CHAPTER FOUR
AMERICAN FOREIGN POLICY STRUCTURES

This chapter discusses both the internal and external foreign policy structures of the United States. The internal foreign policy structure of the United States is hierarchically categorised into four types. For the purpose of this study, Japan, China, Russia, and all small powers collectively in the Pacific Region constitute the external foreign policy structure of the United States. An analysis of the US power status and interests in the Pacific Region precedes examination of the aforesaid sources of influence on American foreign policy, as American capabilities and interests provide direction to its foreign policies in the Asia-Pacific.

4.1. The Power Status of the United States

For a nation to be a world class power; it should possess economic strength and sophisticated military establishment. The United States is eminently qualified in both respects. Its post-Cold War economic capabilities and strategic postures are unprecedented. The United States ranks top in the hierarchy of power among the world's nations. Therefore, it is misplaced to subscribe to the idea that the United States is no longer the power that the world needs to reckon with. Geoeconomically, the United States is the world's largest economy. Geostrategically, the United States possesses the most powerful conventional and nuclear armed forces in the world. Additionally, the world has become integrated and dependent both in terms of economic as well as strategic security on the United States. Prognostications as such call for substantiation. Analysis of some quantitative data below would help support the above assumptions.

The indicators of the United States economic performance on a global scale are: Gross National Product (GNP)/Gross Domestic Product (GDP), Volume of Total Trade (i.e. the export/import ratio), Foreign Direct Investment (FDI), and membership of the global financial institutions and economic organisations as well as the degree of influence the United States can exert in such institutions and organisations. However, the indicators of the United States strategic or military capabilities range from nuclear capability, manpower, military equipment, contribution to peacekeeping operations around the globe, defence expenditure, arms trade, and deployment of its military forces both on the continental United States and abroad for purposes of global security and protection of American interests.

The US GNP for the fiscal years 1995 and 1996 was recorded at $7.247 trillion and $7.433 trillion respectively. Moreover, it recorded a GDP of $7661.6, $8110.9 and $8435.2 billion for fiscal years 1996, 1997 and the first quarter of 1998 respectively. The US GNP in 1995 constituted 23% of the whole world GNP. The US total trade for years 1995 and 1996 was estimated at $1.35 and $1.44 billions respectively. Of the total amount traded, the US export/import ratio for 1995 was $582526 / $770947 million and for 1996 it was $622945 / $817785 million dollars. In 1995 the US share of world trade in terms of export/import ratio percentage was estimated 11.60 % / 15.00%. This export/import percentage ratio rose to 12.6% / 16.10% in 1997. FDI in the United States in fiscal years 1995, 1996 and 1997 was estimated $26834 million, $28180 million, and $82297 million respectively. However, the US FDI abroad for the same years was estimated at $699015 million, $777203 million and $860723 million respectively.[1] The United States, in terms of GNP/GDP total trade and FDI, ranked number one and was recorded the highest economic power on the global scale over the period of time stated above.

In addition, the United States is the founder of international financial regimes such as International Monetary Fund (IMF), the World Bank and World Trade Organisation (WTO). The US is also a member of Group of Seven Industrialised Nations (G-7), Group of Twenty-Two (G-22) composed of developed and developing nations, North American Free Trade Area (NAFTA) and Asia-Pacific Economic Cooperation (APEC) Forum. The United States role in financial institutions and organisations such as these is that of predominant or preponderant player. The US influence in all these areas is

too evident to need elaboration. However, in this regard it is sufficient to argue that the US has greater influence in IMF or World Bank decision-making processes, due to its greater financial contribution to these global financial regimes. The US influence in other financial institutions where the influence does not correlate with financial contribution is also noteworthy. An example is the failure of the Kuala Lumpur APEC Summit on 17-18 November 1998 to provide concrete solution to the present financial crisis the Asian nations are facing. The forum on finding a solution to the currency crisis in Southeast Asia was postponed to the G-22 summit.[2] The main reason underpinning postponement of discussion of such an impoverishing crisis to another forum is considered to be the lack of American support to the initiatives of some APEC leaders on this issue. The reason for American lack of support is that the United States would like to see the regional economics undertake an aggressive and systematic structural reform. The United States is not satisfied with the present state of economic reforms. Ironically, no comment was even made by Japan or China regarding their exertion of leadership in the region during the Kuala Lumpur APEC Summit.[3] Neither the Chinese nor Japanese delegates to the summit objected to the postponement of the resolution of the Asian financial crisis to the G-22 summit (see Appendix Eight).

In the realm of geostrategy, the total world defence expenditure in 1995 was estimated at about $864 billion. In the same year (1995), US defence expenditure was $28.7 billion or 32% of the world total military spending.[4] However, the US defence budget in the fiscal year 1995 was ($267.7), 1996 ($263.9), 1997 ($270.3), 1998 ($271.3) and 1999 ($276.2) billion. In addition, according to *the Military Balance 1999/2000*, the

US projected defence budget for the fiscal year 2000 was $280,800 billion, and for 2001 it was $300,511 bn, 2002 ($302,411 bn), 2003 ($312,824 bn), 2004 ($321,657 bn), and 2005 ($333,000 bn).[5] The figures indicate a modest increase in the US defence budget since the end of the Cold War, as the US intends to modernise its military capabilities.[6]

> In February 1999, well before the crisis in Kosovo led to the NATO air campaign and the deployment of more forces to the Balkans, US President Bill Clinton, in the administration's defence budget for 2000, called for an increase in defence spending of some $112 billion for the period 2000-2005. A significant proportion of the extra money is for equipment modernisation, readiness and unforeseen contingencies, but there is an important recognition that more resources need to be devoted to recruiting military personnel in both active and reseve armed forces. The budget for 2000 contains the largest military pay increase since 1982.... The Clinton administration's FY 2000 budget request for national defence, details of which were released on 1 February 1999, contains the first sustained, long-term increase in defence funding since the Cold War, with proposals to make an additional $112 billion available to the DoD in FY 2000-2005. The FY 2000 request is for $280.8bn from FY 1999 request up $4.9bn from last year's projection for FY2000. The $112bn increase...is modest in real terms since most of the new money simply reverses the large cuts in previous years' plans, and defence spending will continue to decline until 2001. From 2001-05, the defence budget will increase by only 4.5% in real terms overall, or less than 1% each year. This compares with a decline in US defence spending of 37% in real terms between 1985 and 2000.[7]

The projected increase in the US defence budget is due to the fact that the American government in not certain about the implementation of the reduction programme in strategic arms that has been agreed under the Strategic Arms Reduction Treaty (START) II. Russia has not yet ratified START II, which means that START I level of forces could be maintained for a longer period.

> As Russia has not yet ratified the Strategic Arms Reduction Treaty (START) II, the US is making a modest budget provision of $51m against the possibility that START I levels of strategic forces will be

> maintained for longer than expected. If Russia ratifies START II, and the implementation process begins, as amended by the 1997 Helsinki Summit letters, accountable warheads will be reduced to 3000-35000 by the end of 2007 with no more than 1750 warheads carried on submarine-launched ballistic missiles (SLBMs), and with the strategic nuclear-delivery vehicles to be dismantled under START II being deactivated by 31 December 2003. This timetable technically still stands, but its implementation will be put in doubt if Russian ratification is delayed much beyond the end of 1999. The Helsinki Summit letters also envisaged a START III process that would reduce warheads to overall limits of 2000-25000. The plan was to begin negotiations once Russia ratified START II.[8]

However, US military expenditure in 1995 constituted 27 % of the world's defence expenditure. The US arms trade in 1995 constituted 49% of the world total arms export. The US arms exports over the years 1993-1995 were estimated at $42,775 million that averaged at 48% of the world arms trade. Statistics shows the US share of arms exports on a global scale since 1985 were nearly doubled by 1995. In 1995, the US share of the arms trade was 26% of the world's arms exports. The US arms exports fall under the following four categories: (1) land armament that includes unit types such as tanks, artillery, etc., (2) naval craft that includes unit types such as major surface combatants, submarines, missile attack boats, etc., (3) aircraft that includes combat super aircraft, helicopters etc., and (4) missiles that include surface-to-surface, surface-to-air, etc. unit types.[9] The United States throughout the years that followed the end of the Cold War remained the world's number one supplier of military equipment as well as spender on the military-industrial complex. This may also explain the military's contribution to the US economic powerhouse.

According to the *World Military Expenditure and Arms Transfer 1996*, the 1995 estimate of total US armed forces was nearly 1.6 million persons, constituting 7% of the world's armed forces.[10] However, US ranks second in terms of number of armed forces in the world. The entire US armed forces is categorised into five categories; Army, Navy, Marine Corps, Airforce, and Deployment. The first four categories explain preparedness and readiness of the US armed forces in terms of training and equipment; the fifth category (i.e. deployment) explains the US military presence both on the continental United States as well as around the globe.[11] In all these areas, the US armed forces are equipped with the most updated military software and hardware. In addition, the Clinton administration focuses its research and development activities on improvement in Theatre Defence Missiles deployed abroad as well as on developing a National Missile Defence (NMD) system aimed at upgrading of contingency capabilities of the US armed forces. This will enable the US armed forces to proceed rapidly if intelligence indicated that a threat is emerging sooner than as expected, thus making the US armed forces the world's fastest and most advanced security arrangement.[12]

The Military Balance 1999/2000 projects the US active armed forces at 469,300, ready reserve at 362,400, and army reserve at 421,500 persons.[13] The Navy is composed of 369,800 troops with 5 fleets (2nd Fleet in the Atlantic, 3rd Fleet in the Pacific, 5th Fleet in the Indian Ocean, Persian Gulf, and Red Sea, 6th Fleet in the Mediterranean, and 7th Fleet in the West Pacific), Military Sealift, and Naval Reserve Forces. The Marine Corps have 171,000 personnel with three ground divisions and three-force service support and

one reserve division. The Airforce with 361,400 personnel is divided into a number of squadrons with different operational activities.[14]

The deployment of the US armed forces is divided into two categories. First, forces deployed on the continental United States. Second, forces deployed abroad or outside the continental United States. The deployment on and outside the continental United States is organised into a number of military units called military commands. Hence, the whole US military forces are divided into 12 commands, five are deployed abroad and seven are deployed on the continental United States. The military commands deployed on the continental United States are: the US strategic command (USSTRATCOM), the Air Combat Command (ACC), the Space Command (AFSPACECOM), the US Transportation Command (USTRASCOM), the Air Mobility Command (AMC), and the Military Sealift Command (MSCOM).[15]

The US military commands abroad are composed of US military bases all over the world. These commands are organised along geographical distribution of the US forces around the globe. The European Command (EUCOM) covers the US sixth fleet stationed in the Mediterranean Sea and all its forces stationed in Germany, Belgium, Greece, Italy, Luxembourg, the Mediterranean, Netherlands, Norway, Portugal, Spain, Turkey and the United Kingdom. The US Pacific Command (USPACOM) oversees the US forces stationed in Alaska, Hawaii, Singapore, Japan, South Korea, Guam, Australia, Diego Garcia, Thailand, the US West Coast and the US Pacific fleet at sea. The Central Command (USCENTCOM) includes the US forces stationed in the Middle East and

Southwest Asian Nations of Kuwait, Qatar, Oman, Qatar, Saudi Arabia, the United Arab Emirates (UAE), and the fifth fleet in the Indian Ocean and Persian Gulf. The Southern Command (SUSSOUTHCOM) covers the Caribbean and Latin American States of Panama and Honduras. Finally, the Atlantic Commands (USATCOM) overseas the US forces in the areas of the US East Coast, Bermuda, Cuba, Iceland and the Atlantic fleet at sea.[16]

With regard to the details of the quality and quantity of military software, such as training, information etc., and military hardware (i.e. equipment of all kinds) it is sufficient to state that in the post-Cold War era, the United States is committed to maintain capability of engagement in two simultaneous major regional conflicts. According to available information, the Clinton administration focuses on development of capabilities to detect and neutralise weapons of mass destruction before they can be used. In addition, the US wants to enhance its capabilities in four key areas: (1) munitions accurate delivery capability, (2) battlefield surveillance of emergency mobility, (3) strategic mobility of the US armed forces, and (4) readiness of reserve forces at any given time.[17]

In addition, the United States ranks also number one in nuclear deterrent capabilities. In 1989, the US possessed 1000 intercontinental ballistic missiles, 18,432 ballistic missiles submarines, and 359 bombers that could propel nuclear warheads. According to the 1993 START II agreement, if ratified by Russia, by 1997 the number of nuclear deterrents were to be reduced to 500 intercontinental ballistic missiles, 4,904

Ballistic-Missile submarines, and 86 bombers. However, it will still be the highest number of nuclear warheads possessed by the United States (see Appendix Nine).

It is, therefore, fairly evident that the United States dominates the global scene both in the realm of economic activities as well as strategic capabilities. However, advocates of hegemonic theory such as Steve Chan, Charles Kindleberg, Keihin, and Strange apparently subscribe to the notion of declining economic and political power of the United States.[18] However, it will not tantamount to shortsightedness if one considers the United States a preponderant power in world affairs at least for the first quarter of the next millennium.

4.2 US Interests in the Asia-Pacific Region

Paul Y. Hammond in "Doing without America" wrote about ambivalence of American interests in Asia. According to him, foreign policy elites in Washington are uncertain whether to redefine America's Asian interests or stick to the Cold War security stratagem. However, what is certain is that they would like to seek an assertive role for the United States in Pacific affairs, both economically and strategically.[19] The reason for continuing American concern in the Pacific is that there exists a level of economic, industrial, and military strength whose combination under a single adversarial leadership may threaten the political integrity of the United States and the well-being of its people. At the core of American interests in Asia lies the operating principle that the United States could not accept a single nation dominance in the Asia-Pacific region. The United

States will resist any power that wants to become the "Top Dog" in the Region. Bernard K. Gordon notes:

> The reason for the continuing American security concern with Europe and *East Asia* is that only in those two regions is there a level of economic, industrial, and military strength whose combination under a single leadership could threaten the political integrity of the United States and well-being of its people. That has led to a long established operating principle that summarizes the nature of American national interest in both areas: *that the United States could not accept single-nation dominance either in Europe or the Pacific region.* In the Pacific, that concept has guided American foreign policy since the beginning of this century, but it was brought into new focus when China and the United States, in the 1972 Shanghai Communiqué, announced joint opposition to "hegemony" in Asia.... For the United States... to be opposed to hegemony was nothing new: opposition to *any* single-nation dominance had been the guiding principle for American policy in East Asia since Teddy Roosevelt's time. [Therefore, any] nation that could achieve hegemony in so broad a region as East Asia would also have amassed—by virtue of that accomplishment—so great a concentration of power that it could directly threaten the territorial security [and well-being of the people] of the United States itself.[20]

Therefore, in the post-Cold War era, the definition of US national interests has become more selective and hence has departed from the Cold War type of interest to include everything everywhere whether or not it affects the well-being of its people.[21] Moreover, any policy or strategy aimed at attainment of some other vital interests also falls within the orbit of American interests in the Asia-Pacific (see Appendix Seven).

The post-Cold War American vision of the Pacific is promotion of democracy, free market economy, and peace and stability. Bush's "New World Order" and Clinton's "Enlargement and Engagement" doctrines contain this message. In addition, the Bush-Clinton doctrines also underline US effective leadership and access to resources and

markets in the region. The Clinton administration wants to achieve all these through the mechanism of "assertive multilateralism".[22]

"Assertive multilateralism" has two tiers, geopolitics and geoeconomics. Geopolitically, the assertive multilateralism presupposes a credible presence of the American forces in the region, maintaining Cold War-type bilateral military alliances and commitments, and precluding the emergence of a multilateral security structure or institutions as proposed by Japan or Russia. The US would tolerate nothing more than a multilateral security forum for dialogue among regional powers to exchange views and concerns on regional security. Interestingly, the regional powers, especially Japan, are expected to share the maintenance costs of American forces in the region.[23] US policies as such are aimed at the management of threats to America's strategic capabilities as well as the maintenance of peace and equilibrium in the region. US Defence Secretary William B. Cohen, during his seven-nation visit to the Asia-Pacific in January 1998, reiterated America's intention to remain in the region to maintain peace and stability and deter any major threats that may arise. Although he did not reveal the sources of danger, he believed that deterrence could be achieved through bilateralism as well as multilateral dialogue and not via a multilateral security structure.[24] China, Japan, and Russia are identified as centres of power that may upset American strategic and economic interests in the Pacific. In addition, there also exist some flashpoints of tension such as arms race, territorial disputes, and nuclear proliferation, which will result in disorder if remained unchecked.[25] While promoting peace, it is also America's mission to support nations in the region with good records of practice of democracy and human rights. Moreover, the

United States would continue to check the possibility of reassertion of Russia and emergence of China in the region as strategic powers.[26] America would keep the two powers engaged in dialogue and finally make them abide by the rules of market democracy.[27]

Geoeconomically, assertive multilateralism presupposes the existence and institutionalisation of a regional economic structure with America playing a leading role. Therefore, economic institutions like the East Asia Economic Caucus (EAEC) proposed by Malaysian Premier, Dr. Mahathir Mohamad, that exclude the US from its membership, are not welcome. Washington prefers concepts such as the "New Pacific Community" in which the United States can play a preponderant role. The United States aims to integrate the Pacific Rim with North America under the blueprint of the "Asia Pacific Free Trade Area"(APFTA). This means integration of the North American Free Trade Area (NAFTA) and Asia-Pacific Economic Cooperation Forum (APEC) with the United States functioning as the brain of the New Pacific Community.[28] The main theme behind American interest in institutionalisation of an economic community as such is to develop an international economic regime which guarantees comprehensive liberalisation that can manage protectionism as practised by many nations in the region. Through such a regime the US can exert pressures on regional economies to undertake aggressive structural reform, discipline economic behaviour of the regional economies, and ensure observance of copyright and intellectual property rights as well as reduce the US trade deficits with Asian economies.[29] In a nutshell, the international economic regime as such is one that is established on terms favourable to American interests. At the core of the

notion of the Pacific Community lies the strategy to contain the economic expansionism of Japan. The US administration is strongly opposed to the formation of Pax Nipponica in the region. Through formation of the Pacific Community based on an international economic regime promoted by America, the Japanese market penetrations, capital flows, foreign direct investment, and technology transfer could be well regulated and properly managed.[10]

The Pacific Community, in addition to the international economic regime, will also function as an American-led loose multilateral security mechanism. The security arrangement in the Pacific Community on American terms presumably has four legs:

> (1) The six military and security treaties between the US and other regional countries as the community's cornerstones; (2) the ASEAN Regional Forum (ARF) as the Community's partner; (3) the members of the Northeast Asian security mechanism, which is proposed by Washington and supposedly will include Japan, China, South Korea, and Russia as the community's dialogue partners; and (4) the countries participating in the South Asian security consultations i.e. the US, India, Pakistan, and China as the community's coordinating countries. Washington will implement its plans according to the above mechanisms that are to be realized step by step, and finally institutionalize the community.[11]

Therefore, in final analysis, the United States seeks a new role in the Pacific—a role that is compatible with its economic and strategic interests. The United States will continue to exploit every single opportunity to exert its leadership in Pacific affairs as a regional balancer and preponderant power. It aims to create an environment conducive to America's military, political, and economic well-being in the region. Seeking peace and security in the region on US terms is a paramount objective. Hence, the US claim that it

"actively sought the establishment of a world order in which all nations ... could live in peace and security [and] ... people could enjoy a growing measure of well-being"[32] is debatable.

4.3 Internal Structure of American Foreign Policy

The State Department is not the sole institution concerned with formulation and conduct of foreign policy in the United States. There also exist scores of other domestic institutions or structures that directly influence foreign policy outcomes in Washington. The domestic structures of American foreign policy may be classified into four categories, namely: (1) the President and the foreign policy elite, (2) the foreign policy bureaucracy, (3) the political process, and (4) American public opinion. John Spanier used the term circles or levels of power to describe the categories of domestic structures of American foreign policy. According to Spanier, the intensity or degree of influence of each category on the conduct of foreign policy varies. The first category (i.e. the President and foreign policy elite) constitutes the inner circle while the fourth category (American public opinion) constitutes the outer circle of influence on the conduct of foreign policy. The second and third categories (i.e. foreign policy bureaucracy and political process) constitute the second and third circles of influence on American foreign policy respectively.[33] The ensuing discussion would follow the sequence of influence of the structures: from the most influential to the structures that are least influential (see Appendix Three). It is necessary to mention that in political science literature, the inner and second circles of influence (the president and foreign policy elite and foreign policy bureaucracy) are classified under the executive branch of government. However, they are

treated separately because the president and foreign policy elite, though dependent on expert opinion of the bureaucracy, exercise greater influence on American foreign policy.

4.3.1 The Inner Circle: Chief Executive and Foreign Policy Elite

In the realm of foreign policy in the United States, the inner circle enjoys more power. This level of influence has two elements: the chief executive and the foreign policy elite. Constitutionally, the President of the United States is vested with more powers than others. The founding fathers of American federalism when promulgating "joint possession" of foreign policy by the president and congress also prescribed presidential prerogatives. Under the constitutional design, the principle of "joint possession" of powers implies that the Congress must first approve the president's foreign policy. But the principle of presidential prerogatives enables the president to act first if the vital interests of the United States are at stake and then seek congressional approval.[34] The President depends heavily on his advisers or foreign policy elite in making policy decisions. Two institutions were constitutionally created to coordinate presidential decrees on foreign affairs and the relationship between the president and his advisers: the Special Assistant for National Security Affairs and the National Security Council (NSC).[35]

The foreign policy elites in the United States comprise the Vice President and the heads of the principal foreign policy bureaucracies. The National Security Council is the institutional framework within which the foreign policy elite functions. Hence, the National Security Council constitutes the board of presidential advisers. Its members

include the secretaries of state and defence, the under-secretaries and assistant secretaries of the two departments, director of the Central Intelligence Agency (CIA), the chairman and members of Joint Chiefs of Staff, the presidential national security adviser, the director of emergency preparedness, and a few key individuals of the president's choosing. In addition, high-rank officials of the United States Arms Control and Disarmament Agency, and the US Agency for International Development are also included in the table of presidential advisers. Secretaries of other departments and institutions such as the departments of treasury, agriculture, etc., may advise the president if their respective departments have vested interests in the foreign policy issue. Selection of advisers falls under the constitutional prerogative of the president. Moreover, some presidents may restrict the membership of the inner circle while others prefer to expand the number. In addition to the elite holding top political posts and being the president's political appointees, congressional members, especially those serving on the defence and foreign relations committees, and academicians are also included in the table of presidential advisers.[36]

The President is located in the centre of the inner circle. Neither the bureaucratic units nor the heads of these units determine the ultimate policy outcomes. The function of the respective chieftains of the foreign policy bureaucracy is to provide the president with policy options from which he could choose. Hence, the president is the ultimate foreign policy-maker with heavy dependence on his Special Assistant for Foreign Affairs and Head of his National Security Council. The heads of other departments may remain as mere nominal advisers unless they assert themselves otherwise.[37] The intensity of the

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influence of the inner circle is further marked by two factors: the crisis situation and the degree of secrecy involved, all of which require a single source of authority vested in the ultimate decision-making power of the President.

4.3.2 The Second Circle: Foreign Policy Bureaucracy

The foreign policy bureaucracy is the second most influential structure on foreign policy decisions in the United States. It is composed of two categories of institutions: formal and informal agencies concerned with the conduct of American foreign policy. The formal foreign policy bureaucracy includes the second-rank and lower-rank officials of the Central Intelligence Agency (CIA) and officials of the Departments of State, Defence, Commerce, Treasury, Agriculture, etc. The second-rank officials are the heads of numerous bureaux of the respective departments. The lower-rank officials are those officers subordinate to the second-rank officials. The lower-rank officials are mostly involved in routine programs, investigations, research, and collection of information in the area of their competence.[38] The first-rank officials (i.e. secretaries, under secretaries, and assistant secretaries) are excluded because they are part of the President's table of advisers. Moreover, the first-rank officials of the respective departments are viewed as a link between the inner circle and the second circle.

The informal foreign policy bureaucracy includes independent institutions such as the Arms Control and Disarmament Agency (ACDA), the US Information Agency (USIA), the US Agency for International Development (USAID), think tanks such as the Rand Corporation, Harvard Centre for International Affairs, and so on.[39] "The function of

the second circle is to provide ideas and information on policy alternatives and to make policy recommendations that the members of the inner circle can discuss among themselves".[40] How well the members of this second circle perform their informational functions may determine how influential their spokesmen in the inner circle are. The President always wants accurate information and sound analysis from his principal advisers who in turn must rely upon their department officials and heads of bureaux who in turn depend on the lower-rank officials.

However, James A. Nathan and colleagues argue that among the numerous bureaucratic departments, the Departments of State and Defence stand out. But the role these two departments played was that of rise and decline throughout all American presidencies in the post-World War II period. In other words, the role and status each foreign policy bureau had in presidential decisions depended much on the President. However, one must not discount the role of the personalities who headed these foreign policy bureaux.[41] The rise of geoeconomic considerations in the agenda of American foreign policy during the last two decades has made the Departments of Commerce, Agriculture, Treasury, etc. important as well as potential foreign policy structures. The Presidents heavily depended on the expert opinions on financial, trade, and technical issues. Moreover, these departments and others such as Departments of Health, Energy, Transportation, Labour and Human Resources, and so on have maintained representation abroad without any co-ordinator from the State Department.[42]

It is useful to distinguish between the inner circle and the second circle: the hallmark of the latter is that it plays its largest role in routine and day-to-day matters with little input during crisis situations. The inner circle plays its largest role during a crisis situation and program decisions (decisions made in pre-arranged official meetings of members of the inner circle of two nations) such as summits, bilateral relations, etc. In non-crisis situations other structures such as Congress, political parties, pressure groups, etc. may exert some influence if their vested interests are at stake. Since the promulgation of the National Security Act in 1947, the US foreign policy institutions have not undergone a major change, as no new structures were incorporated. However, the influence of existing foreign policy structures could vary based on issue and personalities controlling these bureaux over the past half a century. Therefore, it is difficult to predict the structures that are not as influential in foreign policy formulation as they could become in the future. What is predictable, however, is that the president who is at the core of foreign policy conduct would always have the task of reconciling the bureaucratic struggle for policy options in the best interests of his nation, as bureaucratic interests conflict and every bureau would want its interests to be given priority.[43] Nonetheless, the task of reconciliation of conflicting interests depends on the nature of personality of a given US president.

4.3.3 The Third Circle: The Political Process

The third circle is located somewhat further from foreign policy formulation and the influence is far less than the inner circle and the bureaucracy. This circle is composed of the Congress, political parties, and pressure groups. However, Congress lies at the core

of the third circle and its influence on foreign policy is greater than political parties and pressure groups. However, in crisis situations all the elements of the third circle play a minor role at best in the policy-making process. Congress becomes assertive, partisan cleavages widen, and pressure groups become vocal when foreign policy decisions have adverse impact on domestic policies and the interests of the American public are at stake.[44]

Indeed, Congress is constitutionally a mandated partner and combatant with the President for power in the foreign and defence policy-making process. Among the constitutionally delegated powers of Congress are: (1) advice and consent of Congress are needed in the conclusion of international agreements, and executive appointments to high-rank political posts, (2) war powers in the sense of authorisation of commitment of American troops beyond the 90-day period, and (3) the control of the authorisation and appropriation of funds (military or otherwise).[45] In instances where the president could declare limited war as necessary for national security, resolutions have been passed by the US Congress to define circumstances in which the President could use force without prior Congressional consent. In this way, the Congress has attempted to restrict the "inherent" or "recognised" powers of the President.[46] The following instances are a few examples of congressional exercise of constitutional powers in the realm of US foreign policy.

In 1966, the Senate Foreign Relations Committee had begun hearings to probe the American role in Vietnam. The aim was to mandate American disengagement in

Vietnam. Congress in 1973 adopted the War Powers Resolution, defining the circumstances in which the President could commit American troops without prior Congressional consent. In 1974 Congress embargoed US arms shipments to Turkey. In 1975 the Congress vetoed a presidential decision and refused to allow execution or conduct of US covert intervention in Angola. In 1975 and 1976, the investigation of US foreign intelligence activities generated continuing efforts to ensure Congressional oversight of CIA activities. In 1994, the senate passed a resolution calling for unilateral lifting of the arms embargo on the government of Bosnia. As a result, President Clinton "promised Congress that if the Serbs failed to agree by 15 November, the United States would act alone".[47] In most or almost all instances cited above, the US Congress has acted unilaterally to introduce resolutions against the administration's wishes.

It is interesting to note that, despite Congressional assertions and intermittent resurgence, the executive symbolised in the President and his foreign policy elite and foreign policy bureaucracy has been more powerful and influential in the formulation of foreign policy. The real reason could be Congress' inability to make rapid decisions. The Congress mostly intervenes when the executive's policies failed or were prolonged in areas of vital American interests. Congress assumes a greater role in foreign policy when Presidential failure has become apparent.

Closely related to Congressional performance and influence on foreign policy are political parties. The party system practised by the United States could be classified as a two-party system. In a two-party system many political parties could exist. However,

actual power alternates between the two dominant parties. Both political parties, Republican and Democrat, have ruled and shaped American foreign policies. Both political parties often used foreign policy issues in the Congressional and Presidential election campaigns to champion their own candidates for Capitol Hill or for the White House. Once the elections, Presidential or Congressional, are over, bipartisanship is the principle governing the politics of foreign policy. Partisan cleavages are obviously wider on issues related to domestic polities.

According to Marian Irish, "bipartisanship" is a policy decision in which a majority of voting Democrats and a majority of voting Republicans agree.[48] Therefore, Americans, irrespective of their political affiliation, have mostly or always cooperated with the executive on foreign policy issues. In addition, most American executives have intentionally promoted bipartisanship with the aim of keeping public opinion from politicising foreign policy issues. Mostly, opposition members are coopted by the executive in delegations sent abroad, and for consultation on specific issues.

The reasons cited for a bipartisan foreign policy are that foreign policy involves vital national interests and the Congress or opposition act to redirect executive policies only when they failed to achieve American vital interests or proved detrimental to such interests. Moreover, the political parties also lack knowledge, information and experts who could understand and articulate foreign policy issues in a manner that could enable them to prevail over their rivals. Nevertheless, it must be pointed out that any political party which controls the White House and Capitol Hill controls the formulation of

foreign policy in Washington. Though this assumption is correct, it must be modified by the view that the national interest is an inherent self-imposed constraint on anyone who controls the White House and Capitol Hill. This explains why American foreign policy is "bipartisan".[49]

Pressure groups form the third category of political structures in the third circle but with relatively little influence on foreign policy. The constitution of the United States permits organised social and economic groups and associations to direct their grievances and demands towards the government of the United States. These associations, unions, etc. are constitutionally treated as individuals and collectively called by James A. Nathan as the "Realm of Private Power in the American Political System".[50] Therefore, this realm of foreign policy structures among others includes: "ethnic groups, a mix of economic groups including associations of senior executives of American industry, broadly based associations as well as trade and professional associations, single industry groups, and labour, public interest and single issue groups, and foreign governments and interests".[51] According to Nathan's argument, the realm of private power, therefore, comprises of: (1) ideological groups such as Human Rights associations, etc., (2) ethnic groups such as Jewish, Italian or German ethic associations, and (3) trade unions and the military-industrial complex.

The realm of private power becomes a potential foreign policy nuisance only when foreign policy issues affect the respective interests of the numerous categories of associations and groups. For instance, trade unions and the military-industrial complex

influence Congressional and executive policies and resolutions on trade, investment abroad and other bilateral relations related to their vested interests. Moreover, usually ethnic minority groups such as Jewish lobby groups usually lobby in support of Israel for US military, economic, and diplomatic assistance. The ethnic groups use lobbying as their main strategy. However, economic unions in addition to lobbies also exert pressures through some institutional structures such as "legislative liaison offices" as well as by maintaining "access to foreign policy establishments".[52] However, among the numerous associations and groups, the military industrial complex, the Jewish ethnic group and business unions are the most influential private powers in the formulation of foreign policy. But influence of the military-industrial complex compared to Jewish ethnic group and business unions is more in formulation of US foreign policy, as the linkage between executive and military–industrial complex is an intimate and complex one.[53]

> But the sheer magnitude, prestige, and intensity of activity and the resources committed to it by private power or the executive branch do not translate in any simple way into influence. The character of the issue being lobbied, the perceived legitimacy of those lobbying, the existence of counter pressure, timing, and especially in the foreign policy area, the context of international events surrounding lobbying can all impinge on the influence effect.... In the final analysis, then, it must be said that the context provided by American foreign and national security policy is itself a major determinant of the form and influence of private power. Nowhere has this been more apparent than with respect to the near symbiotic relationship between government and *private power* within the so called military-industrial complex.[54]

4.3. 4 The Outer Circle: Public Opinion

Public opinion constitutes the fourth and final foreign policy structure in the United States. This structure is the least influential foreign policy component. Public

opinion in the realm of foreign policy is considered to be "permissive and supportive". The main reason why public opinion is described as such is the public's lack of knowledge and awareness about foreign policy issues. "Interest in and knowledge about foreign affairs... seemingly make little inroad into the psychological field of... the bulk of the population"[55] in the United States.

One study has divided public opinion into three categories: "mass public", "attentive public" and "opinion leaders". Mass public constitutes 30% of the US population and has low level of knowledge except on the most obvious and dramatic foreign policy issues. The attentive public constitutes 45% of the entire US population. They have knowledge of foreign affairs. However, the attitudes that are held by this category are not consistent and intensity of their view was frequently weak. Opinion leaders who constitute the remaining percentage of the US population have a high level of knowledge and consistent views. But 1-2% of them are active in community activities or activities at the national level.[56]

Nathan's overview of the history of public opinion about US involvement in international affairs suggests that the American population generally supports US engagement in world affairs. However, public opinion about the nature of the US involvement in world affairs differs. One category of people advocated a liberal, cooperative, and non-military US involvement. The other category subscribed to conservative and militarily assertive US involvement. However, the public have generally been ambivalent about any foreign policy that commits American troops. Mostly, the

American publics have rejected or not supported presidential initiatives that are belligerent but tend to approve of any policy that brings peace to the world community. The argument above implies that the majority of the US public supports the former i. e. pacifist view.[57]

Perhaps one of the reasons why American public opinion has least influence is due to the fact that the US foreign policy elite would like them to stay outside the "foreign policy game". They contend that the public are mostly ignorant of political dynamics around the globe and hold images of the world that are sketchy, blurred, and without details.[58] However, regarding US public opinion vis-à-vis foreign policy, Nathan notes:

> It would be a mistake to characterise the [American] public opinion as either beast or servant. Public attitudes and propensities emerge as a complex mix of mood and pragmatism within a broad context of internationalism that is arrayed along a continuum from conservative internationalism...[to] liberal internationalism.... People are not well informed on the full range of foreign policy issues at any particular time, but there seems little warrant for the contention that they are incapable of dealing with information.... But whether conservative or liberal there has always been and remains general public support for international activism.[59]

4.4 External Structure of American Foreign Policy

In pursuit of its national interests in the Pacific Rim, US foreign policy is also influenced considerably by others powers that similarly want to pursue their own interests in the region. In the Cold War era, the American foreign policy elite had to deal with four sources of influence in the region: (1) an economically powerful Japan, (2) a strategically important and economically emerging China, (3) a strategically powerful Russia, and (4)

the Association of Southeast Asian Nations (ASEAN) and Newly Industrialised Nations (NICS) (see Appendix Three).

4.4.1 Japan in American Foreign Policy

Japan is located at the core of American foreign policy in the Asia-Pacific region. Japan currently attracts considerable attention within the American foreign policy circles both as strategic ally and economic competitor or foe. As a strategic ally, the United States would like to see Japan comply with the long-standing policy of burden-sharing to help reduce America's military expenditure.[60] But this should not lead to the emergence of a military Pax Nipponnica. A remilitarized Japan if turned hostile would not only threaten American interests in the region, but could also become the source of domestic instability. The United States would like Japan to contribute more to global security in terms of burden-sharing, increasing military expenditure, and involvement in UN peacekeeping operations. However, despite all such contributions, Tokyo should remain militarily dependent on the United States for its defence. While the US does not want Japan to continue its post-war pacifism, it also does not want Japan to revive its pre-war militarism.[61]

In addition, the United States needs Japan's support to contain or manage emerging China and strategic reassertion of Russia in the Asia-Pacific. This new development obviously puts additional pressure on the US to maintain the US-Japan security alliance. The Clinton-Hashimoto summit and its subsequent US-Japan Joint Security Declaration: Alliance for the Twenty-first Century, on 17 April 1996 symbolised

the post-Cold War bilateral relationship. The two leaders also reviewed the 1978 Guidelines for US-Japan Defence Cooperation in the next millennium.[62] Thus it is not surprising to observe the State Department releasing regular reports stressing the value of the US-Japan alliance. According to Yoshihide Soeya, though Washington and Tokyo called the Joint Security Declaration a "reaffirmation" of the US-Japan military cooperation, the statement is essentially a redefinition of the alliance, as it focuses on new roles and responsibilities assigned to the Japanese Self-Defence Forces.[63] According to him:

> The joint declaration goes on to list five areas in which the two nations will undertake efforts to advance cooperation: (1) continued close consultation on defense policies and military postures, as well as exchange of information and views on the international situation; (2) review of the 1978 Guidelines for Japan-U.S. Defense Cooperation and studies on bilateral cooperation in response to situations that may arise in areas surrounding Japan and affect Japan's peace and security; (3) promotion of the bilateral cooperative relationship through the Acquisition and Cross-Servicing Agreement signed on April 15, 1996; (4) promotion of mutual exchange in areas of military technology and equipment; and (5) prevention of the proliferation of weapons of mass destruction and their delivery systems, and cooperation in ongoing study on ballistic-missile defense. Channels of contact between the Japanese and American defense establishments to promote these new arrangements are expanding rapidly. The key theme of the initiative is a shift in the emphasis of the Japan-U.S. Security Treaty from the defense of Japan to Japanese support for the American military presence and mission in the Asia-Pacific region.[64]

However, Soeya's analysis of the US-Japan joint declaration suggests that the United States has a four-fold objective: (1) the US needs Japan's support for its military presence in the Asia-Pacific region, (2) minimising the US isolationist tendency in the international relations of Asia as a whole, (3) to prevent the small powers such as ASEAN from behaving independently and designing an order of their own in Asia, and

(4) to prevent the rise of China. However, Soeya believes that the US-Japan alliance will not make China the immediate or explicit target for joint overseas actions. But it views China to be a long-term and implicit threat.[65] In addition, according to Toshiyuki Shikata, the policy-makers in Washington believe they could promote democracy and market economy, liberal capitalism, peace and stability in the Asia-Pacific region by maintaining good and friendly relations with Japan and "the linchpin of this relationship is the security setup".[66] Thus, Washington believes that its alliance with Japan will help the United States serve as a "broker" or "balancer" to prevet destabilising factors such as the situation on the Korean Peninsula, stopping Japan from emerging as a major military power, and containing China as it approaches major power status in the region.[67] Therefore, as an honest broker, the US military presence requires Asian bases, enabling it to respond to emergencies around the Asia-Pacific region. In this context, Japan's strategic location in addition to its ability to accommodate almost half of the US military personnel in Asia makes it a significant and essential ally in the post-Cold War strategic scenario of the Asia-Pacific.[68]

However, despite the reaffirmation or redefinition of the security set-up by Washington and Tokyo, some specialists on US-Japan relations such as Tadishi Aruga hold pessimistic views of the US-Japan relationship in the post-Cold War era. According to Aruga, the trust among the policy-makers on the two sides of the Pacific is waning and they have begun to view each other as enemies. According to him, at bottom the mistrust is the result of the politicisation of the economic disputes. Unless the two nations address the economic problems they have, their security alliance is doomed to break up some day.

However, it is noteworthy that Aruga does not hold either nation responsible for the economic troubles faced by the other, as the problems to their economies are posed by the changes rippling through the global economy today.

> The end of the cold war confirmed the superiority of liberal democracy in the eyes of Japanese and Americans. In Japan any remaining illusions about the merits of Soviet-style socialism were swept away by the collapse of the Soviet Union and its East European satellites and by China's move to embrace market-oriented economic reforms. This historical watershed should have provided an opportunity for Japan and the United States, which share democratic values, to strengthen their bonds of trust. *But today the opposite is clearly taking place – mutual trust is waning.*[69]

Therefore, as an economic competitor and foe, Americans accuse Japan of committing "international trade corruption". However, this does not represent the official view. The Congress and the business community in the United States constantly remind their political leaders about Tokyo's unfair trade practices. The United State is not against an economically strong Japan but opposes Japan's economic behaviour. America wants Japan to abandon the policy of economic nationalism i.e. the removal of all forms of protectionism such as non-tariff barriers, quotas, health and safety requirements, export subsidies, insistence on local (Japanese) ownership in certain fields, and agricultural imports. The US maintains that such unfair practices are the primary cause of America's trade deficit with the Pacific Region.[70]

In order to resolve the issue of its trade deficit with the Asia-Pacific region, the United States would like to see a two-fold development in the region: (1) Japan should undertake a rigorous structural transformation and abide by the basic principle of international trade: comparative advantage, and (2) as the US and Japan's economies

have entered a new phase of high-tech and services sector, all Asian nations other than Japan should concentrate on the manufacturing sector and should not venture into high-tech and services sectors. This would enable both the US and Japan as well as small powers in the Asia-Pacific region to benefit from each other. According to policy-makers in Washington, Japan's unwillingness to undergo structural reform or small powers' reluctance to refrain from investment in high-tech and services sectors could trigger to economic nationalism in favour of imposing restrictions on US goods. Economic nationalism, therefore, could widen the trade deficit the US has with the region.

The United States supports the creation of a Pacific Community based on "Comprehensive Trade Liberalisation", which it believes is the solution to block the emergence of an economic Pax Nipponnica. The United States is concerned about Japan's growing popularity in the region in terms of trade, tourism, foreign investment, etc. This is coupled with Japan's goal of finding allies through the lumpsum aid package announced, for instance, under the "Miyazawa Plan". As Japan becomes more integrated in the region and small powers depend more on it economically, the US would lose markets–a trend Washington is unwilling to tolerate.[71] The region will then be ruled by an economic regime defined by Japan—a regime that promotes the economic expansionism of Japan, and in which US economic influence would be curtailed. Such a development is evidently contradictory to Washington's interests and the formation of a pacific community based on comprehensive economic liberalisation. Nevertheless, US foreign policy would deal with Japan cautiously to avoid erosion of mutual trust, as Japan is perceived as an essential ally in the region.[72]

4.4.2 China in American Foreign Policy

America's post-Cold War China policy is conditioned by two main factors: commerce, and challenge to American preponderance in the region. However, writings about Chinese foreign policy, such as Maull's "Reconciling China with the International Order", suggest that China is more a source of concern than opportunity. Hence, it must be contained or managed. Management of China seems to be the preoccupation of the Clinton administration, which has adopted the strategy of management through engagement.[73] It is necessary to point out here that the policy of engagement ultimately aims to bring China closer to Western forms of governance. This policy of engagement is aimed at what some scholars call "peaceful evolution"—changing China by means of gradual penetration of Western values and norms into Chinese society.

> China is one of the few nations on earth that have the inclination and volition to formulate a theory of world politics with itself as the pivot, and that have a history of doing so. China is making its reappearance as a major actor on the world stage after a century of Western encroachment and 50 years of postwar trial-and-error attempts to establish a national identity. It is perfectly natural for such a China, intentionally or not, to become increasingly self-assertive at this historical turning point. Already China has begun to adopt an uncompromising stance toward the surrounding region where it has direct interests, and it is also making assorted complaints to the Western nations that have been the star players of international politics thus far.... Today's "China problem" is fundamentally an issue of great nation power politics affecting the structure of the international system. Indeed, China is increasingly seeing regional and international political issues in the context of classical power politics. America remains the only nation that can stabilize this major power political game.[74]

Therefore, the US has two major concerns about China. First, China's geostrategic posture is growing. In the realm of military establishment, it has embarked

on a rigorous process of modernisation. In addition, China does not want the United States to know its defence goals and missions. China is not prepared to lay bare its military or strategic thinking and methodology to America.[75] Added to this is the belief that China has its own agenda for the region. China wants to implement the policies envisioned by its political leadership. (The vision China advances for the region is discussed in Chapter Five of the thesis). However, the existence of a hidden or open agenda as such will ultimately lead to uncertainty in the region. This will have adverse effects on non-proliferation regimes in the region. The arms race will accelerate further.[76]

Second, the prospect of a "Chinese Economic Circle" raises eyebrows both in Washington and Tokyo. The "Chinese Economic Circle" combines the economies of Mainland China, Taiwan, and Hong Kong. The three economies combined constitute the world's third largest trading partner. The "Chinese Economic Circle" is viewed both in Washington and Tokyo as the counterbalance to the US-Japan economic weight in the region. If the "Chinese Economic Circle" eventually becomes a reality, this coupled with China's growing geo-strategic posture would make China a formidable competitor to US power in the region.[77]

Pentagon officials argue that a strong China may destabilise a region in which the US has vital economic interests. China asserts claim over a vast area referred to as "Lost Territories". It also can use its leverage on some regional powers such as North Korea, Vietnam, and Cambodia. The Pentagon is aware that historically China has used the territorial claim as a pretext to launch military action against Korea, Vietnam, and India.[78]

On the reverse side of the China coin, China is viewed as a source of opportunity. Officials in the Clinton administration believe that China could be of assistance to the US against threats posed to its interests by either Japan or Russia or both. The United States may use the China card to deal with its thorny economic or political relations with Japan while holding its feet firmly in China's market. By normalising relations with China, the United States is alerting its business community as well as military-industrial complex to the reality as well as opportunity that China is a huge market for its products. By normalising relations with China, the US was sending a signal to Japan that Washington could build closer ties with both sides across the Taiwan Straits.[79] Moreover, with China turning enemy, the United States will loose a huge market to rivals such as Japan and Europe, which would exacerbate the existing US trade deficit with the region.

When Defence Secretary William Cohen toured the region in January 1998, he confirmed the American policy of engagement of China. The United States engages China to minimise the possibility of China's assertion and to prevent China from threatening regional stability and US interests in the region. The developments in the Asia-Pacific require a continued US military presence in the region. The increase in Chinese defence spending and arms sales fuels fears of a Chinese drive for military domination in the region, which raises concerns in Washington about the security of Japan, South Korea, and Southeast Asia.[80] It is, however, necessary to state that despite the fact that human rights and free market democracy constitute the core of America's Asian interests, the US plays down the issues of democracy, freedom, and human rights in its China policy. As policy-makers in Washington are intent to achieve US interests

through the policy of engagement, therefore, the reduced emphasis on issues of human rights, democracy, and freedom in America's China policy could be seen as a policy of "strategic withdrawal" vis-à-vis human rights and China's crackdown on the Falun Gong religious cult. Founded in 1992 by Li Hongzi, the Falun Gong religious movement was banned in 1999 and its members have since been subjected to religious persecution. Although Falun Gong claims to focus on spiritual upliftment of its members and promote health and morality,[81] Beijing views the movement's activities as a threat to national security.

However, there is a consensus among policy-makers and intellectuals in Washington that the United States must use its influence to have China conform to international norms. China should adopt a kind of political, social, and economic system compatible with American interests in the region. The policy-makers advocate three approaches to achieve this objective. First, is a moderate, less confrontational, and engaged posture toward China. This approach is based on the theory of interdependence. Economically interdependent China is unlikely to take disruptive action. This approach is pursued by the Clinton administration and constitutes the core of current US China policy. The second, approach advocates a firmer stance against China. The advocates of this approach advise that the United States should maintain forces as a counterweight to the rising Chinese power. The third approach denotes that the political and economic order in China should change first, after which the United States can enter into meaningful relations with Communist China.[82]

4.4.3 Russia in American Foreign Policy

Russia is a successor state of the US Cold War era rival, the Soviet Union. Russia inherited from the Union of Soviet Socialist Republics both a huge military establishment and Moscow's vision for the Asia-Pacific. Though international relations analysts, such as K. S. Nathan,[83] believe that Russia's current weakness requires a US strategic presence in the Asia-Pacific so that China or Japan does not upstage Russia, removal of the American military influence lies at the core of Russia's long-term Asia policy.[84] However, the economic turmoil at home has slowed down the Russian push to reduce American military influence in the region. At present, therefore, it is in Russia's interests that the US remains present in the region. Nevertheless, Washington thinks that Russia may reassert itself in the Pacific Rim if left unchecked. Hence, containing the Russian threat to American interests in the Pacific Region will remain the preoccupation of policy-makers in the White House.

Jeffery Littey argues that militarily Russia has a considerable presence in the Pacific. Russia has inherited the Soviet Pacific fleet[85] and military bases in Cam Ranh Bay, Vietnam, which could be considered as the largest Russian presence abroad in the post-Cold War era. In addition, Russia still retains nuclear weapons and warheads in the Far East. Russia also has upgraded its submarines and airforce to trade off quantity for quality.[86] This is coupled with Russia's push for a "multilateral security regime" in the region—a policy it also inherited from the Soviet Union. Moreover, Russia has not yet ratified the START II agreement and, hence, it retains military capability at START I levels.

Economically, Russia would like to be integrated in the region by creating interdependence between Russia and regional nations. Barter trade is an instrument through which Moscow aims to promote complementarity with Asian economies. Moreover, policy-makers in Moscow argue that any new financial or trade regime may adversely affect the Russian economy. They want the Cold War international economic system to continue at least until Russia recovers. As Russia had recently begun to reform its economy, it needs assistance from international institutions such as IMF and the World Bank. Moreover, the Russian economy is not able to compete with the advanced economies of the West, as its reform has yet to show signs of recovery. Therefore, the economic or trade regime proposed by the United States may not be favourable to economic reforms in Russia.

Russia is also adversely affecting the revenue of the military-industrial complex in the United States, as it sells military equipment at relatively cheaper prices as well as barters military technology for consumer products in Asia-Pacific markets. Russia is determined to increase its arms sales to regional countries. However, the transfer of military technology by Moscow to regional powers such as China could lead to further nuclear proliferation.[87] These are all sources of uncertainty which Washington believes Moscow has helped trigger in the Asia-Pacific region.

The "Les Aspin Commission on Nuclear Posture Review" recommended financial assistance to Moscow in order to make market reforms and democracy work in Russia.[88] The failure of market democracy in Russia would pose a threat to stability and regime formation in the region. The US would endeavour to retain liberals and open-minded

Russians in power in Moscow to prevent the return of conservatives. In this way, Russia is managed globally. On the contrary, if market economy succeeds and Russia recovers economically, Moscow may revert to the Cold War Soviet policy of searching for allies in the region to disengage the Americans. Thus, US policy is designed to ensure that Russia remains democratic and stable, but not too powerful to threaten American supremacy in the Asia-Pacific.

4.4.4 Small Powers in American Foreign Policy

Bernard K. Gordon has maintained that American interests that were first articulated in the beginning of the twentieth century remains unchanged in the post-Cold War era. The Americans would like to see an Asia that is "open" and at "peace". They also would like to see that no one state dominates and challenges American preponderance in the Asia-Pacific region.[89] Due to prevalent uncertainty and the threats posed to American security interests by Japan, China, and Russia, the United States may need small powers in the region to support America's geostrategic and geoeconomic policies. Therefore, the policy of searching for clients among the nations of the Asia-Pacific region also tops the US foreign policy agenda for the region. The Newly Industrialised Economies (NIEs), Association of Southeast Asian Nations (ASEAN), North Korea, and Vietnam would invariably influence the American foreign policy agenda more than the rest of nations in the region.

Given US security policy, the small powers in the region could be classified into two categories. The first category comprises nations where American forces are deployed over their territory and nations that could pose a threat to regional stability. The second

category comprises nations that pose economic challenges to US policies in the region. Given the two categories of nations, the United States must deal with two kinds of problems created by the small powers if it intends to remain the preponderant power in the region.

First, the US needs to address the security dilemma in the Asia-Pacific region. At the root of this problem lies the North Korean nuclear threat. Taiwan is another state, besides North Korea that will keep Pentagon officials preoccupied. The United States would like to keep its forces deployed in South Korea to respond to any untoward incident from North Korea. In the mean time, all its forces in the Pacific region would be ready to provide rapid assistance if the need arises. The United States may also not be able to tolerate the loss of Taiwan to Mainland China. This, as discussed earlier, may lead to the emergence of the Chinese Economic Circle comprising China, Hong Kong, and Taiwan. While the United States would like see the Korean Peninsula stable, it would like to see North Korea as an American ally, as it would reduce tension in the region. Moreover, the writer of this thesis believes that as the US contemplates unification of the Koreas to block the rise and expansion of Japan, a North Korea that is a friend and an ally could easily be influenced into unification.

In addition to US policy vis-à-vis Korean peninsula, the United States, according to K. S. Nathan, needs to remove "the essential uncertainty and unpredictability of the regional security environment". Nathan believes that "American security assurances for the Asia-Pacific region after the Cold War have done little to alleviate" security concerns of Asian nations, particularly countries that lay claims over the Spratlys.[90] The argument

advanced by Nathan implies that the US should do more than mere verbal assurances as the region is in need of Washington's strategic presence. Moreover, it should be noted that while the US is aware that small powers would encourage Washington's strategic presence in the region, US should not use its "capacity to extract unilateral advantage—by linking trade to democracy, human rights, and environmental issues".[91] US behaviour as such would upset most Asian nations and possibly would likely compel them to enter into an alliance with other major powers in the region. In this regard, Baladas Ghoshal makes a similar point from a structural perspective:

> The tripolar balance of power dominated by the U.S., Germany and Japan introduces pressure on the domestic polity of the countries of the Third World through the use of political and economic leverage in the name of human rights and good governance.[92]

The second challenge posed by the small powers in the region is the problem of economic nationalism. In this respect, the national governments in the region tend to ally themselves with Japan. This certainly could harm, it is recalled, the American idea of a "Pacific Community". The United States has called on Asian economies along with Japan to undertake rigorous structural economic transformation. These nations must abandon the imposition of economic restrictions such as Malaysia's capital control policy in a trade-off for a Comprehensive Free Market. South Korea, Taiwan, Hong Kong, etc., in addition to Japan are also imposing similar restrictions.[93]

The United States would like the regional economies to avoid venturing into the services sector and high-tech industries.[94] As regional economies are manufacture-oriented, they should concentrate on the manufacturing sector, as these economies are competitive in this area. According to policy-makers in Washington, the US and Japan could focus on the services sector and high-tech industries, as their economies long

before other regional economies have begun to venture into these areas as well as become competitive. Therefore, the two forms of economies complement each other. Hence, small powers need to import high-tech and services from the US and Japan, as required by the principle of comparative advantage. In addition, on the basis of the principle of comparative advantage, Washington urges the small powers not to impose restrictions on American products in favour of Japanese products. Americans believe that ASEAN and the Asian NIEs along with Japan are engaging in economic nationalism at the expense of the US.

In its dealings with the small powers, the United States would focus its attention more on the promotion of market democracy and adherence to the principle of human rights and freedom. Improved human rights records will receive much support from Washington as the Americans consider democracy and human rights as pre-requisites for economic progress and prosperity.[95] If the US wishes to export democracy and human rights to the region, it also would like to export huge arms stockpiles to satisfy the needs of its military-industrial complex.[96] The Americans appear to be wanting peace at the same time as they are implanting an arms race in Asia-Pacific.

ENDNOTES

1. For more information and sources of data on this subject, see *World Military Expenditures and Arms Transfers 1996*, (USA: US Arms Control and Disarmament Agency, July 1997), pp. 4, 31, 38, 65, 757, 88, 96. See also *Survey of Current Business*, US Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis, Vol. 78, No. 9, September 1998, pp. 75-76, and *New Straits Times* (Malaysian Daily Newspaper), 20 November 1998.

2. G-22 means consultative group aimed at discussing issues related to strengthening the architecture of the international financial system and effective functioning of global capital markets. Its members are composed of developed and developing economies. G-22 consultative forum was formed under the auspices of IMF as part of its response to the Asian financial crisis that began in 1997. The main objective of the formation of G-22 was to have representation from the economies that are not represented in the IMF/World Bank Executive Board or the Interim Committee of IMF. The inaugural meeting of G-22 was held in April 1998 and was attended by the finance ministers and governors of central banks of Argentina, Australia, Brazil, China, Hong Kong, India, Italy, Indonesia, South Africa, Poland, Malaysia, Thailand, Mexico, US, United Kingdom, Japan, France, Germany, Canada, Singapore, South Korea, and Russia. For details, see *www.imf.org*.

3. *News Straits Times, op. cit.* See also Douglas Brinkley, "Democratic Enlargement: the Clinton Doctrine", *Foreign Policy*, No. 106, 1997, pp. 120-126, and Bernard K. Gordon, *New Directions for American Policy in Asia*, (New York and London: Routledge, 1990), pp. 136-139.

4. *World Military Expenditures and Arms Transfers 1996, op. cit.*, pp. 1-4.

5. *The Military Balance 1999/2000*, (London: The International Institute for Strategic Studies, October 1999), pp. 15, 20.

6. For more information about modernisation of the US military in aviation, land forces, naval forces, missile defence, and strategic weapons, see *ibid.*, pp. 12-14.

7. *Ibid.*, pp. 13-15.

8. *Ibid.*, pp. 13-14.

9. *World Military Expenditures and Arms Transfers 1996, op. cit.*, pp. 1-4, 11-24.

10. *World Military Expenditures and Arms Transfers 1996, op. cit.*, p. 5.

11. *The Military Balance 1996/97*, (London: The International Institute for Strategic Studies, 1996), pp. 16-17, 28-31. See also *World Military Expenditures and Arms Transfers 1996, op. cit.*, p. 5.

12. *The Military Balance 96/97, op. cit.*, p. 18.

13. *The Military Balance 1999/2000, op. cit.*, pp. 20-21.

14. *Ibid.*, pp. 22-25. See also *The Military Balance 96/97, op. cit.*, p. 16-18 & 28-31.

15. *Ibid.*, p. 29. See also *The Military Balance96/97, op. cit.*, p. 30-31.

16. *Ibid.*, pp. 26-29.

17. *The Military Balance 96/97, op. cit.*, pp. 15-18.

18. Steve Chan, "U.S. Power and Policy: Choices in The Pacific Region", in James C. Hsiung (ed.), *Asia-Pacific in the New World*, (U.S.A.: Lynne Rienner, 1993), pp. 161-172.

19. Paul Y. Hammond, "Doing Without America", in Derek da Cunha (ed.), *The Evolving Pacific Power Structure*, (Singapore: Institute of Southeast Asian Studies, 1996), pp. 120-124.

20. Gordon, *op. cit.*, pp. 7-8.

21. Field H. Haviland Jr., *The Formulation and Administration of United States Foreign Policy*, (Washington: Greenwood Press, 1974), p. 11.

22. Martine L. Lasater, *The New Pacific Community: US Strategic Options In Asia*, (USA: Westview Press, 1996), pp. 1-88.

23. *Ibid.*

24. For more information, see "U.S. Information Agency Press Release", Compiled by Asia-Pacific Defence Forum, (Summer, 1998).

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83. K. S. Nathan is Professor of International Relations in the Department of History, University of Malaya, Kuala Lumpur, Malaysia. His views regarding US interests vis-à-vis Russia have been expressed in a discourse on the subject under discussion, as he supervises this thesis. He gave me permission to quote his ideas on the issue.

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88. Les Aspen, who commissioned the "Nuclear Posture Review", was President Clinton's first Secretary of Defence. The report of the commission was published in September 1994. The objective of the Review was to provide information to US policy-makers to determine the level of Washington's nuclear posture. For details, see *Strategic Survey 1994/95, op. cit.*, p. 62.

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