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在日米軍の削減可能性を探る研究

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A STRATEGIC FRAMEWORK FOR THE ASIAN PACIFIC RIM:

REPORT TO CONGRESS 1992



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INTRODUCTION

Since the initial East Asia strategy report was submitted to the Congress in April 1990, we have witnessed a fundamental transformation of the international system. The dissolution of the Soviet Union, and the demise of its external empire, was the result of global trends reshaping the world: the bankruptcy of communism as an economic and political system; a movement towards democratization and market-oriented economics; and global economic integration sparked by rapid technological change.

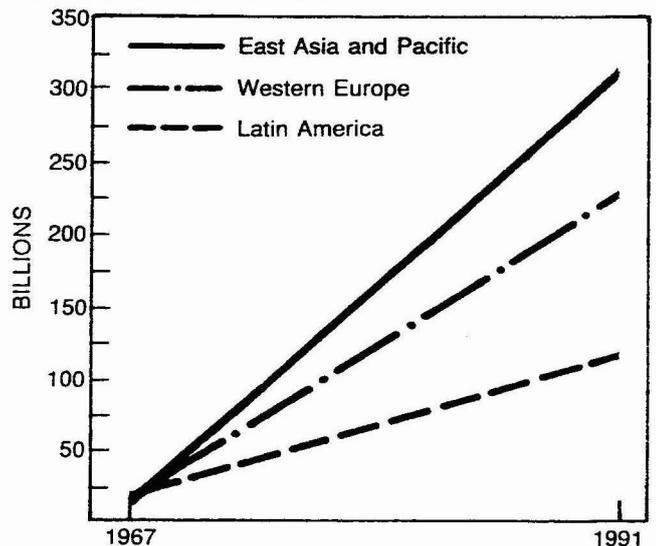
Even before the invasion of Kuwait and the collapse of the Soviet Union, the Bush Administration recognized the need to adapt United States national security strategy to the rapidly changing international environment. The result of the Administration's internal review was the President's historic announcement of a new national security strategy on August 2, 1990. The new strategy, one oriented toward critical regions of the world, marked the end of our Cold War global containment strategy.

The new strategy recognizes that the world has changed in fundamental ways and continues to do so, in sometimes unpredictable ways, and often at blinding speed. Accordingly, the strategy was shaped to provide the flexibility necessary to manage the unexpected. Its flexibility derives from its focus on regional, not global, conflict; selective engagement in critical regions of the world; and international cooperation with our friends and allies. Integral to the strategy is the maintenance of strong alliance relationships and the close cooperation of our allies.

In many respects, our alliance structure is perhaps our nation's most significant achievement since the end of the Second World War. This system of alliances and friendships constitutes a prosperous, largely democratic, market-oriented "zone of peace" that encompasses more than two-thirds of the world's economy. In the long run, preserving and expanding these alliances and friendships will be as important as the successful containment of the former Soviet Union or the Coalition defeat of Iraq.

The regional defense strategy is a forward looking strategy, one that does more than simply react to events as they take place. By anticipating likely challenges and taking steps to address them, it seeks to shape the security environment in ways favorable to the United States and to our allies and friends.

U.S. TWO-WAY TRADE, 1967 AND 1991
BILLIONS OF U.S. DOLLARS



Sources: IMF, Direction of Trade Census, U.S. Department of Commerce

Amidst the transformation taking place in international relations, it is useful to bear in mind that US interests in Asia have been remarkably consistent over the past two centuries: commercial access to the region; freedom of navigation; and the prevention of the rise of any hegemonic power or coalition.

By virtue of geography and history, the US is a Pacific power with enduring economic, political and security interests in the Asia-Pacific region. For the United States, a maritime power, the Pacific Ocean is a major commercial and strategic artery; oceans are America's lifeline. Our interests and stake in this dynamic region are large and growing; our future lies across the Pacific no less than the Atlantic.

Our economic and security engagement in the Asia-Pacific region since World War II has been a major factor in the region's emergence as one of the engines of global growth. Our two-way trade across the Pacific last year exceeded \$310 billion — nearly one-third larger than our trade with Europe. The US exports more to Indonesia than to Eastern Europe; more to Singapore than to Spain or Italy. US exports to East Asia and the Pacific were \$130 billion — that translates into roughly 2.6 million American jobs dependent on our trade with the region. Moreover, US firms have more than \$62 billion invested in Asia.

Our forward-deployed presence has underpinned stability in East Asia and helped secure its economic dynamism. This presence has made the US the key regional balancer, contributed to regional stability, enhanced US diplomatic influence, and contributed to an environment conducive to the growth of US economic interests.

During the Cold War, Asia, like Europe, faced an ideological and military threat from the Soviet Union. At the same time, on the regional level, there existed a multiplicity of security concerns that continue to this day.

They differ from country to country and within the subregions of this vast area. During the Cold War, our security presence in the region addressed the global containment aspect of our strategy as well as these historically diverse security concerns. Our concern with the intentions and capability of the Soviet Union may have masked our regional role at home, but that role has always been recognized by our friends, allies and potential adversaries in Asia.

With the demise of the Soviet Union and the end of the Cold War, the United States' regional roles, which had been secondary in our strategic calculus, have now assumed primary importance in our security engagement in the Pacific theater. In addition, our presence in the Asia-Pacific region has always been essential to our ability to meet contingencies in the adjacent Persian Gulf/Southwest Asia region.

The key to our forward military presence has been and remains a network of largely bilateral security alliances—with Japan, the Republic of Korea, Australia, Thailand, and the Philippines—and cooperation with other friendly nations. The current economic and political success of most of our allies and friends in the region makes it possible for them to assume greater responsibilities for meeting mutual security challenges. We are in the process of building more mature and more reciprocal economic, political, and defense partnerships with our allies and friends to meet the demands of a new era and shape the emerging security environment.

The lesson of the Gulf war is that, despite the end of the Cold War, there remain real challenges to our national security interests. Threats to our vital interests could arise with little notice or predictability in the Asia-Pacific region as well.

The social, economic and political transition now under way in Asia is positive but uncertain. Unlike Europe, communist regimes

remain in power in East Asia— China, North Korea, Laos and Vietnam—although leadership and generational changes are underway in these states. The outcome of these transitions could have a major impact on security and stability of the region. In addition, threats of proliferation of weapons of mass destruction, emerging nationalism amidst longstanding ethnic and national rivalries, and unresolved territorial disputes combine to create a political landscape of potential instability and conflict.

Clearly, the stability of the fastest growing economic region in the world is a matter of national interest affecting the well-being of all Americans. Our economic prospects, the promotion of democratic values and human rights, and our traditional security interests all require sustained engagement by the United States in this important region. Maintaining a credible security presence is an important element in our effort to build a sense of Asia-Pacific community vital to the post-Cold War international system now taking shape.

Our engagement in regional security must take into account changes in the international environment, domestic political realities, and the ability of our allies and friends to share responsibility in shaping a new era. Our objective is to adjust our presence to reflect all these elements. This report discusses ways and means we and our allies and friends are moving toward these goals in the framework outlined in previous Congressionally mandated reports.

This report reflects the reporting requirements mandated in the FY1992-93 Defense Authorization Act which reflects the consensus between the Congress and the Adminis-

tration on the fundamental precepts of our approach to Asian-Pacific strategy. The Congress found that:

- The alliances between the United States and its allies in East Asia greatly contribute to the security of the Asia-Pacific region.
- It is in the national interest of the United States to maintain a forward-deployed military presence in East Asia.
- The pace of economic, political, and social advances in many of the East Asian countries continues to accelerate.
- The ability of our Asian friends and allies to contribute to their own defense has increased significantly. Although the level of defense burdensharing by Japan and South Korea has increased steadily, Congress believes it is desirable that they continue to assume greater defense responsibilities.
- Finally, and most importantly, the United States remains committed to the security of its friends and allies around the Asia-Pacific rim.

These findings clearly reflect agreement between the Administration and the Congress on the fundamental approach to our national security interests, and the means to those ends around the Asia-Pacific Rim. Our review of the security environment, current trends and potential sources of instability suggests our policy of a phased approach in determining US military posture in East Asia and the Pacific is appropriate for the foreseeable future.

At the end of World War II, the United States was the predominant power in the Asia-Pacific region. Our national security objectives centered on defending American territory as far forward as possible, global containment of the Soviet Union, and protecting friends and allies.

Our military strategy, dictated largely by the distances involved in transiting the Pacific Ocean, has been to forward deploy forces to permanent base infra-structures, primarily in Japan, Korea and Southeast Asia. We have complemented our presence through the development of a range of bilateral security arrangements. This approach worked well because of the diverse threat perceptions, disparate cultures, histories, political systems, and levels of economic development among our friends in the region.

Our strategy to contain the Soviet Union and to prevent the rise of a regional super-power has been successful. We have deterred another outbreak of war on the Korean Peninsula, and in broad terms, our presence has contributed to regional peace, stability and prosperity. American economic involvement, political leadership, and our military presence in the region have enhanced our influence in the most economically dynamic area of the world. These factors have also contributed to the relative stability that has underwritten East Asia's dramatic economic success and made possible the spread of democracy.

KEY ASPECTS OF ASIAN SECURITY

- The US-Japan relationship remains key to our Asian security strategy. In the past, Japan's strategic location served as a barrier to Soviet aggression; today, US forces and Japanese Self Defense Forces maintain their vigilance as political changes follow their course in Russia and in Northeast Asia. US forces in Japan provide for stability throughout the region, and remain an

essential element of the deterrent against North Korean adventurism. The continuing US presence in Japan and the strength of the US-Japan security relationship are reassuring to many nations in the region as well as to Japan.

- One of the encouraging changes in the strategic landscape is the progress being made to end the war in Cambodia. Two years ago, prospects for achieving an end to the fighting in Cambodia while at the same time preventing a return to power of the Khmer Rouge seemed remote. With the leadership of the five permanent members of the UN Security Council and the support of the international community, particularly Australia, Indonesia and Japan, an agreement is now in place that will hopefully lead to permanent peace and a government chosen through UN sponsored elections. Much could still go wrong, but the promise of peace has already had a beneficial impact on the security environment.
- A remarkable development over the past two years is the important role that nature has played in altering our presence in the region. The eruption of Mount Pinatubo diminished, for us, the value of Clark Air Base in the Philippines. As a result of continuing volcanic action and uncertainty regarding future eruptions, the US decided to relinquish Clark — a valuable regional logistics hub which included the instrumented air training range known as Crow Valley — before a final base agreement was concluded with the Government of the Philippines.
- Unfortunately, the Philippine Senate chose to reject the base agreement, laboriously reached over eighteen

months of negotiations, and set in motion a total US withdrawal from the Subic Bay complex of facilities — the last base used by the US in the Philippines. This withdrawal will be completed by the end of 1992, ending nearly 100 years of US presence there. However, our Mutual Defense Treaty remains in force and joint exercises will continue. We remain friends, and depart Subic without rancor.

- Developments in the Philippines accelerated the process, foreshadowed in the 1990 East Asia Strategy Initiative report, of shifting the US military posture in Southeast Asia from a large, permanent presence at a single complex of bases in the Philippines to a more widely distributed, less fixed, posture. This posture consists of regional access, mutual training arrangements, periodic ship visits, intelligence exchanges, and professional military educational programs rather than permanently stationed forces.
- The situation on the Korean Peninsula has undergone significant changes since the April 1990 report; in some ways the situation has improved, while in others it remains uncertain and problematic. Few would have predicted two years ago that South Korea and the Soviet Union would normalize relations, that Beijing would open an official commercial office in Seoul, that both South and North Korea would be in the United Nations, and that North and South Korea would have signed both a non-aggression pact and an agreement to forswear the possession and development of nuclear weapons. On the other hand, North Korea has not yet implemented these agreements, has still not allowed effective bilateral monitoring and inspection of its

nuclear program, and has continued to build up its massive, oversized conventional forces. Until North Korea takes further steps to alleviate tensions and relieve concerns about its nuclear program, the military situation in Korea will remain threatening.

- Despite North Korea's desperate economic situation, we have seen no sign of a slowdown in its accumulation and forward deployment of a massive conventional weapons capability, particularly ballistic missiles. North Korea has already produced some 450-500 SCUD missiles, and is developing a longer range (1000 KM/600 MI) version that could hit targets anywhere on the Korean peninsula and much of Japan.
- Following the demise of the Soviet Union, a scenario that has been the basis of much of our planning—a global war, starting in Europe but quickly spreading to Asia and the Pacific—has become less relevant. But the residual power projection capability of Russian naval and air forces—stationed close to our Northeast Asian allies—in Siberia and Russian Northeast Asia remains a major concern. In addition, Russia retains a formidable nuclear arsenal which must still be factored into our strategic calculus. Recent agreements between President Bush and President Yeltsin have stabilized nuclear arsenals for the remainder of this century.
- China continues to play an important role in the regional balance of power. It is important that this role be a positive one consistent with peace and stability. Its growing industrial and technical capabilities, its large military establishment (with a military budget which has recently increased), and its

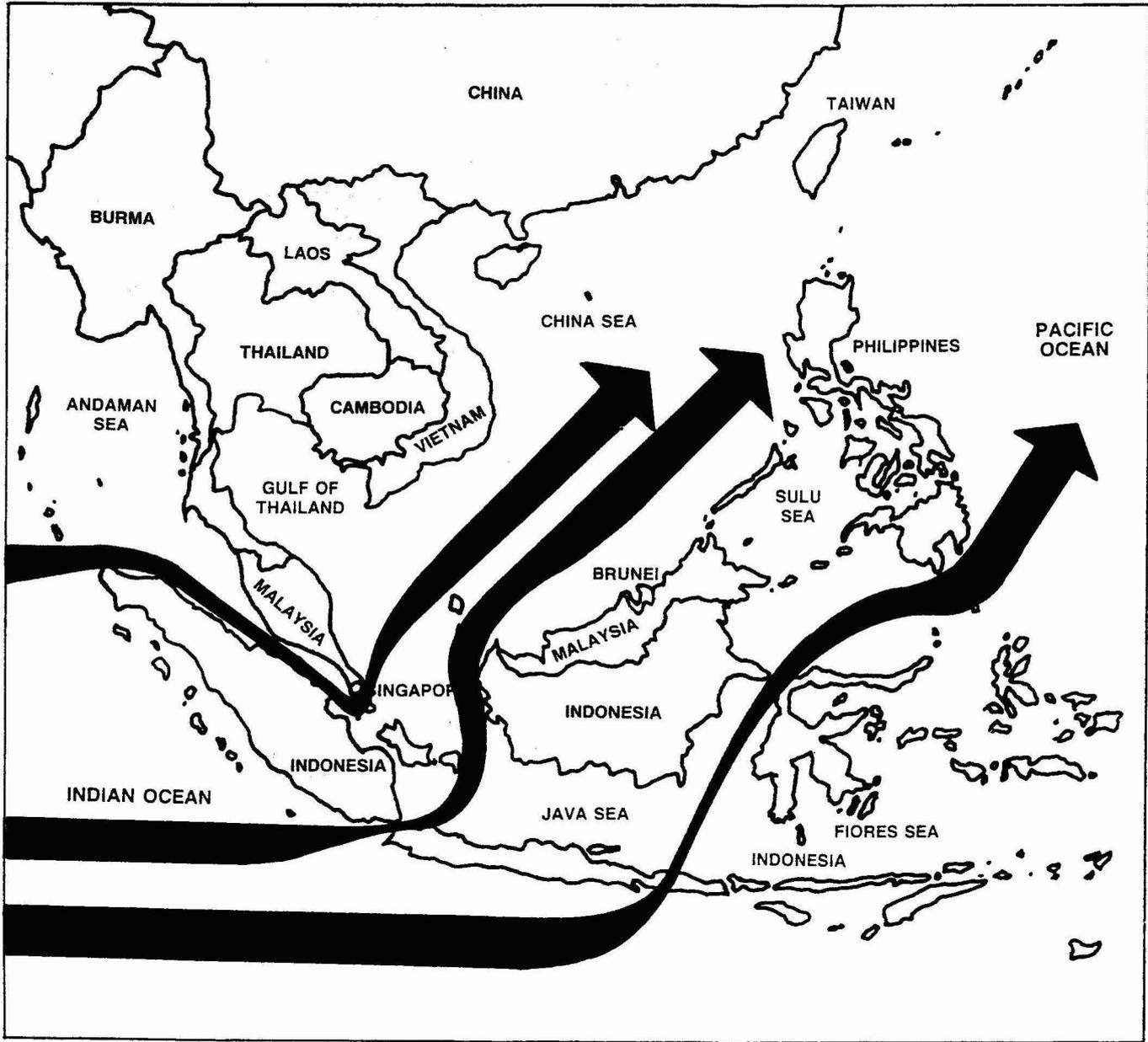
immense population make it a major factor in any regional security equation. It now has generally friendly and stable relations with its Asian neighbors. A stable US-China relationship is an important element in the regional equilibrium.

- Taiwan continues to be a political and economic success story. Our sixth largest trading partner in the world, with hard currency reserves over \$80 billion, Taiwan is an essential factor in the economic health of Asia and has played a constructive role in the region. US unofficial relations with Taiwan have been strong and mutually beneficial.
- The steadfast friendship of our close ally Australia continues to provide a source of strength for regional security tasks, economic development and political stability. Australia's area of primary strategic interest covers Indochina, Southeast Asia and the Southwest Pacific. Its willingness to host critical communications and intelligence facilities and to facilitate frequent ship visits and exercises makes it an invaluable strategic partner.

SUMMARY

Clearly, the stability of, and our access to, the fastest growing economic region in the world is a matter of national interest affecting the well-being of all Americans. Our economic prospects, the promotion of democratic values and human rights, and our traditional security interests all argue for the need for sustained security engagement by the United States in this important region. Sustaining a credible security presence for the long term is an important element in our effort to build the post-Cold War international system now taking shape. Naturally, our security engagement must, and will, take into account changes in the regional and international environment, our own political and economic situation, and the ability of our allies and friends to share responsibility in shaping a new era.

CRITICAL SEA LINES OF COMMUNICATION IN SOUTHEAST ASIA



US SECURITY STRATEGY IN EAST ASIA AND THE PACIFIC

US SECURITY INTERESTS

Against a background of historic change in the global security environment, United States security interests in Asia endure:

- protecting the United States and its allies from attack;
- maintaining regional peace and stability;
- preserving our political and economic access;
- contributing to nuclear deterrence;
- fostering the growth of democracy and human rights;
- stopping proliferation of nuclear, chemical and biological weapons, and ballistic missile systems;
- ensuring freedom of navigation; and
- reducing illicit drug trafficking.

Our military forces in East Asia and the Pacific must be capable of achieving the following fundamental security missions:

- defending Alaska, Hawaii, and the connecting lines of communication (LOCs) to the continental United States;
- protecting US territories and Freely Associated States for which the US has defense responsibilities;
- assisting our allies in defense; and
- maintaining the security of the LOCs throughout the Pacific as well as the Persian Gulf, Indian Ocean, and the East and South China Seas.

SIX PRINCIPLES OF OUR SECURITY POLICY IN ASIA

In Tokyo on November 22, 1991, Secretary Cheney affirmed to our regional allies that US security policy in Asia continues to be guided by six basic principles:

- Assurance of American engagement in Asia and the Pacific.
- A strong system of bilateral security arrangements.
- Maintenance of modest but capable forward-deployed US forces.
- Sufficient overseas base structure to support those forces.
- Our Asian allies should assume greater responsibility for their own defense.
- Complementary defense cooperation.

These principles shape the United States' future East Asian security role. They are not focused on the narrow range of existing threats, but allow for a more diverse range of possibilities that cannot be foreseen.

SOURCES OF EAST ASIAN AND PACIFIC REGIONAL INSTABILITY

Korea

North Korea's quest for a nuclear weapons capability continues to be the most urgent threat to security in Northeast Asia. While South Korea and North Korea have signed a reconciliation pact and a joint declaration for a non-nuclear peninsula, uncertainty over North Korea's compliance will remain until credible inspections are taking place. North Korea's nuclear weapons developments, when seen in light of its conventional military buildup and its ballistic missile program, illustrate that the Korean Peninsula remains a source of potential conflict requiring US and South Korean vigilance and deterrent capability.

The North Korean conventional threat—a million man army, two-thirds of which is deployed within 100 KM of the Demilitarized Zone—persists. Our knowledge of the factors influencing political and military decision making in Pyongyang is limited. Given the uncertainties surrounding the pending political transition in Pyongyang, South Korea and the US must be prepared for North Korean "worst case" contingencies that range from implosion and collapse to desperate aggression. The outcome will affect not only the future of the Korean Peninsula but stability throughout Northeast Asia.

Communist States in Asia

Of the five remaining Communist regimes in the world, four are in East Asia—the People's Republic of China, Vietnam, North Korea and Laos. As democratic ideas and free market principles continue to expand, these systems are facing the reality of Communism's economic and political failure. Many see political pluralism as a threat to the perpetuation of their regimes and react uncertainly, with some countries trying to permit the obvious benefits of free market economics

to improve their economies while trying to keep the accompanying political and ideological influences at a distance.

These regimes will change, but it is difficult to predict whether the process will proceed peacefully or violently. Options could range from following the "European model" of Communist change, to evolving into authoritarian governments that would maintain tight political control while permitting free market economic activity and increasing social pluralism. Southern coastal China, for example, appears well on the way toward the latter socioeconomic transformation.

People's Republic of China (PRC)

Chinese politics will almost certainly be volatile as Deng Xiaoping and the current octogenarian leaders pass from the scene. The leadership's ability to effect a successful transition is of great consequence for the PRC's internal stability and the stability of its immediate neighbors, for continued economic progress, and for the future direction of its foreign policy towards the region and beyond. Beijing's modernization strategy is premised on a peaceful international environment and continuing strong commercial ties with key trading partners. Chinese policies toward Hong Kong, Taiwan, Korea and Vietnam will remain barometers of its orientation.

Beijing's policies with respect to nuclear and missile proliferation remain matters of serious concern to the United States and much of the international community. Not only in the Asia-Pacific region, but in also Southwest Asia and the Middle East, Chinese observance of the Missile Technology Control Regime (MTCR) and the Non-Proliferation Treaty (NPT) guidelines will be important to US security interests.

Taiwan

The situation in the Taiwan Strait remains peaceful, and the relationship between Beijing and Taipei is improving with increasing trade, contact and tourism. It is in our interests to encourage these trends. US policy remains as defined in the Taiwan Relations Act and the three communiqués. In keeping with this policy, we will sustain our efforts to enable Taiwan to maintain a sufficient self-defense capability.

Cambodia

Events in Cambodia suggest that the implementation of the comprehensive political settlement agreement signed in Paris on October 23, 1991, which includes a ceasefire, repatriation of refugees, and internationally supervised elections, will be the most complex and expensive operation ever undertaken by the United Nations. The United States supports the Paris Agreement as the best—possibly the only—means of producing a stable peace and ensuring the right to self-determination through free and fair elections. It is also the best means to prevent a return to power of the Khmer Rouge. Without peace and a stable government in war-torn Cambodia, the tensions that have been at the core of military alliances, weapons procurement, and regional political conflict for over a decade could persist.

Philippines

Despite the establishment of lasting democratic institutions, prospects for instability in the Philippines have not diminished. The 24-year old Communist Party of the Philippines/New People's Army insurgency has stalled in recent years, plagued by internal splits and government penetration. Nevertheless, it remains a viable political and military force in many parts of the countryside, where its exploitation of local grievances and social injustices make it capable of growth

should conditions worsen. Its terror tactics continue to pose serious security threats to Philippine and US officials.

Spratly Islands

There are many claimants to all or part of the Spratly Islands—a group of atolls and reefs lying between Vietnam and the Philippines in the South China Sea. China and Taiwan both claim the entire area, Vietnam and the Philippines claim large portions, and Malaysia and Brunei claim parts of the southern fringe of the group. All except Brunei occupy areas within their claims, and none of the claimants has indicated any willingness to abandon its claim or to relinquish territory in a general settlement.

In 1988, there were small naval clashes between China and Vietnam, and these nations continue to be the most likely to engage in armed conflict over the Islands. Both countries have been actively fortifying forces in and around the area of the Spratlys. In February 1992, China reaffirmed its claim to the Spratlys and, unfortunately, its readiness to use force to back up its claim, although Beijing has also said it is prepared to support a peaceful resolution. Some Southeast Asian leaders have suggested that the territorial claims could be set aside, and joint exploration of the islands' natural resources undertaken — with a division of profits among the parties involved. However, until such a plan is actually developed and agreed upon, the Spratlys will continue to be a potential source for regional instability.

Burma

The Burmese Government, under the State Law and Order Restoration Council, continues to suppress domestic opposition and has steadfastly refused to implement the results of the 1990 elections. It continues to arrest large numbers of people for political activity. It has also been aggressively purchasing

military hardware — tanks, jets, artillery and naval craft — from a variety of sources, mostly China. Burma is now the world's largest producer of opium and heroin, and the government has undertaken few law enforcement measures against traffickers. It appears that the military regime has reached accommodation with the insurgent ethnic groups to ignore narcotics activities in exchange for peace.

These policies have led to rising numbers of refugees, tensions with Bangladesh, and conflicts that have spilled across the border with Thailand and caused concern in Bangkok. All of these heighten the prospects for regional instability and serious border problems with immediate neighbors.

Proliferation

Proliferation of weapons of mass destruction in East Asia will continue to be a concern in the 1990s, principally because North Korea, as of this writing, is actively pursuing a

nuclear weapons capability. North Korea has also been developing an extended range version of the Scud missile, called the Scud-C, and supplying these missiles and their technology to states in the Middle East. Although China and North Korea are the nations we will monitor most closely, we must also be alert to the development of technologies in other countries that can lay the groundwork for introduction of weapons of mass destruction and ballistic missiles.

SUMMARY

Given the increasing economic interdependence of Asian and American economies, instability in the region can directly affect our interests and well being. We must be prepared to deal with the changing circumstances in the region within the framework of US interests. This is most effectively done through a security concept founded on basic principles that can be adapted to evolving circumstances.

OVERVIEW

The United States' military forward presence in the Asia-Pacific region is an essential element of our global military posture. Forward deployed forces in the Pacific ensure a rapid and flexible crisis response capability; contribute to regional stability; discourage the emergence of a regional hegemon; enhance our ability to influence a wide spectrum of important issues in the region; enable significant economy of force by reducing the number of US forces required to meet national security objectives; overcome the handicaps of time and distance presented by the vast Pacific Ocean; and demonstrate to our friends, allies and potential enemies alike a tangible, visible US interest in the security of the entire region.

PHASED APPROACH TO ADJUSTING FORCE STRUCTURE

The phased approach to orderly, rational troop strength adjustments, outlined in the 1990 East Asia Strategy Initiative Report, remains valid today. That approach requires an assessment of the future strategic situation at the end of each Phase. Following this assessment, a judgment is made on what forward deployed force structure meets our security objectives, our allies' security needs, and supports our basic security principles. Rather than trying to create a plan that attempts to anticipate every likelihood and projects troop strength figures well into the next century, we have adopted a more flexible and responsive approach, as illustrated by the decision to postpone Phase II troop adjustments in Korea until we can assess North Korea's nuclear threat. This section reviews the progress that has been made since the adoption of the three-phased approach and assesses future steps that can be taken to

maintain an appropriate force structure forward deployed in East Asia.

STREAMLINING OUR FORCES IN PHASE I (1990-1992)

In November 1990, the Secretary of Defense approved a plan by the unified commander, USCINCPAC, to reduce American presence in the region before December 31, 1992 (the end of Phase I of the April 1990 East Asia Strategy Initiative report). After detailed review of the security environment and projected requirements, the Department of Defense determined it could reduce US forces in Japan, Korea and the Philippines by 15,250. This total fell well within Presidential guidelines calling for reductions of 10 to 12 percent from the total 135,000 personnel stationed in East Asia (including naval forces afloat) at the beginning of 1990.

Specific force reductions during Phase I included more than 5,000 Army personnel, 5,400 Air Force personnel, almost 1,200 Navy personnel, almost 3,500 Marines, and 200 joint organization personnel.

The force reductions included both operational and support units. Selective reductions in the size of some units were made in addition to the withdrawal of entire units. Typical of the reductions were: a restructuring and downsizing of selected Marine units on Okinawa; removal of an Air Force communications unit and the SR-71 squadron from Japan; and the removal of an engineering group, military intelligence and signals brigade personnel and headquarters personnel from Korea.

DEALING WITH THE US MILITARY DEPARTURE FROM THE PHILIPPINES

In June 1991, the United States Air Force began its departure from Clark Air Base,

which had suffered extensive damage from the eruption of Mt. Pinatubo. Volcanic damage and uncertainty regarding future eruptions resulted in the decision to relinquish Clark Air Base even before a final base agreement was negotiated with the Government of the Philippines; the base was formally turned over to the Philippine Government in late November 1991. Clark was a valuable regional logistics hub. Its associated instrumented air training range, known as Crow Valley, provided a unique air training capability for US forces and Asian air forces which conducted bilateral and multi-lateral training exercises there. The Air Force is moving much of the training it previously conducted at the Crow Valley range to Alaska.

The Philippine Senate rejected the newly negotiated base agreement and set in motion a total US withdrawal. In late December 1991, after several months of discussions on the possibility of an extended withdrawal agreement, the Philippine Government notified the United States that in accordance with the treaty, US forces must be withdrawn from Subic Naval Base and Cubi Point Naval Air Station by the end of 1992. The high value of the Subic/Cubi Point facility was its geographic location and the availability of all major training and logistics functions at a single site. We will not be able to replicate the structure which existed in the Philippines, nor must we. Subic's logistical functions can be accomplished at other locations, and the Pacific Fleet's carrier-based aircraft will train elsewhere in the region as opportunities arise.

The loss of Subic will not result in a decline in our military capability; the only impact on our Asia-Pacific military "footprint" will be in terms of training and logistics. Our departure from Subic will not result in a reduction in afloat operations by the Seventh Fleet or shrinkage in the number of ships operating in

the Western Pacific. The size of the Pacific Fleet is determined by maritime interests in the Pacific, not by our access to Subic Bay. It is doubtful whether nations in Southeast Asia and the Western Pacific will witness any reduction in our naval profile in the region. Without Subic, the Navy will likely be calling at more ports and in more countries than in the past. Ship repair facilities, both military and commercial, and supply facilities throughout the Pacific will be used on a greater scale.

There will, however, be a reduction in the number of naval personnel assigned in the region. Roughly 4,100 of the some 5,900 military billets at Subic will be disestablished. Many of these are positions that supported the base infrastructure (for example, personnel who worked in the Naval Supply Depot or Naval Magazine) and are no longer necessary. Some of these personnel drawdowns would have occurred as a part of the Phase II reductions even if the Philippine Senate had approved the long-term agreement we had negotiated with the Philippine Government.

Of the remainder, some 1,200 military personnel from Subic will transfer to Guam. That move will include VRC-50 (the airborne logistics support squadron for the Seventh Fleet), Naval Special Warfare Unit One (SEALs), Explosive Ordnance Disposal Unit Five, and personnel from a number of other units such as the Ship Repair Facility and the Naval Hospital.

We have an agreement with the Singapore Government to relocate a small logistics staff of roughly 100 people—Commander, Logistics Group Western Pacific—to Singapore. This unit provides logistics support to Seventh Fleet ships.

A small number of naval personnel will go to a variety of locations in Japan.

SUMMARY OF PHILIPPINE WITHDRAWAL, RELOCATION

US Troop Strength in the Philippines after Planned Reductions	11,310
US Air Force	5,882
US Navy	4,328
Army and Marine, and other Positions	1,100*

Disposition of Military Positions after Withdrawal from the Philippines

Positions Reassigned in East Asia/Pacific**	3,000
Positions Reassigned Elsewhere	1,510
Positions Disestablished	6,800

*The 1990 EASI Report included Army troops and Marines from Okinawa temporarily assigned to the Philippines for exercises and enhanced security, respectively.

** Relocations within the region include the US territory of Guam.

RECOGNIZING THE VALUE OF ACCESS

Our impending departure from the Philippines has raised domestic debate over why the US needs or wishes to retain a forward-deployed posture. At the same time, it has fueled an opposing set of questions from foreign friends, questions marked by uncertainty and anxiety about whether the US is disengaging from the region and what this would mean for the stability and prosperity enjoyed throughout the region since the Second World War.

Indicative of the regional interest in keeping the US engaged has been the willingness of the Government of Singapore to permit expanded US military access. Vice President Quayle and then-Prime Minister Lee Kuan Yew signed a memorandum of understanding in Tokyo on November 13, 1990, permitting US use of facilities in Singapore. US Navy ships have been docking in Singapore for more than 25 years for maintenance, repairs, supplies, and crew rest and recreation. Under the terms of this agreement, there has been a modest increase in US use of Singapore's ship

maintenance and repair facilities. Singapore's Paya Lebar airfield is also used for short-term rotations by USAF aircraft. It should be emphasized that the US is not constructing a base in Singapore; rather, US forces make use of existing Singaporean facilities at Paya Lebar and Sembawang Port. This is one form of access which represents a new approach to maintaining US presence in the region. This new approach will consist of a network of bilateral arrangements that facilitate training, exercises and interoperability which, in lieu of permanent bases, will permit the US to remain engaged and forward deployed in Southeast Asia.

The presence of US forces in Southeast Asia helps foster stability and regional security, and contributes to the region's growing prosperity. We have friendly and growing defense relationships with several Southeast Asian states, and we have always considered our defense ties to these countries important; this will not change with our departure from the Philippines. Training, exercises, information exchanges, dialogues on issues of mutual concern, and military access are important

elements of any close defense relationship. The scope and pace of expanding security ties will be determined by the needs and concerns of our friends. For our part, we recognize that military contacts and defense cooperation with other countries in Southeast Asia may well become one of the most meaningful signs of our continued interest in the region.

We have no intention of either disengaging militarily or attempting to replicate the large

permanent presence we had in the Philippines. New bases would not only be prohibitively expensive and excessive for our post-Cold War requirements, but also would not be welcomed by many in the region. Instead, we are capitalizing on circumstances to change the nature of our military presence in Southeast Asia to one that more accurately reflects the post-Cold War strategic situation.

SUMMARY OF PHASE I, 1990-1992:

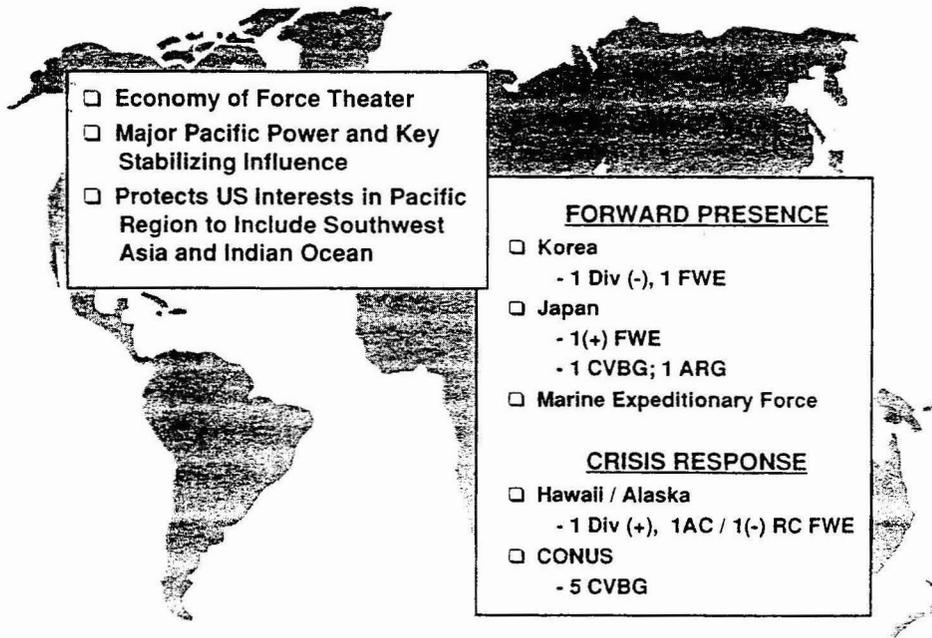
- During the period 1990-1992, the Department of Defense restructured and reduced its forces in the region without jeopardizing its ability to meet its security commitments. Adjustments in our combat forces of about 12% were proposed and that target was met. Planned reductions of 15,250 will be completed by the end of 1992.
- In addition to the planned reductions in Phase I which were reported to Congress on February 28, 1991, the Mt. Pinatubo eruption and the Philippine Senate's failure to ratify an arrangement for continued use of the Subic Naval Base will result in an additional withdrawal of some 8,300 personnel from East Asia and the Pacific by the end of 1992.

PROJECTION OF PERMANENTLY FORWARD DEPLOYED PERSONNEL IN JAPAN AND KOREA End of Phase I (December 31, 1992)

Japan		Korea	
TOTAL	45,227*	TOTAL	37,413*
Army:	1,978	Army:	27,000
Navy (shore-based):	6,498	Navy (shore-based):	400
Marines:	21,511	Marines:	500
Air Force:	15,440	Air Force:	9,513

*Does not include relocations from the Philippines currently in progress.

PACIFIC FORCES



FORCE ADJUSTMENTS IN PHASE II (1993-1995)

Pacific forces will be structured for an essentially maritime theater, placing a premium on naval capabilities, backed by essential air and ground forces for enduring deterrence and immediate crisis response. Additional ground forces withdrawals from Korea were planned in Phase II, but suspended in light of North Korea's nuclear weapons development program. Half of our nation's carrier and amphibious forces are oriented toward the East Asia and Pacific region. This includes one forward deployed carrier battle group, an amphibious ready group and a Marine Expeditionary Force positioned in Japan. Air Force posture will be 2 to 3 fighter wing equivalents in Korea and Japan. Crisis response forces focused on the Pacific region include those stationed in Hawaii, Alaska and the continental US. These

include more than one division, one fighter wing, five carrier battle groups, and amphibious forces. The peacetime operations of Pacific region forces, particularly those that are forward deployed, reinforce the network of US bilateral relations and provide the common glue that holds together this framework of diverse relationships.

Active bilateral and multilateral exercise programs between the US services and the armed forces of friendly and allied nations will provide tangible evidence of our commitment to the region while increasing the operational readiness and capabilities of our Pacific forces. Major joint exercises with our allies in Japan, Korea, Australia, the Philippines and Thailand take place annually, as do a large number of smaller military-to-military exercises. For example, small training exchanges and exercises by US Army units stationed in Hawaii, Alaska and Okinawa with many of the region's ground forces have

mutually benefitted all participants and clearly demonstrated the value of conducting forward presence operations.

REAFFIRMING OUR PRESENCE IN JAPAN

Japan continues to be America's key Pacific ally and the cornerstone of US forward deployed defense strategy in the Asia-Pacific region. The Japanese archipelago affords US forward deployed forces geostrategically crucial naval, air and ground bases on the periphery of the Asian land mass. Under the US-Japan Treaty of Mutual Cooperation and Security, Japan provides a stable, secure, and low-cost environment for our military operations and training. Japan also supplies by far the most generous host nation support of any of our allies, over 3.3 billion dollars in Japan's Fiscal Year ending March 1991. The high level of Japanese support makes Japan the least expensive place in the world, including the US, to station our forces.

Despite the breakup of the Soviet Union and the ensuing decreased military threat to the region, our presence in Japan remains a vital aspect of our forward deployed posture. US Military forces based in Japan contribute to the security of Japan and are well located for rapid deployment to virtually any trouble spot in the region. US forces operating from bases in Japan are committed not only to the defense of Japan, but also to the preservation of peace and security in the entire Far East region, and are prepared to deal with a wide range of local and regional contingencies. Given the great distances associated with the Pacific theater, forces maintained in Japan fill the requirement for forces capable of dealing with regional contingencies.

As a result of the division of roles and missions between the U.S. and Japan, Japan has concentrated on defense of the home islands

and sea lane defense out to 1000 nautical miles while the U.S. has assumed a more regional perspective. The continuing Japanese defense buildup has made Japan more secure, and significantly enhanced bilateral security in the post-Cold War environment. However, some defensive shortfalls do exist in the areas of sea lane defense — including airborne early warning and ship borne anti-air capability — and air defense — particularly anti-missile capability.

In Japan, Phase II adjustments will involve minor overall change, continuing the Phase I restructuring of the USAF presence in Okinawa where a composite Air Force wing has been organized and 200 billets eliminated. This new concept placed under one command (18th Wing) the AWACS, tankers and F-15s located in Kadena. In Phase II, additional organizational changes will result in the reduction of approximately 200 US Air Force billets in Okinawa. The number of F-15s per squadron will be reduced from 24 to 18 aircraft, resulting in an additional reduction of approximately 500 positions. The 432 Fighter Wing (F-16s) at Misawa will not change.

MAINTAINING DETERRENCE IN KOREA

The United States and South Korea could defeat an invasion of the South by North Korea. But in the process of doing so, large areas of South Korea might be devastated, particularly Seoul, which is only some 26 miles from the Demilitarized Zone. Seoul is the economic, political and cultural center of Korea and would likely be one of North Korea's initial objectives, just as it was in 1950. Therefore, it is important to recognize that the issue in the Republic of Korea (ROK) is not just being able to win a war, but more importantly, to deter aggression from North Korea.

While planning to retain a ground and air presence on the peninsula, US forces will

continue to shift from a leading to a supporting role within the coalition. The transition of the ROK to the leading role in its own defense is an essential element of our long-term strategy. It reflects both the maturity and growing capabilities of the ROK armed forces and the desires of the ROK. Over the long-term, US forward peacetime presence will be reduced somewhat, while sustaining the ability to reinforce the ROK in wartime. Additionally, the US will continue to assist the ROK military in force improvement, while at the same time adjusting coalition structures and capabilities to match "leading to supporting" objectives. One example is through training and frequent combined exercises, such as TEAM SPIRIT, ULCHI-FOCUS LENS, and FOAL EAGLE. Another is to help the ROK purchase or produce military systems that improve its military capabilities in critical warfighting functions.

The strategy for implementing the "leading to supporting" initiatives recognizes that full self sufficiency will be unaffordable and unattainable over the short- or mid-term. Certain capabilities, such as strategic and operational

intelligence, strategic and prompt tactical air power, naval support, and selected ground combat capabilities, will continue to be provided. The US will also continue to support South-North tension reduction efforts. We envision a US presence in the ROK as long as the Korean people and government want us to stay and threats to peace and stability remain. As progress in tension reduction continues, further adjustments will be made.

The ROK's transition to a leading role in its own defense is proceeding as planned. In 1991, a ROK Army major general replaced a US flag officer as Senior Member of the United Nations Command, Military Armistice Commission (UNCMAC). Although since that time, North Korea has refused to meet within the MAC at the flag officer level, some meetings continue to occur below the flag officer level. We also began withdrawal of US personnel from positions directly on the DMZ. In 1992, we will deactivate the Combined (ROK/US) Field Army, and a ROK Army four-star general has been assigned, for the first time, as the Combined Ground Component Commander.

FROM A LEADING TO SUPPORTING ROLE IN KOREA

- 1991: • Assigned ROK Army Major General as senior member of UNCMAC
- Began withdrawal of US troops from DMZ

- 1992: • Deactivate Combined Field Army
- Assigned ROK Army four-star general as Combined Ground Component Commander
- Complete the withdrawal of US 2nd Infantry Division from DMZ

Phase II in Korea

In November 1991, Secretary Cheney decided to postpone planned Phase II troop reductions in Korea until the dangers and uncertainties surrounding the North Korean nuclear weapons program have been thor-

oughly addressed. In the future, should reductions be appropriate, we would still leave in place both a combat and support structure with an emphasis on sustainability and logistics infrastructure—key elements of deterrence because they represent the means

to rapidly reinforce our forces. Specifically, by the end of Phase II in December 1995, our combat posture in Korea would include, at a minimum, the 2nd Infantry Division, with a strength of one mechanized and one combat aviation brigade, and the US 7th Air Force, with an equivalent strength of one Tactical Fighter Wing.

Combined Forces Command (CFC) Disestablishment

Should the North Korean threat sufficiently diminish, the CFC may be disestablished. An assessment of the threat will be completed no later than December 1994. Based on that assessment, a decision will be made whether the CFC headquarters can be disestablished—the final step in the transition to a ROK leading role—or whether it should remain beyond the end of Phase II (December 1995).

SUMMARY OF PHASE II-1993 through 1995:

- Reductions in combat forces, particularly in Korea, have been and will continue to be undertaken cautiously and after close consultation with the ROK Government. Any changes will be made in ways which ensure that potential adversaries do not misread our deterrent capability and intentions. Secretary Cheney deferred planned reductions from South Korea because of the uncertainty posed by North-Korea's nuclear weapons program.
- Small reductions of US Air Force personnel in Japan are due to a reorganized US Air Force posture in Okinawa.
- Progress continues toward shifting from a leading to a supporting role in South Korea.

PHASE III AND BEYOND (beginning 1996)

In Japan, we envision little basic change in our force posture after implementation of Phase II (end of 1995). The US military will be at Base Force strength level at that time. Forward deployed naval and air forces will be primarily regionally oriented in their mission and ready to assist Japan, as required, against any unforeseen aggression. Japan will continue to develop its capability to provide for its own territorial defense, as well as continue to develop its air defense capabilities and the capability to conduct sea lane defense out to

1000 nautical miles. In Korea, force posture will be dictated by the North Korean threat, deterrence considerations and the potential regional role of our forces. In Southeast Asia, we hope to have access agreements for US forces with several countries throughout the region. Through wider regional access in Southeast Asia, we intend to promote our continued, stabilizing presence in the region into the next century.

Following Phase III, our broad concept is to enter the 21st century with a presence in the Asian-Pacific region that comports with the overall military structure of the United States,

known today as the Base Force. As long as we are welcome in East Asia, we plan to maintain a modest but appropriate presence in Japan and Korea. In Southeast Asia, our military engagement will continue to be through a network of various arrangements, (the Singapore access arrangement being one possible type) and exercises that allow us to contribute to regional stability without a permanent base structure.

ENHANCED INTEROPERABILITY WITH OUR ALLIES

One aspect of the principle of complementary defense cooperation deserves special attention—the importance of management of the regional arms trade and military technology development. US policy on arms sales is clear; we will avoid introduction of new types of equipment that 1) substantially increase power projection capabilities, 2) burden economies and/or political systems, or 3) create or escalate arms races or create destabilizing military imbalances. We consider nuclear, biological and chemical weapons and ballistic missile transfers inherently destabilizing.

Within these policy guidelines, the US will remain engaged in armaments cooperation in the region to promote interoperability and improved capabilities for the US and our Asian friends, strengthening deterrence and enhancing stability. With identical equipment, US alliance partners almost invariably share training, maintenance, logistics, and doctrine. The resulting human and material connections at every level are the force multiplying sinews of effective defense cooperation.

The flow of arms and military technology between the US and our friends and allies in the Pacific Rim region involves primarily Australia, Japan, the Republic of Korea, and the Association of Southeast Asian Nations

(ASEAN: Brunei, Indonesia, Malaysia, Philippines, Singapore, and Thailand). Australia, Japan, and the Republic of Korea have obtained US defense manufacturing technology through these programs, and a number of other countries in the region (particularly Singapore and Malaysia) have developed repair and maintenance technology.

The flow of arms and technology normally takes place through commercial sales of defense articles, Foreign Military Sales (FMS) agreements, and coproduction or licensed production of US defense equipment. In total, foreign allies' purchases of US defense articles have increased slightly every year, and commercial arms deliveries parallel FMS agreements. Both Burma and China are exceptions, since commercial sales and FMS to these countries have been suspended because of human rights abuses.

US allies in the region are striving to diversify their sources of defense equipment. Traditionally, the flow of arms has been one way, from the US to these nations. While that is changing as economies and defense industries become increasingly sophisticated, the reliance upon the US for the most sophisticated weapon systems has not been affected significantly. A few allies appear to be capable of some degree of self-sufficiency through domestic development and production. For other allies in the Pacific Rim, diversification means giving serious consideration to what European nations have to offer.

There is mounting pressure from allies to combine the transfer of technology with defense sales. Because of the time required to negotiate and conclude defense research and development arrangements with DoD, and stringent US constraints on technology transfer and third-country sales, some nations have begun to enter into technology cooperation agreements with other countries. For example, the Republic of Korea has concluded

umbrella Defense Industrial Cooperation agreements with France, Italy, and the United Kingdom, and is discussing cooperative defense arrangements with several other countries. In order to avoid an adverse impact on US-allied interoperability, the US will have to intensify efforts to remain competitive throughout the Pacific.

Nevertheless, there are numerous examples of productive and innovative arrangements. Japan's FS-X program and the Korean Fighter

program represent significant and successful cooperative ventures under these new conditions. The FS-X is a co-development program based on the F-16 airframe; the details of the production phase have yet to be determined. The KFP, unlike the FS-X, is a co-assembly and co-production program. Korea will acquire 120 F-16's: 12 purchased off the shelf, 36 aircraft kits to be assembled in Korea, and 72 to be produced under license in Korea.

Phased Troop Reductions

Country Service	1990 Starting Strength	Phase I Reductions 1990-1992	Philippines Withdrawal	1993 Strength	Phase II Reductions 1992-1995	1995 Strength (Approximate)
JAPAN	50,000	4,773		45,227	700	44,527
Army Personnel	2,000	22		1,978		1,978
Navy Shore-based	7,000	502		6,498		6,498
Marines	25,000	3,489		21,511		21,511
Air Force	16,000	560		15,440	700	14,740
Joint billets		200				
KOREA	44,400	6,987		37,413	6500*	30,913*
Army Personnel	32,000	5,000		27,000		27,000
Navy Shore-based	400			400		400
Marines	500			500		500
Air Force	11,500	1,987		9,513		9,513
PHILIPPINES	14,800	3,490	11,310			
Army Personnel	200		200	relocated		
Navy Shore-based	5,000	672	4,328	elsewhere		
Marines	900		900	in region:		
Air Force	8,700	2,818	5,882			
				1,000		1,000**
TOTAL	109,200	15,250	11,310	83,640	7,200	76,440
	25,800			25,800		25,800
	135,000			109,440		102,240

NOTE:
 25,800 "afloat or otherwise forward deployed"
 *Korean troop reductions deferred in light of North Korean threat
 **Estimated Relocations to Japan, Korea, and Singapore. Does NOT include Guam.

RECENT PROGRESS

The US government's success in negotiating new cost-sharing arrangements with Japan and Korea demonstrates our allies' desire to support US forward presence in the region. In an agreement signed in January 1991, the Japanese government pledged to assume roughly three-quarters of the costs of stationing US forces in Japan (not including US military and DoD civilian personnel costs). The United States and South Korea agreed in June 1991 that the ROK would assume one-third of the won-based costs of stationing United States forces in Korea by 1995. The ROK also signed a wartime host-nation support agreement with the US in November 1991.

Sharing Roles and Missions

We continue to work closely with allies to identify responsibilities that can be assumed by host nations. A key way for the allies to do more is to accept greater responsibility for combined operations, thereby reducing the requirement for that part of the US infrastructure associated with the performance of these responsibilities. As examples, Korea has increased its responsibility in UN Command truce supervision and has begun assuming a greater role in its own defense, and Japan has agreed to provide the US control center access to increase interoperability between our two nations' forces. In Japan, we will continue to work toward agreement on an Acquisition and Cross-Servicing Agreement and other areas to further enhance defense cooperation. Having identified areas where our allies can participate more fully in their own defense, we will work closely with them to ensure they develop the force structure necessary to support an increased role.

JAPAN

Japan's willingness to assume a substantial and increasing share of the costs of stationing US forces in Japan is a clear indication of the value Japan places on our security partnership. Because of Japan's cost-sharing contributions, it is especially cost effective to station US forces in Japan. In general terms, the United States pays only for the salaries of military and civilian personnel, operations and maintenance for US forces, operations and maintenance for US family housing, limited military construction costs, and expenses due to currency fluctuations. The Government of Japan has agreed to assume most of the appropriate yen-based costs of maintaining our forces there. Japan funds the Facilities Improvement Program (which pays for almost all military construction in Japan), leases for land used by US forces, environmental compensation, utilities, and labor cost sharing. The Government of Japan also incurs indirect costs such as waived land use fees, foregone taxes, tolls, customs, etc.

Under the Special Measures Agreement for host nation support which Secretary Baker and former Foreign Minister Nakayama signed on January 14, 1991, Japan's already substantial contributions increased through the addition of utilities costs and all local labor costs over the next five years. By 1995, we estimate that Japan will be paying about 73% of the cost of stationing US forces in Japan (less US salaries).

The consolidation and reversion of excess US military facilities in Japan is an ongoing process. Under the auspices of the US-Japan Joint Committee, facilities are consolidated or realigned when possible to eliminate un-



Consultations with allies area an important part of the United States' defense and security role in Asia. In this photograph, Secretary of Defense Cheney greets Japanese Foreign Minister Michio Watanabe before a meeting at the Pentagon. Department of Defense photo by R. D. Ward.

necessary costs and reduce the impact of military operations on host communities. Other facilities are returned as appropriate when suitable replacements are provided by the Government of Japan.

Japan's worldwide contributions to Operations Desert Shield and Desert Storm amounted to over \$13 billion. Early in the crisis, Japan earmarked \$2 billion for the

frontline states and directed \$22 million toward refugee assistance, and later pledged another \$38 million to assist refugee related problems. Separately, Japan designated \$2 billion for direct assistance to the multinational forces. In January, 1991, the Government of Japan pledged an additional \$9 billion to the multinational forces, almost all of which was provided to the US in cash.

Japan has fulfilled its Desert Shield/Desert Storm financial commitments. In addition, a Japanese Maritime Self Defense Force minesweeping flotilla worked closely with the

US Navy and other allied forces in the spring and summer of 1991 to clear mines from some of the most difficult areas of the Persian Gulf.

JAPANESE COSTSHARING

YEAR	US	JAPAN	TOTAL	US%	JAPAN%	JAPAN% w/o U.S. salaries
1984	2,276	2,038	4,314	53%	47%	
1985	2,552	2,134	4,686	54%	46%	
1986	3,277	2,184	5,461	60%	40%	
1987	3,759	2,431	6,190	61%	39%	
1988	4,521	3,260	7,781	58%	42%	
1989	4,391	3,085	7,476	59%	41%	54.5%
1990	3,500	2,900	6,400	55%	45%	63.0%
1991	4,000	3,300	7,300	55%	45%	62.0%
1992	3,800	3,500	7,300	52%	48%	65.0%
1993	3,650	3,650	7,300	50%	50%	68.0%
1994	3,500	3,800	7,300	48%	52%	71.0%
1995	3,350	3,950	7,300	46%	54%	74.0%

Unit=\$1 million 1991-1995 figures are estimates

Notes:

1992-1995 are estimates based on 1991 stationing cost data and a yen rate of ¥134/\$.

U.S. costs include non-appropriated fund labor costs and are based on US fiscal year.

GOJ host nation support includes non-budgeted categories and is based on JFY, which is six months later than US fiscal year.

1992-95 cost sharing estimates based on GOJ budget projection for labor and utilities contributions. Does not include any wage or inflation increases for U.S. military, U.S. civilian or local national hires.

KOREA

The consultations on restructuring the ROK-US security relationship during Secretary of Defense Cheney's visit to Seoul in February 1990 began a process of transition for US forces from a leading to a supporting role in ROK defense matters. In addition to presenting the phased proposals discussed earlier, we asked that Seoul substantially increase its contribution to cost sharing.

US cost sharing proposals have centered on Korea assuming an increasing share of the won-based costs associated with supporting US forces. US Forces in Korea (USFK) won-based costs are defined as total peninsula stationing expenses, excluding US military and DoD civilian personnel costs. These costs may amount to approximately \$900 million in 1995 depending on the level of US presence. Under the US-ROK agreement, Korea will pay 1/3 of won-based costs by 1995. Two key new elements in US-ROK cost sharing are ROK contributions to indigenous labor costs and an increase in military construction funding. We have also sought greater flexibility in administering the various cost sharing programs already in place.

The Department of Defense and the Department of State (Ambassador-at-Large for Burdensharing) have conducted extensive negotiations with the Republic of Korea aimed at expanding Korea's cost-sharing contributions. In 1991, the ROK contributed \$150M, a 115% increase over the 1990 level of \$70 million. The 1992 contribution is \$180 million, a 20% increase over the 1991 contribution. Further increases are anticipated over the next three years in order to reach one-third of won-based costs by 1995.

A bilateral cost sharing committee has been established to identify and resolve administrative problems hampering cost sharing

execution. Additionally, the ROK has agreed to changes in how construction costs are shared, allowing greater flexibility in construction of essential warfighting projects needed by US forces. Agreement has also been reached between the ROK and US Governments on a legal basis for labor cost sharing, a key element of cost sharing programs. The ROK National Assembly approved \$43 million in labor cost sharing for 1991 and subsequently \$58 million was authorized for 1992. Furthermore, both governments have agreed to discuss a future (post 1995) cost sharing program based upon an indexing formula to determine future ROK monetary contributions. Both governments see this method as useful to providing an orderly mechanism to facilitate out-year planning and negotiation. The details of these future implementation issues will be addressed in upcoming negotiations. In addition to the support outlined above, the ROK provides: land at no cost for US bases and training areas; 5,800 personnel to augment the US Army forces on the peninsula; an increasing portion of the cost of maintaining the Joint US Military Affairs Group in Korea; and the maintenance and storage cost of allied war reserve munitions.

In order to lower the visibility of American troops in Seoul, the ROK and US agreed in 1988 to relocate all US military units out of Seoul. The ROK promised to provide equal or better facilities at its expense for the relocated units. The relocation is scheduled to be completed by 1997. As the drawdown of US forces continues, we will consolidate those troops in three enclaves. These relocations will also better align US force dispositions with wartime missions, reduce the costs of forward stationing through consolidation and return of uneconomical facilities, return selected historically important properties to

the ROK, and reduce the visibility of US forces forward deployed.

In addition to Korea's cost sharing contributions, South Korea's support for Desert Shield and Desert Storm was timely and generous. The Republic of Korea was the first nation to respond with vital airlift and sealift support. Subsequent offers of assistance included over \$500 million dollars to the anti-Iraq coalition of which \$355 million was pledged to support the US military effort.

The Republic of Korea also dispatched a medical support group consisting of some 154 personnel, and deployed five C-130 aircraft, including 156 ground support personnel to the Gulf. The cost of these two units is in addition to the \$500 million in cash, transportation, and assistance-in-kind that was pledged by the ROK. Korea has converted pledged assistance that was not used, because of the war's early conclusion, to other forms of support. This final package includes \$104M of military equipment, materiel, services, and infrastructure improvements identified by USFK. These contributions will be over and above the defense cost sharing program.

Improved ROK Capabilities

Planned reductions of US forces stationed in Korea are made possible because of steady

improvements in ROK defense capabilities. The ROK defense budget for 1991 was approximately \$10.8 billion, roughly 4 percent of ROK GNP. Under its current Force Improvement Program (FIP III), South Korea continues to devote about one-third of its defense budget to investment in force upgrades.

Improvements in ROK defense capabilities have come in all areas of the South Korean military. New Chinook helicopters provide the South Korean Army with an improved medium to heavy lift capability, and tactical reconnaissance capability and tactical air defenses are improving with the acquisition of additional RF-4C and F-4D/E aircraft and the proposed Korean Fighter Program. New army combat units are being organized, and South Korea has begun adding some high technology radar and electronic warfare equipment. Some of these improvements have also come from South Korea's own defense industry, such as its domestically produced main battle tank.

In addressing the questions posed by the Congress, we were required to review the assumptions and strategy of the 1990 East Asia Strategic Initiative report. This re-examination, factoring in both historic international change and Asia-Pacific regional continuities, has confirmed the findings of the initial report. The Asia-Pacific region is vital to the United States. To protect and advance our interests, we must retain a forward-deployed military presence there, while at the same time, adjusting it in response to changes in the strategic environment.

In the Asia-Pacific region, unlike Europe where the end of the Cold War has fundamentally transformed the security equation, many crucial aspects of the security environment endure — communist regimes, facing generational and leadership change, continue in power; the Korean Peninsula remains a critical flashpoint, only intensified by the threat of proliferation.

Despite the demise of the Soviet Union, US interests in the region have changed little. We have a large and growing economic stake in the region; we are committed to the promotion of human rights and democratic values; and we still see it in our strategic interest to ensure that no single state dominates the region. Our sustained security engagement serves to further our interests in this dynamic and vital region. The combination of our regional military presence, our economic engagement, and political leadership has given the United States a unique voice in

Asian-Pacific affairs. Under American aegis, an environment supportive of economic growth and open to democracy has evolved.

We will remain militarily engaged in the region, but the physical aspects of our engagement have and will continue to evolve. We will vacate the Philippines by the end of 1992; the huge, permanent base structure there will not be replicated elsewhere. We will rely on the cooperation of our friends and allies and work to build access arrangements to support our forward deployed presence. The presence of US forces will enhance our overall bilateral security relationships and improve the interoperability of our respective military forces.

We reaffirm the conclusions of the 1990 report that:

- our engagement in the Asia-Pacific region is critical to the security and stability of the region;
- our forward deployed presence is the very foundation of stability in region and allows the United States to play its unique role as regional balancer and honest broker;
- stability in the Asia-Pacific region serves the vital national interest of the United States and the interests of our allies;
- accordingly, the United States can and must play a role in securing the future of this vast, complex, and dynamic region.