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Hidden Asia Pacific Arms Race. Six Countries Talk Peace While Preparing for War

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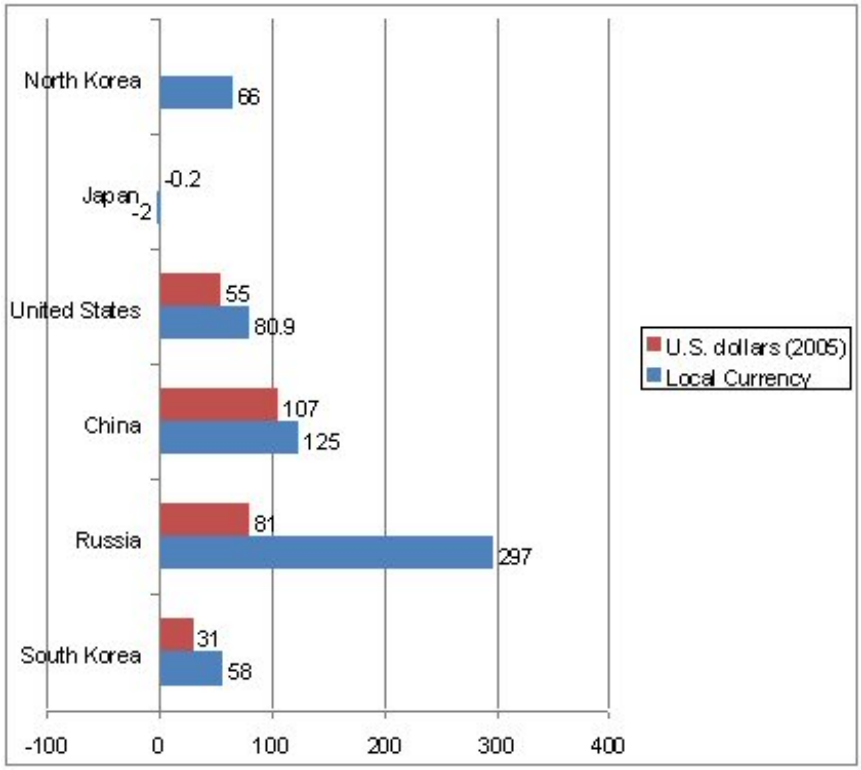
Fifty-five years after the armistice that halted, but failed to formally end, the Korean War, many diplomats are optimistic that the nuclear standoff with North Korea can be resolved as a first step toward a peace treaty and restoration of US-North Korea relations. Some leaders and scholars are even urging the transformation of the Six-Party Talks over the Korean nuclear issue, involving the United States, Japan, China, Russia, and the two Koreas, into a permanent peace structure in Northeast Asia.

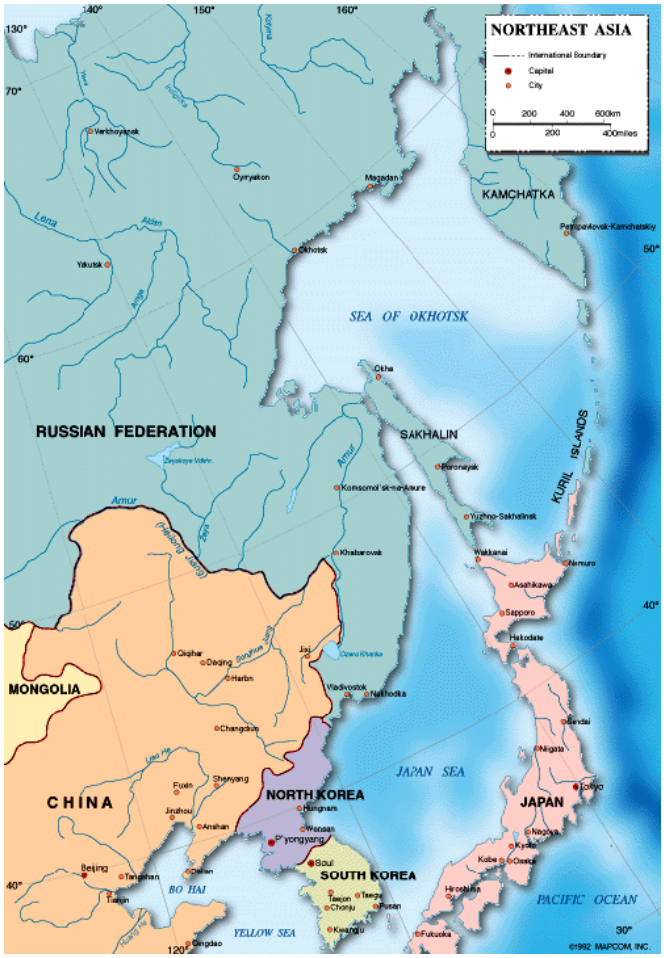
Positive diplomatic signals emanate from countries in Northeast Asia. Japan's Prime Minister Fukuda Yasuo appears to prioritize normalization of Japan-China relations. The new South Korean president, Lee Myung-bak speaks of continuing the engagement policy with North Korea and plans to reach out to Japan via his first post-inaugural state visit. The party that won the recent Taiwanese parliamentary elections, the Kuomintang, wants to rebuild bridges to the Mainland and mend fences that the ruling Democratic Progressive Party tried to pull down. Beijing, for its part, while being super-conciliatory toward practically everyone in this Olympic year, has been especially intent on building bridges to other nations in Northeast and Southeast Asia and beyond.

Yet for all this peace talk, something else, as momentous as it has been little noticed, is underway. The real money in Northeast Asia is going elsewhere. While in the news sunshine prevails, in the shadows an already massive regional arms race is threatening to shift into overdrive. Since the dawn of the twenty-first century, five of the six countries involved in the Six Party Talks have increased their military spending by 50% or more. The sixth, Japan, a regional military power, has maintained steady growth in its military budget while placing heavy bets on the US military umbrella. Every country in the region is now investing staggering sums in new weapons systems and new offensive capabilities.



Military Budget Percent Increases 2000-2006

The arms race in Northeast Asia and the Asia Pacific threatens to overwhelm all talk of peace in the region. Northeast Asia is where four of the world's largest military forces -- those of the United States, China, Russia, and Japan, three of them leading nuclear powers -- confront each other – in addition to the two Koreas that sit astride the most dangerous flash point. Together, the countries participating in the Six-Party Talks account for approximately 65% of world military expenditures, with the United States responsible for roughly half the global total.

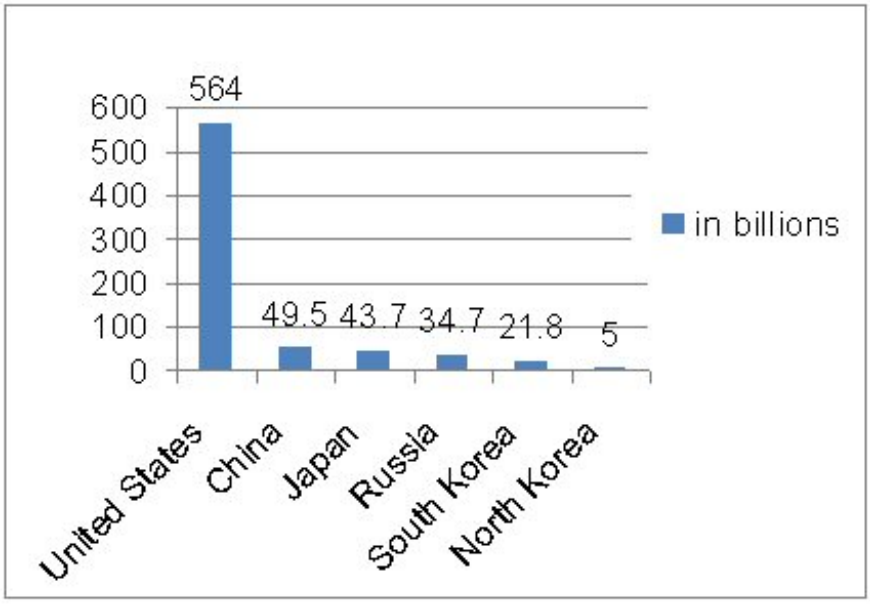


Here is the real news that belongs on the front pages of papers today: Wars grip Iraq, Afghanistan, and large swathes of Africa, but the most dangerous high stakes arms race centers on Northeast Asia. Any attempt to dismantle the global military-industrial complex must start with the military forces that face one another there.

The Japanese Reversal

The Northeast Asian arms buildup -- a three-tiered scramble to dominate the seas, the air, and control the next frontier of space -- runs counter to conventional wisdom. After all, isn't Japan still operating under a "peace constitution"? Hasn't South Korea committed to the peaceful reunification of the Korean peninsula? Didn't China recently wake up to the virtues of soft power? And how could North Korea and Russia, both of which suffered disastrous economic reversals in the 1990s, have the wherewithal to compete in an arms race? As it turns out, these obstacles have proved little more than speed bumps on the road to regional hyper-militarism.

Perhaps the most paradoxical participant in this new arms race is Japan. Under its peace constitution, Japan has long limited military expenditures to an informal ceiling of 1% of its overall budget. As the nation's economy soared from the 1960s, however, that budget expanded rapidly, and so did military spending. Japan's army is now larger than Britain's, and the country spends more on its military than all but four other nations. (China surpassed Japan in military spending for the first time in 2006.) Nonetheless, for decades, the provisions of its peace constitution and widespread peace sentiment at least constrained the offensive capabilities of the Japanese military, which is still referred to as its Self-Defense Forces.



Military Spending in the Asia Pacific (2006)

These days, however, even the definition of "offensive" is changing. In 1999, the Self Defense Forces first went on the offensive when its naval vessels fired on suspected North Korean spy ships. Less than a decade later, Japan provides support far from its "defensive" zone for U.S. wars, including providing fuel to coalition forces in Afghanistan and Iraq, and SDF troops in Iraq.

Japan was once limited in its capacity to conduct long-range bombing runs not only because of constitutional restraints but because its air force lacked an in-air refueling capability. The first Boeing KC-767 tanker aircraft will arrive in Japan later this year, however, providing government officials, some of whom assert the country's right to launch long-distance preemptive strikes, with the means to do so. This is not happy news for Japan's neighbors, who retain vivid memories of the 1930s and 1940s, when its military went on an imperial rampage throughout the region.

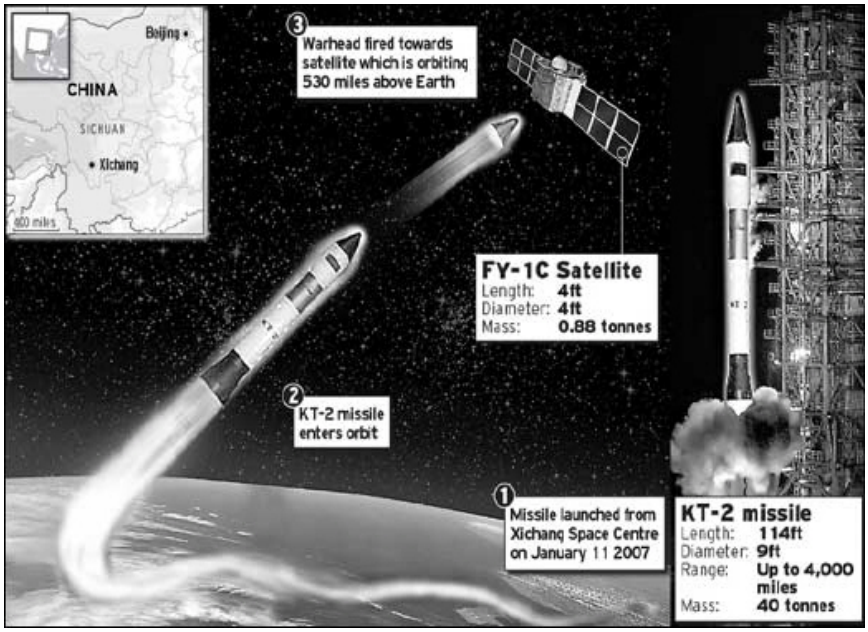
Tokyo already has among the most advanced air forces and naval fighting forces in the world. The air force features high-tech bombers like the J-2 Attack Fighter, developed with U.S. help. The Maritime Self-Defense Forces maintain over 100 major warships, including top-of-the-line destroyers. Military alliance with the United States has provided Japan with a steady stream of cutting-edge military technologies and a critical role in U.S. strategy to dominate the Asian littoral from Korea to India. But leading Japanese officials have displayed an even larger appetite. Former Prime Minister Abe Shinzo set in motion a process aimed to amend the constitution that would jeopardize its peace provisions. If successful, the likely outcome would be to send military spending skyrocketing. To promote these ideas, the thin rationale is advanced that Japan should participate regularly in "international peacekeeping missions." But in fact constitutional constraints stand in the way of something else: large-scale purchases of offensive military weaponry.

The Japanese Defense Agency -- which was upgraded to ministry level last year -- wants an aircraft carrier, nuclear-powered submarines, and long-range missiles. A light aircraft carrier, the nation's first since the Pacific War, which the government has coyly labeled a "destroyer," will be ready in 2009. The subs and missiles, however, will have to wait. So, too, will Tokyo's attempt to take a quantum leap forward in air-fighting capabilities by importing advanced U.S. F-22 Raptor stealth planes. Concerned about releasing latest-generation technology to the outside world, Congress scotched this deal at the last moment in August 2007, placing orders from both the Japanese and Israeli militaries on hold. Secretary of Defense Robert Gates is now looking into the potential of an exportable version of the F-22.

Washington has been more accommodating when it comes to missile defense. Japan has been a far more enthusiastic supporter of missile defense than any of America's European allies, largely because of the perceived threat of North Korean missiles. In fact, the United States and Japan are spending billions of dollars to set up an early-warning-and-response prototype of such an advanced missile system. Part of this missile shield is land-based. In January 2008, Japan installed its third Patriot Advanced Capability-3 (PAC-3) surface-to-air interceptor and plans on nine more by 2011. The more ambitious part of the program, however, is based at sea. In December, Japan conducted its first sea-based interceptor test. While missile defense is, as its name suggests, touted as a defensive system, it can precipitate further rounds of arms escalation as countries with relatively small deterrent capabilities, such as China, attempt to offset the advantage that a missile shield in theory provides.

Japan's PAC-3 Interceptor

With Japan and the United States in the lead, a space race is also on in Northeast Asia. Last year, China tested its own anti-ballistic missile system by shooting down one of its old weather satellites. While at present this is far from an actual missile-defense system, China effectively served notice that it is up to the technological challenge of hitting a bullet with a bullet in space.



China's anti-satellite test

Meanwhile, under U.S. pressure Russia too is upgrading its missile defense systems, while pouring money into the development of new missiles that can bypass any putative shield the U.S. and its allies can develop. Meanwhile, all countries in the region are scrambling to develop or expand their satellite capabilities. South Korea is investing millions to achieve the capability of launching several satellites a year. Even North Korea has spoken of its desire to put a satellite into space. With missile defense blurring the distinction between military and civilian projects, the East Asian space race threatens to absorb an ever increasing chunk of national security outlays.

Give Me Peace, But Not Just Yet

The two most recent South Korean presidents, Nobel Peace Prize winner Kim Dae-Jung and Roh Moo-Hyun, were well known for their efforts to foster reconciliation with North Korea. Less well known have been their programs to strengthen South Korea's military. The dark side of their engagement policy was its unstated quid pro quo of satisfying the security concerns of South Korean hawks. Between 1999 and 2006, South Korean military spending jumped more than 70%. In 2007, at the launching ceremony for a new Aegis-equipped destroyer, which brought South Korea into an elite club of just five other countries with this missile technology (United States, Japan, Australia, Spain, and Norway), President Roh declared, "At the present time, Northeast Asia is still in an arms race, and we cannot just sit back and watch." By 2020, the South Korean navy wants to build three more Aegis destroyers at a cost of $1 billion each.

South Korean hawks are not only responding to concerns about North Korea, they are concerned about a declining military commitment from the United States, which has reduced the levels of American troops that traditionally garrison the country and pushed hard for greater military "burden-sharing." Seoul also perceives that Washington's desire to accelerate the shift in war-time military control to South Korean hands – the United States preferred 2009, South Korea 2012 – represents a lessening of interest.

Some South Korean leaders and military officials fear that the Pentagon's preoccupation with the Middle East and Central Asia will result in downgrading of its Pacific commitments. To prepare for the contingency of going it alone, South Korea has embarked on an ambitious $665 billion Defense Reform 2020 initiative, which will increase the military budget by roughly 10% a year until 2020. In those years, while troop levels will actually fall, most of the extra money will go to a host of expensive, high-tech systems such as new F-15K fighters from Boeing, SM-6 ship-to-air missiles that can form a low-altitude missile shield, and Global Hawk unmanned aerial vehicles.

If South Korea's spending spree remains largely under the radar, China's military expenditures have received considerable media scrutiny. Newspaper accounts have focused on China's military spending, which officially rose to $45 billion for 2007. However, that public figure, according to U.S. intelligence estimates, tells only half the story. Beijing's spending, claim these sources, is really in the $100 billion range. With this money, China is pushing forward with an ambitious naval program that will include the addition to its naval forces of five new nuclear-powered attack subs, a mid-sized aircraft carrier, and -- clandestinely -- the supposed construction of a huge 93,000-ton nuclear-powered carrier by 2020. China is also modernizing its air force with an upgrade of fighters, tanker aircraft, and transport planes.

Lost in the hype around China's apparent quest for a world-class military in step with its surging economy are the gaps in the country's offensive capabilities. It has only a few hundred nuclear weapons and fewer than two dozen ICBMs pointed at the United States (compared to the several thousand that the United States can direct toward China). Its navy doesn't have a "blue-water" capability, lacking (as yet) any aircraft carriers, a large force of nuclear-powered submarines, and the overseas basing infrastructure to support them. It relies heavily on imports and can't yet build the sort of aircraft that would allow it to project serious force over great distances (compared to the global reach of the United States).

China, however, has been the only modestly credible threat on the horizon that the Pentagon has been able to wield to justify military spending at levels not seen since World War II. The Pentagon can't use its big naval destroyers against al-Qaeda; Virginia-class subs can't do much to fight the Taliban or insurgents in Iraq; the exorbitantly priced CVN-78 Advanced Aircraft Carrier and DDG-1000 Zumwalt-Class Destroyer are designed for global war against a similarly outfitted adversary. Yet these systems figure prominently in the Pentagon's long-range plans to build a 313-ship navy. Congressman John Murtha (D-PA), who made headlines back in 2005 with his newfound opposition to the Iraq War, is typical of congressional hawks when he warns of the need to prepare for a coming conflict with China. "We've got to be able to have a military that can deploy to stop China or Russia or any other country that challenges us," he recently told Reuters. "I've felt we had to be concerned about the direction China was going." To counter a hypothetical China threat, the United States has pursued a classic containment strategy of strengthening military ties with India, Australia, the Philippines, and Japan, while realigning its forces in the Pacific centered on the transfer of forces from Korea and Japan to Guam, slated to become the new keystone of the US Pacific strategy and reduce the irritant in US-Japan relations by cutting back on US forces in Japan.

The Bush administration trumpets its accomplishment of increasing military spending 74% since 2001. In addition to the $12.7 billion for new warships, there's $17 billion for new aircraft and over $10 billion for missile defense. The administration wants to increase the Army from 482,400 to 547,400 troops by 2012. A sizable portion of the $607 billion Pentagon budget request for 2009, which doesn't even include massive supplemental funding for the wars in Iraq and Afghanistan or other expenditures hidden in various nooks and crannies of the budget, will go to maintaining and expanding the U.S. military presence in the Pacific. The U.S. basing structure, under the influence of the “revolution in military affairs,” is becoming leaner and more suited to rapid, high-tech responses to perceived threats. Visiting forces agreements with the Philippines and Australia, and unwritten understandings with Thailand and Indonesia, maintain U.S. dominance even in places where it doesn’t maintain bases.

The Democratic frontrunners for the presidential nomination have also called for troop increases and have said nothing about slowing, freezing, or even cutting the military budget. No matter who is elected, under the next administration, the United States will surely continue to be the chief driver of global arms spending.

The Armies of Austerity

Increased military spending is not just a function of affluence. As the Russian economy contracted in the 1990s, the arms export industry became an ever more critical way to earn hard currency. Today, flush with oil and natural gas revenues, Russia has regained its place as the world's second largest arms dealer by almost doubling its arms exports since 2000 (in 2006, Russia exported $6.6 billion compared to $7.9 billion for the United States). Washington's moves to establish a global missile defense system and encroach on Russian interests in Central Asia have encouraged Moscow to boost its military spending -- and move closer to China by forming the Shanghai Cooperation Organization -- in an effort to recover its lost superpower status.

With the renewed growth of the Russian economy on the strength of energy sales, Russian arms expenditures began to take off again in the new millennium, increasing nearly four-fold between 2000 and 2006. The Russian government, which projected a 29% increase in spending for 2007, plans to replace nearly half its arsenal with new weaponry by 2015.

Compared to Russia, North Korea has experienced economic collapse with very little subsequent recovery. Yet, despite its woefully limited means, it has tried to keep up with the great powers that surround it. By many estimates, Pyongyang devotes as much as a quarter of its budget to the military (prosperous South Korea spends as much, or more, on its military than the North's entire gross domestic product). North Korea, under continual threat from the US as part of a still-lingering Cold War and unable to match the conventional military spending of South Korea, much less that of Japan or the United States, pursued a "nuclear deterrent". In other words, the current nuclear crisis in Northeast Asia today is at least partly a result of the region's accelerating conventional arms race and North Korea's inability to keep pace.

Each of the six countries in the new Pacific arms race has devised a wealth of rationales for its military spending -- and each has ignored significant domestic needs in the process. Given the sums that would be necessary to address the decommissioning of nuclear weapons, the looming crisis of climate change, and the destabilizing gap between rich and poor, such spending priorities are in themselves a threat to humanity. The world put 37% more into military spending in 2006 than in 1997. If the "peace dividend" that was to follow the end of the Cold War never appeared, a decade later the world finds itself burdened with quite the opposite: a genuine peace deficit.

John Feffer is the co-director of Foreign Policy In Focus at the Institute for Policy Studies in Washington, DC and a Japan Focus associate. He is the author of The Future of US-Korean Relations: the Imbalance of Power among other books. He wrote this article for Japan Focus. Posted on March 19, 2008.

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