asia will generate a larger increase in oil demand than all of the OECD countries combined.

The regional energy market is characterized by a number of developing economies, all of which will be seeking to meet growing energy demands. China and the economies of ASEAN will account for the largest increase in imports.

In the new century, a greater percentage of Asia's energy requirements for oil will have to be satisfied by producers in the Arabian Gulf. As a result, promoting stability in the Arabian Gulf, maintaining freedom of the seas, protecting sea lines of communication, particularly in the Strait of Malacca, and other efforts to safeguard energy supplies will become a challenge of increasing mutual interest.

Asian investment of both capital and technology will develop extraction and transport infrastructure for the Russian Far East and Central Asia. Russia controls the world's seventh largest proven oil reserves and the largest gas reserves. Peaceful and

constructive cooperation among Asian nations in energy development in Russia and Central Asia may further contribute to regional stability and energy security.

In today's energy market of adequate supply, increasing resource competition is manageable. Over time, however, demand may outstrip supply, leading to security concerns over resource supply and access. If new sources of supply do not live up to expectations or tensions threaten supply routes, such as pipelines and sea lines of communication, resource competition will become an increasingly relevant security concern.

5.5 Humanitarian Relief

Humanitarian operations to promote peace and address humanitarian crises in nations suffering a natural disaster, civil strife or other forms of conflict may likewise serve important U.S. security interests and values, including preservation of regional stability, and promotion of democracy and human rights. Even if U.S. security is not immediately threatened, instability, violence and large-scale human suffering often pose a long-term menace to important U.S. political and economic interests. Security aside, operations to alleviate widespread suffering also reflect the instincts of the American people to provide humanitarian assistance to those in need wherever they are.

U.S. comprehensive engagement in Asia, as elsewhere in the world, includes readiness to deploy U.S. forces to alleviate humanitarian crises in the region when appropriate. While the U.S. military is generally not the best instrument for addressing a humanitarian crisis, in some situations use of the military's unique capabilities may be both necessary and appropriate. This is particularly true when a humanitarian catastrophe dwarfs the ability of civilian relief agencies to respond or when the need for immediate relief is urgent and only the U.S. military has the ability to respond rapidly enough before appropriate longer-term assistance arrives.

In Asia, U.S. forces have engaged in a variety of humanitarian relief efforts in recent years, most notably disaster relief. The United States responded swiftly with assistance for citizens of Kobe after the 1995 earthquake devastated the Japanese city. U.S. forces helped douse wildfires in Indonesia that were threatening the health and safety of nations throughout Southeast Asia. After a violent earthquake and massive floods struck China in 1998, U.S. forces quickly airlifted blankets, tents and food to alleviate the suffering of those affected by the disasters. The U.S. remains prepared to respond constructively throughout the region should emergencies occur in the future.

5.6 Instruments of Comprehensive Security

To address transnational threats to U.S. and regional security interests, creative application of a variety of instruments is required. Traditional instruments such as intelligence gathering, military readiness and diplomacy remain central to this effort. Special efforts to combat security threats posed by weapons proliferation and terrorism will require increasing cooperation between intelligence and law enforcement agencies, not

only within the United States but internationally. The United States, through public and private sources, may also employ its international economic and political development assistance to address root causes of transnational security challenges. The United States may also use political influence through bilateral contacts and multilateral fora, including regional bodies and global institutions such as the United Nations, to raise awareness and combat challenges as they arise.

Our allies and partners should engage similarly through their development assistance programs and national security institutions. Transnational threats clearly require transnational remedies. The cumulative impact of U.S. and international attention to transnational issues will prove essential to meeting these challenges. The United States will place increasing emphasis on the critical need for close consultation, cooperation and coordination of international efforts to combat transnational threats.

At the heart of all these efforts, however, is continuation of U.S. overseas presence and active engagement in the Asia-Pacific region. Absent such engagement, the United States would possess neither the credibility nor the tools to adequately address new, transnational challenges.

6. SUSTAINING U.S. ENGAGEMENT: U.S. STRATEGIC VISION FOR A NEW CENTURY

*[SecDef quote: **A**In the security realm, it is critical to understand the interplay between what is fixed and what is in flux if we are to successfully anticipate and manage change, and thereby ensure a peaceful and prosperous future for ourselves, our children and generations that follow. This is truly the great challenge as we leave the post-Cold War transition period and enter, and indeed create, a new era. And it is a challenge that demands of us even greater cooperation than we have successfully shown in the past.Ⓔ*

Although the years since the end of the Cold War have led to change in the Asia-Pacific region, the years to come promise even more profound developments. The United States is optimistic about the future of the region and the continued engagement of the United States as a stabilizing force in the midst of change. Our vision of a stable, secure, prosperous and peaceful Asia-Pacific region in the new century will demand continued vigilance and flexibility, and a renewed commitment to close cooperation and consultation with our allies and friends. This vision will also require that the United States undertake a comprehensive approach to regional affairs to help promote constructive change.

6.0 Maintaining Overseas Presence: Bases, Access and Good Neighbors

U.S. overseas presence in the Asia-Pacific region, including the continued maintenance of approximately 100,000 military personnel for the foreseeable future, will continue to promote regional strategic interests, and provide evidence of undiminished U.S. commitment and engagement. Our force structure will continue to reflect our conception of regional strategic requirements and the capabilities necessary to support them, and remain the subject of continued consultation with our allies. In coming years, the United States will also examine new modes of sustaining and supporting this presence within the region. The continued development of support -- outside the traditional basing structure -- in such nations as Australia, Indonesia, Thailand, Malaysia, Brunei, Singapore and the Philippines will enhance U.S. strategic interests in maintaining regional stability and a credible power projection capability in the region and beyond, including to the Arabian Gulf when necessary.

U.S. bases in Japan will remain the anchor of our regional force presence. U.S. forces in Korea will continue to deter aggression on the Peninsula and promote stability in Northeast Asia and the Asia-Pacific region as a whole. The combination of traditional basing structures and new modes of support for U.S. force presence will continue to provide the flexibility and credibility that has promoted regional stability in the past, and that promises to meet the challenges of the future.

Meanwhile, the promotion of good will between U.S. forces and host nations will continue to be a critical element of U.S. overseas presence. Cooperation with host nations and communities will remain critical not only between base commanders and local officials, but between every soldier, sailor, airman and Marine, and every local citizen. We will engage in greater dialogue and consultation with host nations on measures to

reduce the local impact of our forces, as demonstrated by our close cooperation with Japan on SACO, and assure tangible contributions to local societies and quality of life through civic projects and other initiatives. Likewise, U.S. forces will enhance their effort to promote understanding of the strategic purpose of their presence and the connection between U.S. training activities and the missions for which they must prepare. The United States will welcome the input of host governments to facilitate this process as an essential strategic element of sustaining U.S. presence while ensuring maximum operational readiness of U.S. forces into the future.

6.1 Updating Alliance Partnerships

As this report has indicated, in preparing for change, the United States will build upon the framework that has been developed over the past several years to guide future U.S. strategy towards the region. Foremost, the U.S. will continue to strengthen its strategic partnerships with allies, which serve as important pillars from which to address regional political and military challenges. All of our alliance relationships promise to expand both in scope and degree in coming years to encompass more comprehensive concepts of security cooperation.

As our most important bilateral alliance in the region, the U.S.-Japan partnership in particular will remain critical to U.S. and regional interests -- as important to Asia's future as it has been to its past. The United States sees no substitute for this historic relationship as the region prepares to address old and new challenges into a new century.

In the next century the U.S.-Japan alliance will remain the linchpin of our regional security policy and must therefore continue preparing to respond to regional threats and to engage in preventive diplomacy. The United States and Japan will continue building a global partnership based on our shared values, mutual interests and complementary capabilities. Full and effective implementation of the 1997 Defense Guidelines will contribute substantially to this process. We also expect that Japan will bring its considerable diplomatic and economic tools to the task of preventing future security problems. Japan's strong condemnation of nuclear tests in South Asia, and active engagement to mitigate the impact of this destabilizing development continue to be welcome and important initiatives to support global nonproliferation efforts. Regular nonproliferation consultations begun in July 1998 and our strong joint response to North Korea's missile launch in August 1998 highlight the benefit to both sides of longer-range planning and information sharing. We expect such consultation and cooperation to expand. The United States will also continue to view Japan as a key part of the solution to the economic and financial crisis in the region.

The United States further envisions a continued U.S. overseas presence in Japan that secures peace and whose troops continue to be supported by the central government, and welcomed as partners and good neighbors by the local communities with whom they interact. Maintaining host nation support levels, and continued joint commitment to implementing the SACO Final Report will be central factors in this regard.

The United States also takes a longer-term view of its relationship with South Korea. The situation on the Korean Peninsula will remain the most serious security threat in the Asia-Pacific region in the near term. The U.S.-ROK alliance will continue to promote stability and deterrence on the Peninsula, as we work with all nations of the region to help shape a more stable Northeast Asia.

The United States welcomes the public statements of ROK President Kim Dae-Jung affirming the value of the bilateral alliance and the U.S. military presence even after reunification of the Korean Peninsula. The U.S. strongly agrees that our alliance and military presence will continue to support stability both on the Korean Peninsula and throughout the region after North Korea is no longer a threat. The bilateral alliance and U.S. military presence will continue to contribute to the residual defense needs of Korea and assist in the integration of the two Koreas as appropriate. Beyond the Peninsula, instability and uncertainty are likely to persist in the Asia-Pacific region, with heavy concentrations of military force, including nuclear arsenals, unresolved territorial disputes and historical tensions, and the proliferation of weapons of mass destruction and their means of delivery serving as sources of instability. After reconciliation and, ultimately, reunification, the United States and Korea will remain deeply committed to mitigating such regional sources of instability.

Also, in keeping with the growing global role of the ROK, the United States and ROK will continue to share a worldwide commitment to peaceful conflict resolution, arms control and nonproliferation, right of access to international sea, air and space, and promotion of democratic and free market practices. The bilateral security alliance and overseas presence of U.S. military forces will continue to serve as important instruments for achieving these common objectives over the long term.

The U.S. also envisions continued expansion and deepening of the U.S.-Australia alliance over the coming years. Australia will continue to be important to our presence in Southeast Asia, as the U.S. and Australia develop and monitor interaction and cooperation on security issues through our well-established working relationships and the AUSMIN ministerial meetings. With continued development and planning, Australia will provide an increasingly important regional locus for both unilateral and joint training, particularly in the Northern Territory. The two sides will continue to work closely together on international peacekeeping and other UN operations, which contribute to mutual security interests in such places as the Arabian Gulf and Cambodia.

The United States will also continue to explore ways to enhance our longstanding alliances with Thailand and the Philippines. These valuable partnerships must continue to develop to ensure continued regional stability and to enable all sides to address a range of security interests, including drug trafficking, terrorism, environmental degradation and weapons proliferation. Expanded U.S. access, joint activity and interoperability with Thai forces will remain critical to address these mutual interests. We will continue to work closely with the Philippines to develop our partnership in ways that will promote our respective security interests.

Enhancing Regional Cooperation

Overall, the United States must increasingly emphasize regional cooperation with allies to address future challenges. An important element of regional cooperation will include enhancing our strategic consultations. Formal dialogues such as regular defense and foreign minister talks with Japan (Security Consultative Committee, or A2+2@) and Australia (AUSMIN), and annual Security Consultative Meetings with the ROK, as well as the less formal interaction that occurs continually between allies, provide the context for official security consultations. These discussions will continue and deepen at all levels. The United States understands the growing importance of developing deeper and more substantive partnerships with both defense and military establishments of its allies to account for changes in the strength of our partners and fully realize the potential of these partnerships to meet the challenges of a new century.

For instance, regional cooperation may also increasingly encompass use of common facilities, as well as reciprocal military provision of supplies, services and logistical support.

In nations where the United States maintains bases or conducts regular training and exercises, the conclusion of Acquisition and Cross Servicing Agreements (ACSA) will not only provide for such assistance but also offer material and symbolic evidence of regional support for U.S. presence in general. The signing of a revised ACSA with Japan in April 1998 was a step in this direction, and the United States will seek other ACSA agreements elsewhere in the region in coming years.

6.2 Engaging China: From Confidence-Building to Cooperation

[Quote: *We want China to be successful, secure and open, working with us for a more peaceful and prosperous world.*@ President Clinton, Speech at Peking University, June 28, 1998]

The United States intends to continue confidence-building efforts with China in coming years through greater contacts, exchanges and visits at all levels of our government and military establishments. The annual Defense Consultative Talks process will continue to develop as an important forum for high-level strategic dialogue. During President Clinton's June 1998 visit to China, the United States and China agreed that their respective military establishments would observe a joint training exercise of the other side, and pledged to cooperate on military environmental protection and security. Consistent with these initiatives, the United States will seek further progress in Chinese military transparency, particularly in strategic doctrine, budgets and force structure.

In coming years, the United States will also seek to expand not only confidence-building measures but also active bilateral cooperation with China on issues of mutual interest. These will include joint efforts in such areas as humanitarian assistance, disaster relief and peacekeeping operations, and other activities to promote freedom of the seas, safety of international sea lines of communication and peaceful resolution of disputes, including on the Korean Peninsula. The United States will continue to consult with China on productive approaches to the regional financial crisis. The two sides have also

reaffirmed their shared interest in restoring stability to South Asia and strengthening international nonproliferation efforts.

Although the United States and China have a long history of interaction, missing from this contact over much of the past two centuries has been continuity, balance and a sober dialogue concerning mutual interests and strategic visions. It is clear that the United States and China have substantial mutual interests in maintaining peace, stability and prosperity not only in the region but internationally. Active cooperation between the two sides to secure these interests, therefore, will become not only desirable but imperative as we enter a new century.

6.3 Continued Integration of Russia into Asia-Pacific Security Affairs

Russia's involvement in Asia-Pacific affairs will expand in coming years as historical tensions ease, and bilateral and multilateral interaction is regularized. The United States welcomes and will continue to encourage such involvement as constructive to the general development of the region. Economically, further integration of Russia into regional security affairs will promote growth both by enhancing general stability and by enabling productive use of respective economic instruments and natural resources. Interaction between U.S. and Russian military forces in the Asia-Pacific region will also continue to expand. The United States envisions a future where U.S. and Russian forces work together with other nations in the region, for instance, to provide effective humanitarian assistance and disaster relief. Likewise, a stable and involved Russia may contribute substantially to stemming weapons proliferation. The benefits of Russia's constructive involvement in regional security affairs cannot be ignored as an important element in the strategic mix in Asia.

6.4 Strategic Innovations for Asia-Pacific Security: A Network of Overlapping and Interlocking Institutions

As indicated in this report, the U.S. views the cumulative effect of bilateral, minilateral and multilateral security relationships as establishing a diverse and flexible framework for promoting common security in the Asia-Pacific region into the next century.

The United States views the continued development of the ASEAN Regional Forum, for example, as an important vehicle for exchanging views on regional issues such as the South China Sea, enhancing mutual understanding and confidence, and potentially addressing preventive diplomacy and conflict resolution. The continuation and broadening of minilateral contacts will also remain a U.S. strategic priority and take its place alongside traditional mechanisms of dialogue in coming years.

In particular, proliferation of weapons of mass destruction and other transnational security concerns, such as environmental degradation, drug trafficking and terrorism, will require extensive regional interaction and creative, multilateral approaches that often transcend traditional bilateral or military remedies. The task for the region will be to encourage all nations to recognize and address domestic problems that have transnational security implications, and to mobilize and coordinate a full range of national and

international tools to meet these non-traditional security challenges.

6.5 Addressing the Regional Financial Crisis

The severe financial crisis faced by many of Asia's leading developing economies beginning in mid-1997 sent a shock wave not only through the region but around the world.

The United States recognizes that it is not immune to the economic and political fallout of the crisis.

The United States views the Asian financial crisis as a core security concern. In meeting the economic challenges of the crisis, the United States will remain committed to playing a leading role in mitigating the national and international effects of economic setbacks suffered in the region. U.S. engagement and presence in the region during this difficult transition period, therefore, remains as critical as ever to provide reassurance of continuity and stability in the midst of change, and to enable contacts with regional leaders to promote constructive change.

6.6 Promotion of Transparency

Consistent with the stabilizing values of open government, transparency must become a transcendent principle as nations increasingly interact to normalize relations and security initiatives arise to reflect the new security environment. The U.S. remains committed to conducting its regional affairs in an open and transparent manner and encourages all nations and institutions involved in regional security initiatives to conduct their activities similarly to instill trust and establish a standard that will enhance stability in the region.

As stated in the Introduction, this report itself represents an important exercise in transparency. The 1998 East Asia Strategy Report has outlined U.S. perspectives, relationships, interests and strategy toward the Asia-Pacific region as the specter of the Cold War recedes and we move into the 21st century. The region will face many challenges in coming years; some we will anticipate, others we will not. The vision outlined in this section and throughout this report should make clear that the United States is prepared to join with the other nations of the Asia-Pacific region to address the challenges of a changing world and will remain steadfast in its commitment to comprehensive engagement in the region into the new century.