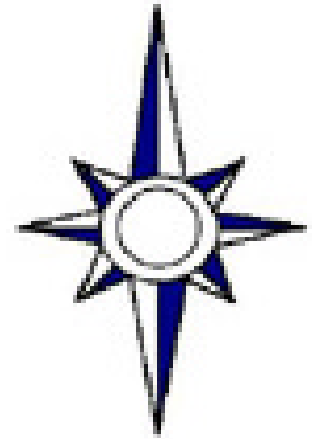




Pacific Forum CSIS



Comparative Connections



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East Asian Bilateral Relations

edited by

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Regional Overview: When Elephants Fight

Ralph A. Cossa

Despite recent trends in Asia and elsewhere toward multilateral cooperation, bilateral relations remain at the core of international relations and, as this Journal will document, developments in one set of relationships can dramatically impact other bilateral interactions in addition to affecting the prospects for broader regional stability.

The bilateral relationship that has seen the greatest amount of turmoil over the past quarter, by almost any measure, is the always volatile U.S.-China relationship. The decided downswing in this relationship has also impacted many other bilateral relationships throughout the region. The accidental bombing of the Chinese Embassy in Belgrade in May was, of course, the straw that broke the proverbial camel's back. But, as Bonnie Glaser points out, it was just one of many strains that had been developing and which came to a head during this period.

The big question now is whether both governments will be willing and capable of the politically difficult but essential task of restoring relations to an even keel. China apparently needs some additional gesture (beyond last month's largely futile Pickering visit) in order to get out of the corner it has painted itself into, while political realities in the U.S. will make it extremely difficult for the Clinton Administration to provide "an elevator to help them down."

One unintended consequence of this downturn in Sino-American relations has been a marked increase in the degree and depth of cooperation between Moscow and Beijing, caused by their common concern about American unilateralism. Yet, even this new-found partnership faltered when Russia left China behind in helping to settle NATO's Kosovo campaign. As Keith Bush notes, U.S.-Russian relations have also been set back considerably during this quarter over perceived American slights both during and after Kosovo.

Views of the future vary. In Bin Yu's opinion, as both Russia and China become more disenchanted about U.S. intentions and reliability, necessity drives them closer to one another, to the point that their current strategic partnership may soon evolve into a more formal defense alliance. While I am personally still inclined to view Sino-Russian relations more as a marriage of convenience--and one in which both partners still sleep with one eye open--there is little doubt that the two began to move closer as their bilateral ties with the U.S. became more strained, and that one manifestation of this greater

closeness is Russian willingness now to sell China more state-of-the-art military hardware and technology.

Another major U.S. bilateral relationship in Asia--indeed, the one dubbed by many on both sides as "the world's most important bilateral relationship--bar none"--has fared considerably better in this past quarter. U.S.-Japan relations, as documented by Michael Green, have been on an upswing, with the May Obuchi visit to Washington being a "love-in" in comparison to recent experience. Some key issues remain, of course: always simmering trade difficulties, exacerbated by an ever-growing trade deficit; the pressure for more forward movement on the Okinawa bases issue following President Clinton's recent comment that he hoped the issues would be settled prior to his visit there for the G-8 Summit next year; and unfinished business regarding full implementation of the Defense Guidelines, to name but a few. Nonetheless, security ties have been solidified during the past quarter with the passing of legislation to implement the bulk of the revised Defense Guidelines and Japan now seems committed to support theater missile defense (TMD) research and development.

While the U.S. and Japan try hard not to view their own bilateral relationship and their respective relations with China in zero-sum terms, there is a tendency in Beijing to see things in this way, especially when U.S.-China relations are strained. Therefore, Japan's effort to improve its own historically strained ties with China, as chronicled by James Przystup, has been made more difficult with each improvement of U.S.-Japan security cooperation. Ironically, for its part, Japan--which only a few short months ago was sweating profusely over the "dramatic improvement" in Sino-U.S. relations in the wake of the two Clinton-Jiang summits--is now increasingly worried about the deterioration in Sino-U.S. ties. Japan's desire to restore some degree of relative harmony in the region could likely make them more inclined to tread softly (and generously) with Beijing. Nonetheless, the combination of improved U.S.-Japan defense cooperation and deteriorating U.S.-China relations increases China's paranoia about both the U.S. and Japan and will make it even more difficult for Japan to overcome the historic suspicions that continue to typify Sino-Japanese relations.

To date, the Japan-Russia relationship has been largely unaffected by the downturn in Sino-U.S. and U.S.-Russian relations, beyond Russian complaints about TMD and the Defense Guidelines, which likely would have been forthcoming in any event. As Janet Snyder reports, the Japan-Russia relationship remains on track, even though it has shown little sign of forward movement during this quarter. The brief but important meeting between Russian President Yeltsin and Japanese Prime Minister Obuchi during the G-8 meeting in June kept alive the hope that a peace treaty could be signed by or during the year 2000 that will formally end World War Two hostilities. Improved Russo-Japanese relations, in addition to potentially benefiting both sides, are also important in that they serve to offset some of the negative aspects of the Sino-Russian strategic partnership by effectively denying Beijing a "Russia card" in its dealings with Japan and, for that matter, with the U.S.

America's other long-time security ally in Northeast Asia, the Republic of Korea (ROK or South Korea) is also concerned about deteriorating U.S.-China relations since this can directly influence the ROK's most tenuous bilateral relationship, with its brothers to the north. Sino-U.S. cooperation in the broader setting of the Four-Party Talks involving North and South Korea has a direct impact on the prospects for success (or at least forward progress) in these talks. As Steve Noerper points out, Sino-ROK relations have remained cordial as both sides strove to improve their political and economic interaction under the watchful eye of Pyongyang and Washington.

Seoul has also managed to maintain good relations with Washington during this quarter, despite a host of developments that traditionally would have caused severe strains. As David Brown notes, a great deal of credit for the improvement in U.S.-ROK ties over the past quarter must go to former Secretary of Defense William Perry, who is currently serving as North Korean Policy Coordinator for the Clinton Administration. Perry's meticulous efforts to coordinate his activities and policy recommendations every step of the way with Seoul (and with Tokyo) have increased Seoul's confidence in America's reliability.

North Korea also deserves part of the credit, however. Its decision to permit the U.S. inspection at Kumchang-ni prevented the collapse of the Agreed Framework, which lies at the heart of the U.S.-North Korea bilateral relationship. Meanwhile, its relative restraint in the aftermath of the naval incident off the Korean west coast in late June (in which a North Korean ship was sunk) may have saved the ROK's engagement or "sunshine" policy toward the North...just as the sinking itself may have saved Kim's policy at home by demonstrating that the ROK will continue to stand up to the North even as it opens its hand in friendship.

Dr. Perry's efforts are also praised by Victor Cha as contributing to the steady improvement in relations between Seoul and Tokyo, which continues to win the award as Asia's most improved bilateral relationship. The lion's share of credit, however, must go to ROK President Kim Dae-jung and Japanese Prime Minister Obuchi who, during their October 1998 and March 1999 summits, made the politically courageous decision to put the past behind and build toward a cooperative future relationship. This has manifested itself in the past quarter through the establishment of hotlines between their military headquarters and through high level exchange visits and planning for even greater military-to-military and economic interaction.

While the three-way relationship among the U.S., Japan, and Korea is perhaps better today than it ever has been, Cha, Green, and Brown all warn that disagreements among the three over how to respond to future North Korean provocations and differences in opinion or approach toward their respective future relations with Pyongyang can upset the current equilibrium. So too could severe differences of opinion over how best to integrate China into broader regional affairs. A prolonged chill between Washington and Beijing would put both Seoul and Tokyo in a difficult position since both see their security resting both on a continued defense relationship with the U.S. and on the maintenance of cordial relations with China.

Another potentially volatile bilateral relationship is the one between the Chinese on both sides of the Taiwan Straits. Here, again, the status of U.S.-China relations can have a direct bearing, and vice-versa--nothing can more effectively undermine U.S.-China cooperation than increased tensions (or worse) between Taiwan and mainland China. Fortunately, as Gerrit Gong explains, cross-straits relations have been relatively calm as both sides prepare for the reopening of cross-straits talks, but the shadow caused by increased Sino-U.S. tensions looms large.

The nations of Southeast Asia also continue to be impacted both by the status of U.S.-China relations and by the state of their own individual relationships with each of these two major powers. Southeast Asians frequently remind us (and themselves) that "when the elephants fight, the grass gets trampled"....and that the same thing happens when the elephants make love. During the Cold War, some Southeast Asians were concerned that the U.S. would somehow cede their region to China in return for China's help in countering the Soviet Union. Today, while some still fret over possible U.S. abandonment, the primary issue is how to avoid being forced to take sides as the rhetoric heats up.

At recent multilateral gatherings in Southeast Asia, ASEAN members listened patiently to Chinese complaints about U.S. hegemonism and interference in internal affairs, as they usually do. However, especially in states like Malaysia and Indonesia, there was hesitancy to criticize the West for coming to the aid of severely persecuted fellow Muslims. In addition, there seems to be a debate going on in much of Southeast Asia about the whole concept of non-interference as events in one nation (be it bank failures or forest fires) increasingly seem to impact the livelihood and security of others.

Nonetheless, one could characterize Chinese relations with the various ASEAN states as generally cordial and on track, with the notable exception of Sino-Philippine relations. As Carlyle Thayer observes, frustration over the "renovations" at what appears to be Chinese military facilities on Philippine-claimed Mischief Reef, and the lack of backing for Manila's complaints by the rest of ASEAN, have severely strained relations between Manila and Beijing and demonstrated a degree of disarray within ASEAN over how best to deal with China.

Meanwhile, U.S. bilateral relations with the individual ASEAN states have had their ups and downs during the past quarter. As Sheldon Simon denotes, relations with Thailand have taken another step backward, due to the second instance of U.S. "abandonment," this time by supporting New Zealand's Mike Moore for WTO Director General over Thailand's Supachai--the first was Washington's meager response when the Asian financial crisis struck first in Thailand in 1997.

The most significant improvement in U.S. bilateral relations in Southeast Asia has been with the Philippines, and here both sides have China to thank. During this quarter, the door was finally reopened for joint U.S.-Philippine military exercises with the passage of the Visiting Forces Agreement. The willingness of the Philippine Senate to

pass this previously-contentious measure by a larger than expected margin can be directly attributable to concerns in Manila over China's continuing encroachment on Mischief Reef in the disputed Spratly Islands. Meanwhile, the failure of the other ASEAN states to stand firmly behind Manila in the face of this Chinese violation of the spirit and intent of the ASEAN Declaration on the South China Sea has strained Philippine relations with many of the other ASEAN states and calls into question the broader issue of ASEAN unity.

This brings us full circle back to where we started, to the U.S.-China bilateral relationship and its impact on broader regional security and on relations among the other Asia-Pacific states, not only with China and the U.S., but with one another as well. There are few in Asia who want to see these two elephants either at war or in love; most have a vested interest in seeing Sino-U.S. relations restored to an even keel. The question is, will the leaders in either nation exhibit the diplomatic skill and political courage necessary to accomplish this all important task?....stay tuned!

Regional Chronology

April-June 1999

April 6, 1999: Chinese Premier Zhu Rongji begins a 9-day visit to the United States.

April 16, 1999: Philippine Foreign Minister Domingo Saizon states ASEAN will not support a new round of WTO trade negotiations in November if there is a U.S. attempt to link trade with labor and environmental conditions.

May 3, 1999: Clinton-Obuchi summit in Washington. Japan pledges \$200 million in humanitarian aid to the Balkans and announces resolution of some trade disputes.

May 7, 1999: NATO bombs the Chinese embassy in Belgrade. Anti-American demonstrations and attacks on the U.S. embassy and consulates in China began the following day.

May 18-24, 1999: U.S. team inspects suspect underground site at Kumchang-ni, North Korea.

May 24, 1999: Revised U.S.-Japan Defense Guidelines legislation passes in the Upper House of the Japanese Diet.

May 27, 1999: Philippine Senate ratifies the Visiting Forces Agreement with the United States by an 18-5 vote.

May 25-28, 1999: North Korea Policy Coordinator William Perry visits North Korea; Trilateral U.S.-Korea-Japan consultations in Tokyo before and in Seoul after trip.

June 7, 1999: Philippine President Estrada visits South Korea.

June 15, 1999: ROK Navy sinks DPRK vessel; incursions across Northern Limit Line stop.

June 15, 1999: Singapore Prime Minister Goh visits South Korea.

June 25, 1999: Australia and North Korea hold their highest level talks in 25 years in Bangkok.



U.S.-Japan Relations: Strong, but Stay Tuned

Michael Jonathan Green

In the first three months of Japan's new fiscal year, relations with the United States were comparatively positive. While Prime Minister Keizo Obuchi's official state visit to the United States in early May (the first by a Japanese prime minister since Nakasone) was not exactly sizzling with excitement, it was characterized by a show of warmth and confidence from President Clinton. In the weeks after the summit, Obuchi's domestic and international standing was further strengthened by the surprising news that Japan's economy grew by 1.9% in the first quarter of the fiscal year and by the passage of the Defense Guidelines in both houses of the Diet -- not a bad showing for a man earlier dismissed by the U.S. media as "cold pizza."

Still, U.S.-Japan relations were not risk-free in this period. Surging Japanese steel exports to the United States sparked a host of anti-dumping cases and tough legislation in the U.S. Congress that would have imposed import quotas had it passed. Washington and Tokyo also treaded delicately around the issue of Japan's new indigenous spy satellite program. Moreover, Obuchi's announcement that next year's G-7 Summit would be held in Okinawa refocused attention on the fact that the two governments have not yet figured out where to move the Futenma Marine Corps Air Station as pledged in April 1996.

The state of the alliance is good, but these issues could become more contentious depending on the relative health of the U.S. and Japanese economies and the ability of the two administrations to maintain cooperation while being sucked into the vortex of U.S. presidential politics.

The U.S.-Japan Alliance and China

For several years now, U.S.-Japan relations have been colored by developments between the United States and China. President Clinton's June 1998 visit to China and the overblown rhetoric of "strategic partnership" between Beijing and Washington prayed on Japanese fears about a new trend towards "Japan passing" in favor of China. This insecurity was evident in the anonymous comments of a senior Ministry of Foreign Affairs official that a failure in Chinese Premier Zhu Rongji's visit to Washington in April would help U.S.-Japan relations. Not only did Zhu's summit fail, of course, but the state of U.S.-China relations plummeted with the subsequent publication of the Cox Report and the accidental bombing of the Chinese Embassy in Belgrade during Operation Allied Force in Kosovo. After the embassy bombing, Japanese concerns shifted in the

opposite direction. Now the contentious U.S.-China relationship puts at risk Tokyo's desire to see China enter the WTO as early as possible and has further intensified Chinese opposition to the U.S.-Japan Defense Guidelines and theater missile defense (TMD).

The U.S.-Japan Alliance and Korea

After North Korea's launch of the Taepodong missile last August, U.S.-Japan cooperation on the Peninsula appeared in some jeopardy. Japanese officials were furious that several days after the launch the United States agreed with North Korea to "accelerate" the construction of the light water reactors promised under the 1994 Agreed Framework. Throughout the fall senior Japanese politicians began speaking publicly about the need for Japan to develop its own independent "counterstrike capability" (*hangekiryoku*) and younger politicians asked in the Diet whether Japan had the constitutional right to conduct preemptive strikes. LDP criticism of Japan's \$1 billion burden in the Korean Peninsula Energy Development Organization (KEDO) intensified and the Obuchi government began pushing in speeches for the creation of four or six power talks in Northeast Asia to compensate for Japan's exclusion from the Four-Party Talks on the Peninsula. Had North Korea launched a second Taepodong in this period, Japanese support for KEDO may well have evaporated and the U.S.-Japan alliance might have faced a major crisis of confidence.

Over the past three months, however, dramatic changes have occurred in this area. Under former Secretary of Defense William Perry's review of US. policy toward North Korea, the United States, Japan, and South Korea have established a standing consultative group that will now meet each quarter. At meetings held in April and early May, Perry worked-out a comprehensive and integrated package of inducements for North Korea to change its behavior, including the possibility of billions of dollars in reparations from Japan. Perry also carried a letter from Prime Minister Obuchi to North Korean leader Kim Jong Il when he traveled to Pyongyang in early May.

Through the trilateral sessions --in which MOFA Director-General Ryozo Kato and ROK National Security Advisor Lim Dong Wong joined Perry -- the three countries also formulated a common message of opposition to North Korea's missile program. While this robust new trilateral coordination does not guarantee that Japanese political support for KEDO would survive another Taepodong launch, it has strengthened the carrots and implicit sticks that Perry was able to take to Pyongyang. The trilateral coordination mechanism has also reassured members of the Diet that both Seoul and Washington are not complacent about the evolving North Korean missile threat to Japan. This eased the way for passage of KEDO spending authorization legislation in the Diet.

Defense Guidelines Legislation

The revised U.S.-Japan Defense Guidelines were announced in September 1997 and the relevant legislation prepared for the Diet shortly thereafter, but it took over a year

for the legislation to finally pass through both houses of the Diet this past May 24. Despite the delay, the outcome of the legislative debate augurs well for future U.S.-Japan defense cooperation. The three Guidelines-related bills were:

- Amendment of the Acquisition and Cross Servicing Agreement (ACSA) to include regional contingencies;
- Amendment of the Self Defense Forces Law to permit certain rear area support missions for U.S. forces during regional contingencies;
- Regional Contingency Law (*shuhenjitaiho*) to permit non-military rear area support in Japan for U.S. forces during regional contingencies.

Debate over the legislation focused on three issues: prior Diet approval for cooperation with U.S. forces, the definition of the geographic scope of the Guidelines, and ship inspections. The opposition Democratic Party of Japan (DPJ) championed the issue of prior Diet approval, in keeping with its theme of greater transparency and Diet oversight of government policy. In the end, the government agreed to a process in which either house of the Diet retains the right to disapprove of government cooperation in a regional crisis, but the government retains the right to act first and ask permission later. This was not enough for the internally divided DPJ, however, which voted against the *Shuhenjitaiho*, while supporting the other legislation. The question of the geographic scope of the Guidelines was also pushed initially by the DPJ, but was dropped before the vote because of the intractable problem of clarifying whether a Taiwan contingency would or would not be covered. Ambiguity triumphed as it usually does with Taiwan policy. The issue of ship inspections eventually went down in defeat --an ironic casualty since U.S. interest in revising the original 1978 Defense Guidelines was largely sparked by Japan's inability to commit blockade ships during the 1994 North Korean nuclear crisis. Nevertheless, the LDP has already begun preparations for new legislation to restore the ship inspection mission for the SDF.

Commentators have noted that the Guidelines legislation passed with over 70% support from the Diet. While the DPJ opposed one piece of the legislation, this reflected the paralysis caused by internal bickering between former socialists and conservatives in the party, rather than a party position against defense cooperation with the United States. In fact, on June 22 the DPJ announced its new unified security policy in a document that the conservative *Yomiuri* praised for its "realistic steps toward the establishment of legislation to allow a prompt response to national emergencies." Emergency legislation will be the next big piece of legislation in the implementation of the Guidelines, and the DPJ's conversion now leaves only the Communists and diminished Socialists in possible opposition.

Spy Satellites

At the end of March the Japanese Cabinet announced its decision to proceed with plans to develop a system of four indigenous reconnaissance satellites by the year 2002. While some U.S. officials expressed skepticism when the idea was first broached in the

wake of last year's Taepodong launch, the subsequent backlash from Japanese politicians caused the U.S. Government to soften its tone and promise through Secretary of Defense Cohen to "cooperate" with Japan's effort. Veterans of the FSX confrontation in both governments are wary of the potential for technological and strategic tensions over the program, but the framework of cooperation still guides bilateral discussions as the Japanese side puts its plans in place.

In May a proposal that Japan purchase the first satellite from the United States was generated from a group of officials in both governments, but the Japanese side remained wary of abandoning its goal of complete indigenous development, and turned down the proposal. However, as Japanese Government officials have learned of their own industry's inability to build certain key components, this same proposal resurfaced in Tokyo in late June. Chief Cabinet Secretary Nonaka Hiromu, who oversees the program, remained committed to indigenous development, but the JDA and other parts of the government (including Nonaka's deputy) announced that they would only proceed with the program in cooperation with the United States.

Underlying the satellite program is a growing desire in the LDP and the Ministry of Foreign Affairs for a more independent and assertive Japanese foreign policy. Industry lobbying has also been critical, particularly from Mitsubishi Electric Corporation (MELCO), which needs national technology projects like satellites to buoy sagging profits and engineers' morale.

Okinawa Bases

The problem created by the high concentration of U.S. military bases in Okinawa came back into sharp focus this quarter when Prime Minister Obuchi announced shortly before his visit to the United States that Japan would host the 2000 G-7 Summit in the central Okinawan town of Nago. The decision was a bold gesture from Tokyo to Okinawa that the central government had not forgotten its joint pledge with the United States to consolidate and relocate U.S. bases under the 1996 Special Action Committee on Okinawa (SACO). For just that reason, many in the Foreign Ministry were nervous about the decision. The SACO process has returned large areas to Japan, but the final agreement on the centerpiece of the deal – relocation of the Marine Corps Air Station at Futenma to a new offshore facility—has been stalled since it was announced three years ago. At one point the problem was the opposition of then-Governor Ota Masahide, but little progress has been made even with the election of a new conservative governor, Inamine Keichi, last year. Tokyo decided to let Inamine spend some time building internal consensus on the Futenma issue, but Inamine has been using the time to address Okinawa's difficult economic situation instead.

Now that the G-7 is scheduled for next summer, both Okinawa and Tokyo have been handed an implicit deadline that has shaken them out of their complacency. Both the Okinawan Prefectural Government and Tokyo want the other to take the first step. By late June, Tokyo was forced to make the first move, offering a menu of options for

relocation of Futenma in the hopes that Inamine will now begin narrowing them down to a final site by the end of this year. That site will most likely be a joint commercial-military landfill facility on the northeast side of the island. Tokyo hopes that Inamine can convince the local officials with plenty of time to spare for the inevitable backlash from the anti-base movement in Okinawa and Tokyo before President Clinton arrives in Okinawa.

One other potential windfall before the G-7 summit would be a formal decision to relocate the Naha military port to the town of Urasoe. The military port now occupies choice downtown real estate and Urasoe is showing signs that it will accept the port if it is gold-plated with plenty of civilian facilities. Neither government is eager to admit an *explicit* deadline for resolution of these issues, but President Clinton accidentally showed his hand when he told a TV Asahi reporter in late June that he “hoped everything would be resolved by the summit.”

Meanwhile, another potentially contentious base issue has turned out to be a real yawn. The Japanese media predicted trouble for the alliance when Shintaro Ishihara (author of “The Japan that Can Say NO”) was elected Governor of Tokyo on April 11, since Ishihara had pledged to demand the return of the U.S. air base at Yokota. When it became apparent to the Japanese press that most of the residents around Yokota preferred the U.S. base to Ishihara’s proposal for an even louder commercial airport, the Governor-elect backed-off. Still determined to set an agenda for national policy, Ishihara has focused instead on forming a coalition of governors in favor of decentralization – a far more productive use of his energy.

Trade Issues

Management of the U.S.-Japan alliance, while not trouble free, has been blessed with a relative absence of contentious trade disputes over the past few years (though macroeconomic disputes characterized much of 1998). That began to change this last quarter when the U.S. steel industry began a political counteroffensive after a surge in cheap Japanese, Brazilian, Russian and other steel imports began to threaten corporate profits. Over a dozen anti-dumping cases were filed against Japanese and other cold rolled steel exporters in late May. The Congress got in on the act as Senate Majority leader Trent Lott announced his intention in mid June to complete a steel quota bill by the end of session. While not aimed solely at Japan, the legislation was a troubling hint of unilateralism that threatened to unravel the WTO-centered trade policy ostensibly preferred by Japan’s Ministry of International Trade and Industry. Softer steel bills that dropped quotas but tightened anti-dumping rules eventually replaced the quota legislation.

In June bilateral negotiations also picked up over flat glass, MITI’s revision of the large-scale retail store law (in ways that might obstruct market entry), and the question of whether the U.S.-Japan agreement on government procurement would apply after semi-privatization of Japan’s major telecommunications carrier, NTT. (U.S. and Japanese

governments resolved the dispute over NTT procurement issues in early July.) At the same time, a host of other lesser issues continues to boil within the framework of the bilateral Enhanced Deregulation Initiative. Steel was the most dangerous of all these sectoral trade issues, however, and Japan survived that near miss in the Senate. It helped that the U.S. economy is growing so strongly. Should the U.S. economy stumble, particularly in the context of a presidential election, trade disputes could become more contentious between the United States and Japan.

The other economic irritant between the two countries, Japan's slow growth, has been ameliorated by a surprising 1.9% growth for the quarter in Japan. While this growth largely reflects the impact of massive fiscal stimulus packages and could collapse in the next quarter or two, it does buy some political breathing room for Obuchi. Then again, many economists predict that the stimulus effect will run out by the time of the next quarterly report. Stay tuned!

Chronology of U.S.-Japan Relations

April - June 1999

April 12, 1999: Shintaro Ishihara wins Tokyo Gubernatorial election, demands return of Yokota air base.

April 18, 1999: U.S. Army paratroops conduct training drop in Kadena, causing concerns about Guidelines legislation.

April 27, 1999: Lower House of the Diet approves U.S.-Japan Defense Guidelines-related legislation.

April 29, 1999: Prime Minister Keizo Obuchi announces that the G-7 Summit in 2000 will be held in Okinawa.

May 3, 1999: Clinton-Obuchi summit in Washington. Japan pledges \$200 million in humanitarian aid to the Balkans and announces resolution of some trade disputes.

May 23, 1999: Foreign Minister Komura repeats Japan's desire to be included in talks with North Korea.

May 24, 1999: Guidelines legislation passes in the Upper House of the Diet.

May 28, 1999: Former U.S. Secretary of Defense William Perry conveys U.S.-Japan-ROK comprehensive and integrated proposal to Pyongyang.

June 10, 1999: Japanese Economic Planning Agency announces 1.9% growth in first quarter.



U.S.-China Relations: Challenged by New Crises

Bonnie S. Glaser

Just one year after President Clinton's visit to China, which both American and Chinese governments hailed as a great success and a positive step toward establishing a constructive strategic partnership, bilateral dialogue and cooperation on a host of critical issues are at a standstill and relations are mired in mutual acrimony and distrust. The unfortunate tragedy of NATO's accidental bombing of the Chinese Embassy in Belgrade unleashed a nationalistic fervor and provoked a harsh response from the Chinese government. Domestic critics in both capitals are challenging the policies of their respective governments and making it difficult for leaders to follow a course that serves their country's national interests.

WTO Debacle

Failure to reach an accord on China's entry into the World Trade Organization during Premier Zhu Rongji's early April visit to the U.S. may prove to have been a colossal blunder by President Clinton. The concessions offered by Zhu were far greater than many expected, both in Beijing and Washington, and promised a pact that was regarded by most experts as overwhelmingly favorable to the United States. But President Clinton backed away from signing the accord, persuaded by a few of his advisers that the domestic political costs of closing the deal were too high. In choosing this course, he defied his own advice, delivered in a speech on the eve of Zhu's arrival in Washington. "The bottom line is this," Clinton had stated, "if China is willing to play by the global rules of trade, it would be an inexplicable mistake for the United States to say no."

Opponents of the WTO deal feared that a congressional battle would ensue and provide Republicans an opportunity to debate charges that China has stolen nuclear secrets and surreptitiously donated money to Democratic coffers. They also worried that any agreement with China would exacerbate differences among Democrats, enrage labor unions, and ignite a huge battle on Capitol Hill that the president would be unlikely to win. Clinton may also have been distracted by events in Kosovo and may not have devoted sufficient attention to the WTO issue prior to and during Zhu's U.S. tour, thus resulting in a decision that forfeited the best chance in years to achieve the administration's objective of integrating China into the global economic system.

After Premier Zhu's return to Beijing, he drew a barrage of criticism from vested domestic interests. The publication by the Office of the U.S. Trade Representative,

without Beijing's concurrence, of a 17-page list of Chinese concessions engendered charges from opponents of early entry into the WTO that Zhu had given too much and gotten little in return. University students compared Zhu's WTO concessions to the twenty-one demands imposed on China by Japan in 1915 and charged the premier with selling out Chinese interests. Indeed, Beijing's policy toward the U.S. in general increasingly came under attack for accommodating American concerns at the expense of Chinese interests and put Premier Zhu as well as his patron, Chinese President Jiang Zemin, increasingly on the defensive.

This was evident even before Zhu's departure for the U.S. during a series of Politburo meetings called to consider postponing the premier's trip because of anger over the NATO bombing of Yugoslavia and expectations of a hostile political atmosphere in Washington. Jiang and Zhu had insisted on going ahead with the visit in the hope of dispelling anti-China sentiment in the U.S. and putting a floor under the relationship to buffer it from growing criticism at home as well as from the inevitable attacks that would be launched by U.S. presidential hopefuls.

Senior Chinese leaders pinned their hopes on what they perceived to be President Clinton's commitment to building a constructive strategic partnership with China and the personal relationship that had been forged between the two presidents. After Zhu's U.S. visit, however, Chinese doubts grew about Clinton's credibility and his willingness to stand up to domestic critics of his China policy. One Chinese diplomat in Washington privately summed up his government's view, saying, "Clinton proved to have no backbone."

Embassy Bombing Ramification

In response to lobbying from the business community and moderates in Congress who complained that Clinton had foolishly rebuffed Zhu and rejected a favorable WTO deal, the administration dispatched a team to ensure that China would not renege on the concessions it had made so far and to continue the negotiations. But that effort was soon derailed by the accidental bombing of the Chinese Embassy in Belgrade on May 7, which killed three Chinese citizens. Students in many Chinese cities took to the streets hurling rocks, paint, and molotov cocktails at the Embassies and Consulates of the U.S. and Great Britain. In the southwestern city of Chengdu, protesters torched the residence of the American consul general. The specter of the U.S. Embassy and Consulates under siege with U.S. Ambassador James Sasser and his staff inside lessened American sympathy for the loss of Chinese lives due to the bombing.

The demonstrations were plainly organized and controlled by the Chinese government, which sought to channel potential popular discontent over unemployment and other social ills on the eve of the tenth anniversary of the Tiananmen tragedy away from the leadership and against a foreign target instead. Two days after the bombing and the inception of the anti-U.S. protests, Vice President Hu Jintao signaled that the demonstrations would not be permitted to get out of hand and would be short-lived. In a

nationwide broadcast, Hu said that the government supports “legal protest activities,” but noted that “we must prevent overreaction.”

While the protests were organized by the government—including selection of demonstrators and provision of buses to and from the demonstration sites—the public sentiment behind the processions and the shouting of government-approved slogans was genuine. This may have been due in part to the Chinese leadership’s concealment of the apologies offered by President Clinton and other senior members of his cabinet for several days, but it was also a consequence of pent-up public frustration over perceived U.S. mistreatment of China over the past decade. There is widespread belief in China that U.S. policy is aimed at preventing China from emerging as a great power in the 21st century able to challenge American interests regionally and globally. U.S. policies that support this objective, according to many Chinese experts, include: strengthening the U.S.-Japan defense alliance; developing a theater missile defense system that may provide coverage not only to U.S. allies, but also to Taiwan; continuing arms sales to Taiwan; and resuming sponsorship of a motion criticizing China’s human rights record in the United Nations Human Rights Commission after a one year hiatus.

Despite American insistence that the bombing of the Chinese Embassy was accidental, Chinese leaders and even well informed, liberal-minded institute analysts remained unconvinced. Chinese media ridiculed the explanation by the U.S. and NATO that the “error” was due to the use of old maps, on which the five-year old Chinese mission did not appear. Moreover, many Chinese conceive of the United States as the world’s most technologically sophisticated country and thus found it hard to accept that the precision-guided missiles didn’t actually land exactly where the U.S. wanted them to—especially since the vast amount of the damage was reportedly to the embassy’s communications and intelligence sections.

Conjecture in China abounded about U.S. intentions in deliberately targeting the embassy with five missiles. A popular conspiracy theory posited that an individual or group from American intelligence or military circles destroyed the embassy in an attempt to sabotage Sino-U.S. relations. Other speculation included that: the bombing was punishment for Beijing’s opposition to the NATO military action against Slobodan Milosevic’s government; Clinton was trying to destabilize China domestically by fueling a nationalistic fervor that might turn against the Chinese government; and the U.S. was seeking to promote an increase in China’s defense budget so it could have an excuse for adopting an explicit containment policy against China.

Mutual Frustration and Suspicion

Officially, the Chinese government responded to the embassy bombing by suspending military-to-military exchanges with the U.S., postponing bilateral talks on arms control and weapons proliferation, and breaking off bilateral discussions on human rights. Beijing also put on hold virtually all interchanges with Washington, including talks over China’s admission to the WTO, pending the Clinton Administration’s

fulfillment of China's four demands: that "the U.S.-led NATO apologize openly and officially," that it "conduct a complete and thorough investigation of the bombing," publicize the details, and "severely punish those responsible for the attack." China also indicated that it reserved the right to take further action. Privately, Chinese officials and institute experts urged the U.S. government to respond to the demands in a sincere and timely manner to enable the Chinese leadership to "save face" and "put this incident behind us."

Four days after the bombing, Jiang Zemin finally accepted a phone call from President Clinton, permitting him to personally offer his condolences on the tragic incident. According to informed Chinese, Clinton's initial public apology was deemed inadequate because he included a caveat that Serbian President Milosevic's attacks on ethnic Albanians in Kosovo were the justification for the bombing campaign. Delays in acknowledging American apologies may also have been due to a healthy wariness shared by Jiang and Zhu Rongji of appearing too eager to forgive the U.S. in the face of growing criticism of their policies by hard-line domestic political rivals. Nevertheless, the unwillingness of Chinese leaders to publicly air the repeated apologies made by the president and his aides had the unintended consequence of intensifying American exasperation with Chinese policies and behavior.

As U.S. officials debated how to convince the Chinese leadership that the attack on the embassy had indeed been a tragic mistake and how to finesse Beijing's demand that those responsible be publicly identified and punished, worries mounted in Washington that the Chinese would seek to use the incident to pressure the U.S. to modify its policies in ways that would make them more acceptable to China. Assistant Secretary of State Stanley Roth sought to put an end to any contemplation in China that such a strategy could be successful in Congressional testimony on May 27: "There are those who undoubtedly speculate . . . this trough in the U.S.-China relationship represents an opportunity for China to press for concessions from the U.S. on issues such as the terms for China's WTO accession, human rights, Tibet, and non-proliferation. These speculators are dangerously mistaken." The tough wording throughout Roth's statement was further evidence of the growing frustration felt by American policymakers dealing with China.

Meanwhile, in China, suspicions mounted about U.S. strategic intentions globally as well as toward China. The NATO military operation in Kosovo triggered an intense debate at all levels, including in the leadership, about the major trends in the international situation and their potential impact on Chinese security. The Chinese are worried that U.S. interventionism will increase in the aftermath of Washington's success in forcing Milosevic to submit to NATO's demands and possibly spread to East Asia. The Kosovo military operation alarmed Beijing because it undermined the role and authority of the UN, it reinforced a prevailing U.S. tendency to eschew diplomatic solutions in favor of military measures, and it bolstered links between the U.S. and its European allies at a time when China prefers an independent European pole that can counterbalance American power in the global arena. The Chinese now view the U.S. as occupying an unprecedentedly strong global position, pursuing policies aimed at augmenting American

power, and prolonging the duration of U.S. global supremacy. By contrast, China is judged to be in a vulnerable position, facing growing threats to its territorial integrity and domestic political stability.

As a consequence of Beijing's new recognition of the uncertain and potentially dangerous international environment that China faces, adjustments in Chinese foreign policy may already be underway that could affect Sino-American relations. It is unlikely that Chinese leaders will alter their policy of seeking a friendly, stable Sino-U.S. relationship. They will not opt to adopt a confrontational international posture toward the U.S. because it would put in jeopardy China's economic development, political stability, and in turn, the survival of the communist regime. But Beijing may in the future choose to cooperate with the U.S. only where it has vital interests at stake, while being less amenable on issues that in the past China has worked together with the U.S. for the primary purpose of promoting better Sino-U.S. ties. Thus, in areas like the Persian Gulf, South Asia, and the Middle East, China may no longer be willing to moderate its policy in the future to accommodate American concerns. Chinese cooperation on halting proliferation of weapons of mass destruction will likely be slowed and Beijing may seek to strengthen its relations with states on its periphery, including Russia, India, and North Korea, in an effort to increase Chinese influence in the region, position China to defend its interests, and gain leverage over the United States.

Cox Report Furor

The release of an unclassified version of the results of an investigation into Chinese espionage at U.S. nuclear labs by the House Select Committee on U.S. National Security and Military/Commercial Concerns With the People's Republic of China added to Chinese uncertainty and alarm about U.S. intentions toward China. Some of the most damning conclusions of the 800+ page "Cox Committee Report" were that China stole design secrets on the United States' most advanced thermonuclear weapons and used them to help develop miniaturized warheads; stole U.S. missile guidance technology with direct applications for China's ballistic missiles, including short-range missiles and ICBMs; and stole U.S. missile guidance technology that has direct applicability to its ballistic missiles and rockets. In a unsubstantiated analytical leap, the report concluded that China now possesses both the capability and intent to build a nuclear arsenal on par with that of the U.S. and forecast the deployment by China of 1,000 warheads atop land-based ICBMs within 15 years.

The Cox Committee Report's conclusions were seized upon by critics of Clinton's engagement policy with China and generated a political firestorm. Lost in the discussion was the fact that many of the report's judgments remained unproven and were not shared by U.S. intelligence analysts and prominent nuclear experts. Earlier in the year, in response to the recommendation of the Cox Committee's Report--then classified--an interagency team comprising all the major intelligence departments of the U.S. government and the nuclear laboratories conducted its own investigation of the damage resulting from China's acquisition of U.S. nuclear weapons information. An independent

panel of nuclear experts, chaired by Admiral David Jeremiah, reviewed the damage assessment and reached very different conclusions in April, notably that “China’s technical advances have been made on the basis of classified and unclassified information derived from espionage, contact with U.S. and other countries’ scientists, conferences and publications, unauthorized media disclosures, declassified U.S. weapons information, and Chinese indigenous development. The relative contribution of each cannot be determined.”

To the Republicans, the Cox Report and its message of China as a realistic threat may be viewed as a valuable card to play in next year’s presidential elections. The Clinton Administration will likely be charged with pursuing a naïve policy of striving to build a constructive strategic partnership with China and putting commercial interests above national security. Democrats will be portrayed as untrustworthy in managing relations with a potentially dangerous emerging adversary. The core message that Representative Christopher Cox and the other members of the bipartisan committee hoped to get across--that protection of sensitive nuclear weapons technology at American nuclear labs is woefully inadequate and needs to be strengthened--may sadly be lost in the process.

Other Issues

Congressional debate on renewing China’s Normal Trade Relations (NTR) status (formerly known as Most Favored Nation trade status) was kicked off this year by President Clinton’s June 3 expected announcement of a one year NTR extension for China. Although there are already signs that the debate will be rancorous this time around, it is widely expected that Congress will not vote down the extension. The significance of the vote this year lies primarily in the implications for an administration effort to get legislation passed to grant China permanent NTR status later this year, assuming that a bilateral accord were reached on China’s accession to the WTO. A negative or even close vote on the extension would signal that Congress is in no mood to bestow permanent NTR status on China, which could dampen Beijing’s enthusiasm for entering WTO this year, even if the Clinton Administration musters the political will to accept China’s offer.

The 10th anniversary of the Tiananmen incident passed without major demonstrations or unrest in China, but not without harassment, detainment, and arrests of Chinese dissidents and individuals who were allegedly planning to engage in commemorative activities. Some survivors and relatives of those killed appealed to the authorities to proclaim the date as a Condolence Day and to undertake criminal investigation into the circumstances of the events. The Chinese government once again reiterated that its forceful repression of the student demonstrators a decade earlier had been correct.

After a decent interval following the Tiananmen anniversary, Beijing signaled that it was ready to accept a delegation from the U.S. to present the findings of the U.S.

investigation into the embassy bombing. The administration dispatched Under Secretary of State Thomas Pickering to deliver the message that the attack resulted from a series of errors including mistaken location of the target, reliance on a flawed database, and a target review process that failed to identify either of the two errors. U.S. officials did not expect that Beijing would be persuaded by the evidence, not only because it was indeed fantastic that so many mistakes occurred coincidentally, but also because the Chinese government's handling of the incident had painted themselves into a corner that would require time and effort to emerge from. They hoped, however, that Pickering's trip would mark the beginning of a thaw in the period of icy hostility brought about by the embassy bombing and that discussions would soon resume on China's entry in the WTO and other important matters such as human rights and non-proliferation.

Policy Implications

The Chinese government rejected the U.S. explanation as "unconvincing" and "unacceptable," but the atmosphere of the meetings between Ambassador Pickering's delegation and their Chinese counterparts was amicable. Beijing indicated that it hoped the ongoing investigation would produce more persuasive evidence as well as find an individual or group responsible who would then be tried on criminal charges if the bombing was intentionally targeted or be subjected to disciplinary action if the incident was proven to be a mistake. Subsequent visitors to China were told that Beijing wanted to re-engage with the U.S., but that Chinese leaders needed U.S. help to provide "an elevator to bring them down." As American Ambassador Sasser prepared to leave his post at the end of June, he was given an unusually high-level send-off, meeting separately with President Jiang Zemin, Defence Minister General Chi Haotian and Premier Zhu Rongji. According to Sasser, Chinese leaders wanted "to send a signal quietly that, when they can, they want to get this relationship back on track."

It will no doubt take time, perhaps months, for Sino-U.S. relations to return to normal and the relationship will likely not be as warm as before, at least for the remainder of Clinton's term in office. Domestic political circumstances in both capitals pose constraints on what steps can be taken to improve relations in the near-term. Save for completing an agreement on China's entry into WTO, which American officials continue to believe is possible by November, hopes have faded on both sides that significant progress on specific issues is achievable during the remainder of the Clinton Administration. After the president's tour of China last summer, U.S. officials were optimistic that they would be able to gain Chinese agreement to join the Missile Technology Control Regime, the international accord governing the export of missile know-how. Now administration officials admit that there is no chance that China will enter the regime any time soon. On Beijing's side, after Clinton's 1998 visit, Chinese officials hoped that the U.S. would move to ease controls on American high-technology exports to China and lift all sanctions imposed in 1989. In the aftermath of the Cox Committee Report, if Congress acts to alter export controls, it will be to tighten them, not to relax them. With the United States entering a presidential election year, bilateral relations will do well to simply tread water and avert further deterioration.

Diplomatically, the events of the past few months have left U.S.-China ties badly scarred. Restoring relations to an even keel will be a major challenge, but one that both Beijing and Washington must take on. It remains vitally important to the interests of both countries that they avert entering into an adversarial relationship. Hopefully, American and Chinese leaders and politicians realize that their country's national interests are best served by maintaining a normal, stable relationship with the other while seeking to cooperate where those interests converge. Chinese leaders will meet in August for their annual retreat at Beidaihe where they will make key decisions on domestic priorities as well as foreign policies, including how to proceed in relations with the United States. The Clinton Administration should time a visit to China by National Security Adviser Sandy Berger to coincide with these leadership meetings to resume the high-level strategic dialogue between the two countries and pave the way for an announcement on China's admission to the WTO at Auckland in September.

Chronology of Sino-American Relations April-June 1999

April 6, 1999: Chinese Premier Zhu Rongji begins a 9 day visit to the United States.

April 7, 1999: President Clinton delivers a major foreign policy address on China at the Mayflower Hotel, the second such speech since assuming office.

April 8, 1999: Premier Zhu Rongji meets with President Clinton in Washington, D.C.

April 23, 1999: The U.N. Human Rights Commission decides not to condemn China for its human rights record. The commission votes 22 to 17 with 14 abstentions not to take up the motion that was jointly sponsored by the United States and Poland.

May 4, 1999: The unclassified version of the Department of Defense report to Congress on Theater Missile Defense Architecture Options for the Asia-Pacific Region becomes available.

May 7, 1999: NATO bombs the Chinese embassy in Belgrade. Anti-American demonstrations and attacks on the U.S. embassy and consulates in China began the following day.

May 10, 1999: In response to NATO's bombing of China's embassy, Beijing suspends military-to-military exchanges with the U.S., postpones bilateral talks on arms control and weapons proliferation, and stops bilateral discussions on human rights.

May 14, 1999: Chinese President Jiang Zemin agrees to accept a phone call from President Clinton, enabling Clinton to personally convey his regrets and condolences to the Chinese leader for the embassy bombing.

May 21, 1999: China denies requests by two U.S. warships scheduled to make port calls in Hong Kong.

May 25, 1999: The House Select Committee on U.S. National Security and Military/Commercial Concerns With the People's Republic of China releases an unclassified version, over 800 pages, of its investigation into Chinese espionage at U.S. nuclear labs.

May 25, 1999: The Defense Department announces the postponement of Secretary of Defense William Cohen's trip to China, which had tentatively been scheduled for mid-June.

June 3, 1999: President Clinton announces the extension of China's Normal Trade Relations status (formerly known as MFN) for another year.

June 4, 1999: The 10th anniversary of the Tiananmen incident of 1989 in which at least hundreds, if not thousands, of Chinese students were killed by the PLA.

June 17, 1999: Under Secretary of State Thomas Pickering led a U.S. delegation to Beijing and formally presented a report on the results of the investigation of the Chinese embassy bombing.



U.S.-ROK Relations: The Sun is Still Shining . . . at Least for Now

David G. Brown

Dealing with North Korea remains the central issue in U.S.-Republic of Korea (ROK) relations. Despite quite different policy priorities toward Pyongyang, the Clinton and Kim Dae-jung Administrations were able to maintain mutually supportive policies toward North Korea during the past quarter. This was possible because of consultations and accommodation between the administrations in Seoul and Washington, but also because North Korea generally refrained from those actions that would have made it difficult for Seoul and Washington to reconcile their differences.

Significant Developments

This spring has been a period of dynamic changes in U.S. and ROK dealings with North Korea. The fifth session of the Four-Party Talks was held in April. In May, the U.S. sent a team to inspect the suspect underground facility in Kumchang-ni. Also, former Secretary of Defense William Perry, who has been charged with conducting a review of U.S. policy toward North Korea, visited Pyongyang to lay out his policy views. The crossing of the Northern Limit Line (NLL) by North Korean naval vessels in early June led to a week-long naval confrontation in which a North Korea ship was sunk. Despite this clash, the first official North-South talks in over a year began on June 22 in Beijing at the Vice Ministerial level. Also of note in June, Kim Yong-nam, President of the Presidium of the Supreme People's Assembly, paid a five day official visit to China; the first foreign travel by a senior North Korean leader since the death of former President Kim Il Sung.

Such dramatic developments involving North Korea frequently create tension in U.S.-ROK alliance relations. The potential for problems was real this spring because Seoul and Washington have for the past year had quite different policy priorities toward North Korea. For Kim Dae-jung's administration, the priorities are first to avoid a serious confrontation with North Korea that would hamper Seoul's economic recovery and second to pursue its "Sunshine Policy" with North Korea in a consistent long-term manner. For Washington, the priorities are to constrain North Korea from further developing its missile and nuclear weapons programs. These differing priorities have presented a real, but not unfamiliar, challenge to alliance management. They were dealt with successfully in part through a pattern of frequent consultations.

Intense Consultations

The schedule of on-going negotiations with North Korea produced the normal process of consultations within the alliance. Assistant Secretary of State Robert Einhorn was in Seoul in early April for bilateral U.S.-ROK missile talks and to debrief Seoul on the fourth round of U.S.-DPRK missile talks that had just concluded. U.S. Special Envoy for North Korean Affairs Charles Kartman consulted with his counterpart Ambassador Park Kun-woo in preparation for the Four-Party Talks and stopped in Seoul in connection with his trip to Pyongyang in May. Working level consultations were held concerning the U.S. team's visit to the Kumchang-ni facility, and the team returned via Seoul to debrief the ROK. Seoul informed Washington about the confidential North-South contacts in Beijing during May and early June that led to agreement to hold official Vice-Ministerial talks in Beijing. All this was quite routine.

However, the real focus of alliance coordination was the long running preparation for Perry's visit to Pyongyang. Perry had from the beginning been careful to consult Seoul, as well as Tokyo and also Beijing, and he made it clear that maintaining mutually supportive policies with Seoul was one principle that would underpin whatever policy he would eventually recommend. For Seoul, however, that was not enough. The Kim Administration, like its predecessors, needed to demonstrate to its public that it was actively involved in shaping Washington's policy on Korean issues.

In late April, Perry met then-Blue House National Security Advisor Lim Dong-won and Foreign Policy Bureau Director Ryoza Kato of Japan's Foreign Ministry in Hawaii for consultations on his review and visit planning. It was agreed this group would continue to meet regularly to coordinate on North Korea policy. The Kim Administration's subsequent public announcement that this forum was a new higher level Trilateral Consultation and Oversight Group (TCOG) reflected its need to demonstrate publicly its involvement in U.S. (and Japanese) policy making.

Foreign Minister Hong Soon-young traveled to Washington for further consultations in mid-May. Even though Hong had been told that Washington did not wish to confirm Perry's visit publicly until preparations were complete, when Hong met Secretary Albright on May 17, he stated publicly that Perry would be visiting Pyongyang. Again this reflected the Kim Administration's need to convey publicly that it was plugged in and ahead of the curve. While Washington was irritated at Seoul's leaks about U.S. plans, such leaks were nothing new and did not undermine cooperation. What counted with the Clinton Administration was Kim Dae-jung's commitment and record of consistently pursuing a policy of engagement with Pyongyang.

Perry's policy review represented a dilemma for Seoul. On the one hand, Seoul had helpfully reversed the previous Korean government's policy and told Washington that U.S. relations with Pyongyang should proceed even if Seoul's did not. This more flexible position was welcome in Washington. At the same time, Seoul naturally wanted to ensure that Perry's review served Korean policy interests. Continuing domestic pressure on the Clinton Administration to pursue a more confrontational approach toward

North Korea concerned President Kim and his advisors. Consequently, as Lim Dong-won put it, the ROK wanted not just consultations but a cooperative process “whereunder the United States and Japan should support (Kim’s) engagement policy toward the DPRK.”

For some months, President Kim and then National Security Advisor Lim had been privately and publicly urging Perry to pursue a “comprehensive” or “package” deal embracing all outstanding issues with North Korea. On May 5, less than three weeks before Perry’s visit, President Kim gave an interview to CNN again laying out his five principles for handling relations with North Korea, including urging the U.S. to normalize relations with Pyongyang. Lim’s consultations with Perry and Foreign Minister Hong’s visit to Washington were intended to ensure that the Perry proposals would be consistent with ROK policy.

Deciding how Perry should present a package of incentives reflecting the common approaches of the U.S., Korea, and Japan to entice North Korea to give up its nuclear and missile programs and pursue a reduction of tensions on the Peninsula proved quite difficult. Finally, it was agreed that Perry would convey U.S. policy but also deliver messages from President Kim and Prime Minister Obuchi when he met with Kim Yong-nam in Pyongyang. (Although Perry, as expected, did not meet with Kim Jong-il, his meeting with Kim Young-nam—the second highest official in North Korea in protocol terms—represented the highest level governmental talks between Washington and Pyongyang since the Korean War; Jimmy Carter visited the DPRK in his private capacity, not as an official representative.) Perry met with Lim and Kato in Tokyo en route to Pyongyang, and the three reiterated that Washington, Seoul and Tokyo were pursuing a “coordinated” approach toward North Korea. While Perry’s focus in Pyongyang remained on Washington’s nuclear and missile priorities, he presented a comprehensive package of incentives worked out with Seoul. In the end, Seoul was adequately satisfied, and President Kim publicly urged North Korea to accept the proposals even before Perry arrived in Pyongyang.

Perry stopped in Seoul en route back to Washington. The Kim Administration shares Perry’s view that North Korea will need some time to respond to the proposals. In the interim, attention in Seoul shifted to the naval incidents and preparations for the resumption of official North-South talks in Beijing. The North Korean intrusions across the NLL occasioned some minor friction between Seoul and Washington. Some U.S. government analysts privately commented that the ROK shared some of the responsibility for the escalation of the incidents along the NLL. The ROK for its part was irritated whenever the Clinton Administration appeared to adopt an even-handed posture on the issue. However, unlike the situation three years ago when then-Secretary of State Warren Christopher called on Seoul as well as Pyongyang to exercise restraint after a North Korean submarine ran aground in South Korea, these differences did not become significant issues.

Pyongyang Stops Short

While consultation and accommodation helped in maintaining mutually supportive U.S. and ROK policies, it was also of crucial importance that the DPRK generally refrained from those provocative actions which would have made it difficult for Seoul and Washington to reconcile their different priorities.

Refusal to permit an inspection of the suspect facility at Kumchang-ni would have been one such provocative step. Pyongyang chose instead to strike a bargain. The absence of intelligence leaks in Washington about other underground facilities (of which there are many) also helped. Although repeatedly asserting its right to develop its missile programs, Pyongyang did not conduct another missile test this spring. (There were, however, several unconfirmed press reports that preparations were underway at North Korea's test center for another missile launch.) While North Korea's motivation in sending naval patrol craft across the NLL in June remains a matter of speculation, Pyongyang did not use the incidents as a pretext for aborting the planned North-South talks in Beijing and agreed to discuss the incidents in General Officer meetings in Panmunjom.

Despite this degree of restraint, Pyongyang continues to take provocative stands. The potential for disruptive actions involving Pyongyang's missile, nuclear or other weapons of mass destruction (WMD) programs remains real. In public and private, North Korea continues to highlight its goal of becoming a "powerful state." A joint commentary on June 16 entitled "Our Party's Policy of Giving Priority to the Army is Invincible" made explicit what has been long apparent. New provocative actions would be destabilizing for the region and create major strains in U.S.-ROK relations.

Other Bilateral Issues

On other issues as well, U.S.-ROK relations have been remarkably positive. The rapid recovery of the Korean economy has been the other major development this spring. Both Seoul and Washington welcome the recovery but recognize that much needs to be done to complete financial and industrial restructuring. Many issues that might have created friction in the past have not done so. With the exception of some demonstrations related to the Korean film quota issue being discussed in the Bilateral Investment Agreement negotiations, trade issues have not provoked nationalistic responses or harmed overall relations. Similarly, the decision by U.S. airlines to stop code sharing arrangements with Korean Air for safety reasons following the Korean Air crash in Shanghai did not become a bilateral issue.

The U.S. government returned two minor properties to the Korean government in April. Although the question of revisions to the U.S.-ROK Status of Forces Agreement (SOFA) has not been resolved, this has not become an urgent or public issue. When questions arose over the potential impact on Korea of U.S. deployments to Kosovo, Washington dispatched an F-15 squadron to Korea. Differences over the valuation of

assets and risks have frustrated the conclusion of one high profile investment project, Newbridge Capital's planned purchase of Korea First Bank. Conclusion of this deal would have been a very positive development, but its delay has not been a source of bilateral friction. A number of other important American investments have gone forward.

The U.S.-ROK missile talks have continued. One round was held in Seoul in April and a further round in Washington in June, without reaching agreement. The military implications of the North Korean missile launch last August have created some new areas of disagreement in these long running talks. While potentially divisive, the discussions have continued away from public scrutiny.

Discussions on the funding of the Light Water Reactor (LWR) project in North Korea continued within the Korea Peninsula Energy Development Organization (KEDO). In June, Japan reached agreement with KEDO on the terms of its loan and Tokyo sent the required legislation to its Diet. (Korea's negotiations with KEDO, which had dragged on through the spring, were concluded immediately prior to President Kim Dae-jung's July 2-5 official visit to Washington.)

Why such potential irritants have remained in check is not entirely clear. The Kim Administration's continuing commitment to reform at home and good relations with Washington are certainly part of the explanation.

Implications for the U.S. and Regional Stability

Solid alliance relations between Washington and Seoul based on mutually supportive policies toward North Korea are an essential element in managing security issues on the Korean Peninsula and contributing to regional stability in Northeast Asia. While the Clinton and Kim Administrations have managed their differences well, both governments are under continuing domestic pressure on North Korean policy. Seoul's firm response to the intrusions across the NLL has allowed Kim Dae-jung to appear resolute in dealing with Pyongyang, but the North's failure thus far to respond positively to a wide variety of overtures has weakened public support for Kim's engagement policy. In Washington, Kosovo and charges of Chinese espionage have dominated congressional and public attention to foreign affairs, but evidence of Pyongyang advancing its missile or nuclear programs would reignite opposition to the Clinton Administration's policies.

The engagement policies each administration is pursuing do present Pyongyang with new opportunities for more constructive external relations. Kim Jong Il now confronts choices which will be fateful for the course of relations on the Peninsula and in Northeast Asia. The incomplete information coming from Pyongyang can be interpreted in different ways. The Kim Dae-jung Administration is determinedly placing the most positive interpretation on North Korean developments. The Clinton Administration is more cautious in its assessment. Should Pyongyang take provocative actions on its missile and WMD programs, this would threaten regional stability and confront Seoul

and Washington with major challenges in maintaining mutually supportive policies for responding toward North Korea.

Chronology of US-South Relations April-June 1999

April 1, 1999: Assistant Secretary Robert Einhorn in Seoul for bilateral U.S.-ROK missile talks.

April 12, 1999: Goldman Sachs invests \$500 million to become largest shareholder in Kookmin Bank.

April 20, 1999: U.S. airlines cancel code sharing with Korean Air after Shanghai crash.

April 23-26, 1999: Fifth round of Four Party Talks in Geneva; “useful” talks but no agreements.

April 24, 1999: U.S.-ROK-Japan trilateral consultations in Hawaii; Trilateral Consultation and Oversight Group (TCOG) formed.

May 3, 1999: Japan reaches agreement with Korea Peninsula Energy Development Organization (KEDO) on Light Water Reactor (LWR) project loan terms.

May 4, 1999: President Kim Dae-jung restates five principles for North Korea policy in CNN interview.

May 12, 1999: President Kim says ROK will not participate in Theater Missile Defense (TMD) program.

May 17, 1999: Foreign Minister Hong in Washington for consultations on former Secretary of Defense William Perry’s visit to DPRK as North Korean Policy Coordinator.

May 18-24, 1999: U.S. team inspects suspect underground site at Kumchang-ni .

May 19, 1999: During Kosovo campaign, U.S. deploys F-15 squadron to Korea.

May 25-28, 1999: North Korea Policy Coordinator Perry visits North Korea; Trilateral U.S.-Korea-Japan consultations in Tokyo before and in Seoul after trip.

June 3-7, 1999: Kim Yong-nam leads DPRK delegation on official visit to China.

June 7-14, 1999: North Korean navy vessels cross Northern Limit Line (NLL).

June 15, 1999: ROK Navy sinks DPRK vessel; incursions across NLL stop.

June 14-15, 1999: U.S.-ROK missile talks in Washington.

June 16, 1999: U.S. announces deployment of air and naval surveillance assets to Korea.

June 22, 1999: North-South Vice-Ministerial meetings begin in Beijing.

June 25, 1999: U.S.-Korea-Japan TCOG meets in Washington to review NK developments.



U.S.-Russia Relations: A Time of Troubles

Keith Bush

The Kosovo crisis dominated relations between the U.S. and Russia during this period. Even before the U.S.-led NATO force commenced its aerial bombardment of Serbia, anti-U.S. and anti-Western sentiment within Russia was running at the highest pitch in recent memory, and certainly since the end of the Cold War. Whereas Russian antipathy to the expansion of NATO had been confined largely to the Moscow and St. Petersburg chattering classes, the assault on Serbia struck a chord among the broader public and indignation was also expressed among the younger generation and the intelligentsia. It brought to a head the growing sense of frustration, impotence, and irrelevance felt by most Russians as their nation was sidelined on the international stage by the sole remaining superpower, and their economy continued to deteriorate--for which many blamed Western advisers and international financial institutions. The NATO bombing campaign exacerbated these sentiments to the extent that most polls showed over 80 percent--and sometimes up to 98 percent--of respondents condemning the U.S. and NATO.

Russian Domestic Politics

Although the elections for the State Duma are currently scheduled for mid-December 1999, and the presidential elections for June 2000, both election campaigns are already under way. This has manifested itself in the deeds, and especially the words, of the principal Russian protagonists during the Kosovo crisis. Thus then-Prime Minister Primakov gave vent to bitter recriminations against the U.S. and NATO, even while doing his best to accommodate the IMF and its most prominent member. In his more coherent moments, President Yeltsin publicly blasted the U.S. conduct of the bombing campaign, threatening dire albeit unspecified retaliation, while secretly instructing his special emissary to Yugoslavia, ex-Prime Minister Viktor Chernomyrdin, to pressure Milosevic to agree to the peace plan.

Throughout most of the period under review, Yeltsin was obviously in poor health. On one occasion, he initiated a telephone call to Clinton but, when the connection was made, Yeltsin was said to be unavailable, and Stepashin took the call instead. Most of the television coverage of the president was heavily edited, with no sound broadcast. And on most TV appearances, Yeltsin looked frail and required support in walking and even when standing.

Much of Yeltsin's time and energy during the second quarter were expended on political survival and infighting. For instance, the presidential administration fought a running battle to neutralize Prosecutor General Yuri Skuratov who, it was rumored, possessed a great deal of *kompromat* on the president's family and retinue. On May 12, the president dismissed Prime Minister Yegeni Primakov and replaced him with Sergei Stepashin. Three days later, the Duma failed to muster enough votes to impeach the president on five charges. Then on May 19, against the expectations of many, the Duma confirmed the appointment of Stepashin.

Former Prime Minister Primakov and his colleagues, together with most Duma factions, had been noisily critical of the IMF--which they assume follows U.S. instructions--but Yeltsin showed his awareness that the Fund's approval of the Russian government's economic program was crucial for the nation's fiscal and economic recovery. For only after the IMF gives its blessing and issues the first tranche of the \$4.5 billion standby credit, first mooted in March, will the World Bank and the Japanese government follow with credits amounting to about \$2 billion and \$1 billion respectively and, even more important, will the Paris and London Clubs sit down with the Russian negotiators to reschedule their Soviet-era debt.

Chernomyrdin Appointment

In his choice of Viktor Chernomyrdin to act as his special emissary on the Kosovo crisis, Yeltsin was motivated partly by the fact that the former prime minister was well-known to, and well-liked by, the Clinton Administration from his performance in the long-standing Gore-Chernomyrdin Commission. Another ground could have been Yeltsin's desire to give Chernomyrdin a boost ahead of the forthcoming presidential election, where he might possibly be the president's designated heir if the candidacies of Stepashin or Aksenenko failed. But the main reason was surely Yeltsin's determination to circumvent and to trump the hard line approaches in negotiations over Kosovo to be expected from Foreign Minister Ivanov and Defense Minister Sergeyev and their teams. For in view of the widespread anti-American sentiment not only in the Communist, agrarian, and nationalist blocs in the Duma, but also in the country at large, Boris Yeltsin continued his vehement and public criticism of the NATO air strikes yet consistently strove to prevent Russia's isolation on this issue.

At one stage in the Kosovo negotiations, Chernomyrdin visited some of the CIS capitals to gain their support for the Russian position. Instead of support, these countries sent their heads of state to Washington to participate in the fiftieth anniversary celebrations for NATO. And while they were there, Georgia, Ukraine, Azerbaijan, Moldova, and Uzbekistan signed an agreement to create GUUAM, whose main task is to develop and transport to market the area's rich oil and gas deposits to the exclusion of Russia. This provoked bitter recrimination from Russian Foreign Minister Ivanov.

Policy Implications

It is perhaps still too early fully to assess the overall impact on Russian-U.S. relations of the Kosovo crisis. For much of the time, Russia played a blocking and carping role. For a time, Russia was virtually the only major country supporting the Milosevic regime. And yet it was Yeltsin's personal emissary, Viktor Chernomyrdin, who played a pivotal role in persuading the Serbian leader to accept the peace plan. At the end of the day, Russia will be remembered more for its positive contribution toward bringing peace to Kosovo, than for its earlier recalcitrance. The price paid for this included the upgrading of the G-7 forum to G-8, U.S. backing for an IMF agreement, and perhaps an implicit agreement to delay further expansion of NATO.

The dash of the 200 Russian troops from their station in Bosnia to the Pristina airport was almost certainly devised by the general staff, authorized by Yeltsin, and pushed through without the knowledge or consent of the Foreign Ministry, the Security Council, or of Viktor Chernomyrdin. . . Vintage Yeltsin! All strata of Russian society warmly received the news of this piece of bravado, Yeltsin promoted its commander on the spot, and the military have been exulting ever since. Yet the evident lack of coordination between the power branches does not encourage much faith on the part of external partners in the credibility and integrity of the Russian government.

In the wake of Kosovo, we may see a holding pattern on both sides. The Yeltsin administration and the Duma will be preoccupied by the upcoming elections, while the Clinton administration will be bracing itself for the next Russian president who could prove to be an even greater challenge than Boris Yeltsin, together with a new State Duma that could prove even more obdurate than its predecessors. All of this suggests that the current Time of Troubles could persist at least until the middle of the coming decade.

Chronology of U.S.-Russia Relations April-June 1999

April 14, 1999: Yeltsin appoints Viktor Chernomyrdin as his personal emissary to Yugoslavia.

April 18, 1999: In an interview with the Spanish newspaper *El Pais*, Russian Foreign Minister Igor Ivanov describes NATO's military operations against Yugoslavia as a violation of the 1997 Russia-NATO Founding Act.

April 19, 1999: In a statement, the Russian Foreign Ministry rules out making any amendments to the 1972 Anti-Ballistic Missile Treaty.

April 19, 1999: In a telephone conversation with Clinton, Yeltsin pledges not to send further Russian warships to the Adriatic.

April 20, 1999: Ivanov announces that Russia will boycott the NATO fiftieth anniversary in Washington.

April 24, 1999: Georgian, Ukrainian, Uzbek, Azerbaijani, and Moldovan representatives, in Washington for the NATO anniversary, sign an agreement (GUUAM) which aims, inter alia, to develop and transport to market the area's rich oil and gas deposits to the exclusion of Russia.

May 3-4, 1999: Chernomyrdin tries to broker diplomatic solution to Kosovo with Clinton, Gore, Albright, and Annan.

May 6, 1999: Russia and the major Western powers draft a joint plan to end the Kosovo conflict, including deployment of an "international force" to keep the peace after Yugoslav forces withdraw.

May 12, 1999: Responding to Russian proposal, Clinton Administration suggests Finnish President Martti Ahtisaari as the Western envoy to help mediate the Kosovo crisis.

June 2, 1999: Chernomyrdin, Ahtisaari, and Talbott agree on most elements of a Kosovo peace plan to be presented to Milosevic. Serbian parliament endorses this on June 3.

June 11, 1999: A group of about 200 Russian troops from the peacekeeping force in Bosnia dashes to occupy the Pristina airport ahead of NATO forces.

June 13, 1999: At G-7/G-8 summit in Cologne, Yeltsin declares: "We must make up after our fight." Russia agrees to discuss possible changes in 1972 ABM treaty, while U.S. agrees to discuss START-III before Duma ratifies START-II.

June 21-26, 1999: Zapad (West)-99, the largest strategic command staff exercise conducted by Soviet or Russian forces since 1985, is aimed at a simulated Western aggressor.

June 24, 1999: U.S. and Russia agree to prolong the Nunn-Lugar Program for a further seven years.

June 26, 1999: Yeltsin approves deployment of 3,616 Russian troops for KFOR through June 10, 2000.



U.S.-ASEAN: Good News and Bad News

Sheldon Simon

There's good news and bad news this quarter when it comes to U.S. relations with the various members of ASEAN. On the plus column, Philippine relations have improved markedly with the passage of the Visiting Forces Agreement, making possible military exercises between the two allies once again. U.S.-Indonesian relations are also on the upswing, given its sudden embrace of democracy. However, relations with America's other formal ASEAN ally, Thailand, remain strained due to U.S. failure to support the bid by Thailand's Deputy Prime Minister to become Director General of the World Trade Organization.

The Visiting Forces Agreement

Since 1996, when the Philippine Justice Department ruled that there was no legal framework covering U.S. forces visiting the Philippines, no large-scale joint exercises have been held. Both President Fidel Ramos and his successor Joseph Estrada hoped to remedy this situation through the passage of a Visiting Forces Agreement (VFA). Because the Philippine Senate insisted the VFA was a treaty, a two-thirds ratification vote was required. However, the Senate had also been the legislative body in 1991 that refused to renew the comprehensive bases agreement with Washington, leading to the U.S. Navy and Air Force exit from Subic Bay and Clark Field. The Senate's composition in 1999, though somewhat less anti-U.S. forces, remained strongly nationalistic. Concern over being seen as too accommodating to the Americans led many senators to conceal their preference until the Senate actually voted to ratify 18-5 on May 27.

The great difference between 1991 and 1999 that led to the ratification is China's presence in the southern Spratlys, adjacent to the Philippines. The PLA Navy built permanent structures on Mischief Reef in 1995 and significantly upgraded them in 1999. Although Manila protested these developments in ASEAN meetings, the ASEAN Regional Forum (ARF), and even the United Nations, no reduction in China's presence occurred. Rather, Beijing enhanced its Mischief Reef facilities and established markers on other Spratly features in the vicinity.

As the weakest military force among the ASEAN states, the Philippines could not defend its own Spratly claims against a growing Chinese presence. While ASEAN had backed Manila's earlier protest (1995) against unilateral Chinese actions, the Association's members have been silent this year. This current reticence to criticize

China is probably a result of Southeast Asia's concentration on economic recovery rather than territorial concerns that are seen as peripheral issues, as well as a demonstration of regional gratitude to Beijing for not exacerbating the economic crisis by devaluing its currency. Moreover, China had also contributed \$1 billion to an international financial aid plan for Thailand.

With its ASEAN partners apparently in no mood to back the latest Philippine confrontation with China, a reinvigoration of ties with the U.S. military appeared timely. Although the United States has declared its neutrality with respect to the Spratlys' claimants many times, and although the VFA only covers military exercises, President Estrada stated that a U.S. presence could balance China's. Further, some Philippine officials have made the argument that, despite Washington's insistence that the Spratlys are not regarded as Philippine territory under the Mutual Defense Treaty (MDT), if Philippine ships or forces are attached, then the MDT can be invoked (since Philippine forces and installations fall under the MDT).

With the passage of the VFA, the United States is considering the transfer of excess defense equipment to the under-equipped Philippine armed forces. Coast Guard cutters, Vietnam War vintage UH-1 helicopters, and A-4 fighters are among the possibilities.

Nevertheless, while Philippine public opinion generally supports the VFA, strong sentiment against it has been displayed by a combination of nationalists, the Philippine communist party, and the Catholic Church, whose Philippine leader, Cardinal Jaime Sin, claimed the arrangement will encourage a "culture of war."

The Indonesian Elections

Indonesia's first free elections since 1955, held on June 7, generated considerable interest in the U.S. policy community. Washington's hopes centered on peaceful, transparent campaigns and elections that would restore confidence in the political process for all ethnic and religious groups, stem the localized violence that had prevailed beginning in late 1997, and begin the process of political legitimacy and economic recovery.

To assist, the United States sent police officials to Indonesia in May to train their counterparts in non-lethal crowd control. Several hundred American election observers also spread out around the archipelago to monitor the vote, including representatives from the Carter Center in Atlanta. All agreed that the vote was remarkably free of violence and intimidation, though the slowness of the count in rural areas and outlying islands delayed a final determination of which parties will dominate the new Indonesian Parliament.

The U.S. Congress expressed approval on Indonesia's progress toward a free press, independent labor unions, and political plurality and also welcomed the prospect of

a peaceful referendum on the future of East Timor scheduled for this August. Congress also expressed hope that the Indonesian military would return to its barracks and abandon its participation in domestic politics, a trend that had characterized the Suharto New Order government (1967-1998).

U.S.-Thai Relations and the WTO

Thailand is one of America's oldest allies in Southeast Asia, a signatory of the Manila Pact (1954) and beneficiary of the Rusk-Thanat Agreement (1962) promising U.S. assistance in the event of external attack. Yet, over the past two years Bangkok has experienced two instances of U.S. "abandonment." The first occurred with Thailand's financial meltdown in July 1997, which elicited no significant initial assistance from Washington. This disregard was particularly disappointing to the Thais when the U.S. subsequently provided large-scale financial aid through the IMF to South Korea and Indonesia when their currencies collapsed. Then, in 1999, the United States reversed what the Thai government believed would be American support for Deputy Prime Minister Supachai Panitchpakdi's candidacy for WTO Director General and instead backed former New Zealand Prime Minister Mike Moore.

In May, a number of Thai officials called for a review of the country's pro-U.S. foreign policy. Parliamentary members urged the government to turn more toward Europe, Japan, and China, charging that Washington had once again revealed how little Thailand meant to U.S. foreign policy. The Clinton Administration's apparent support for Moore is based on policy preferences concerning labor and environmental standards that the U.S. and European countries propose to link to trade. This posture is opposed by many developing states, which view it as a form of protectionism. The United States may additionally oppose Supachai because he is seen as more apt to listen to less developed states' objections to revising WTO anti-dumping statutes. U.S. opposition to Supachai is also perceived as part of a larger American hegemonic goal for the WTO to become more like the IMF and World Bank, which many perceive as answering first to Washington.

In late May, the U.S. sent Deputy Assistant Secretary of State for Asia and Pacific Affairs Ralph Boyce to Bangkok in an effort to reaffirm America's friendship. Nevertheless, in a era of Asia-Pacific relations dominated by economic issues, Thai officials see the U.S. position on the WTO as another reason to broaden Thailand's foreign policy links to other like-minded developing states.

U.S.-ASEAN Member Relations Chronology

April – June, 1999

April 16, 1999: Philippine Foreign Minister Domingo Saizon states ASEAN will not support a new round of WTO trade negotiations in November if there is a U.S. attempt to link trade with labor and environmental conditions.

May 4, 1999: 13 of 16 Philippine senators needed to ratify the U.S.-Philippine Visiting Forces Agreement indicate they will support it after receiving a letter from U.S. Ambassador Thomas Hubbard stating that the Agreement is legally binding on the U.S. Government.

May 5, 1999: U.S. offers riot-control training to Indonesian police in preparation for forthcoming June elections. Training includes how to improve police relations with news organizations and opposition political parties.

May 7, 1999: Thai officials express anger at what they see as U.S. efforts to block the election of Thai Commerce Minister and Deputy Prime Minister Supachai Panitchpakdi as the next Director General of the World Trade Organization.

May 7, 1999: U.S. House of Representatives conducts hearing on the upcoming Indonesian elections.

May 19, 1999: Upon the recommendation of the United States, the World Bank delays a \$1.1 billion loan to Indonesia until after the June elections so that the money cannot be used by the ruling Golkar party.

May 24, 1999: Philippine President Joseph Estrada admits that the Visiting Forces Agreement with the U.S. is not a security guarantee for Manila's Spratly Islands claim.

May 24, 1999: U.S. Deputy Assistant Secretary of State Ralph Boyce meets with Thai officials to explain Washington's position on the WTO Director General elections.

May 27, 1999: Philippine Senate ratifies the Visiting Forces Agreement with the United States by an 18-5 vote.

June 5, 1999: U.S. Ambassador to Thailand Richard Hecklinger states in a press interview that U.S. trade policy is separate from strategic and diplomatic ties with Thailand, alluding again to the stalemated WTO Director General election.

June 16, 1999: U.S. House of Representatives conducts hearings on the political situation in Malaysia.

June 22, 1999: The Philippine government asks the U.S. Export-Import Bank not to seize four Boeing 747s from the debt-laden Philippine Airlines, saying that the move would set back the airline's rehabilitation.



China-ASEAN: Some Progress, along with Disagreement and Disarray

Carlyle A. Thayer

Chinese relations with the ASEAN nations have remained cordial during the quarter, with the notable exception of Sino-Philippine relations, which have steadily deteriorated and, to some extent, have taken Philippine bilateral ties with the rest of its ASEAN colleagues down with them. Disagreements over Chinese actions on Mischief Reef caused Philippine President Estrada to cancel a scheduled May visit to Beijing, while a senior Philippines foreign ministry official complained about the Philippines becoming “an orphan” in ASEAN on this issue. Meanwhile, China continued to improve relations with most of the remaining ASEAN states, negotiating a framework for future relations with Malaysia and Thailand and developing a new mechanism to govern Sino-Vietnamese relations.

ASEAN-China Consultations

The second quarter of the year opened with the Fifth ASEAN-China Senior Officials Political Consultations held in Kunming from 5-8 April. The first ASEAN-China political consultations were held in Hangzhou, China in April 1995, and have taken place annually ever since. The meetings alternate between China and an ASEAN country.

China was represented by Vice Foreign Minister Yang Wenchang and Assistant Minister Wang Yi. ASEAN countries were represented by their counterparts, and were led by Datuk Abdul Kadir Mohamad, Secretary General of the Malaysian foreign ministry and ASEAN coordinator for the ASEAN-China dialogue. In addition, ASEAN’s Secretary General, Rodolfo Severino, was present.

According to Xinhua News Agency, the participants exchanged views on the latest developments in their respective countries, China-ASEAN relations (trade and investment promotion, information exchanges, and science and technology), the regional economic and financial situation, as well as “regional and global issues of common concern”. The meeting also looked at what steps could be taken to improve ASEAN-China relations in the 21st century.

South China Sea Tensions

The April consultations were held under the shadow of a growing territorial dispute in the South China Sea between China and the Philippines. The dispute first erupted in early 1995 when Chinese-built structures were discovered on Mischief Reef, a feature within the 200 nautical mile Exclusive Economic Zone (EEZ) claimed by the Philippines. In October-November 1998 Philippine reconnaissance planes confirmed that China had resumed construction on Mischief Reef. The Philippines claimed that the new structures were military fortifications, while China countered that they were merely renovated shelters for fishermen.

The Philippines was supported by fellow ASEAN members in 1995; but attempts to build ASEAN consensus in 1998-99 failed. ASEAN members resisted attempts by the Philippines to multilateralize and internationalize this issue. In January 1999, President Estrada convened his first meeting of the National Security Council to consider this matter. The NSC resolved to take the Mischief Reef question to regional and international fora while at the same time upgrading and modernizing the Armed Forces of the Philippines. In March the Philippines confirmed that further Chinese construction was underway.

Differences between Manila and Beijing were aired at the First Sino-Philippines Expert Group Meeting on Confidence Building Measures in the South China Sea from 22-23 March in Manila. While the two sides agreed to exercise self-restraint, China once again rebuffed Philippine demands to dismantle the structures, halt further construction and allow access. The Philippines then proceeded to raise the issue in international fora such as the Second Asia-Europe Meeting (ASEM) in Berlin and the Inter-Parliamentary Union meeting in Brussels. In late March it was revealed that the Philippines was making active preparations to raise its dispute with China before the International Tribunal on the Law of the Sea. At the same time it was announced that President Estrada had cancelled a scheduled visit to China in May.

This was the diplomatic context of the April ASEAN-China political consultations held in Kunming. At this meeting Philippine Foreign Affairs Undersecretary Lauro Baja proposed the adoption of a new regional code of conduct among both claimants and non-claimants. China successfully opposed this proposal. After this meeting, in a 15 April address before the Rotary Club of Manila, Baja revealed that “On Mischief Reef, we were left alone. The other countries said that while they sympathize and understand our situation, the issue is only a [bilateral] Philippines-China problem”.

Baja further stated, “Even some of our ASEAN friends are either mute, timid, or cannot go beyond espousal of general principles of peaceful settlement of disputes and polite words of understanding given in the corridors of meeting rooms. Understandably, they may have their own agenda to pursue”. The Philippines was, in Baja’s words, “an orphan.” These remarks clearly indicated disarray in ASEAN ranks about how to respond

to Chinese assertiveness. Reportedly the embassies of Malaysia, Singapore, Thailand, and Vietnam requested the Philippine Department of Foreign Affairs clarify Baja's remarks.

Sino-Philippine Relations Worsen

Sino-Philippine relations were further strained by other incidents. On 9 May the Philippine naval ship *BRP Sierra Madre* (LT 57) ran aground on a reef near Second Thomas Shoal. Six days later it was reportedly approached by two Chinese frigates that offered no assistance but allegedly trained their guns on the *Sierra Madre* before departing. This incident incensed Filipino naval officials who termed the Chinese behavior a "hostile act."

On 23 May, a Filipino navy ship spotted three Chinese fishing vessels poaching in the Philippines' EEZ in the vicinity of Scarborough Shoal. What occurred next is a matter of dispute. The Philippines claims that one of the Chinese vessels was thrown by high seas into the side of its ship. The damage caused by this impact sank the Chinese vessel. China claims the Filipino navy ship deliberately rammed its fishing vessel and caused it to sink. Irrespective of how the incident occurred, the Filipino navy rescued three Chinese fishermen. They were later permitted to return to China. China loudly criticized what it termed illegal action by the Philippines in its historic waters.

Implications for Philippines-U.S. Relations

China's assertiveness over Mischief Reef was instrumental in changing elite opinion in the Philippines about the efficacy of its alliance with the United States and the necessity of ratifying a new Visiting Forces Agreement (VFA). The United States has consistently argued that its 1951 Mutual Defense Treaty with the Philippines does not cover features in the South China Sea that the Philippines claimed later. The U.S. argues it is mainly concerned with safety and freedom of navigation on the high seas and that it will not take sides in territorial disputes of this nature.

According to Kyodo New Agency (June 4,1999), Thomas Hubbard, the United States Ambassador in Manila, sent a letter to the Philippines clarifying that the 1951 Mutual Defense Treaty has both "territorial and situational applications." This letter was sent a week before the Philippines Senate passed the VFA on 27 May. Philippines spokesperson Fernando Barican was quoted by Kyodo as stating that the Hubbard letter references 1977 official statements by then-U.S. Secretary of State Cyrus Vance that the 1951 treaty covers Philippine armed forces, vessels, planes, and supply ships "that may be attacked, no matter where, by a hostile force."

Some analysts feel that the excessively legalistic interpretation adopted by the United States provided China with an opportunity to occupy and fortify Mischief Reef. In other words, China skillfully advanced its territorial claims by playing on legal ambiguities created by U.S. policy. China may also have been motivated by the weakness

of the Philippines' armed forces and disarray in ASEAN caused by the impact of the Asian financial crisis and ASEAN enlargement (the inclusion of Laos and Myanmar in July 1997).

Other Bilateral Ties Remain Cordial

The tensions in Sino-Philippine relations are not mirrored elsewhere in Southeast Asia between China and other ASEAN members. China has been able to capitalize on the good will it built up in the aftermath of the Asian financial crisis in mid-1997. China not only supported international assistance to the afflicted countries, but also vowed, at some proclaimed sacrifice to itself, not to devalue its currency. This theme of gratitude toward China featured in speeches during the course of Premier Li Peng's visit to Bangkok in April and Malaysian Foreign Minister Syed Hamid Albar's visit to Beijing in late May/early June.

It is notable that China successfully negotiated the framework for its long-term relations with Thailand and Malaysia. The former took the form of a 15-point Sino-Thai Plan of Action for the 21st Century agreed to in Bangkok on 5 February 1999. The latter took the form of a twelve-point Sino-Malaysian Framework of Future Bilateral Cooperation announced in Beijing on 3 June.

Similarly, China and Vietnam worked out a new mechanism to govern their bilateral relationship in the next century. Agreement was reached during the February-March 1999 visit to China by Le Kha Phieu, Secretary General of the Vietnam Communist Party. China and Vietnam have reiterated their commitment to settling land border and maritime disputes in the Gulf of Tonkin before the end of the year 2000. They have also mapped out an extensive program of reciprocal visits and areas of cooperation.

Sino-Vietnamese ties were reinforced in May when Deputy Prime Minister and Politburo member Nguyen Tan Dung journeyed to China to study the applicability of its reform process. Both countries are one-party states embarked on developing a market economy. Vietnam is keen to learn any useful lessons concerning how China is reforming its state owned enterprises and divesting its military of commercial interests.

Policy Implications

Chinese assertiveness in the South China Sea and tensions in Sino-Philippine relations raise policy issues that Washington needs to address. China has repeatedly denounced alliances as relics of the Cold War. No doubt Chinese hard liners will see a revival of U.S.-Philippine military relations as another step toward the encirclement of China. The Visiting Forces Agreement strengthens, to a certain extent, Manila's hand in its dealings with Beijing.

In order to avoid misunderstanding and possible miscalculation, the 1951 Mutual Defense Treaty between the Philippines and the United States needs to be modernized to suit the needs of the late 20th and early 21st centuries just as U.S.-Japan and U.S.-Australian relations were updated. Manila must accept responsibility for upgrading and modernizing its armed forces and provide funding for this purpose. Washington and Manila should identify areas where the U.S. can assist this process. The two treaty partners need to work out a clear understanding of the various contingencies where the U.S. military would come to the aid of the Philippines. China should be made clear on this point. China also needs to be persuaded that it is in its interests to halt unilateral occupation and further military construction on features in the South China Sea.

Chronology of China-ASEAN Relations

April-June 1999

April 5-8: Fifth ASEAN-China Senior Officials Political Consultations meets in Kunming.

April 13-18: Li Peng, Chairman of China's National People's Congress Standing Committee, leads delegation to Thailand.

April 27-May 3: Thailand's Prime Minister Chuan Likphai makes an official visit to China.

April 30: ASEAN admits Cambodia as its tenth member.

May 18-19: Nguyen Tan Dung, member of the Politburo of the Vietnam Communist Party and Deputy Prime Minister, visits China for discussions with Wu Bangguo, a member of the Politburo of the Chinese Communist Party and Vice Premier.

May 19: Chinese Chief of the General Staff of the People's Liberation Army, Fu Quanyou holds discussions in Beijing with Thai Army Commander-in-Chief Surayut Chulanont.

May 30-June 3: Malaysian Foreign Minister Syed Hamid Albar pays official visit to China to hold discussions with his counterpart Tang Jiaxuan. The two states issue a Twelve-point Framework of Future Bilateral Cooperation.

June 7-11: Khin Nyunt, Secretary of Myanmar's State Peace and Development Council makes official visit to China.

June 8-13: Lao Deputy Prime Minister and Minister of Defence Choummali Sai-gnason makes official goodwill visit to China.

June 17-24: Cambodian National Assembly President Prince Norodom Ranariddh visits China.

June 29-July 3: Cambodian Foreign Minister Hor Namhong pays official visit to China.



China-Taiwan Relations: The Shadow of Kosovo Looms Large

Gerrit Gong

Cross-straits negotiations have reopened in anticipation of the anticipated fall visit to Taiwan of Wang Daohan, the Chairman of Beijing's Association for Relations Across the Taiwan Strait. However, the downturn in Sino-U.S. relations--evident before Zhu Rongji's inconclusive April 1999 U.S. visit and underscored by Beijing's and Washington's divergent interpretations of the May 7, 1999, bombing of the PRC embassy in Belgrade--is complicating relations between Beijing and Taipei. China remains concerned that U.S. actions in Kosovo may presage similar interference in the PRC's "internal affairs" relating to Taiwan. This can cause a hardening of Chinese positions vis-à-vis Taiwan and make already sensitive issues like theater missile defense (TMD) even more contentious. For its part, Taipei realizes that its own interaction with Beijing becomes more difficult whenever U.S.-China relations are either too strained or too close. Taipei sees risks as well as promise in the upcoming cross-straits dialogue.

A Beijing Perspective

The bombing of the PRC embassy in Belgrade was deeply felt as a personal and national affront to China's leaders and people. Beijing deemed it deliberately violated China's sovereignty in the worst historical gunboat disregard for Beijing's views. The bombing also coincides with a period when the PRC government seeks to buttress its legitimacy by demonstrating how the PRC has "stood up" and made specific achievements over the last 50 years since its founding on October 1, 1949. This means unexpected, interactive Sino-U.S. sensitivities, with implications for cross-strait relations.

For example, Cox report allegations of Chinese missile technology espionage undercut the achievement if the PRC succeeds in launching a manned space flight to celebrate its 50th anniversary. In the current environment, a manned PRC space launch could also spur Taiwan demands for theater missile defense. Indeed, Beijing's reassessment of its security and economic development within a new world order, including the roles of NATO and especially the U.S., as well as its defense budget and priorities, could yet shape PRC approaches to cross-strait relations.

Paradoxically, in Kosovo, what NATO perceived as virtues Beijing perceived as dangerous potential precedents for Taiwan. NATO saw a humanitarian mandate and

strategic bombing capability that obviated the need for ground troops. Beijing saw a new world order in which a new gunboat diplomacy based on high technology weapons and assertive U.S. values could make China's coasts and interior vulnerable without the U.S. being constrained by fear of an Asian land war. Beijing's suspicions further deepen its opposition to Japan, Korea, or Taiwan establishing theater missile defense--what Beijing has called a potential East Asian NATO-like alliance--even as China's potentially more belligerent posture may increase calls for self-protective measures by those in the region.

Early accounts suggest a PRC defense budget increase (perhaps in the order of 80 billion yuan, roughly \$9.75 billion U.S. dollars), with emphasis on high-technology defensive radar, electronic warfare, and air defense. The re-establishment of the Commission of Science, Technology & Industry for National Defense under the Central Military Commission further indicates PRC high-tech military research and deployment priorities.

If such defense priorities are enshrined in the 10th 5-year plan, including its 1999 formulation and anticipated September 2000 draft plan, their impact on PRC cross-strait approaches could be even more pronounced. Particularly given that Beijing-Taipei cross-strait dialogue modalities have yet to include military confidence building measures or even indirect military to military discussions, the potential for cross-strait misunderstanding leading to a highly destabilizing arms race remains.

In this regard, an important cross-strait wild card is the extent to which Jiang Zemin defines his legacy in terms of China's being strong, economically developed, and unified in the 21st century. Unclear is the extent to which a unified China includes an assertive framework or timetable for Taiwan unification following Hong Kong's July 1, 1997 handover and Macao's December 20, 1999 return to PRC sovereignty.

For some in Beijing, good relations with the U.S. are both a means and end to China's cross-strait unification goals.

A Taipei Perspective

For understandable reasons, Taipei has sought to maintain parallel engagement between Taiwan and the U.S. during periods of improving Sino-U.S. ties. Taipei has also sought to promote Taipei-U.S. relations but without generating an anti-Taiwan backlash during periods of uncertain Sino-U.S. relations. At present this includes various measures to increase Taiwan's political, economic, and military standing with the U.S. and internationally.

In this regard, Taipei's freedom of action in cross-strait relations depends on Sino-U.S. relations never being so good as to reduce U.S. interest in positive U.S.-Taiwan relations and never so poor as to reduce Beijing's concern for U.S. response to PRC actions toward Taiwan.

For Taipei, cross-strait dialogue currently holds risk as well as promise. In particular, the potential for U.S. misunderstanding the implications for Taiwan of various cross-strait developments creates at least four fundamental dilemmas for Taipei.

First, Taipei must avoid Beijing defining constructive cross-strait dialogue as requiring purposeful direction, i.e., political talks leading toward unification.

Second, Taipei must maintain a balance between what is politically popular in Taiwan and the more assertive cross-strait approach some in Taipei and Washington prefer. This includes the dilemma of where and how much Taipei should rely on less authoritative but sometimes more flexible non-governmental (track two) communication channels, as compared with sometimes less flexible but more authoritative Strait Exchange Foundation-Association for Relations Across the Taiwan Strait (SEF-ARATS) channels.

Third, Taipei must not give the impression to the U.S. Congress and others that cross-strait dialogue could so successfully reduce misunderstanding as to render U.S. arms sales to Taiwan no longer necessary or helpful.

Fourth, Taipei must avoid unintended consequences from efforts to establish new cross-strait initiatives, e.g., arms control discussions involving Beijing, Taipei, and Washington which result in de facto consultations or prior notification with Beijing regarding Taiwan arms requests.

All this is occurring within a U.S. perceptual change where Taiwan is reemerging as an issue in Sino-U.S. relations and possibly in U.S. campaign year politics.

Kosovo Impact

Even prior to the accidental bombing of the Chinese Embassy, and in some ways accelerated by the continuing downturn in Sino-U.S. relations, Taipei has sought to solidify its military, political, and economic standing with and within Washington, in part to buttress its cross-strait bargaining position. Indeed, Taipei's provision of some \$300 million in humanitarian assistance to Kosovo refugees occurs at a time when the Washington policy environment is shaped by three developments.

First, Sino-U.S. relations, already strained preceding Premier Zhu Rongji's April 1999 inconclusive Washington visit and left adrift following Beijing's rejection of Secretary Pickering's explanation of the Belgrade bombing, could improve by the September APEC summit at which Presidents Clinton and Jiang are scheduled to meet. Or they could become more uncertain, particularly if they are politicized during the U.S. election campaigns.

Second, current Sino-U.S. strains, including regarding Taiwan, increase the responsibilities and expectations Washington assigns to cross-strait dialogue. These

include Washington's encouraging Taipei to consider cross-strait interim agreements and other measures to stabilize Beijing-Taipei relations.

Third, though the Belgrade bombing has preempted current Sino-U.S. focus and brought new dimensions of military issues for cross-strait relations, other fundamental questions remain to be resolved, including the timing and sequencing of PRC and Taiwan accessions to the WTO and continuing developments regarding theater missile defense.

Policy Implications

The debate about the U.S. role in cross-strait dialogue continues. The Clinton Administration seeks to establish an encouraging environment but without pressuring either side. The U.S. interest in a cross-strait equilibrium of confidence does not mean the U.S. simply supports a status quo peace and stability, or even simply a dynamic status quo. The U.S. position should be to reject any challenge to the status quo by force, and to discourage Taiwan independence, while leaving it to Beijing and Taipei to create the positive conditions necessary to entice peaceful unification.

Beijing has already threatened non-compliance on proliferation matters if U.S. and Taiwan TMD cooperation advances. Given the juxtaposition of WTO, TMD, and cross-straits issues, Beijing could subtly offer future restraint on security matters (such as TMD and Taiwan) in exchange for Washington's commitment to China's WTO accession. Thus a hard sell on China's WTO accession could come from tacit threats to increase security competition; a soft sell already appeals for Washington to support the political position of Zhu Rongji and others championing China's economic reforms.

But the U.S. should resist the temptation to bargain trade (e.g., WTO) and security (e.g., TMD) issues. The U.S. has equal interest in shaping the Asia-Pacific's overall political, economic, and security architectures as part of its vision for a peaceful, stable, and prosperous Asia-Pacific.

China-Taiwan Chronology

April-June 1999

April 15, 1999: Chinese Premier Zhu Rongji says China will not relinquish the use of force against Taiwan.

April 28, 1999: A Pentagon report is sent to Congress outlining the architecture requirements for a theater missile defense (TMD) system in the Asia-Pacific region.

April 30, 1999: The Clinton Administration, under pressure by Congress, agrees to sell long range radar to Taiwan.

May 7, 1999: NATO bombs hit the Chinese Embassy in Belgrade resulting in postponement of Straits Exchange Foundation (SEF) trip to China to discuss Wang Daohan's visit to Taiwan.

May 8, 1999: The Taiwan (pro-independent) Democratic Progressive Party (DPP) national conference passes a resolution making official "The Republic of China" as Taiwan's official name.

May 19, 1999: Lee Teng-hui publishes his book, *Taiwan's View*, which China claims establishes his pro-independence position.

May 25, 1999: The Japanese Diet passes bills concerning Japan-US cooperative Defense Guidelines arousing serious concerns in China. The Cox Report is published.

May 27, 1999: Former Taipei Mayor Chen Shui-bien accepts the DPP's recommendation as presidential candidate for the 2000 Presidential Campaign.

June 7, 1999: President Lee Teng-hui declares that Taiwan will donate \$300 million to Macedonia for relief of Kosovo refugees and asks China to also contribute.

June 22, 1999: Russia agrees to sell 72 advanced Sukhoi-30 fighter aircraft to China.

June 23, 1999: The U.S. House International Relations Subcommittee on Asia and the Pacific presented a bill supporting the participation of Taiwan in the World Health Organization (WHO) and sent it to the full committee for approval.

June 27, 1999: In Beijing, SEF proposes to China that Wang Daohan could visit Taiwan on September 12-19 or October 12-19.



China-ROK Relations: Quietly Building Trust

Stephen E. Noerper

Evaluation of China-South Korea relations by necessity entails consideration of China's approach to the Peninsula as a whole. PRC-ROK relations are vibrant and have progressed quickly since diplomatic normalization. Economic ties are significant, and relations have moved well beyond this field into the political and security realms. A great deal of contact between South Korea and China is done secretly or with little public fanfare, primarily so as not to unnecessarily offend North Korea, with which China this year marks a half century of diplomatic relations. Moreover, Seoul and Beijing have proceeded strongly but quietly so as to not complicate respective relations with Washington and others.

Political Relations/Developments

The April-June period has seen continued activity on the political, economic, and security fronts. Of greatest significance in China-Korean relations this quarter was the May 9-15 visit of Chinese People's Political Consultative Conference (CPPCC) Chair Li Lihuan to South Korea. As the fourth ranking official in the PRC Communist Party and leading a delegation of fifty, Li met with South Korean president Kim Dae-jung, Prime Minister Kim Jong-pil, National Assembly Speaker Park Jyun-kyu, and other South Korean governmental and business leaders. Upon his arrival, Li said that China highly values the rapid development of its relations with South Korea, and that the peoples of both counties could together contribute to prosperity and development in Northeast Asia. In his meeting with South Korean President Kim, Li expressed China's support for Kim's Sunshine Policy, or pro-engagement approach toward North Korea. The CPPCC Chair noted the inevitability of unification and repeatedly emphasized Chinese support for peaceful transition on the Korean Peninsula.

Economic Relations/Considerations

Economic cooperation also continues, as China applauded South Korea's ongoing economic recovery. Both Seoul and Beijing see prospects for energy cooperation in the Korea Electric Power Company (KEPCO) decision to participate in new atomic power plant construction around Guangdong and Shangdong. Moreover, China noted Japan's proposal for a Northeast Asia Free Trade Zone, to include China and South Korea.

Despite this cooperative attitude, economic complications appeared early in the quarter with ROK and PRC officials meeting in Seoul on April 7-8 for two days of negotiation on fishing quotas and other rules relative to the November 1998 fisheries treaty. ROK officials urged the PRC to accelerate implementation of the treaty to regulate Chinese fishing boats that ROK fishermen contend are depleting fishing stocks in ROK coastal waters.

Security Relations/Considerations

China and South Korea met April 24-27 in the context of the fifth round of the Four Party Talks. Although the Geneva discussions revealed serious differences between North Korea and China, South Korea, and the US, participants characterized the talks as useful and productive. China will chair the sixth round, scheduled for August in Geneva.

ROK and PRC arms control officials also conducted talks on Northeast Asia disarmament and nonproliferation issues in Seoul in early June. The Director General of South Korea's International Organization Bureau Lee Kyu-hung pressed for Chinese assistance in curbing North Korean nuclear and missile development. China's Director General for Disarmament Sha Zukang expressed concern about Japanese support for theater missile defense and applauded South Korea's decision to refrain from joining the TMD program.

China noted South Korea's April testing of a short-range missile by the ROK's Institute of National Defense Sciences off Korea's western coast. Initial reports indicated a real flying distance of some 50 kilometers, but China cited U.S. analysis based on satellite data indicating a distance of at least 296 kilometers. Rather than openly criticize the test, Chinese reports expressed concern relative to possible violation of a 1979 ROK-U.S. treaty that prohibited South Korea from developing missiles with a range over 180 kilometers.

China also noted, again without criticism, the South Korean Ministry of National Defense announcement on May 4 of the formal establishment of hotlines between the Ministry and Japan Defense Agency and between their respective naval and air forces headquarters.

PRC-North Korea Developments

China's relations with North Korea also have a direct bearing on its relations with the South and Seoul keeps a watchful eye on these developments (as Pyongyang likewise watches the ROK and PRC).

Of greatest significance, the onset of June saw a visit to China by the DPRK Supreme People's Assembly President Kim Yong-nam. The DPRK's second-highest

official met with PRC President Jiang Zemin, Premier Zhu Rongji, and Chair of the PRC Standing Committee of the National People's Congress Li Peng. PRC Foreign Ministry spokesperson Zhu Bangzao described the mission as advancing "traditional friendly cooperation" between the PRC and DPRK. China committed to providing North Korea 150,000 tons of grain and 400,000 tons of cooking oil this year.

Some South Korean analysts expressed concern that given the breakdown in Sino-U.S. relations, the PRC might be drawing the DPRK into a "sphere of influence" following China's improved relations with Russia. However, ROK Foreign Affairs and Trade Minister Hong Soon-young publicly welcomed the reopening of DPRK high-level exchanges with the PRC and urged China to convey its support of South Korean President Kim Dae-jung's engagement policy.

In other developments, on May 11 the South Korean media reported that China and North Korea agreed to establish a DPRK Consulate General in Hong Kong to commemorate the fiftieth anniversary of diplomatic relations. A South Korean official noted that the opening was scheduled to take place later this year after the establishment of a South Korean Consulate General in Shenyang.

China as Interlocutor

China tries to walk a fine line in balancing its bilateral relations with Seoul and Pyongyang. For example, the naval clash between South Korea and North Korea in the Yellow Sea (West Sea), which resulted in the sinking of a North Korean vessel and an estimated thirty North Koreans dead, led China on June 15 to urge both sides to "exercise restraint and not exacerbate the situation." PRC Foreign Ministry spokesperson Zhang Qiyue reiterated PRC support for "the maintenance of peace and stability on the Korean Peninsula." On June 16, ROK Foreign Affairs and Trade Minister Hong Soon-young requested PRC Ambassador Wu Dawei to press Beijing in persuading Pyongyang to refrain from further provocations.

One reason Seoul attaches high importance to good relations with Beijing is because of China's potential role both as a facilitator of South-North relations and as a moderating influence over North Korea's behavior. In support of the former, China cited its hosting of the ROK-DPRK Vice Ministerial Talks, which began June 21, and of the June 23-24 US-DPRK talks as further evidence of its support for peace and stability on the peninsula. The on-again, off-again talks between Seoul and Pyongyang in Beijing were aimed at reuniting family members separated by the Korean divide, but soon broadened to include debate over the mid-June naval incident and food assistance.

However, Chinese leaders continue to downplay China's influence over the North. In an interview with Roger Parkinson of Canada's *The Globe and Mail*, Premier Zhu Rongji contended that "we do not have much knowledge about military forces in the DPRK." Urging continued peace and stability on the Peninsula and cautioning against

theater missile defense (TMD), Zhu argued against overestimating the military power of the DPRK.

Lorien Holland's April 26 *Far Eastern Economic Review* feature "Lips and Teeth: Smiles are Strained Now Between China, North Korea," reinforced this view by noting PRC concerns over an increase in North Korean refugees in China and fears that DPRK missile and nuclear activity was bolstering regional support for theater missile defense. The feature also noted the Russian Diplomatic Academy's contention that the DPRK failed to advise the PRC of its August 1998 missile launch, perhaps giving credence to Zhu's April 2 comments about limits to China's influence.

Another commentator, Leeds' Aidan Foster-Carter, suggested in the context of the report that no contradiction exists in China's both "being cross" with North Korea and promoting high-level visits. The Review also noted that DPRK trade with the PRC's Yanbian prefecture plummeted from US\$310 million in 1993 to US\$32 million in 1998. A companion piece by Seoul bureau chief Shim Jae-hoon described an influx in DPRK citizens crossing into China in search of food and reported on open criticism of North Korean leader Kim Jong-il in North Korea.

In a related development, on June 28, South Korean intelligence officials announced the arrival of two North Korean defectors who had crossed into China in May and November. The two reportedly left a Chinese port on June 26 and were rescued by a South Korean fishing vessel. 55 DPRK citizens have defected to the ROK thus far this year, compared with 69 for all of 1998. The prospects of further defections and fears of greater immigration from North Korea pose challenges to China.

Increased reports toward the end of the quarter on the prospects of another DPRK missile test raised further questions as to China's ability to dissuade the North Koreans. It has been widely suggested that another launch could lead to a disintegration of support for pro-engagement approaches, and Chinese strategists fear any reinforcement of calls for theater missile defense. The South Korea-China relationship appears all the more vital in light of current political and security challenges.

ROK Concerns About Sino-U.S. Relations

The NATO bombing of the Chinese Embassy in Belgrade in early May challenged not only Sino-US relations, but proved of immediate concern to South Korean strategists fearful of potential fallout on the Korean Peninsula. On May 10, a South Korean official suggested that given dynamic relations in Northeast Asia, "North-South relations can be smooth when US-China relations are fundamentally amicable." This suggestion is in line with Chinese and US academic views shared in a 1998 Sino-US Working Group meeting on North Korea, hosted by the Asia-Pacific Center for Security Studies and US Institute of Peace. The ROK official, speaking in the bombing's aftermath, described South Korea as "carefully watching" developments to see "if any sparks of US-China conflict will spread to the Korean Peninsula." The official also

expressed concerns relative to the Four Party talks, suggesting possible increased difficulty in coordinating positions.

Chronology of Sino-South Korean Relations

April-June 1999

April 8-9, 1999: PRC-ROK fisheries talks take place in Seoul. South Korea seeks to negotiate new fishing quotas and other rules to implement November 1998 fisheries treaty.

April 15, 1999: Korean Air cargo jet crashes in China, killing nine and injuring 35.

April 20, 1999: China's *People's Daily* reports early April ROK short-range missile test.

April 24-27, 1999: China and South Korea meet in context of Four Party Talks in Geneva. China to chair next plenary session in August 1999.

April 27, 1999: *People's Daily* reports US rating agency upgrade of ROK sovereign ratings April 26.

May 5, 1999: *People's Daily* reports ROK Defense Ministry announcement May 4 of new hotlines between ROK and Japan militaries.

May 9-15, 1999: China's Li Lihuan, chair of the Chinese People's Political Consultative Conference, leads 50-member PRC delegation to Seoul. Meets with ROK President Kim Dae-jung and other governmental and business leaders.

May 10, 1999: ROK official describes South Korea as "carefully watching" developments in the wake of the NATO bombing of the PRC Embassy in Belgrade to see "if any sparks of US-China conflict will spread to the Korea Peninsula."

May 11, 1999: South Korea's *Joongang Ilbo* and *Korea Times* report PRC-DPRK agreement on establishment of DPRK Consulate General in Hong Kong to mark fiftieth anniversary of DPRK-PRC diplomatic relations. Opening scheduled for later in 1999 following establishment of ROK Consulate in Shenyang.

May 23, 1999: *China Daily* reports Japan's May 21 proposal for a Northeast Asia Free Trade Zone, to include China and South Korea.

June 3-7, 1999: DPRK delegation led by Supreme People's Assembly President Kim Yong-nam visits China.

June 7, 1999: ROK and PRC arms control officials hold talks on Northeast Asia disarmament and nonproliferation issues in Seoul.

June 11, 1999: ROK Ministry of Commerce, Industry, and Energy and Korea Electric Power Company (KEPCO) announce KEPCO participation in new PRC atomic power plant construction.

June 15, 1999: PRC Foreign Ministry spokesperson Zhang Qiyue expresses China's concern over the ROK-DPRK naval clash and hope that "both sides will exercise restraint and not exacerbate the situation."

June 16, 1999: ROK Foreign Affairs and Trade Minister Hong Soon-young requests PRC diplomatic efforts to help ease tension over Yellow Sea (West Sea) incident.

June 21, 1999: Initiation of ROK-DPRK Vice Ministerial talks at the Kempinski Hotel in Beijing. PRC also site of June 23-24 US-DPRK meetings.

June 28, 1999: ROK intelligence officials report arrival of two DPRK defectors who had crossed into the PRC in May and November and had left a PRC port on 26 June.



Japan-China Relations: Slowed but not Soured

James J. Pryzstup

In a relationship shadowed by the past and marked by concerns about the future, Japan's relations with China experienced a period of relative calm during the past quarter.

The quarter began with the Third Joint Meeting of the Expert Committee of Japan-China Environmental Development Model City Plan, which discussed cooperation on issues related to acid rain, recycling, energy efficiency, and measures to deal with global warming. Agreement was reached on the designation of Chongqing, Dalian, and Qiyong as model cities and on the expeditious implementing of anti-pollution measures. The quarter ended with final preparations being made for the visit of Prime Minister Keizo Obuchi to China, including early July efforts to reach understanding on the Japan-China bilateral negotiations on China's WTO accession agreement. In the interim, noted Japanese nationalist and newly elected governor of Tokyo, Shintaro Ishihara soon found his comments on China drawing Beijing's ire, and Chinese scientific research ships entered Japan's EEZ in the waters around the disputed Senkaku Islands. Neither of these developments in themselves set the bilateral relationship off course, but both reflect its inherent and continuing tensions which remain rooted in history and nationalism.

The two most significant events affecting the long-term development of their bilateral relations occurred outside the Japan-China bilateral framework, but were influential to it. Both involved the United States. The first revolved around the status of Sino-U.S. relations after China's Prime Minister Zhu Rongji's visit to the United States in April and the accidental bombing of the Chinese Embassy in Belgrade. The second involved Japan's adoption of legislation to implement the revised U.S.-Japan Defense Guidelines in May.

Sino-U.S. Relations Cause Challenges

From Tokyo's perspective of managing its relations with Beijing, the optimum state of Sino-U.S. relations is a Goldilock's-like state of being neither too cold nor too warm. If Sino-U.S. relations deteriorate, the danger for Tokyo is that of being caught up in a dispute not of its own making and subsequently being forced to make a fundamental strategic choice between Washington and Beijing. If Sino-American relations become excessively close, the danger for Tokyo is the potential loss of Japan's strategic value to the United States.

Thus, the March 1996 Taiwan Straits Missile Crisis raised concerns in Tokyo about possible Japanese involvement in a U.S.-China conflict over the future of Taiwan. Relieved by the Clinton Administration's subsequent attempts to repair relations with China, Tokyo grew equally concerned with the U.S. flirtation over a strategic partnership with China.

In the spring of 1999, the Sino-American relationship was again in an accelerating downward spiral. After a difficult winter marked by reports of Chinese spying at America's nuclear laboratories, the PLA's growing missile threat to Taiwan, and deteriorating human rights conditions in China, Zhu's visit to the United States offered an opportunity to right what was widely perceived as a relationship in free-fall. The centerpiece of the Clinton-Zhu meeting was supposed to be agreement on China's accession to the WTO.

In Tokyo, The Foreign Ministry viewed the "development of U.S.-China relations as extremely important for the development of the Asia-Pacific...." Its spokesman welcomed, prematurely as it turned out, "the success of the meeting." Reality was otherwise. Blind-sided by the administration's release of Zhu's WTO concessions, the Chinese Prime Minister departed without a deal and under attack by the opponents of reform in China. Then came the U.S. bombing of the Chinese embassy in Belgrade and China's demand for compensation and punishment before continuing any relations, including picking up the threads of the WTO negotiations, already at risk as a result of Zhu's Washington experience.

WTO Difficulties

Failure of the Clinton-Zhu meeting to produce agreement on WTO also signaled delay in advancing Japan's own major policy objectives with respect to China--its integration into a rules-based, transparent international trading system and the acceleration of China's economic reforms. At a time of falling Japanese investment in China and growing concerns about Chinese corruption, Tokyo sees the WTO regime as providing greater certainty--and profits--for Japanese financial and commercial interests.

As for Japan's own WTO negotiations with China, agreement has previously been reached on trade in goods, tariffs, and non-tariff measures. In early July, senior Japanese trade negotiators traveled to Beijing in an effort to reach agreement on services in advance of Prime Minister Obuchi's July 8 visit to China. Nevertheless, as Tokyo recognizes, a U.S-China bilateral accession agreement is the sine qua non for China's entry into the WTO.

Continuing disagreement between the U.S. and China over WTO accession could also pose a delicate diplomatic problem for Tokyo. Taiwan's supporters in the United States Congress have consistently argued for Taiwan's admission to the WTO once it meets the requirements for membership irrespective of the state of U.S.-China

negotiations. Should Beijing prove obdurate about resuming WTO negotiations, the pro-Taiwan, anti-China mood in the Congress could prevail in the policy debate in Washington and create problems for Tokyo in its relations with the U.S. and China.

Defense Guidelines Draw Beijing's Concern

The second significant development affecting Tokyo's relations with Beijing was the Japanese Diet's enactment on May 24 of legislation implementing Japan's revised Defense Guidelines for security cooperation with the United States. The *Asahi Shimbun* stated that the Law "prescribes measures to be implemented by Japan in response to a situation which, left unattended, could result in an armed attack against Japan and also in response to other situations in areas surrounding Japan that will have an important influence on Japan's peace and security...."

Following the passage of implementing legislation for the revised Defense Guidelines, the Foreign Ministry stated: the legislation "in no way changed the fundamental security policy of Japan;" that "Japan is firmly determined not to become a military power which would threaten other countries;" that "Japan-U.S. Security Arrangements are purely defensive in nature ... and not predicated on any particular threat nor are they directed against any particular country." To address any concerns about the legislation, the Japanese government sent senior Foreign Ministry and Defense Agency officials to China, the Republic of Korea, and Southeast Asia. Beijing's response to the passage of the legislation was to make clear that China will be watching Japan's words as well as its deeds.

Throughout the long debate over the legislation, China made clear its concerns over the implications of enhanced U.S.-Japan security cooperation. In brief, they were and remain focused on two issues. The first is that the Guidelines would serve as the shield behind which Japan would seek to expand its security role in the region. The second involved the operational scope of the Guidelines, the possibility that security cooperation with the United States could involve Japan in a Taiwan contingency and thus, in China's domestic affairs.

Indeed, the Diet's debate over the Guidelines surfaced differing interpretations and understandings with respect to the functional versus geographic nature of their application. From Beijing's perspective, defining the Guidelines as functional in nature still leaves open and ambiguous the question of their applicability to Taiwan.

The ambiguity of the Guidelines was evidenced during Prime Minister Obuchi's visit to the United States. At a joint press conference with President Clinton, the President praised Japan for the Lower House passage of the legislation enabling the U.S. and Japan to respond "with flexibility and speed to any regional crisis in Asia." Later in response to a question about a China-Taiwan conflict and whether the U.S. would "request Japan's cooperation under the new guidelines," the President answered that "our policy is to have a vigorous engagement with China so that we can reiterate both our one-

China policy and our conviction that differences between Taiwan and China ought to be resolved peacefully.” The President went on to say that strong U.S.-Japan defense cooperation “should not in any way be seen as directed against China; rather, it was “in favor of advancing the security interests ...and the values we embrace.”

Moving Forward

As June drew to a close, Prime Minister Obuchi’s official working visit to China, scheduled for July 8-10, became the focal point of Japan’s relations with China. Seven months earlier, China’s President Jiang Zemin had visited Japan as a state guest. Jiang’s visit produced the Japan-China Joint Declaration on Building a Partnership of Friendship and Cooperation for Peace and Development and Japan’s extension of a 390 billion yen loan to China. At the same time, Jiang’s repeated references to the need for Japan to squarely face the past and learn the lessons of history caused many in Japan to view the exercise as less about the past than using the past for political leverage against Japan. That Jiang raised the issue in the presence of the emperor during a State dinner was overwhelmingly not appreciated by the Japanese public. As a result, China’s handling of history, as well as its continued comments on the Guidelines and the U.S.-Japan alliance, will be of particular interest during the Obuchi visit.

Chronology of Japan-China Relations

April-June 1999

April 12-13, 1999: Third Meeting of the Expert Committee of Japan-China Environmental Development Model City Plan.

April 6-15, 1999: China’s Prime Minister Zhu Rongji visits the United States seeking an agreement on China’s entry into the WTO.

April 27, 1999: Lower House of Japanese Diet passes Guidelines Legislation.

April 14, 1999: Newly elected Tokyo Governor Shintaro Ishihara’s comments on China and the Nanjing massacre draw Beijing’s ire.

May – June 1999: Chinese ships enter Japan’s EEZ in waters off the disputed Senkaku Islands, triggering diplomatic protests.

May 3, 1999: Prime Minister Keizo Obuchi visits Washington.

May 24, 1999: Upper House of Japanese Diet completes passage of Guidelines legislation.



Japan-ROK Relations: Rooting the Pragmatic

Victor D. Cha

Since normalization in 1965, Japan-Republic of Korea (ROK) relations have been propelled by two countervailing dynamics. On the one hand, the inability to overcome their difficult shared history has impeded genuine improvements in contemporary relations. On the other, pressing economic and security developments that have often compelled pragmatic cooperation. At times this cooperation has been substantive, but often it is of a superficial and transitory nature given the negative history between the two.

These dual themes of alignment and antagonism are evident as one looks at bilateral developments over the second quarter of 1999, with alignment clearly prevailing during this period. Examples include the establishment of communications hotlines between the two militaries and high level meetings between ROK and Japanese senior military officers and other security and defense officials. Political relations also continued to bask in the afterglow of the October 1998 and March 1999 Obuchi-Kim Summits. From a U.S. policy perspective, relations between these key Asian allies are moving in a direction that suits American security interests, but not without reservation. Potential disagreements between the ROK and Japan (and U.S.) over the appropriate response to possible future North Korean provocation could cause a rebirth of antagonism.

The Security Front

What is most striking about relations over the past quarter has been the volume of consultations and military-to-military interaction on security issues. Based on a January 1999 agreement between then-ROK Defense Minister Chun Yong-taek (now National Intelligence Service Director) and his Japanese counterpart Hosei Norota, communication “hot lines” were established in May between the Ministry of National Defense and Japanese Defense Agency as well as between air and naval components (i.e., ROK Combat Air Command and Japan Air Self Defense Force; and ROK Naval Operation Command and Japan Maritime Self Defense Force). The same month Korean and Japanese air force chiefs held successful meetings in Seoul, committing to increase bilateral exchanges and strengthen cooperation. The two navies announced plans for a combined naval exercise off Cheju Island scheduled for August 4-6, 1999. In various diplomatic fora, Japanese officials consulted with Korean counterparts on the positive

implications for Korean security of the passing in the Lower House of the new U.S.-Japan defense guidelines. And perhaps most important, Washington, Seoul, and Tokyo created in April the Trilateral Coordination and Oversight Group (TCOG), a body that is to meet at least once every quarter to share and coordinate policies on North Korea. (TCOG was established in Hawaii by agreement among former U.S. Defense Secretary William Perry, ROK National Security Advisor (now Unification Minister) Lim Dong-won, and MOFA Director-General Ryozo Kato.)

Clearly, the causes for much of this cooperation are jointly-held and expedient concerns about the DPRK security threat. The hotline decision, for example, was specifically in response to the inability on the part of the two navies to communicate adequately when DPRK ships intruded into Japanese waters last autumn. The TCOG, which has already met twice since its inception, addresses the need for a forum in which the three allies are able to share information on standing issues like the Kumchang-ni site inspection, and the Perry policy review, as well as on unexpected incidents like the west coast altercation (June 15) and the North's temporary detention of an ROK tourist.

From a broader perspective however, what is distinct about the activities this past quarter is that they represent the first step in the evolution beyond pragmatic and transitory cooperation to a more deeply-rooted and pre-planned security relationship. The naval exercise scheduled for 4-5 August, for example, while only a small-scale search-and-rescue exercise, is unprecedented in the history of modern Japan-ROK relations. The ROK Navy will provide one destroyer, one escort ship, one surveillance aircraft and one helicopter, while JMSDF will provide three escort ships, one surveillance aircraft, and two-three helicopters.

Combined exercises and exchange visits of military officers appear like minor accomplishments, but taken as a whole represent a vast improvement in substantive interaction on security issues. It was only within one generation's lifetime that the notion of Japanese military personnel setting foot again on Korean soil provoked such wrenching reactions that any bilateral defense exchanges -- even during the security-scarce conditions of the Cold War era -- were ceremonial, occasional, and unpublicized. The meetings this quarter represent the slow, incremental deepening of a security relationship that started in 1997 with the decision to set up a regular bilateral security consultation (director-general level, see table below).

In a related vein, the TCOG is also significant in that it institutionalizes a process of trilateral consultation among the allies. One of the flaws in U.S. management of its two alliances in Northeast Asia has always been the inability to coordinate trilaterally despite an established framework for bilateral consultations. Trilateral consultations certainly existed in the past, but were done solely on an ad hoc basis. Perry has done well to place strong emphasis on this aspect of the current DPRK policy review and, regardless of the outcome of the current semi-crisis with the North, this will be one of the lasting fruits of his efforts.

The dark cloud in this silver lining: This quarter's frenetic activity to improve bilateral and trilateral policy coordination masks, or more exactly exists because of, real

and potentially severe policy gaps among Washington, Seoul, and Tokyo. These lurk just below the surface and could emerge with further DPRK provocations. The problem is not a difference in overall objectives vis-à-vis the North, but subtle differences in the preference orderings of those objectives. For example, everyone sees the nuclear and missile issues as important, but the U.S. and Japan place a relatively higher premium on these than the ROK, for whom the DPRK's conventional artillery threat makes missiles redundant. This was evident not only in the disparate reactions to the August Taepodong launch in Seoul versus Tokyo, but also in the tepid ROK response to U.S.-Japan TMD initiatives in the region.

Similarly, while Seoul is adamant about realizing family reunions by the end of the calendar year as a tangible product of its "sunshine policy," they do not search out DPRK movement on the issue of the kidnapping of Japanese nationals with the same fervor. Contrary to traditional Cold War patterns of interaction between Japan and the ROK over North Korea, it is more likely now that DPRK provocations could cause Japan to abandon KEDO and engagement with the North long before the ROK would. In particular, a second missile launch would appear to be the "red line" for both the Americans and Japanese. But the Kim Dae-jung government, by drawing the same line, would face the prospect of admitting failure of a policy and paradigm for inter-Korean peace on which it has staked its political life.

The policy implication from a U.S. perspective is not so much to seek a parity of priorities between Seoul and Tokyo on individual issues like family reunions or housewife abductions. Although this would be ideal, it is not realistic given that these issues appeal to respective domestic constituencies and are therefore not easily fungible for political gain (e.g., getting movement on Japanese housewife abductions will not win Kim Dae-jung the same political kudos as family reunions and vice-versa for Obuchi). Instead, the challenge is bringing into alignment the disparate time horizons in the two governments' strategies. Again, "time is short" for the Americans and Japanese as the status quo without resolution of the missile issue only brings its cities and populations in closer range of better-than-anticipated DPRK missiles and technology. No doubt these issues are important to South Koreans, but the Sunshine Policy, if Kim Dae-jung had his druthers, is a long-term policy that would rise above even these issues and transform the status quo into a decade-long phase of peaceful existence (which incidentally is the first stage of a de facto united Korean confederation, according to Kim's past scholarship). The irony is that these dynamics run contrary to traditional Cold War patterns of South Korean urgency and Japanese reticence vis-à-vis the DPRK. The advantage today is that the parties have the institution of the TCOG in which to narrow their differences.

The Political Front

On the political front, two points deserve mention. First, the events of the past quarter point to the increasing political institutionalization of the "new" Japan-ROK relationship. The primary channel through which business was conducted from the 1960s through early 1980s was backroom deals between elites in late-night parlors in

Seoul and Tokyo. These activities were replete with corruption and side-payments that greatly benefited the participants, but reinforced negative images in the general public about the shadiness of relations (e.g., 1962 Kim-Ohira secret memorandum). This mode of interaction has been replaced by institutionalized, public, and popular channels of communication at governmental, nongovernmental, and increasingly now, military levels. While in the past, the only regularized forum for official government exchanges was the annual joint ministerial conference, as table 1 details, both the frequency and variety of official channels have increased exponentially, resembling that of two established democracies:

TABLE 1

Date	Type	Established	Comments
1965-1985	Joint Ministerial Conference	1967	annual
	High-level Foreign Policy council	1984	annual
1986-1999	Foreign Ministers meeting	1986	annual
	21st Century Committee	1988	occasional
	MOFA Asia Bureau Directors Meetings	1991	occasional
	Assistant Secretary trilats (re: DPRK)	1992	occasional
	Korea-Japan Forum	1993	occasional
	Director-General Security Dialogue	1997	annual
	Executive Summit (Kim-Obuchi)	1998	annual (occurred periodically prior to this)
	TCOG	1999	quarterly
	Hotlines	1999	MND-JDA

Second, political relations between Seoul and Tokyo continue to bask in the afterglow of the Kim-Obuchi summit in October 1998. Although the leaders held another summit in March 1999, the former was clearly the high-water mark for both governments and arguably for all of Japan-ROK normalized relations. The crux of this success, as recorded in the popular media, was: the 1998 meeting's producing the first Japanese government statement of regret for the colonial period *recorded* in official documentation, and the summit's very positive atmospherics which stood in stark contrast to subsequent meetings between Obuchi and Jiang Zemin. The two summits also produced an action plan for improved bilateral economic cooperation. The October 1998 "Joint Declaration on a ROK-Japan Partnership for the 21st Century" and the March 1999 "Agenda for Korea-Japan Economic Cooperation" led to several meetings this quarter on

bilateral economic issues. The two countries have met to consider negotiating a Bilateral Investment Treaty as well as a Free Trade Area, and for the first time economic officials met at the working group level to consult on mutual interests in the upcoming WTO round.

These were undoubtedly all-important but what was of equal if not greater significance were the little things that went largely unnoticed in media accounts. In speeches before the Diet, Kim Dae-jung spoke of how Koreans were equally responsible as Japanese for putting the history issue to rest and moving forward. The two leaders called “infantile” the fixation on 50 years of negative Japan-ROK interaction at the expense of 1500 years of exchanges and cooperation. Japan trumpeted Korea’s successful road to democracy while Korea lauded Japan’s peace constitution and commitment to overseas assistance. These attempts to reconstruct history, to emphasize positive interactions over negative, and to express admiration for the other’s accomplishments were not present in past exchanges. They are subtle but important attempts to transform the dominant narrative of this relationship as well as give deeper roots to what was formerly only pragmatic cooperation.

Chronology of Japan-ROK Relations

April-June 1999

April 20, 1999: ROK Navy announces that Korea and Japan will conduct a joint maritime drill on the open seas east of Cheju-do in August.

April 20, 1999: Japan moves to curb pork imports from Korea.

April 21, 1999: Shoichi Makagawa, Japanese minister of Agriculture, Forestry, and Fisheries, proposes regularly bilateral meetings to discuss fishery issues.

April 25, 1999: Korea, the United States, and Japan agree in Hawaii to establish a Trilateral Coordination and Oversight Group (TCOG) for policy coordination on North Korean affairs.

April 27, 1999: Japanese Defense Guidelines pass the Diet Lower House.

April 29, 1999: Japan Maritime Safety Agency Director Yukio Kusunoki meets with ROK Maritime Policy Head Kim Dae-won to establish liaison office to exchange information on suspicious ships.

April 29, 1999: President Kim Dae-jung fires Vice Maritime Affairs Minister Chun Sung-kyu, holding him responsible for the corruption scandal surrounding Korea-Japan fisheries pact.

May 4, 1999: South Korean and Japanese military announce the establishment of communications “hotlines” for the exchange of information in case of emergency.

May 4, 1999: U.S. Republican lawmaker presents visiting Japanese Premier Obuchi with a report urging the creation of a combined U.S.-Japan-ROK early warning system against ballistic missile attack.

May 7, 1999: Four-day visit by JASDF Chief Yuji Hiroaka to Seoul to meet with ROK Air Force Chief Park Chun-taek.

May 7, 1999: President Kim Dae-jung in *Le Monde* interview says that normalization of Japan-DPRK relations should include Japanese compensation to the North for its past colonial rule of Korea.

May 15, 1999: ROK and Japan agree to hold annual meeting of fisheries ministers.

May 17, 1999: In weekly press conference, Kim Dae-jung urges North Korea to accept U.S.-ROK-Japan proposals for reducing tension on the Peninsula.

May 17, 1999: ROK and Japan agree to launch a joint pilot electronic commerce service in 2000.

May 24, 1999: William Perry, U.S. Policy Review Coordinator on North Korea, meets with South Korean and Japanese officials in Tokyo before departing for 4-day trip to Pyongyang (TCOG meeting).

May 26, 1999: Japan explains new Japan-U.S. Defense Guidelines to South Korea.

May 28-29, 1999: William Perry ends 4-day trip to Pyongyang and briefs American, South Korean, and Japanese officials in Seoul (TCOG meeting).

June 2, 1999: Japanese Diet Lower House unanimously approves an agreement on the burden sharing of costs for the construction of two light-water nuclear reactors in North Korea.

June 10, 1999: Japanese Vice Foreign Minister Shunji Yanai arrives in Seoul for three-day discussions on a wide range of issues including how to deepen relations between the two countries and how to step up coordination in implementing North Korea policies.

June 16, 1999: Japanese Foreign Minister Masahiko Komura expresses support for South Korean efforts to solve the conflict with North Korea in the Yellow Sea.

June 17, 1999: Korea and Japan form a civilian-level consultation body to discuss promotion of cultural exchanges between the two neighboring countries.

June 22, 1999: International and ROK environmental activists threaten to protest a shipment of 440 kilograms of weapons-grade plutonium to Japan in July.

June 23, 1999: Former Japanese Prime Minister Tomiichi Murayama announces cancellation of a planned non-partisan Diet fact-finding mission to Pyongyang.

June 25, 1999: TCOG meets in Washington.

June 30, 1999: ROK fully lifts 20-year old import source diversification system, primarily designed to restrict import of select Japanese products.



Japan-Russia Relations: **Moving Ahead, But on Separate Tracks**

Janet Snyder

Russo-Japanese relations remained on track during the past quarter and were highlighted by a brief but significant meeting between Prime Minister Keizo Obuchi and Russian President Boris Yeltsin during the G-8 meeting in Cologne. While both sides appear committed to their previously stated goal of achieving a peace treaty “by the year 2000,” this goal—if reached (and this remains a big if)—is more likely to be a December 31, 2000 New Year’s Eve crash project than a January 1, 2000 New Year’s Day celebration.

The lingering “Northern Territories” territorial dispute over the four southern Kuriles Islands seized by the Soviet Union in the closing days of World War Two remains the primary stumbling block. Japanese participation in the U.S. theater missile defense (TMD) project remains another potential point of contention that might be capitalized upon by Yeltsin’s opponents, further complicating efforts to agree upon a peace treaty to formally end World War Two hostilities.

Mini-Summit Meeting

Although the summit on June 20 between Russian President Boris Yeltsin and Japanese Prime Minister Keizo Obuchi during the G-8 meeting in Cologne lasted a mere 10 minutes, the first direct contact between the two leaders since November 1998 scored some progress--especially for the Japanese.

According to senior Japanese officials, Yeltsin told his counterpart: “Border demarcation was actually my suggestion.” Border demarcation was in fact a Japanese idea, broached most prominently by then-Prime Minister Ryutaro Hashimoto during the April 1998 summit at Kawana and at Krasnoyarsk in November 1997, but never mind. Tokyo is very pleased to have Yeltsin appropriate it as his own.

During the Cologne summit, Obuchi told Yeltsin: “Let’s achieve the historic task of concluding the peace treaty and demarcating the border, based on the Krasnoyarsk agreement.” Senior Foreign Ministry Official Sadaaki Numata said that although the meeting was short, “we do feel that Mr. Yeltsin feels strongly about fundamentally

improving relations, through a resolution of the four islands and the conclusion of the peace treaty.”

The ructions between Russia and NATO that arose during the Kosovo conflict did not seem to affect Japan-Russia ties, according to Japanese government sources. The inclusion of Russia in the G-8 meeting--thereby providing the opportunity for the direct interaction--contributed greatly to keeping Japan and Russia on track, according to Numata. The importance of such personal contacts cannot be underestimated, especially when viewing a mercurial figure like Boris Yeltsin who often appears to formulate foreign policy as he goes along.

Peace Treaty Prospects

The dispute over the islands of the Southern Kurile chain, known to the Japanese as the Northern Territories, is the key sticking point to a peace treaty which would put an official end to World War Two hostilities between Japan and Russia. Japanese Foreign Ministry officials told me they saw the fleeting talks as a positive signal toward meeting the 2000 deadline for completing the treaty.

Yeltsin-style pyrotechnics aside, Russian policy-makers are not pushing any new policy initiatives to solve the territorial dispute. Vassily Mikheev, an eminent observer of Russian-Japanese ties, said, “Until parliamentary elections in December 1999 and the presidential election in June 2000, Russian-Japanese political relations will be frozen at the status quo level.”

The Japanese, however optimistic they may appear, do not expect a peace treaty to be completed by New Year’s Day 2000 and recognize it could go to the wire -- to the end of 2000. The Japanese are hanging their hats on the camaraderie generated during the brief Cologne meeting.

Russian analysts say that Japanese hopes could be tenuous, given the uncertain post-Yeltsin future, and nationalistic rumbling over military cooperation between Japan and the United States over TMD. “In the coming year, the U.S. and Japanese plan to develop a Theater Missile Defense system can be used by the Russian military and political conservatives for their own purposes not only as a reason to criticize Yeltsin’s pro-American foreign policy but also as an excuse to postpone upgrading of Russian-Japanese relations until better times, “ says Professor Mikheev. Those better times? When a new president and parliament are elected, Mikheev said.

From the Japanese viewpoint the situation is not quite as static. The demarcation issue has proved thorny on the working level, but last November the two sides agreed to form a discrete vice ministerial-led committee to thrash it out. But not much actual progress has been made, with the Russian side in no position to make concessions on such an emotionally fraught issue as ceding territory.

The key is that they are talking about it, and the Japanese have taken a much less all-or-nothing approach, which helps keep the momentum. The Russians want two separate treaties: a peace treaty and a border treaty. The Japanese proposal has been kept under wraps but is widely reported as calling for the border to be drawn between the Northern and Southern Kuriles, with Moscow ceding Habomai, Shikotan, Kunashiri and Etorofu to Tokyo.

Economic Relations

Aside from the demarcation issue, a second committee was formed during the November summit to explore economic development of the four islands. Dealing with a far less contentious area, this committee has reported some concrete progress. The key cooperation area they identified was fisheries, using the existing bilateral fisheries agreement covering the islands to develop aquaculture. The idea is to farm fingerlings until they grow to a certain size and are released into the ocean. The fish will then be harvested once they reach a prescribed size. Gradual progress on other economic and humanitarian contacts is also expected in the coming year.

Chronology of Japan-Russia Relations

April-June 1999

April 1-2, 1999: Russian Deputy Foreign Minister Grigory Karasin visits Tokyo for the second round of subcabinet-level talks to discuss border demarcation and investment in the disputed Northern Territories (Southern Kuriles). (The first meeting was held in Moscow in January.)

April 15, 1999: Former Japanese Prime Minister Ryutaro Hashimoto visits Moscow at the invitation of Russian President Yeltsin. Hashimoto visits in place of Japanese Foreign Minister Komura, who was asked to delay his trip.

May 4, 1999: Japanese Prime Minister Obuchi meets with Russian Special Balkan Envoy Viktor Chernomyrdin in Washington.

May 28-30, 1999: Foreign Minister Komura visits Moscow.

June 4, 1999: Consultation on security matters between the Russian and Japanese Foreign Ministries take place in Beijing. The primary topic of discussion is the Revised U.S.-Japan Defense Guidelines.

June 17, 1999: Obuchi and Russian President Yeltsin hold telephone conversation and agree to continue their contact at the G-8 summit in Cologne.

June 20, 1999: A brief summit between President Boris Yeltsin and Prime Minister Keizo Obuchi is held while the two leaders attend the G-8 meeting in Cologne.



Sino-Russian Relations: NATO's Unintended Consequence: A Deeper Strategic Partnership . . . Or More

Yu Bin

Sino-Russian relations have improved steadily in recent years due to mutual concerns about U.S. unilateralism. However, while both sides proclaimed a strategic partnership aimed at promoting a multipolar world, both still placed higher priority on their respective relations with the U.S. than with one another. This could be changing, however, as positions harden, especially in Beijing, in the wake of the Kosovo campaign and the NATO Bombing of the Chinese Embassy in Belgrade. Now, both sides are seriously discussing a further deepening of their strategic partnership, to include the formation of a formal defense alliance, along with significant arms sales involving state-of-the-art Russian technologies.

One could conclude, therefore, that the second quarter of 1999 witnessed considerable substantiation of the Sino-Russian strategic partnership largely because of external developments--the Kosovo crisis and the bombing of the Chinese embassy in Belgrade. Supporting this conclusion are at least four separate but related shifts in diplomacy:

- (1) from “low politics” of promoting economic relations to “high politics” of strategic cooperation;
- (2) from routine “high-level” talks to crisis consultation and management;
- (3) from symbolic ties “not to affect any third party” to concrete consultation and coordination aiming at exerting influence on a third party; and by
- (4) significant, though still somewhat symbolic, moves away from the U.S., the lone superpower, by both China and Russia.

“Unrequited Love”

1999 began with a renewed effort to reverse the downward trend in bilateral economic relations. The Asian financial crisis, beginning from July 1997, had slowed down China's GDP growth rate from double-digits to less than 8%. It has also exerted a strong negative impact on the fragile Russian economy. Partially because of this, Sino-Russian bilateral trade, which is usually only a fraction of China's trade volume with the U.S. and Japan, dropped 10.5% to US\$5.48 billion in 1998. In February, top trade officials from both countries met in Beijing and then-State Councilor Wu Yi visited

Moscow to explore new areas for economic interactions. This paved the way for Premier Zhu Rongji's visit to Russia between February 24 and 27.

Known as China's "Economic Tsar," the Chinese premier was persuaded to make his two-day "working visit" into a four-day official stay in Russia. While the Russians intended to politicize Zhu's visit, the no-nonsense premier devoted much of his attention to a wide range of commercial possibilities, including oil exploration and transportation, nuclear power technology, hi-tech parks in China with Russian input, timber industry, retail business in Moscow and other Russian cities, joint ventures in TV, and air conditioning facilities. 16 agreements were signed between the two sides.

The high-level exchanges of top trade officials reflected a deep, and perhaps growing, concern on both sides that the "strategic coordinating partnership" from 1996 would not go very far without compatible economic intercourse between the two countries. In other words, Moscow and Beijing have in the previous seven years been more successful in putting together a framework of high-level exchanges (annual meetings at presidential, prime minister, and ministerial levels) than substantiating this strategic framework. "Commercializing" Russian-Chinese relations, therefore, assumed an important and strategic significance.

At the beginning of the quarter, both sides were more focused on improving relations with the U.S. than with one another. Beijing's "economics-in-command" diplomacy also strongly manifested itself in relations with the United States. Indeed, Beijing believes that a healthy and growing economic relationship with Washington not only helps to smooth the troubled political and security relations with the world's most powerful country, but also serves China's long-term and strategic interest in economic modernization. This strategic calculation was behind a series of major concessions China made to enter the World Trade Organization (WTO) before and during Chinese Premier Zhu Rongji's March visit to the United States.

The Russians, too, were embracing the West. Politically, Russia democracy is acceptable to the West, no matter how unstable and bazaar it is. The "New Russians"--young entrepreneurs in particular--are fluent in English and enjoy internet surfing. Until the Kosovo crisis, their nationalistic pride was somewhat neutralized by massive IMF loans.

Initially, Kosovo was not as significant a unifying force between Beijing and Moscow as one might think. Diplomatically, Beijing did not seem to be bothered too much by the heavy-handed approach of the U.S. and its allies, even if Chinese diplomats in the UN continued to express displeasure. China viewed the Yugoslav case as not affecting the fundamentals of China's national interest. Beijing's foreign policy community was even advising top leaders to distance China from the Milosevic regime.

To a certain extent, China's general public, too, was either becoming indifferent or accustomed to the U.S.' "bombing diplomacy." While the Russians were not happy

about being left out of the Kosovo crisis, the Chinese were quite content precisely because China was left out, at least temporarily.

In sum, by early May, both the Chinese elite and general public were ready to join the West-dominated world trading system, abide by its rules, learning from its practice, and benefit from the opportunities it was supposed to provide.

The Role of an Accident

Everything seemed to change with the fateful bombing of the Chinese Embassy in Belgrade on May 8. Suddenly, the Chinese discovered that Kosovo was not too far away from home. Tony Blair's new-internationalism and NATO's smart bombs convinced most, if not all, Russians and Chinese that what was happening in the Balkans could occur in their countries, as both are multi-ethnic states and have been bothered by growing separatist trends in areas such as Chechnya and Taiwan.

The immediate reaction from Beijing was to distance itself from the West. (Moscow had earlier suspended relations with NATO.) Beijing stopped all military exchanges and human rights dialogue with Washington. The bombing also immediately ended China's effort to make any further concessions in its WTO talks with Washington. The "globalization" mood in China as well as China's "commercialization" of relations with Russia and the U.S. were quickly overshadowed by an angry burst of anti-West demonstrations.

Until this point, the "strategic coordinating partnership" between Beijing and Moscow was broadcast as "non-alliance, non-confrontation, much less directed at any third country or third party." Since both sides depended more on the West-dominated world trading system than on each other, neither intended to get closer to the other at the expense of relations with the West. Only Russia's military sales to China embodied certain strategic implications. They were, nonetheless, constrained by Russia's unwillingness to transfer sophisticated technologies and China's inability to purchase military modernization.

The deepening of the Kosovo crisis and particularly the embassy bombing changed the strategic thinking in both Moscow and Beijing. A redefinition of their largely "harmless" strategic partnership and their respective policies toward the West seemed to be both necessary and desirable. A series of diplomatic and political moves at primary and functionary levels point to this change. The Moscow-Beijing hotline was activated immediately following the bombing of the Chinese Embassy. While Yeltsin and Jiang Zemin were coordinating their policies during an hour-long hotline talk on May 10, the Chinese president refused to answer phone calls from the White House.

Although both felt pressure from the West, each perceived the crisis in terms of its own national interest. While sharing Beijing's indignation over the embassy bombing, Moscow did not want to abandon its role as a peace broker for the Kosovo crisis. Such

mediation seemed to be the only pragmatic way to keep Russia “in” the Kosovo issue. Viktor Chernomyrdin, the Russian envoy for the Kosovo crisis, came to Beijing the same day Yeltsin and Jiang talked in order to guarantee that China, a U.N. Security Council member, would not block a Russian-brokered UN agreement. Chinese leaders apparently persuaded the Russian visitor that a bombing halt should be a precondition for resolving the Kosovo crisis. Moscow and Beijing’s policy coordination was clearly seen in the UN and elsewhere.

From 1994, Russia had been more eager than China to substantiate bilateral relations so that the former would be able to offset the impact of the proposed NATO expansion. China nonetheless had been more interested in a more peaceful and stable border with Russia. The Kosovo crisis clearly posed challenges and opportunities for Moscow and Beijing to substantiate and elevate their strategic relationship. Moscow’s fear of China’s complacency was therefore equalized by the bombing of the Chinese Embassy in Belgrade. Now some Russian officials openly discuss the possibility of forming a defense alliance with China, particularly in areas of weapons sales, personnel training, intelligence exchange, and policy coordination.

In May, Russian military delegations frequented the Chinese capital, including those led by Navy Chief Admiral Vladimir Kuroyedov and Chief of the General Staff of the Russian Armed Forces Valiedin Korapierinykof. These military exchanges culminated with a visit by General Zhang Wannian, Deputy Chairman of China’s Central Military Committee. Immediately after the bombing of the Chinese Embassy in Belgrade, the Russian defense minister invited General Zhang for a 10-day official visit (June 7 - 17). Moscow was said to treat Zhang with the “highest protocol.” In a half hour phone call with President Yeltsin, the Russian leader said that he would do his utmost to promote the continuous deepening and development of comprehensive and friendly cooperation between the two countries. Yeltsin’s eagerness to promote strategic relations with China was apparently put into action in General Zhang’s meetings with top Russian military officials and new Prime Minister Sergei Stepashin. Stepashin, born in China when his father was an adviser to the Chinese military, focused on military cooperation and weapons sales in his meeting with General Zhang. He was quoted as saying, “My father served in the navy and helped build China’s armed forces. Now, meeting you, I feel I am continuing my father’s cause.”

One of the major developments in Stepashin’s meetings with the visiting Chinese general was said to be the agreement for Russia to sell 72 Su-30 fighter-bombers to China. In the past, Russian arms sales to China had always been hampered by payment problems and Moscow’s reluctance to pass to China sensitive technologies. Recent high-level exchanges are believed to have ironed out these problems. For several years, Beijing had pursued such a transaction of top Russian jet fighters, yet Moscow only agreed to sell an older model of Su-27 while licensing India to produce the Su-30s. During Chinese Premier Zhu Rongji’s visit in February 1999, Moscow only agreed in principle to negotiate the details of the sale. The deepening of the Kosovo crisis apparently accelerated the pace of the hard bargaining between Moscow and Beijing over the sale of the best fighter-bombers in the Russian inventory. It is reported that the two

sides have started talks on China's own production of another 250 Su-30s under the license from Russia.

Regarding these developments, the influential Russian *Izvestiya* newspaper said that the combination of Chinese money and Russian military technology could create a powerful force on the world stage. The same Russian newspaper also quoted General Leonid Ivashov, head of Russia's international department, as saying that the consequence of NATO expansion and the Kosovo crisis would be "the swift return of the world to a bipolar system."

Implications

Since the collapse of the Soviet Union, Russian-Chinese relations have undergone three distinct phases: from a "friendly" relationship in 1992, to a "constructive partnership" in 1994, to their "strategic partnership of coordination" at the end of 1998. Just a few months after the inauguration of this most recent strategic relationship, Moscow and Beijing are again actively elevating their bilateral ties to that of a defense alliance.

Ironically, both Russia and China are, in the last year of the 20th century, substantially "Westernized," though each in its own way: politically for Russia and economically for China. It is fair to say that due to Russia's democratization, the internal attributes of the two countries are farther apart than any time in their bilateral history. Moscow and Beijing are nonetheless forced to move closer than ever since the Sino-Soviet honeymoon in the 1950s. Thus, at the 50th anniversary of Russian/Soviet-PRC diplomatic relations, the Kosovo crisis has effectively united two otherwise very different powers. While Western politicians were bombing Yugoslavia largely to defend their own beliefs (liberalism) and NATO'S credibility, they apparently ignored and/or mismanaged the historical decline of Russia and the historical rise of China. The last six months of this century will perhaps produce significant developments between the two continental powers, and solidify their defense alliance against pressure from the maritime powers.

Chronology of China-Russia Relations

April-June 1999

February 24-27, 1999: Chinese Premier Zhu Rongji visits Russia.

April 14, 1999: Chinese Vice Foreign Minister Wang Yaguang and his Russian counterpart meet in Moscow to discuss issues of "strategic stability" and the U.S.-led Theater Missile Defense program (TMD).

April 8, 1999: The Joint Committee on Border Prospecting between China and Russia ended its 8th meeting in Moscow by signing initial agreements on the eastern and western sections of the borders between the two countries.

May 10, 1999: Russian President Yeltsin calls Chinese President Jiang Zemin through the Moscow-Beijing hotline to discuss the Kosovo crisis and the bombing of Chinese Embassy in Belgrade.

May 11, 1999: Jiang Zemin meets with Viktor Chermomyrdin, Russian special envoy for the Yugoslav crisis.

May 22-29, 1999: Commander-in-Chief of the Russian Navy Admiral Vladimir Kuroyedov visits Beijing and Shanghai.

May 27, 1999: Chinese delegation of the International Friendship Association visits Russian Duma. Yegor Stroyev, the Duma speaker, states that because of their common interest and historical legacies of bilateral relations, it is necessary for Russia and China to form a joint defense alliance. Chinese visitors express intent for more and closer ties in science, culture, and business.

May 31, 1999: Deputy Chief of the General Staff of the Russian Armed Forces, Valiedin Korapierinykof, visits China.

June 1-3, 1999: Russian Foreign Minister Igor Ivanov visits Beijing to pave the way for the “second informal presidential consultation” when Yeltsin travels to China in the fall of 1999, following the first informal meeting by the two presidents in November 1998. Both Jiang and Zhu meet with Ivanov.

June 7-17, 1999: Col. General Zhang Wannian, Vice Chairman of China’s Central Military Committee, visits Russia. He meets top Russian leaders include Defense Minister Igor Sergeyeve, Prime Minister Sergei Stepashin, and Vladimir Putin, secretary of Russia’s Security Council and director of the Federal Security Service. Both sides sign a cooperation agreement on the training of military personnel. General Zhang also visits Russia’s Strategic Missile Troops and the Russian Pacific Fleet.

June 19-26, 1999: Oleg Korolyov, vice-chairman of Russia’s Federation Council, visits Beijing and Shanghai. He meets Chinese NPC Chairman Li Peng on June 22, 1999.

June 21-22, 1999: Beijing hosts the Sino-Russian seminar on regional cooperation oriented toward the 21st century, as some 200 participants commemorate the 50th anniversary of the establishment of Sino-Russian diplomatic relations.

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