China, the United States, and Security Policy in East Asia

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The recent "prudent" and "precautionary" deployment of two US carrier battle groups to the waters off Taiwan during live-fire exercises by the armed forces of the People's Republic of China (PRC) provides an opportunity to review the criteria governing any decision by the US government to introduce its armed forces into environments of potential conflict. In some substantial sense, the criteria would have to be variants of those under which the United States should intervene militarily on behalf of threatened national interests.[1] While the interests invoked to justify intervention by the United States need not necessarily be vital, they must be sufficiently valid to assure continued popular and congressional support for the relevant action over an indeterminate period of tension.

By the late winter of 1996, it had become clear that the Clinton Administration had decided that valid interests of the United States were sufficiently engaged by mainland China's apparent threats to the security of Taiwan to interpose our forces in the region. A review of the considerations that apparently led to that decision is instructive.

In reviewing regional developments in East Asia since the end of World War II, the immediate outlines of the most fundamental US interests become evident. Even the disappearance of the Soviet Union as a regional security threat, and the changes that have attended that disappearance, have not substantially altered the character and extent of those interests.

The Interests of the United States in East Asia

Everyone is familiar with the fact that the United States has major, and profitable, economic involvements in East Asia. In 1994, the United States exported more than $153 billion to the nations of the West Pacific rim, a traffic that provides over three million jobs for American workers. The $120 billion in imports from Japan, the $40 billion in imports from the PRC, and the $30 billion in imports from Taiwan sustain the US standard of living with high quality, low-priced goods.

The United States has about $40 billion in direct capital investment in Japan, and Japan has over $100 billion in similar investments in the United States.[2] In effect, whatever its more general interests, the exchange of resources, commodities, and capital between the United States and its trade and investment partners in East Asia contributes to the overall well-being of the nation.

While all that is true, responsible advisors to all the Presidents of the United States since the end of World War II have recognized that American interests are far more fundamental than economic data suggest. For half a century, the United States has invested substantial human, political, moral, and economic resources in East Asia in the effort to maintain peace and stability. To contribute to those ends, the United States has sought to create an open trading and investment environment in increasingly democratic political circumstances. Those efforts turned on the bipartisan conviction that both trade and representative democracy are mutually reinforcing and tend to foster peace and stability.

The simple cataloging of US interests, and a general statement concerning policy, conceal the fact that both are expressions of a coherent world view, more complicated and important than is generally recognized. It is a world view that, in itself, has major implications for the future of East Asia, and perhaps the world community.

Since the end of World War II, those East Asian nations most directly involved in trade and political relations with the United States have not only emerged as more modern industrial communities, but as more fundamentally democratic
as well. That has not been merely fortuitous. Immediately after the Second World War, a coherent policy was put in place that the United States has pursued ever since. It is best exemplified in the history of Japan over the last half century.

For decades, Japan, increasingly democratic since its defeat in 1945, and the second largest trading partner of the United States, has followed a strategy of market-governed, export-led growth. Protected by its security arrangements with the United States, and initially counseled by American advisors, Japan entered into complex economic relations with its major trading partners as its industrial base expanded and matured. Pursuing opportunity benefits, Japan invested in assembly plants in Taiwan and South Korea. As wage costs and labor shortages provided the incentives, Japan transferred intermediate parts plants there and relocated lower-wage assembly facilities elsewhere in Southeast Asia, retaining higher-end industry in the home islands. As a consequence of that process, Japan has been a major engine of economic growth and industrial development in East Asia.[3]

More than that, in transferring capital and technology to the less-developed countries of continental and insular East Asia, Japan and the United States created the conditions that foster the growth of democratic institutions. Those nations most intensively involved in trade-fostered growth and development have also become increasingly democratic in the process. The requirements of international trade and multilateral negotiation, the imperatives that govern market activities, the generation and adherence to law-governed exchanges, have apparently contributed to an increasingly democratic disposition among East Asians. As a consequence of their involvement in this process, both Taiwan and South Korea (the seventh and eighth largest trading partners of the United States, respectively) matured into major representative democracies.

Under the tutelary and security protection of the United States, the process begun in Japan has radiated outward. Taiwan and South Korea now both serve as major agents of regional growth, industrial development, and political democratization.[4] Like Japan, both Taiwan and South Korea are heavy investors in Southeast Asia, where one expects the transfer of political culture together with transfer of capital and technology.

In itself, the process of economic and political development clearly requires regional peace and stability. To foster and sustain the democratic promise of the most recent political changes in Thailand and Malaysia requires not only expanding trade and capital transfers, but a predictable international environment.

It seems clear that US policy in East Asia is predicated on the presumed relationship between economic growth, increasing prosperity, and the emergence of sustainable democratic institutions. The further assumption that representative democracies, enjoying growth and prosperity as a consequence of peace and security, are disposed to the continued maintenance of peace and stability, simply reveals the policy's internal coherence.

In East Asia, Washington has pursued a bipartisan policy of promoting regional economic growth and industrial development as the antecedent or correlative of political democratization. That policy has conceived regional peace and stability as necessary preconditions. The emergence of significant threats to economic development and regional peace precipitated the two major conflicts in which US forces have been involved in East Asia. US intervention on the Korean peninsula and in Vietnam followed as a consequence of efforts by aggressors to impose dysfunctional non-market command economies and anti-democratic political systems on resisting populations. The fact that aggression at that time was identified with a global security threat from the Soviet Union only made the US response more precipitate and predictable. The disappearance of the Soviet Union, however, has not changed the most fundamental US interests in the region; it has just made defense of those interests more cautious and finessed. It is in this general context that the present tensions with the People's Republic of China can be profitably reviewed.

The People's Republic of China

Since the death of Mao Zedong, the authorities in Beijing have transformed the economic base of the PRC, allowing the people of China to enjoy qualified property rights, invest in profit-making enterprise, and engage in international trade and investment.[5] As a result of these significant economic reforms, the United States, consonant with its long-term and immediate interests in the region, as well as its overall world-view, has actively participated in the trading and investment processes involved in mainland China's rapid economic growth and industrial expansion. The United
States now imports approximately one third of all PRC exports. China is currently the sixth largest trading partner of the United States.

Continued US engagement in the economic development of the PRC, in large part, has been sustained by the conviction that more democratic political institutions would eventually grow out of the processes to which Americans actively contribute. There has been the suggestion, for example, that economic developments on the Chinese mainland have created the circumstances in which the Communist Party of China no longer commands the unqualified allegiance of the citizens of the PRC, more concerned now with improving their material life circumstances. It has been said that the Communist Party, as a result of the vast changes that attend economic development, no longer controls the flow of public information or penetrates every economic institution.

Economic engagement with Communist China has been undertaken by the United States not only with the expectation of immediate material profit, but with the conviction that such engagement would ultimately foster the emergence of political democracy. The PRC is expected to follow the pattern first exemplified by Japan, Taiwan, and South Korea. Until the beginning of 1996, the United States was apparently sufficiently satisfied with the changes that attended China's economic growth and development to allow Beijing wide latitude in its foreign policy posturing. Beijing's live-fire exercises off the coast of Taiwan, however, apparently exceeded the level of tolerance, and Washington issued a clear warning in its deployment of major naval combatants to the region. That warning was the apparent consequence of an assessment that conceived valid US interests being threatened by a long pattern of behaviors on the part of the authorities in Beijing.

The Chinese Threat to US Interests in East Asia

It seems evident that the deployment of US forces to the waters surrounding Taiwan was the reluctant consequence of long deliberation over a clear pattern of foreign policy and security moves made by Beijing. The pattern of behaviors under consideration began with the shift in Chinese defense policy that transpired about the time of Mikhail Gorbachev's advent to power in the Soviet Union.

At a meeting of the State Central Military Commission in 1985, Deng Xiaoping expressed confidence that a conflict between the great powers had become a very low probability for the foreseeable future. The availability of weapons of mass destruction made conflict between these military powers increasingly unlikely. As a consequence of perfectly comprehensible constraints, the freedom of action of the protagonists was limited.

The implication for Deng was that lesser military powers, over time, would enjoy greater and greater latitude in undertaking initiatives in the service of their own interests. The easy availability of modern military platforms and the lethality of their weapon systems now provided lesser military powers the force projection capabilities to undertake "small wars." The lesser military powers could embark upon local conflicts, limited in extent and duration, in the effort to resolve grievances without the interference of the major military powers.

To prepare for such limited conflicts, the planners of the Chinese People's Liberation Army (PLA) proposed the immediate organization of state-of-the-art rapid response forces, combining new weapon capabilities and high mobility. By the end of the 1980s, the first such PLA units had been put together. Rapid deployment forces were organized around a core of fixed- and rotary-wing attack aircraft, designed for a ten-hour response time. Trained in both sea and airborne operations, such units are intended for land, air, and amphibious assault. In October 1988, a joint military exercise along those lines was conducted in the Guangzhou military region. A year later, similar operations were undertaken in the South China Sea.

In the years that followed, the PRC has purchased increasingly sophisticated weapon systems, system upgrades, and system adjuncts from more advanced industrial nations. The PRC's purchase of Russian combat aircraft, its investment in blue-water naval capabilities, and its increasingly sophisticated combat appurtenances, all signal the assembly of an inventory fully compatible with the local power projection capabilities anticipated by its current policies and military doctrine. Clearly incapable of engaging in a major military conflict, the PLA is being equipped for "small wars" on China's periphery.

As part of that general program, the PRC has had the fastest growing defense budget in Asia, with annual increases of
at least 12 to 15 percent since 1990.[17] Estimates of its current budget range from Beijing's official figure of about $9 billion to the estimate of $51 billion by the US Arms Control and Disarmament Agency.[18] If the latter figure is accurate, the PRC would have the second highest military budget in the contemporary world.

The current modernization of the PLA appears designed for regional employment, to secure a zone of predominant influence along the length of the PRC's contested borders with Russia, the Democratic People's Republic of Korea, India, and Vietnam. China also has more serious maritime and territorial disputes in the East and South China seas.

In Taiwan and Southeast Asia, the response to Beijing's explicit policy statements, and the correlative developments in the force structure of the PLA, has been a significant, if gradual, increase in defense budgets among the region's military establishments.[19] Troubled by their perception of a diminution of US interests or capabilities, the leaders of Taiwan and the nations of Southeast Asia have considered it prudent to enhance their own defense capabilities.

Enhancement of the PRC's military capabilities has not been the only concern of regional nations, however. The modernization of China's forces has been coupled with Beijing's increasingly threatening posture concerning its "territorial waters and contiguous areas."

The "Territorial Waters" of the PRC

In February 1992, the PRC's National People's Congress, at the urging of Premier Li Peng, passed the "Law on the Territorial Waters and Contiguous Areas of the People's Republic of China." That piece of domestic Chinese legislation defined the Diaoyu (Sengkaku), Penghu (Pescadores), Xisha (Paracels), Nansha (Spratlys), Dongsha (Pratas Bank), and Zhongsha (Macclesfield) islands as "inalienable" constituents of the sovereign territory of the PRC. That legislation formally lays claim to vast territorial and maritime reaches of both the East and South China seas. The law pretends to Chinese jurisdiction not only over the islands named, but also over the surrounding waters and the airspace above the maritime territories. Chinese sovereignty, in PRC domestic law, has been extended to cover some 800,000 square kilometers of the waters of the West Pacific, from north of Taiwan to the full extent of the Malaysian littoral almost to the island of Netuna.[20]

Together with the new maritime regimes created by the United Nations Convention on the Law of the Sea, China's domestic legislation concerning its putative "territorial waters" has created 15 boundaries, of which 12 are in dispute.[21] The PRC's law on territorial waters, which lays unqualified claim to all the contested region, has created particular concern among the nations of Southeast Asia. The response of the Association of South East Asian Nations (ASEAN) to Beijing's claims has been to move the issue of the disputed territorial boundaries in the South China Sea to the top of its agenda.

The ASEAN Declaration on the South China Sea that resulted from the Manila Ministerial Meeting in 1992 emphasized the need to solve all sovereignty and jurisdictional issues in the South China Sea by "peaceful means, without resort to force."[22] The ASEAN community has sought to control the security circumstances in the South China Sea.

While Beijing has made declaratory pronouncements concerning its readiness to negotiate conflicting claims in the region, it has moved aggressively to establish what it imagines to be its sovereign rights. Not only did the PRC use military force in its seizure of the Paracels in 1974, but it employed force in the Spratlys in 1988 to occupy several islands controlled by the forces of the Socialist Republic of Vietnam. In 1992, PRC units once again seized islets in the Spratlys claimed by Vietnam. In 1995, PRC contingents occupied Mischief Reef, claimed by the Republic of the Philippines. Chinese naval vessels make episodic tours of the islands, islets, sandbars, and cays of the South China Sea, dotting them with markers identifying them as Chinese territory.

It is clear that if Beijing can establish a secure claim over the South China Sea, China would enjoy the promise of rich fish harvests in the waters of the region and oil reserves in the underwater subsoil. With a population that threatens to exceed the support capacity of its land (the PRC has about 22 percent of the world's population confined to about seven percent of the world's arable land), and an economy that may have already exhausted its most easily recoverable energy reserves, Chinese strategists speak of the necessity of securing "vital living space" for China in its surrounding waters.
More ominous than all of that has been the interdiction of innocent passage through the waters identified by Beijing as its own.[23] Between 1991 and 1995 there has been a series of incidents in which armed Chinese vessels have intercepted and boarded merchant ships plying the East and South China seas. According to the International Maritime Board in Kuala Lumpur, there has been a disturbing increase in such incidents since 1991.

Maritime authorities in Tokyo reported that between 1991 and 1993 there were 78 incidents in the international waters of the East China Sea in which Japanese and foreign vessels were boarded or fired upon by Chinese ships. For a time, Russian vessels also were interdicted with some frequency in the same international waters. Thus, in July 1993, the Soviet merchant trawler Soyuz 4 was stopped by Chinese navy vessels in international waters and escorted to the Chinese naval base at Ningbo, where its crew was detained. Chinese officials dismissed the entire incident as a "misunderstanding." Whatever the "misunderstanding," the incidents ceased only when Moscow deployed a naval flotilla there and threatened to use force to protect its shipping.

In 1993 alone, there were about 33 incidents of Chinese vessels interfering with the free passage of merchant vessels in the South China Sea, apparently in an effort to demonstrate the PRC's de facto control over those waters it claims as sovereign maritime territory. The interdiction of the Panamanian-registered Alicia Star in January 1994 was typical of these obstructions to free passage. The Alicia Star was intercepted by what appeared to be an official Chinese vessel in international waters 500 kilometers from the Chinese coast. It was compelled to accompany the vessel to a Chinese port, where its cargo was confiscated without compensation.

These activities have continued until the present. Recently, Chinese units have fired upon merchant vessels negotiating the sea lines of communication in both the East and South China seas. In January and February 1996, for example, Chinese-flagged vessels opened fire on Taiwanese freighters more than 70 kilometers off the southern coast of Taiwan. At the same time, Chinese naval units have undertaken to stop and inspect fishing vessels in the South China Sea.[24]

The Implications

It has become evident that Beijing has sought to test the limits of its control over the major waterways and maritime reaches of the East and South China seas. That control would provide Beijing leverage over Japan and the newly industrialized economies of Northeast Asia. The bulk of the fossil fuel and raw materials essential to the economic survival of Japan, Taiwan, and South Korea makes its way through the Indonesian choke-points and the sea lanes of the South China Sea.[25]

In effect, if the PRC is permitted to control traffic in the international waters of the East and South China seas, the continued economic development of all the nations in the region would become, at least in part, hostage to the goodwill of Beijing. Beijing would be in a position to broker the future of those nations essential to the industrialization and democratization of East Asia.

For the past decade, Beijing has articulated a national policy that involves securing the territorial and maritime reaches of the East and South China Seas. It has promulgated domestic law affirming its claims over contested space there. At the same time, it has put together military capabilities configured for rapid seizure and control of maritime territories. More recently, Beijing has seized territory and exercised irregular control over ship traffic in the region.

All of that has threatened the stability and security of East Asia, casting a pall over the promise of economic growth, industrialization, and democratization that is at the center of the American vision for a prosperous, satisfied, and peaceful Asian-Pacific region.

The communist authorities in Beijing seem cognizant of all this. They recognize "peaceful evolution" as a threat to the continuity of communist rule. They have affirmed resolute resistance to what they identify as "bourgeois pollution." Part of that resistance is manifest in their foreign policy posturing.

For the nations in East Asia, the United States remains the only power capable of influencing China's behavior. For years, the non-communist nations of East Asia expressed concern about the reliability of US security commitments. The decline in the US military budget and the drawdown of US forces, together with the American withdrawal from
major base facilities in the Philippines, left East and Southeast Asians with reduced confidence in Washington's ability to protect the security of the East and South China seas. They see the "peaceful evolution" of their region, its economic growth and development, and its collateral democratization increasingly threatened by Beijing's behaviors.

Washington has consistently reaffirmed its commitments in East Asia, and as recently as May and June 1995 government officials indicated that the US Navy was prepared to escort vessels in the South China Sea should circumstances make that necessary. Major military figures insisted that the United States would do everything within its power to ensure continued peace and stability in the area.

By the beginning of 1996, it had become a question of the credibility of the United States. Beijing gave the appearance of testing the limits of the US commitment to the peace and security of East Asia. By late fall 1995, Beijing decided on the plan that saw the PLA firing unarmed rockets in the vicinity of populated areas on Taiwan. With the beginning of 1996, Beijing undertook the reckless live-fire exercises in the Taiwan Strait calculated to intimidate the people of Taiwan.

It had become clear that if the United States was to defend its valid interests along the West Pacific rim, if it were to sustain the economic development and democratization of East Asia, a signal would have to be delivered to the authorities in Beijing. The carefully calculated movement of major US naval combatants to the region of the PLA's live-fire exercises off Taiwan in March 1996 was that signal.

If the evolution of East Asia is to continue, some guarantee of stability and peace is required. An entire pattern of behaviors on the part of the mainland Chinese authorities has threatened that stability and peace.

Market-based economic growth and political democratization have brought significant qualitative and quantitative benefits to all the nations of the West Pacific rim. Such benefits show every promise of profiting the communist as well as the non-communist nations of the region. The imprudent behaviors of the leadership of the PRC suggest that there exists a clear disconnect between the interests of the Chinese people and those of the authorities. The tension in the Taiwan Strait is only one of its consequences.

In the post-Cold War world, the preservation of an environment in which the dynamic nations of East Asia can pursue a trajectory of growth that holds forth the promise of both prosperity and representative democracy requires active vigilance, the expenditure of effort, and a readiness to affirm, without vagueness or equivocation, a limit to the tolerance of reckless behavior. The movement of US naval forces to positions off Taiwan in March 1996 was undertaken in response to valid national interests and was informed by sensible objectives.

NOTES


5. See the discussion in A. James Gregor, China, Marxism and Development (New Brunswick, N.J.: Transaction, 1995), chaps. 4 and 5; Jonathan R. Woetzel, China's Economic Opening to the Outside World (New York: Praeger,


7. See the discussion in Harry Harding, "A Chinese Colossus?" *Journal of Strategic Studies*, 18 (September 1995), 105-09.

8. The United States has regularly shown tolerance to developing nations going through what could only be a difficult process of economic and political transformation. For decades, Washington has overlooked human rights infractions in South Korea and Taiwan with a clear recognition (among other considerations) that democratic changes were "inevitable." While Washington has been equally tolerant of Beijing's domestic human rights infractions, the threats to regional security constitute a different order of concern.


22. "ASEAN Declaration on the South China Sea" (Manila: Joint Communiqué of the 25th ASEAN Ministerial Meeting, 22 July 1992).


26. The average rate of economic growth in East Asia until the turn of the century is expected to be 5.8 percent, with the PRC maintaining an average rate of growth of 8.7 percent and the nations of ASEAN a rate of 7.6 percent.


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