

## **XIV. East Asia and the Pacific**

### **Introduction**

The Clinton administration's East Asia security and trade policy initiatives dispelled doubts whether the United States would stay engaged in the region in the aftermath of the Cold War. Administration policies firmly demonstrated continued U.S. commitment to and engagement in, East Asia.

Administration policies focused on strengthening the U.S. alliance with Japan; engaging China with firmness and principle; contributing to improved stability on the Korean Peninsula; elevating the Asia-Pacific Economic Cooperation (APEC) to the leadership level; normalizing relations with Vietnam; supporting the Association of Southeast Asian Nations (ASEAN) Regional Forum (ARF) on security cooperation; expanding democratization and human rights efforts; and launching initiatives in environmental protection, narcotics interdiction, public health, and women's rights.

That the President's first official trip overseas was to East Asia highlighted his commitment to U.S. engagement in the Asia Pacific region. During President Clinton's two terms in office, he and Secretaries of State visited Asia more than any of their predecessors. Regular attendance by the President, the Secretary and other U.S. officials at meetings of APEC, the ASEAN, and ARF (ASEAN Regional Forum) changed the way the United States related to, and did business in, the Asia-Pacific region.

In June 1993, President Clinton announced his New Pacific Community initiative, which placed US-Japan relations at the center and promoted economic cooperation through APEC, democracy and human rights across the region. Similarly, the 1993 bilateral U.S.-Japan Common Agenda coordinated the scientific and financial resources of the world's two largest economies on numerous joint projects dealing with critical transborder problems worldwide like the eradication of infectious disease and environmental protection.

### **Important Bilateral Relationships Strengthened**

The administration reinforced U.S. "special relationships" in East Asia. It strengthened the U.S.-Japan Alliance and restored the centrality of the alliance to post-Cold War security and stability in Asia. (Documents XIV-1 and 2) The 1998 revised bilateral Defense Guidelines and the 1997 5-year renewal of the \$7.5 billion Special Measures Agreement, a key component of Japan's Host Nation Support, served to deepen and enhance U.S.-Japan defense cooperation. To reduce the burden of the U.S. military presence on the people of Okinawa and thereby strengthen the alliance, the two governments established the Special Action Committee on Okinawa (SACO) in 1995. (Document XIV-3) Through the SACO process, the United States reduced its military footprint on Okinawa, without sacrificing operational readiness. The administration negotiated 39 separate trade agreements with Japan on such contentious issues as intellectual property, insurance, civil aviation, telecommunications, automobiles, and agricultural products.

Following several years of difficult relations with China after the 1989 Tiananmen Square Massacre, the Clinton administration worked to reengage with China

at a high level. This led to a number of economic agreements, including International Property Rights (IPR), textiles and aviation, that expanded bilateral trade, and to the granting of most favored nation status to China. The administration also secured passage of legislation granting Permanent Normal Trade Relations to China, subject to Presidential certification that China's WTO accession agreement would be "at least equal" to the November 1999 bilateral U.S.-China WTO agreement.

These initiatives culminated in the 1997-1998 exchange of visits by President Clinton and President Jiang. The visits laid a solid foundation to the relationship, enabling it to weather the mistaken U.S. bombing of the PRC embassy in Belgrade in May 1998. In January 1998, China provided assurance that it would not assist unsafeguarded nuclear programs with Pakistan and would phase out its nuclear cooperation with Iran. President Clinton, in turn, certified the 1985 Agreement for Peaceful Nuclear Cooperation with China. Subsequently, in November 2000, the United States and China worked out an arrangement whereby China agreed not to assist other countries in the development of missile technology control regime (MTCR)-class ballistic missiles and to put in place comprehensive missile-related export controls. In return, the United States would not sanction past Chinese assistance to missile programs in Pakistan and Iran, and agreed to resume certain commercial space activities. (Document XIV-4)

Human rights continued to be a major focus of U.S. policy toward China. While China signed the UN Covenant on Civil and Political Rights (which remained unratified at the end of 2000) and promoted greater personal freedom in economic and social areas, it continued to repress democracy activists, unregistered religious groups, and Tibetans and other minorities. At the same time, several prominent dissidents, notably Wei Jingsheng and Wang Dan, were released.

Concurrent with its efforts to improve relations with the PRC, the administration maintained the long-standing U.S. commitment to a peaceful resolution of cross-Strait differences through a one-China policy, a robust unofficial relationship with Taiwan, and an insistence on the peaceful resolution of differences in accordance with the three Joint U.S.-PRC Communiqués (Shanghai of 1972, Normalization of 1979, and the 1982 Communiqué on arms sales to Taiwan) and the 1979 Taiwan Relations Act (TRA). The administration continued the U.S. policy, as stipulated in the TRA, of providing defensive systems, including F-16 aircraft, to strengthen Taiwan's defense capability. Following a comprehensive review of U.S. Taiwan policy in 1994, the administration began sending senior U.S. economic and technical officials to Taiwan, launched an annual sub-cabinet-level economic dialogue, and supported Taiwan's membership in multi-lateral organizations where statehood was not a prerequisite.

The Clinton administration's efforts to reduce cross-Strait tensions held firm despite a number of challenges, including Taiwan President Lee Teng-hui's 1995 visit to the United States, which prompted the PRC to launch missile tests across the Taiwan Strait in 1996. As its response, the United States deployed U.S. Navy vessels in international waters near Taiwan. Taiwan's first cross-party transition of power in May 2000 was another challenge. The administration urged both sides of the Strait to seize the opportunity to resume dialogue to reduce tensions.

A major concern during the administration's first term was the threat posed by North Korea's suspected development of nuclear weapons. To reduce this threat, the Department negotiated the Agreed Framework in 1994, which succeeded in verifiably freezing North Korean plutonium production at Yongbyon, North Korea. Later, the United States became increasingly concerned with the DPRK's development of ballistic missiles, which had the potential of reaching U.S. territory. After the DPRK fired a three-stage rocket in August 1998, President Clinton requested former Secretary of Defense William Perry to lead a comprehensive review of U.S. policy toward North Korea. The "Perry Report" provided a comprehensive prescription for addressing U.S. concerns with respect to North Korea and became the blueprint for subsequent U.S. diplomatic actions toward it. The report also encouraged a close and regular trilateral dialogue among the United States, South Korea and Japan. (Document XIV-5) During this policy review, the Department negotiated U.S. access to North Korea's underground site at Kumchang-ni, eventually resolving U.S. concerns about the site. In September 1999, the Department negotiated a North Korean moratorium on launching long-range missiles, which the latter reaffirmed in June 2000. The United States closely coordinated its North Korea diplomacy with that of South Korea and Japan. The trilateral approach helped relax tensions on the Peninsula and paved the way for the June 2000 Summit between North and South Korea, DPRK Special Envoy Jo Myong Rok's October 2000 visit to the United States and the Secretary of State's visit to Pyongyang later that same month.

The administration intensified previous efforts to obtain Vietnamese cooperation on POW/MIA accounting by insisting that normalization of relations was dependent on Vietnam's cooperation on this issue. The normalization of diplomatic relations with Vietnam in 1995 capped two decades of diplomatic negotiations. The administration continued to press forward with the relationship, issuing in 1998 the first waiver of the Jackson-Vanik Amendment of the 1974 Trade Act and then renewing the waiver each subsequent year. The administration's efforts culminated in the July 2000 signing of a Bilateral Trade Agreement and with the President's November 2000 visit to Vietnam.

Following the closure of U.S. bases in the Philippines in 1992, the Clinton administration moved to rebuild security relations with the Philippines. This effort culminated in the 1999 Visiting Forces Agreement (VFA) that provided for joint U.S.-Philippines military exercises and for U.S. military access to Philippines military bases and ports. The VFA demonstrated U.S. commitment to remain engaged in Asia and to continue a stabilizing role in regional security.

Reflecting historically strong U.S.-Australia ties, several reciprocal high-level visits, including heads of government, occurred during the Clinton administration. The relationship was further broadened by the launch of high-level annual dialogues on intelligence and regional policy to complement an existing forum on security and defense cooperation. Several vexing trade issues were resolved, solidifying bilateral cooperation on improving global free trade. The United States continued to enjoy a large trade surplus with Australia, and U.S. business took advantage of stable economic relations to invest billions in the Australian energy sector.

The Clinton administration worked to reinforce and expand the close U.S.-Thailand bilateral relationship. It cooperated with the Thai Government on military

exercises; counternarcotics; HIV/AIDS prevention; assisting Burmese refugees; halting trafficking in persons; and multilateral peacekeeping operations in East Timor.

### **Regional Security Through Multilateral Mechanisms**

The United States maintained close working relations with the Association of Southeast Asian Nations (ASEAN). The Secretary of State's attendance at the annual ASEAN Post-Ministerial Conferences (PMC) demonstrated U.S. commitment to ASEAN and support for U.S. business in the region. The Department played an active role in the 1994 establishment of the ASEAN Regional Forum (ARF), the only official, region-wide security organization in the Asia Pacific region. U.S. participation in ARF initiatives on confidence building and preventive diplomacy was an important contribution to efforts to build regional security cooperation. The Department also participated in the Northeast Asia Cooperation Dialogue (NEACD), a forum for Japanese, South Korean, Chinese, Russian, and U.S. officials and private citizens to discuss security, defense transparency, and environmental issues in Northeast Asia.

### **Open Markets Through Free Trade and Investment and Economic Cooperation**

The Clinton administration provided strong support for the Asia-Pacific Economic Cooperation (APEC) forum, founded in 1989. President Clinton convened the first meeting of APEC leaders in Seattle in 1993, elevating the fledgling organization to the national leaders and raising its stature and influence in the region. APEC, in turn, encouraged the countries of the region toward more open economies; tariffs fell, deregulation spread, and many social indicators improved. The President's initiative not only reinforced APEC, but also placed the United States at the center of trade and investment liberalization and economic cooperation in the Asia-Pacific region. Three key results of the leaders' annual meetings were the 1993 call to complete the Uruguay Round, the 1996 call to conclude an Information Technology Agreement, and the 2000 call for the WTO to launch a new trade round by 2001.

When economic crisis hit the Asia-Pacific region in 1997, the United States played a constructive role in encouraging economic recovery by supporting the reaction of the IMF and World Bank. This helped prevent collapse of the South Korean and Thai economies and started them on the road to recovery. The Department of State's AERA (Accelerated Economic Recovery in Asia) program targeted assistance to small- and medium-sized entrepreneurs, who were among the hardest hit by the crisis, but also among the most crucial to economic recovery.

The administration focused its economic agenda with Japan on expanding market access and promoting domestic demand-led growth through deregulation, competition policy enforcement, and further opening to foreign direct investment. In the strategic telecommunications sector, for example, Japan agreed to liberalize its mobile phone market and to cut interconnection rates, creating important new opportunities for U.S. firms. To address the imbalance in foreign direct investment flows—a factor in the trade imbalance—the United States successfully sought Japanese measures to improve Japan's climate for FDI, including new accounting rules, changes in corporate governance to promote transparency, and greater labor mobility. The United States also renegotiated

the civil aviation agreement, giving U.S. carriers new rights to serve the Japanese passenger and cargo markets, and to form business alliances with Japanese carriers.

The United States concluded a historic bilateral WTO agreement with China in November 1999, following 13 years of off-again, on-again negotiations. It concluded a similar agreement with Taiwan in February 1998, and worked to ensure that China and Taiwan would accede to the WTO in the same General Council session. Finally, the United States negotiated a Bilateral Trade Agreement with Vietnam, which advanced Vietnam's integration into the international economy and set it on the road toward WTO membership. (Document XIV-6)

### **Human Rights and Democratization**

Support for human rights and democracy was a central theme of Clinton administration Asia policy. In Cambodia, the United States worked with the United Nations to end instability and conflict and to bring into power an internationally recognized regime through the 1993 elections. It again helped to insure free elections in 1998 and helped negotiate an arrangement for a tribunal to judge Khmer Rouge officials accused of genocide during the Khmer Rouge era.

In Indonesia, the United States supported the transition from the Suharto regime in 1998 to a democratically elected government in 1999. The Department greatly expanded its bilateral assistance, targeting economic reform and an emerging civil society, which helped reinforce this transition. When the flowering of free speech after decades of repression allowed greater expression of separatist aspirations, the United States supported constructive dialogue between the government and local groups, but continued its support for Indonesian national unity and territorial integrity.

The United States strongly supported the 1999 United Nations-sponsored referendum on independence in East Timor. It then played a leading role in persuading Indonesia to accept an international peacekeeping force after the independence vote, thereby helping to bring an end to widespread violence and human rights violations in East Timor. The United States helped ensure East Timor's successful transition to independence through bilateral assistance and support for the UN Transitional Authority in East Timor (UNTAET) as UNTAET prepared East Timor for independence in 2001. All the while, the United States pressed the Government of Indonesia to restrain and disarm militias in West Timor and to hold them accountable for atrocities.

The U.S. Government provided extensive assistance to bolster democracy in East Asia. It supported the growth of civil society in East Asian countries, funding human rights, environmental, public policy, public health, and other NGOs. The trend toward more democratic governance, however, excluded Burma, where the ruling junta continued its highly repressive rule that impoverished the Burmese people. In response, the United States banned new U.S. investment or any U.S. facilitation of new foreign investment in Burma. It also prohibited visas for senior Burmese Government officials and their extended families, and it took the lead in creating a UN Special Envoy on Burma to urge the ruling junta to begin a dialogue with Aung San Suu Kyi and her NLD party on a transition to civilian rule.

The United States played a leading role in helping the nations of the Asia-Pacific region deal with growing transnational problems, including narcotics trafficking, corruption, cybercrime, trafficking in women and children, environmental degradation, and HIV/AIDS and other infectious diseases. The United States and Thailand jointly established the International Law Enforcement Academy (ILEA) in Bangkok to train law enforcement officials across the region. In Manila in March 2000, the Department of State organized the first regional meeting of 21 countries to discuss the trafficking of women and children and to develop a regional action plan to halt this practice. In 1998, as an immediate response to the forest fires and haze pollution ravaging Indonesia and its neighbors, the State Department created the Southeast Asia Environmental Initiative (SEAEI), which became the East Asia and Pacific Environmental Initiative (EAPEI) in 1999 to improve environmental protection and management in the region. Activities include measures to fight forest fires, reduce illegal logging, improve land use and forest protection, manage marine resources, and protect coral reefs.