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**Building an Asia-Pacific  
Security Community:  
The Role of Nuclear Weapons**

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POLICY PAPER

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## **OF THE UNITED STATES**

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MAY 1999  
**POLICY PAPER**

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## FOREWORD

*The security of the world is tied with one string.* This theme was featured in the introduction to a 1980 report by a joint working group of the Atlantic Council and Research Institute for Peace and Security, *The Common Security Interests of Japan, the United States and NATO*. The present report continues in that tradition. It is committed to the idea that achieving a stable peace in Asia depends on creating a broad security community that relies on an interwoven set of structures, agreements and understandings in addition to a balance of national interests and roles.

This new report originated with papers and discussions presented at joint workshops in Washington, D.C. in March 1998 and Tokyo in November 1998. The workshop participants discussed the role of nuclear weapons in East Asia in general and more particularly in Northeast Asia, and examined the desirability and feasibility of various unilateral, bilateral and multilateral measures that might reduce the risks of nuclear weapons while enhancing mutual security.

The premise of the workshops and of our longer-term joint project is that stable peace and security in East Asia cannot be achieved without addressing the present and future role of nuclear weapons in that region. The initial focus of the project is on the United States and Japan, because the health of their security alliance is the *sine qua non* of regional stability. Necessary improvements in the Sino-Japanese and Sino-U.S. dialogue are unlikely to lay the foundations for a security community unless the United States and Japan are first in agreement over certain principles and objectives.

The results presented in this paper will be used to generate further discussions with colleagues in additional countries of the region, as well as those outside East Asia but still connected by the security "string." We acknowledge that, until these broader discussions occur, our preliminary conclusions are rendered from U.S. and Japanese perspectives. The conclusions of our expanded dialogue will add necessary balance and will be presented in a subsequent paper that provides specific recommendations to concerned governments and international institutions.

This project was made possible in part through a grant from the United States-Japan Foundation. The report, however, does not necessarily represent the views of the U.S.-Japan Foundation, the Atlantic Council of the United States, or the Research Institute for Peace and Security of Japan, but rather the consensus of the joint working group.

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# **Building an Asia-Pacific Security Community: The Role of Nuclear Weapons**

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## **KEY FINDINGS & RECOMMENDATIONS**

The main challenge for Asia is to build a security community that transforms a legacy of military competition into security cooperation. This transformation will be difficult because of the high level of distrust among the states and considerable uncertainty about future relations. Asia lacks the kinds of developed, institutionalized multilateral security arrangements that contribute to transparency, confidence-building and long-term stability. Furthermore, a “business as usual” approach that focuses on managing bilateral relationships is unlikely to result in a security community. More attention needs to be devoted to multilateral security efforts. Without the reassurance of a network of cooperative arrangements, including verifiable arms limitations, potential adversaries may place their hopes in achieving unilateral military advantages. Such efforts could foster fears of regional domination and, in turn, a potential arms race that includes nuclear weapons and ballistic missiles.

Nuclear weapons continue to play an important role in this environment. They are attractive because they still are thought to provide the ultimate security guarantee and are considered to be an affordable offset for substantial differences in the quantity and quality of conventional forces. Therefore, it is not surprising that governments consider nuclear weapons to be a major factor in the regional power equation. They include those countries that currently have nuclear weapons – the United States, Russia and China; those who were pressured to abandon their programs – Taiwan, South Korea and North Korea; and those who could produce weapons in a short period – namely, Japan. Whether virtual or real, nuclear weapons will remain a critical component of regional security in Asia for the foreseeable future.

The purpose of the following recommendations is to outline a mutual understanding of the role that nuclear weapons play in the process of building an Asia-Pacific security community. The recommendations represent a U.S.-Japanese perspective

and are intended to stimulate an international dialogue that will lead to a better understanding of shared interests and greater consensus on the role of nuclear weapons in regional security.

## I. REGIONAL SECURITY COOPERATION

- *A more stable long-term security environment requires transforming national security strategies so that nuclear deterrence plays a less central role, while the cooperative dimension is steadily expanded.* National security strategies should include active, positive relations as well as deterrence. Extensive agreements and parallel cooperative efforts are required across many levels of political and military interaction.
- *As part of this transformation, deterrence efforts and nuclear arms control negotiations should be made more complementary.* National leaders must keep in mind that any roadmap toward nuclear disarmament must navigate through the current needs of deterrence. Because disarmament and deterrence are usually pursued by different groups, even within national governments, their efforts often seem to work at cross-purposes. This problem is especially difficult for Japan to manage because of perceptions of conflicting interests between nuclear disarmament and Japan's ultimate dependence on U.S. nuclear weapons for security. Nevertheless, disarmament and deterrence efforts need not be mutually exclusive.
- *Proliferation of missile technology is a serious problem, and cooperation between the U.S. and Japan on research and development of missile defense is critical. Moreover, China and Russia should be brought into discussions about the operational considerations of a regional theater missile defense (TMD) program.* Decisions about theater missile defense are particularly difficult. The cost is high, the technology is uncertain and both Beijing and Moscow persist in strong opposition to deploying such advanced missile defenses under the assumption that such are directed against them. Yet, from Tokyo's perspective, these systems are entirely defensive in nature. Regional arms control conceivably could remove the ballistic missile threat, but negotiations need to be launched as soon as possible if they are to have an impact on missile defense deployments.
- *A combined early warning center for Asia should be established, similar to the one being developed between the United States and Russia.* The linkage between missile defense and early warning offers another opportunity for cooperation. The United States and Russia should invite other regional powers to participate in an early warning center located in Asia, or in the joint U.S.-Russian center to be located in Russia. At a minimum, all the states in the region should agree to notify each other well in advance of any missile or satellite launches and consult regularly about force postures and deployment plans.

- *The United States, China, Russia, Japan and the Republic of Korea should develop a coordinated, comprehensive threat reduction (CTR) program for North Korea.* North Korea's ballistic missile and possible nuclear weapons programs present an opportunity for multilateral cooperation. All the powers in the region have a clear, vital interest in peace and stability. The potential instability created by North Korea's actions should be ample incentive to establish formal, multilateral institutions for the cooperation required to deal most effectively with the threat. This effort should seek ways, acceptable to Pyongyang, to build on the experience of similar CTR programs undertaken by the United States and Japan. This multilateral endeavor would necessarily exceed the Korean Peninsula Energy Development Organization (KEDO) framework, which itself will require regular assessment to ensure that it meets the current objectives of the parties in the most effective manner. Assuming the worst, that non-proliferation fails, multilateral planning should also be extended to contemplate that scenario. This, perhaps, is the first real test of a security community and strategic partnerships of the major powers in East Asia.

## II. GLOBAL ARMS CONTROL

- *Progress in the global security environment is a prerequisite for Asian security. The United States should continue its long-term engagement with Russia on strategic arms reductions.* To augment this process, a joint U.S.-Russian commission on strategic stability should be formed to help manage U.S.-Russian nuclear relations that are outside the treaty framework, such as early warning and parallel reductions in warhead inventories. Both bilateral negotiations and coordinated unilateral efforts are needed so that obstacles in either path need not preclude overall progress in creating a more secure environment with lower levels of nuclear arms. Negotiations on deeper cuts, and parallel, cooperative actions such as early warning and greater transparency in warhead dismantlement, should continue to be given a high priority. Strategic nuclear arms limitations eventually must be broadened to include China.
- *Parallel to START-III discussions, the United States and Russia should initiate a dialogue on sub-strategic ("tactical") nuclear weapons.* The United States and Russia agreed at the 1997 Helsinki Summit that nuclear weapons not covered by strategic negotiations must be brought under control. Commonly referred to as tactical nuclear weapons, that distinction is increasingly irrelevant, as the difference between strategic and tactical weapons is largely a matter of perspective. One approach is to have an agreed-upon common ceiling that includes all types of nuclear weapons. An alternative U.S.-Russian agreement could limit or even eliminate warheads designed to be mated with short-range delivery systems. Either approach would require special monitoring techniques.

- *Non-proliferation efforts should be intensified.* The non-proliferation treaty faces a major challenge in South Asia and North Korea. It remains to be seen what lessons other non-nuclear states learn from the international community's handling of the nuclear situations in those regions. While it is unlikely that more countries will opt for nuclear weapons in the short term, one lesson to be taken from the tests in South Asia is that the emergence of additional declared nuclear weapons states is not unthinkable. East Asia with its territorial disputes, still-evolving balances of power and threat perceptions, is particularly vulnerable to the addition of nuclear weapons powers in the 21<sup>st</sup> century. This heightens the need for serious, focused multilateral cooperation to check current proliferation trends of weapons and missiles. In the short term, high priority should be given to constructing appropriately safeguarded regional storage facilities for fissile material.
  
- *A declaratory policy of no-first-use of weapons of mass destruction (WMD) should be adopted by all nuclear powers.* In light of concerns about the proliferation of chemical and biological weapons, the time may be right to adjust declaratory policies to post-Cold War realities. Such a declaration by the five nuclear states recognized under the Non-Proliferation Treaty (NPT) would simply extend China's current policy and join with the U.S. desire to link nuclear and other WMD. A universal no-first-use of WMD regime would make the acquisition of chemical or biological weapons less attractive to many countries. At a minimum, it would require a pledge by all states for urgent consultation in the case of WMD use anywhere in the world.
  
- *Nuclear-weapons-free-zones should continue to be supported.* The Korean Peninsula is the logical focus of such efforts based on the 1991 agreement between the two Koreas not to develop nuclear weapons. Realization of this agreement, in turn, will depend to a large extent on successful implementation of the 1994 Framework Agreement, which will require regular review to ensure that it continues to represent the best approach for meeting the objectives of all the parties, while still serving the primary purpose of building overall levels of confidence.

### III. KEY BILATERAL ACTIONS

- *A permanent U.S.-Japan combined defense secretariat should be established to coordinate the full range of defense issues.* Existing mechanisms, including the periodic meetings that now take place at the policy level, are no longer adequate to coordinate a wide range of security issues. Furthermore, the 1997 Guidelines for Japan-U.S. Defense Cooperation called for strengthening the coordinating mechanism. A secretariat would provide continuity and sustained coordination of the wide range of combined activities envisaged by the 1997 Defense Guidelines. For its part, the Japanese Diet should continue to support the use of the Japan Self-Defense Forces

- during emergencies so the guidelines can be implemented, and government planning for implementation should start immediately. A combined defense secretariat also could expedite decision-making during emergencies.
- *More official dialogue and unofficial discussion is needed on the role that nuclear weapons should play in the larger U.S.-Japan alliance strategy.* Nuclear weapons are an important but neglected subject in the alliance. The Defense Guidelines only note that the United States will maintain its nuclear deterrent. Some ambiguity may have been useful during the Cold War, and still may be in some circumstances, but more overall attention to this subject now is needed.
  - *Nuclear arms reduction talks must take into account their likely impact on the credibility of extended deterrence and the stability of various regional security environments.* For example, Japan's concerns about the longer term credibility of the U.S. nuclear umbrella suggests the need for closer collaboration between Washington and Tokyo on future arms reduction deliberations and cooperative threat reduction efforts.
  - *China and Japan also need to become more involved with one another in nuclear arms control discussions.* Japan continues to renounce nuclear weapons and is an active member of the NPT. Beijing has signaled a willingness to become involved by joining the CTBT regime. But their mutual concerns need to be worked out within appropriate arms control arrangements. This requires addressing Japan's concerns about China's nuclear weapons and missiles, as well as China's concerns about Japan's plutonium reprocessing, future theater missile defense systems and other issues. A comprehensive dialogue is required to forestall a potentially destabilizing military confrontation in the future.
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# DISCUSSION

## THE REGIONAL SECURITY CONTEXT

Although the course has not been smooth, much progress has been made in East Asia's security environment over the past decade. China continues its rapid economic development, although with some inevitable dislocations. U.S. alliances in the region are intact and Washington, like Moscow, is pursuing a goal of "strategic partnership" with Beijing. Democracy has taken root in Taiwan and South Korea. Although the region's economic downturn presents governments with serious challenges, this economic stress may actually strengthen democratic institutions in Taipei and Seoul, as well as spawn movement toward democratization in some Southeast Asian countries. In short, economic interdependence and improved political relations find the security environment in East Asia more stable now than at any other time during this century.

Yet, the end of the Cold War was not as consequential to security in Asia as it was in Europe. Though not officially acknowledged, a lack of trust among nearly all the states in the region still characterizes East Asia's security environment. This distrust reflects both the legacies of conflicts dating back centuries and uncertainty about future developments. In the near term, potential flashpoints around the Pacific Rim include the Korean Peninsula, the Taiwan Strait and the South China Sea. Territorial disputes between Japan and both China and Russia also persist. Present-day distrust further reflects long-term fears about regional developments. These underlying fears include:

- a China emboldened by growing economic power and military modernization;
- a strong, unified Korea;
- a resurgent, nationalistic Japan;
- a chaotic or resurgent Russia seeking to reestablish parts of the Soviet Empire; and,
- a United States unwilling to sustain a commitment to regional stability.

These fears combine to make longer-term peace and stability precarious. They heighten concerns about developments such as nuclear weapons testing by India and Pakistan, North Korea's ballistic missile launch over Japan and Pyongyang's threats to resume the most dangerous elements of its nuclear program. Until recently, the seriousness of the security problem was masked by improving economic relations, while political relationships, particularly among the region's major powers, have been largely positive. Consolidating these gains is necessary so that they outlive current governments and any instability that might result from major economic downturns.

Historically, East Asia has dealt with emerging threats and uncertainties through bilateral arrangements rather than through multilateral cooperation. For example, the United States constructed a series of bilateral security ties during the Cold War, which included Japan, South Korea and Taiwan. Although no longer linked by a formal security treaty, many in Taiwan and many members of the U.S. Congress believe the United States would go to Taiwan's assistance if it were to be attacked by China. Similarly, although Soviet-era agreements between Moscow, Beijing and Pyongyang have lapsed, vestiges of those ties remain.

In contrast to these old security linkages, new economic and political relations have been established among several former adversaries. As a result, a complex set of ties exists so that change in any one set of relations is likely to reverberate throughout the entire system. Plans and programs, therefore, can not be developed narrowly in terms of a single problem, without anticipating broader effects and in the absence, to date, of a viable security community.

Such a security community is necessary for long-term peace and stability in Asia. It should be pursued through negotiations and cooperative activities based on mutual interests. Stable security relies on shared rules and norms which are codified by way of extensive consultations and institutionalized dialogue. Confidence-building measures can mitigate the inherent limitations of relying solely on bilateral alliances to cope with regional security concerns. Alliances by their very task of providing deterrence and defense can provoke misunderstanding and anxiety among third parties. Alliances also carry with them the possibility of provoking an arms race.

Nuclear weapons still play a critical role in the overall context, even though they have little direct ability in dealing with most of the region's immediate security. China continues to modernize its nuclear forces. North Korea still could opt for a nuclear capability. Japan could acquire nuclear weapons on short notice in response to a new threat. Russia is said to be placing more, not less, emphasis on nuclear weapons as its conventional military capabilities deteriorate. And concerns about the credibility of U.S. extended deterrence have yet to be fully allayed.

Nuclear weapons are perceived as a potential offset for substantial differences in the quantity and quality of conventional forces and are considered to be affordable, despite being very expensive when all operational and life cycle costs are included, including dismantling and disposal. For these reasons, nuclear weapons are part of the national security equation throughout much of the region. Credible U.S. extended deterrence helps guarantee the security of Japan and South Korea, and diminishes the need of non-nuclear-capable states to hedge against an uncertain future with nuclear weapons programs of their own.

Thus, any real or perceived changes in East Asia's nuclear status quo will have wide-spread effects. The U.S. response to the problem of nuclear weapons in North Korea undoubtedly also affects China, Taiwan, Russia and Japan.

Given high levels of uncertainty, it is not surprising that there are seven powers in the region with nuclear weapons potential. The United States, Russia and China are recognized nuclear states under the Non-Proliferation Treaty (NPT). Taiwan and South Korea abandoned programs as a result of U.S. pressure and in favor of U.S. security guarantees. And, despite the 1994 Framework Agreement, North Korea's nuclear weapons activities and ballistic missile program heighten proliferation concerns. Japan, with large plutonium stockpiles, probably could produce nuclear weapons in a short period of time, but has opted to remain under the U.S. nuclear umbrella. India and Pakistan upset Asia's nuclear status quo with tests of their own in May 1998. Finally, Australia, Indonesia and other Southeast Asian countries could pursue nuclear weapons programs in response to some future threat. Ultimately, whether potential or real, nuclear weapons are central to any longer-term effort to build an effective Asia-Pacific security community.

## ISSUES AND REGIONAL RESPONSES

When considering the role that nuclear weapons play in the regional security environment, several sub-categories of issues can be considered as distinct but interrelated areas of concern. The following responses, while not exhaustive, represent the most relevant to the idea of building a cohesive security community. They are included to amplify the recommendations presented in the previous section and do not in their order of presentation indicate any relative priority.

### *Theater Missile Defense (TMD)*

Moving from research and development of advanced missile defense systems to deployment decisions poses a difficult problem for the region. While the U.S. nuclear umbrella provides deterrence against a nuclear attack, Japan is still vulnerable to a surprise missile attack, and this potential threat probably will grow. Thus, Japan's decision to join with the United States in the research and development of theater missile defenses seems prudent. This complements other counter-proliferation efforts and, if deployed, may reduce the risk that other countries might attempt to intimidate Japan with ballistic missiles.

However, Beijing has objected strongly to any Japanese deployment of theater missile defenses. Naturally, the Japanese have taken China's objections to mean that the Chinese currently target their cities with nuclear weapons. From Tokyo, however, the threat of Chinese missiles appears quite remote in comparison to that

emanating from North Korea. Clearly, North Korea's possession of either nuclear weapons or ballistic missiles directly threatens the vital interest of Asian peace and stability shared by the U.S., Japan, China, Russia and South Korea. TMD development seems a natural reaction in the absence of certainty that Pyongyang is not actively pursuing the development of a nuclear weapon and given the apparent lack of influence of external actors, including China, over North Korea's behavior. In that context, both China and Russia should be given the opportunity, along with South Korea, to participate in TMD discussions with Japan and the United States. Efforts must be made to avoid an arms race, or worse, the initiation of hostilities, over TMD research, development and deployment.

The cost of TMD is high, especially during this period of global economic strain, and the technological feasibility of such a system is not yet guaranteed. Nevertheless, the cost of *not* pursuing a TMD option potentially may be much higher. The actual cost for Japan to participate in TMD development ultimately will depend on the degree of its involvement and the ability to overcome technological obstacles. One estimate is as much as one to two trillion yen, with an 800 billion yen annual cost. With a declining overall defense budget, TMD might force Japan to sacrifice other necessary equipment. In addition, Japan probably would need to establish a new unified command structure to handle the new tasks required by TMD, probably within current overall defense personnel limits. Such trade-offs require careful assessment by Japan of relative defense priorities.

Alternative ways to reduce the threat of ballistic missiles also need to be explored. For example, arms control negotiations would be helpful. Also, if China objects to TMD development and North Korea's nascent nuclear weapons program remains opaque, one or both should be willing to make substantial concessions in return for some limits by the United States and Japan on missile defense deployments. Discussions along these lines should begin soon if they are to have an impact on early deployment decisions.

In any event, these decisions need to be based on careful considerations. In addition to highly reliable technology and cost effectiveness, leaders must assess the full range of consequences of various deployment options and likely responses. The net result must yield a substantially improved overall security environment. The costs of deployments and periodic upgrade should be less burdensome than the relative costs of possible countermeasures by potential adversaries. During the early debate on the Strategic Defense Initiative in the United States, such a criterion was called the need to be "cost-effective at the margin," recognizing the long-term competitive nature of the endeavor. This perspective also points out the need for sufficient political support to sustain a TMD program over a period of time.

### *Arms Control, Disarmament & Security Cooperation*

The declared nuclear powers – the United States, Russia, the United Kingdom, France and China – have agreed to pursue disarmament under the provisions of Article VI of the NPT. Progress toward that goal should continue.

Rough parity in strategic forces between the United States and Russia was maintained through a combination of arms limitation and reduction treaties and curbs on missile defenses. The second Strategic Arms Reduction Treaty (START-II) reduces deployed strategic warheads by two-thirds below their Cold War levels. Concerns over NATO enlargement and U.S. missile defense programs have delayed the Russian Duma's ratification of START-II, despite clear indications from Moscow that the economic burden of maintaining unnecessary nuclear forces is not sustainable. In any event, negotiators must be sensitive to the consequences of reductions for those states under the U.S. and Russian nuclear umbrellas and the impact of further changes in nuclear forces on regional security. In particular, both countries need to reach an understanding that nuclear weapons will not be relocated in ways that will upset regional military balances. Reductions proposed for START-II and III, however, are not likely to undermine the credibility of extended deterrence. Continued progress in reducing the nuclear danger will depend on the development of other global and regional arms control regimes during the next decade while the START agreements are being implemented.

Although deterrence will continue to be an important component of national security strategies, the nuclear powers can achieve deterrence with substantially reduced nuclear inventories. This will require discussions in both official and unofficial channels to identify ways to limit the role of nuclear weapons while still providing stable deterrence at the lowest possible levels and in the safest possible posture. For the nuclear powers, stable deterrence can be achieved with relatively few weapons, a great deal of transparency and forces that are neither equipped nor postured for a surprise first-strike.

Declining U.S. and Russian nuclear arsenals will have to take more into account China's forces, which are modernizing in spite of the CTBT. The United Kingdom and France essentially capped their nuclear weapons programs but China has not. The challenge for both the United States and Russia is to move beyond unilateral and bilateral arms reductions and engage China in disarmament talks envisioned by Article VI of the NPT. In the absence of shared understanding, the consequences of these two trends leave open the possibility of a destabilizing arms race.

Reductions should be pursued beyond those currently contemplated by START-III. While the U.S. and Russia are reducing, China, France and the United Kingdom should agree not to increase their nuclear arsenals without notice and then only because of a significantly increased threat to their national security. In the meantime, transparency and mutual confidence should be promoted through data exchanges.

In addition, those nuclear weapons currently not covered by START negotiations must be brought under control, either by treaty or by parallel, cooperative measures. Multilateral talks should be started soon, but should not be limited to those nations that have tested nuclear weapons. Nations like Japan, which have the capability to produce nuclear weapons but have renounced them, also should be included. These talks would bring all declared and virtual nuclear powers to the same table, leading eventually to a global agreement on nuclear forces.

Bringing China into larger arms control regimes will not be possible unless it and the other Pacific powers are reassured that Japan will remain a non-threatening actor. Transparency in the U.S.-Japanese partnership is the key to such reassurance. Thus, Japan and the United States need to collaborate more closely on how future reductions in strategic arms may affect Japan's security. Since this needs to be addressed within the overall context of regional security on a continual basis, some type of institutional structure would be useful to coordinate the full range of defense issues, including the two countries' cooperative threat reduction programs, and to provide continuity in the overall bilateral security relationship.

One possibility for such an institution is a permanent combined defense secretariat so long as such an initiative contains sufficient reassurances to Beijing that it is not intended to contain China. Current U.S.-Japanese structures are likely to be inadequate to meet the increasing needs for close and continuous coordination. The Security Consultative Committee, for example, meets only periodically. Further, the explicit extension by the revised Guidelines of the alliance's responsibilities to the region and beyond exceeds the capacities and authority of the Commander of U.S. Forces Japan. A combined defense secretariat not only would enable military coordination required under the new Guidelines, but also would provide a structure for combined military decisionmaking, particularly in emergency situations.

Ultimately, security talks between Japan and China are needed to deal with Japan's concerns about China's nuclear weapons and missiles – a combination that provides it a potentially devastating first-strike capability. At the same time, China worries about Japan's plutonium reprocessing capability and possible deployment of advanced missile defenses. Although China's existing and Japan's potential nuclear forces are not comparable issues, serious dialogue now would be useful to head off potentially destabilizing misunderstandings in the future.

### *Proliferation*

A more immediate global security problem today is preventing the proliferation of nuclear weapons and missiles. North Korea remains the top priority. To help deal with the North Korean nuclear weapons problem, the Korean Peninsula Energy Development Organization (KEDO) was established by the United States, Japan and South Korea to provide Pyongyang with the fuel and light water reactors promised under the 1994 Framework Agreement.

The KEDO framework attempted to institutionalize a process of building long-term confidence. While this agreement defused a very tense situation in 1994, circumstances have changed considerably over the intervening years, rendering the arrangement precarious at best. New talks are needed to provide mutually beneficial alternatives and to ensure that it meets the current objectives of the parties in the most effective manner.

Moreover, the two light water nuclear reactors called for in the agreement may not be the most appropriate response to North Korea's long-term energy needs. They may be the wrong type of power plants in the wrong place and may be constructed too slowly to meet Pyongyang's pressing energy demand. Other forms of power generation facilities could be built more quickly and efficiently, at far less cost. The infrastructure to support construction is lacking and, even if completed on time, North Korea lacks an effective electrical distribution system. Its energy needs could be better met by other means within the overall time and at less cost than the original deal – about \$4 billion over more than 10 years.

But any alternative arrangement must meet North Korean objectives. Having lost its Cold War patrons, one underlying goal for Pyongyang may be to establish a long-term cooperative relationship with the United States. Today, North Korea is faced with a desperate food shortage and severely arrested economic development, which require international aid to ease. North Korea also may see its relationship to the U.S. and Washington-Seoul ties in zero sum terms, and may hope to drive a wedge between the United States and the Republic of Korea. Regardless of its motives, which are likely to remain murky for the foreseeable future, North Korea's behavior has cast a dark shadow over the Framework Agreement.

Uncertainty over Pyongyang's nuclear weapons program, coupled with its decision to test a ballistic missile over Japan in August 1998, has the potential to create a highly destabilizing chain of events in East Asia. Apart from tension on the Korean Peninsula, Japan, shocked by the missile launch, is responding by developing its own reconnaissance satellites. Moreover, the threat from North Korea moved Tokyo to cooperate with the United States on the research and development for a TMD system, despite Beijing's strong objections. Taiwan is also hinting at selective participation in

TMD, which China has viewed as highly provocative and will further strain cross-Strait and U.S.-China relations.

Faced with its own economic and political crises, Russia, like all the other powers in the region, also has a vital interest in peace and stability in East Asia. In short, potential instability created by North Korea should be ample incentive for establishing formal, multilateral institutions for the planning and cooperation required to most effectively deal with the threat from Pyongyang. The United States, China, Russia and Japan should consider organizing a four plus two (North and South Korea) effort at the United Nations. Under no circumstances should this multilateral effort be perceived as a coalition “opposing” Pyongyang. Quite the contrary, the forum would be a mechanism to ensure the vital interests of each of Northeast Asia’s powers are considered and understood, including North Korea’s. The forum could be extended to consult on guarantees and other aspects of normalizing relations between the North and South and perhaps the peaceful reunification of the peninsula. This would be the first real test of the strategic partnerships of the great powers in East Asia.

These types of proliferation problems in East Asia and elsewhere will require constant attention. International Atomic Energy Agency (IAEA) safeguards and inspections did not uncover clandestine nuclear weapons programs in Taiwan, South Korea or North Korea even though these states had signed the NPT. Existing nonproliferation mechanisms need strengthening and support. In particular, while the IAEA’s responsibilities have increased, its budget has been held constant for more than a decade. The major powers cannot continue to ask the IAEA to do more with less indefinitely and expect better results without increased funding. Other important non-proliferation organizations also need to be empowered, including the London Suppliers Group concerned with the export of dual-use nuclear technology, and the Missile Technology Control Regime (MTCR).

Several initiatives would help deal with the proliferation problem:

- Expand international cooperation to support Russia’s efforts to tighten control over weapons-grade nuclear materials and find employment for Russian nuclear and ballistic missile experts.
- Strengthen the MTCR by facilitating the process by which China fully joins the regime and standardize export control regulations for both MTCR and non-MTCR signatories.
- Empower the IAEA. UN General Assembly resolutions are marginal unless the IAEA is empowered and backed up with the means to perform its functions.



- Focus more attention on the nuclear waste problem. Construction of appropriately safeguarded regional storage facilities under international supervision should be a high priority.

Stability in Korea also might be enhanced by the establishment of a Cooperative Threat Reduction (CTR) program. The end of the Cold War was accompanied by serious concern over the safety and accountability of nuclear weapons in the former Soviet Union. To address this issue, a set of programs called CTR was established. Under CTR agreements, both the United States and Japan are helping the former Soviet republics destroy nuclear weapons and related capabilities. Although sharing the same objectives, the U.S. and Japanese programs are not well coordinated. These programs include:

- Destruction and dismantlement activities;
- Material protection, control and accountability;
- Alternative employment opportunities for weapons and missile experts; and
- Consultations on proliferation issues.

Significant work still remains to be done, however, and coordination among the national programs is necessary. In addition, it would be useful to compare lessons learned from these efforts and determine how they might be used in East Asia to address similar concerns.

### *Fissile Material Control*

Nuclear waste poses a serious problem for East Asia and the rest of the world. Waste retains dangerous levels of radioactivity for a very long time and should be maintained under rigorous accountability standards to ensure that uranium and plutonium are not diverted to make nuclear weapons. This all points to the growing need for safe and secure storage facilities coupled with international monitoring.

In response to these needs, regional arrangements, referred to as ASIATOM or PACATOM, have been suggested. These are modeled after the EURATOM organization, which was created to provide an assured source of nuclear fuel to members while also ensuring that it would not be diverted to make nuclear weapons. EURATOM consolidates at the regional level responsibilities for research, uniform safety standards, supply of reactor fuel and waste management. It also provides a common market type of arrangement for nuclear equipment and technology.

An arrangement in East Asia, analogous to EURATOM but tailored to the region's specific requirements, would be most useful. While the level of trust is likely insufficient to establish a regime involving joint ownership of fissile materials in the

near term, a gradual approach is feasible and would help to build mutual confidence. Initial measures might involve increasing the transparency of national nuclear energy programs that would reduce perceptions of growing military threats.

China's participation in such a regime is important and may provide a possible site for nuclear waste. Other key members should include Japan, South Korea, North Korea, Russia and the United States. Taiwan also should participate under the kind of arrangement that permits Taipei's involvement in the Asian Development Bank and the Asia-Pacific Economic Cooperation forum. At some point, membership could be expanded to states around the Pacific Rim with nuclear power programs, including India and Pakistan.

Such an organization could go a long way toward reducing mutual fears of nascent nuclear weapons programs, especially in Korea and Japan. It could build on the standards and practices well established by the IAEA and EURATOM. It also could address specific needs and concerns in the region, such as unsafeguarded reprocessing facilities and reactors. The immediate focus, however, should be on establishing regional storage facilities for nuclear waste.

### *Declaratory Policy*

Looking at the potential use of nuclear weapons from varying perspectives, the major nuclear powers have differed in their declared policies. While China has steadfastly taken a "no first use" approach, the United States has eschewed such a policy in favor of greater ambiguity. Russia, in 1993, backed away from its Cold War-era no first use pledge. However, the mere fact of possessing nuclear weapons provides an "existential deterrent," regardless of any declarations. Nevertheless, as a practical matter, the circumstances in which a nuclear state would feel compelled to use nuclear weapons are fairly remote in the current security environment.

In light of concerns about the proliferation of chemical and biological weapons, to include use by sub-state entities, discussion of a policy of no-first-use of weapons of mass destruction (WMD) would be beneficial. Such a declaration by the five nuclear states recognized under the NPT would simply extend China's current policy and strengthen the U.S. link between nuclear and other WMD. A universal no-first-use of WMD regime also would both reassure non-nuclear states and make the acquisition of chemical or biological weapons less attractive to many countries. It also would facilitate cooperation among governments in dealing with terrorist threats.

### *Nuclear Weapons Free Zones*

Another way to reinforce common understanding is to establish nuclear weapons free zones (NWFZ).<sup>1</sup> Treaties that establish these zones generally prohibit the testing, manufacture, acquisition and stationing of nuclear explosive devices in the territory of states party to it and the dumping of nuclear waste at sea. Effective verification mechanisms are needed, and all parties are obligated to apply full scope IAEA safeguards to their peaceful nuclear programs. The zones do not infringe on freedom of navigation on the high seas, or overflight of or innocent passage through territorial waters as guaranteed by international law. The right to decide whether to grant visitation rights to foreign ships and aircraft suspected of carrying nuclear weapons is left to the discretion of the individual states.

NWFZ treaties also usually incorporate protocols that call for the nuclear weapon states to pledge not to use or threaten to use nuclear weapons against any state party to the treaty. Nuclear weapon states also are barred from testing any nuclear explosive device anywhere within the zone.

In the context of the above discussion on non-proliferation, the Korean Peninsula should be the focus of international efforts to establish a NWFZ in the region. In fact, outside powers cannot impose NWFZs. Thus, this issue should be a key component of the overall Seoul-Pyongyang dialogue in the tradition of the 1991 agreement not to acquire nuclear weapons. U.S. nuclear weapons already have been removed from South Korea and extended deterrence is maintained by U.S. strategic forces elsewhere. More important is the strong bilateral commitment by the United States to the defense of South Korea in the case of any kind of attack, conventional or nuclear.

A nuclear weapons-free zone with mutual obligations and more comprehensive verification mechanisms would strengthen regional security by diminishing the likelihood that states in the region would acquire nuclear weapons.

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<sup>1</sup> Nuclear weapons free zones include the 1965 Treaty of Tlatelolco banning nuclear weapons in Latin America and the Caribbean, the 1985 Treaty of Rarotonga, establishing the South Pacific Nuclear Free Zone, the 1995 Treaty of Bangkok, setting up the Southeast Asia Nuclear Free Zone, and the 1996 Treaty of Pelindaba signed by 43 African states banning nuclear weapons from the African continent. Other treaties have established similar NWFZ regimes for uninhabited regions such as Antarctica, the ocean floor, the moon and outer space.

## CONCLUSIONS

The post-Cold War balance of power in East Asia is still in flux, and uncertainty permeates relations among the region's nations. Both strategic necessity and strategic opportunity characterize this security environment. Necessity is brought about by nuclear tests in South Asia and North Korea's recent behavior, which have exacerbated uncertainty and require the region's nations to deal with them with a clear sense of purpose. Concomitantly, the convergence of national interests have made intra-region relations better, overall, than at any time this century, providing a clear strategic opportunity to address constructively the new challenges. In doing this, the basic assumptions of regional security in East Asia must be revisited and articulated with some clarity and regularity, lest blind adherence to weapons programs overtake sound policy judgment. The opportunity presents itself to take the unilateral, bilateral and multilateral steps needed to transform the strategic environment to one that is more cooperative than competitive.

In the course of this strategic transformation, the *process*, particularly as it is applied to nuclear weapons, is probably just as important as the particular programs and policies that are adopted. This process essentially involves a continuous dialogue among individuals, institutions and governments to build consensus on nuclear weapons and the full range of security issues in the short-, mid- and longer-term future.

There are no quick fixes— even if many of the measures proposed in this paper were adopted, they only would make modest improvements at first. Over time, however, the cumulative effect of the dialogues and cooperative measures *can* result in a more stable environment and lead to a security community that is characterized by greater trust.

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