
CRS Report for Congress

Received through the CRS Web

East Asia and the Pacific: Issues at the End of the 105th Congress

November 19, 1998

Robert Sutter
Senior Specialist in International Politics
Foreign Affairs and National Defense Division

ABSTRACT

This report examines selected congressional perceptions at the end of the 105th Congress on salient issues and their short term outlook concerning U.S. policy in East Asia and the Pacific. It does so against the backdrop of a brief assessment of congressional and other U.S. debate over U.S. policies in the region since the end of the cold war. The issues considered include an overall assessment of Clinton Administration regional policy; assessment of the role of Congress; and U.S. policy toward North Korea, China, the Asian economic crisis, Japan, and regional hot spots like Indonesia, Burma, and Cambodia. In addition to published sources cited in footnotes, the report is based on interviews conducted during September and October 1998 with 25 congressional staff of both parties who deal directly with issues involving U.S. policy toward East Asia and the Pacific. This report will not be updated. For more focused analysis of the specific country and issue policies, see *Guide to CRS Products*.

East Asia and the Pacific: Issues at the End of the 105th Congress

Summary

U.S. policy in East Asia and the Pacific since the end of the cold war is subject to often competing pulls from U.S. economic, security and political interests. Nonetheless, workable agreement has been reached on keeping some U.S. military forces actively involved in the region, keeping U.S. markets open to regional exports, and toning down at least temporarily earlier U.S. emphasis on human rights and other values in policy toward China and some other regional states.

Interviews with twenty-five congressional staff members of both parties and both chambers who deal directly with issues in U.S. policy toward East Asia and the Pacific revealed sharp differences on appropriate U.S. policy on many sensitive issues. But the September-October 1998 interviews also showed several areas of broad agreement on features of Clinton Administration and congressional decision-making, and general priorities for U.S. policy attention:

- ! Clinton Administration policies were widely seen as reactive, showing episodic attention, and lacking an overall strategic framework. Some Administration supporters in Congress judged that strict policy coherence and consistent high-level attention were unlikely and unwarranted, especially given other U.S. priorities. They added that the "bottom line" results of U.S. regional policy have been good for U.S. interests, an evaluation not shared by its critics.
- ! Congress played a secondary role to the Administration in conducting foreign policy. Some staff were sharply critical of alleged congressional ignorance and incompetence, but most strongly supported congressional activism in regional policy. Acting upon differences over policy, alleged partisan interests, and concern over perceived Administration shortcomings, Congress used funding, appointment decisions, oversight, and other powers to influence U.S. policy.
- ! There was a major split in Congress between those who relied mainly on greater U.S. economic engagement to secure U.S. interests in regional prosperity and peace; and those who argued that such interchange must be accompanied by vigorous U.S. political and security measures to press for change in those areas. A third view--seeking broad U.S. disengagement from the region--was not favored by those interviewed but was said to enjoy important influence in Congress.
- ! Issues in U.S. policy toward northeast Asia had clear priority over issues in southeast Asia. The confrontation with North Korea was often cited as the most dangerous military flashpoint; U.S. relations with China were seen by many as posing the most important long-term strategic challenge for U.S. interests. The broad Asian economic crisis and frustrations in U.S.-Japan economic relations headed the list of priority issues for several of those interviewed. Other highlighted issues included movements away from free market practices in southeast Asia; poverty and dislocation in Indonesia; and rising U.S. trade deficits with Japan, China, and some other regional economies.

Contents

Introduction	1
Background: Post-Cold War Debate	
Over U.S. Policy in East Asia and the Pacific	2
Specific Policy Disputes and Agreements	5
Areas of General Agreement	7
Congressional Views at the End of the 105 th Congress	7
Clinton Administration Leadership	7
The Role of Congress	8
Competing Congressional Approaches on East Asian Issues	10
Senate "Centrism"	10
Priority Issues	11
Specific Issues	12
North Korea	12
Asian Economic Crisis	13
China	15

East Asia and the Pacific: Issues at the End of the 105th Congress

Introduction

This report examines selected congressional perceptions on salient issues and their short term outlook concerning U.S. policy in East Asia and the Pacific. It does so in the context of a brief assessment of congressional and other U.S. debate over U.S. policies in the region since the end of the cold war. In addition to published sources cited in footnotes, the report is based on interviews conducted during September and October 1998 with 25 congressional staff who deal directly with issues involving U.S. policy toward East Asia and the Pacific. Those consulted included staff from foreign policy, defense, and economic policy committees, as well as staff from the personal offices of Members with a special interest in the region. Roughly half those interviewed were Republicans, half Democrats; roughly half worked for the Senate, and half worked for the House. In order to insure that the staff members would be as frank as possible in giving their personal views on policy issues, those interviewed were assured that their remarks would not be personally attributed.

A survey of this nature cannot provide a definitive assessment of congressional views on regional issues. For instance, as is noted below, since the interviews focused on staff who deal directly with issues involving U.S. policy toward East Asia and the Pacific, they generally did not proportionately capture those in Congress who favor retrenchment or oppose U.S. involvement in East Asia and the Pacific. They and the Members they work for presumably would not normally seek congressional assignments focused on the region.

The study does provide an overview of selected congressional attitudes that may assist Members and staff interested in comparing their views on regional issues with those of their colleagues; it also provides an overview of congressional thinking behind often competing policy positions adopted on salient regional issues facing the newly elected 106th Congress.

For those readers already familiar with background on the post cold war U.S. policy debate on issues involving East Asia and the Pacific, please turn directly to the section "Congressional Views at the End of the 105th Congress" on page 7.

Background: Post-Cold War Debate Over U.S. Policy in East Asia and the Pacific

There has been a fairly widespread perception in the United States of a lack of clear direction in U.S. policy toward East Asia and the Pacific since the end of the cold war. Some have argued that perhaps a more experienced foreign policy leader, with a clearer vision of Asia/Pacific policy and a greater election mandate than the 43 percent of the popular vote gained by Mr. Clinton in 1992 would have been more decisive in formulating policy toward the region. On the one hand, it is argued that such a President could have set a course of action and stuck to it -- thereby avoiding the repeated tugs-of-war among competing interests. On the other hand, since the end of the cold war, Americans have been deeply divided over foreign policy, and contending policy perspectives cannot easily be bridged to develop coherent policy toward this region or other important areas.¹ For example, President Bush was a seasoned and attentive foreign and defense policy player; he notably had a clear view of China policy and stuck with it, but he found his policy assailed from various sides after the 1989 Tiananmen crackdown in the more fluid and pluralistic U.S. foreign policy debates after the cold war.

Because security issues and opposition to Communist expansion no longer dominate U.S. foreign policy, economic interests, democratization abroad, and human rights have greater prominence in policymaking. Various pressure groups and other institutions interested in these and other subjects also have enhanced influence in policy making. Such fluidity and competition among priorities has more often than not been the norm in American foreign policy. Presidents Woodrow Wilson and Franklin Roosevelt both set forth comprehensive concepts of a well-integrated U.S. foreign policy, but neither framework lasted long. The requirements of the cold war were much more effective in establishing rigor and order in U.S. foreign policy priorities, but that era is over.

The post-cold war period has seen substantial changes in the way foreign policy is made in the United States. In general, there has been a shift away from the leadership of the foreign policy elite in the past and toward greater pluralism. This pluralism increases the opportunity for input by non-governmental or lobby groups with an interest in foreign policy, and it increases the importance of Congress. For example, it is characterized by:²

- ! A much greater range of agencies within the executive branch involved in foreign policy, with the rise of the economic agencies (Commerce, Treasury, and U.S. Trade Representative (USTR) of particular importance.
- ! A seeming reallocation of power within government, away from the executive branch and toward the Congress.

¹ See discussion in, among others, Ross, Robert, (ed). *After the Cold War*, Armonk, NY, M.E. Sharpe, 1998, pp.

² This is taken from Harding, Harry, *Public Engagement In American Foreign Policy*, The American Assembly, Columbia University, February 23-25, 1995, pp. 8-9.

- ! Much greater participation by non-governmental organizations and lobby groups that attempt to shape foreign policy to conform with their interests.
- ! Much less consensus within Congress, and within the broader public, over foreign policy.

There is consensus, however, that foreign policy should not be expensive. The fate of the international affairs budget in the U.S. Congress in 1995 and 1996 indicates that Americans want foreign policy both to cost less and to give more domestic benefit. Unfortunately, Americans do not agree on how to accomplish this. Few Americans are aware that foreign policy spending accounts for less than one percent of the federal budget. There appear to be at least three different tendencies or schools of thought regarding post-cold war U.S. foreign policy. These approaches are not necessarily exclusive. In particular, a U.S. leader may demonstrate aspects of one tendency at some times and aspects of another at other times. An understanding of what these schools stand for suggests the difficulty of gauging the direction of U.S. policy toward East Asia and the Pacific, or other key areas of international concern.³

One prominent school stresses a relative decline in U.S. ability to affect decisions of many governments in the cacophony of conflicts that has emerged since 1990 and reduced U.S. ability to protect its interests. It calls for the United States to work harder to preserve its important interests while adjusting to its limited resources and influence. Advocates of this position expect continued international instability and limited U.S. ability to respond. They observe that there is no international framework to shape policy, that U.S. policy must use a complex mix of international, regional, and bilateral efforts to achieve policy goals, and that security, economic, and cultural-political issues will compete for priority in policymaking. They argue that with relative homeland safety in this uncertain environment, pressing domestic problems will take precedence over U.S. attention to international affairs and restrict the financial resources available for foreign policy, defense, and international security. They also believe that policy making will remain difficult because the executive branch may well remain in control of one political party and the Congress in control of the other party.

This school, seen reflected in the commentary of leaders like George Bush, Henry Kissinger, and others, argues that these circumstances require the United States to work closely with traditional allies and associates. Regarding East Asia and the Pacific, they argue that it is inconsistent with U.S. goals not to preserve longstanding good relations with Japan and with friends and allies in Asia whose security policies and political-cultural orientations complement U.S. interests. In policy toward other regional powers -- Russia, China, and India, they note that all three are preoccupied with internal political-development crises and do not appear to want regional instability. All seek closer economic and political relations with the West and with the advancing economies of the region. Washington would be well advised, they say, to work closely with these governments wherever there are

³ For an analysis, see among others, Ross, Robert, *op. cit.*, pp. 74-77.

common interests. In considering U.S. assets available to influence regional trends, they call on the United States to go slow in reducing its regional military presence. The economic savings of cutbacks would be small; the political costs could be high insofar as most countries in Asia encourage the United States to remain active in the region to offset the power of Japan and/or China.

A second school of thought argues for major cutbacks in U.S. international involvement, including military involvement, and a renewed focus on solving such domestic problems as crime, drug use, economic competitiveness and educational standards, homelessness, poverty, decaying cities, and transportation infrastructure. Variations of this view are seen in the writings of Patrick Buchanan and other well-known commentators, and in the political statements of Ross Perot. Often called an "America First" or "Neo-isolationist" school, they argue that the United States has become overextended in world affairs and has been taken advantage of in the current world security-economic system. They call for sweeping cuts in spending for international activities, favoring a U.S. pullback from foreign bases and major cuts in foreign assistance and foreign technical/information programs. They are skeptical of the utility of international financial institutions and the United Nations, and of international efforts to promote free trade through the World Trade Organization (WTO). They advocate termination of international economic talks that help to perpetuate a liberal world trading system that in practice increases U.S. economic dependence and injures some American workers and industries. Some favor trade measures that are seen as protectionist by U.S. trading partners.

A third position argues that U.S. policy needs to promote more actively U.S. interests in international political, military, and economic affairs, and use U.S. influence to pressure countries that do not conform to the norms of an appropriate world order. Proponents, along with others, also see a growing convergence of domestic interests on foreign policy and vice versa. They see the United States unable to solve domestic problems on narcotics, crime, and the environment, for example, without addressing these issues in a global context. Supporters of this position want the United States to maintain military forces with world-wide capabilities, to lead strongly in world affairs utilizing economic instruments when advantageous, and to minimize compromises and accommodations.

This school of thought has been present in American politics throughout this century. But for several reasons it is stronger today than at any time since the 1960s. During the Reagan Administration, after a prolonged period of introspection and doubt following the Vietnam War, oil shocks, and the Iran hostage crisis, the American public became much more optimistic about the future of the United States. This trend was reinforced by the end of the cold war, a victory for the U.S.-backed system of collective security and for U.S. political and economic values. The outcome of the 1991 Persian Gulf War with Iraq further inspired confidence in U.S. military doctrine, equipment, and performance and in America's international leadership ability.

Those who support this view acknowledge that America faces serious economic challenges, but they are optimistic that the United States can succeed in a competitive world economy. They also insist that the United States is better positioned than any other country to exert leadership in the realm of ideas and values, political concepts,

life-style, popular culture, and international organizations. They perceive a global power vacuum, caused notably by the collapse of the Soviet empire, which allows the United States to exert influence. They are not deterred by warnings of over extension of limited military and economic resources, resistance to U.S. intervention into the affairs of others, and future relative decline of U.S. government economic, military, and other resources. They argue that Russia, China, and India will remain preoccupied with domestic problems. They acknowledge that Japan and Western Europe are economically powerful but also that they are uncertain how to use their new power and that they lack American cultural attractiveness and influence.⁴

In recent years, advocates of this third tendency have been most vocal in pressing for strong policy in support of democracy and human rights. They have argued for a more active U.S. foreign policy, which has led some targeted countries to view U.S. policy as interference in their internal affairs. Advocates have opposed economic or trading policies of other countries seen as inequitable or predatory. They have pressed for strong policy against proliferation of weapons of mass destruction. Members of this school also argue variously for sanctions against countries that practice coercive birth control, seriously pollute the environment, harbor terrorists, and promote the drug trade. They believe the United States should be more assertive in promoting humanitarian relief and in recognizing the legitimacy of people's right to self-determination.

Specific Policy Disputes and Agreements

Against the background of sharply competing views and much greater pluralism in the making of U.S. foreign policy, it was not surprising that there were frequent disputes over U.S. policy on sensitive East Asian and Pacific issues, and that those disputes often pitted congressional critics against Administration policy makers. Sometimes the disputes led to sharp turns in policy. In 1994, President Clinton--facing growing criticism from U.S. businesses and their congressional supporters--reversed policy on linking China's trading status with its human rights record; in 1995, the President shifted policy and agreed to allow Taiwan's President to visit the United States--a move urged on him by resolutions backed by all but one Member of Congress.

Clinton Administration China policy was particularly prone to be influenced by a continuing tug-of-war among competing U.S. interests reflected in the Congress.⁵ Congressional critics, backed by sympathetic U.S. groups, notably used the occasion of the President's annual waiver of the Jackson-Vanik provision on China's most-favored-nation (MFN), known after 1998 as "normal trade relations," status. They debated a broad range of U.S. concerns regarding Chinese government human rights

⁴ American proponents of this view often are focused on specific issues like human rights, trade policy, proliferation of weapons of mass destruction, or others. One articulation of this school is seen in the work by Joseph Nye entitled *Bound To Lead*, Harvard University Press, 1992.

⁵ For background, see *China-U.S. Relations*, by (name redacted), CRS Issue Brief 98018, and *China: Interest Groups and Recent U.S. Policy*, by Robert Sutter and Peter Mitchner, CRS Report 97-48.

practices and policies, trade issues, flagrant patent and copyright violations, weapons proliferation concerns, and the Chinese authorities' approach to salient domestic and foreign policy issues including Taiwan, Tibet, and China's increasing military modernization.⁶ Allegations of illegal Chinese government contributions to U.S. political campaigns, and allegations of illegal U.S. transfers of missile technology to China were focal points of heated congressional criticism in 1996-1997 and 1997-1998, respectively. The lobbying of strong U.S. business interests desiring a bigger stake in the China market helped to assure that normal trade relations continued despite strong congressional criticism. Notably, it was widely believed in Congress and the Administration that ending MFN was too extreme, as it would hurt U.S. consumers and traders along with U.S. enterprises engaged in China trade.

There was active congressional criticism of the Administration's handling of the danger posed by North Korea's efforts to develop nuclear weapons and ballistic missile delivery systems.⁷ The Clinton Administration reached an agreement on October 21, 1994 with North Korea, establishing the so-called agreed framework, designed to check Pyongyang's suspected nuclear weapons program in return for U.S. supplied fuel oil and two nuclear power reactors to be funded by South Korea and Japan. Many in Congress criticized the accord and were reluctant to supply funds for the fuel oil, but each year the Congress backed, sometimes grudgingly, the Administration's request for funds for the oil.

Prolonged U.S. economic growth and falling unemployment in the 1990s helped to mute congressional criticism of U.S. trade policies, which did not make much of a dent in the widening U.S. trade deficits with several trading partners in the region, especially Japan and China.⁸ Active U.S. trade diplomacy and threats of targeted sanctions met with widespread congressional support and helped to head off possible congressional initiatives including legislation to protect U.S. industries or other economic interests adversely affected by East Asian competition. The Asian economic crisis of 1997-1998 came as a surprise to both the Administration and Congress. Many in Congress were skeptical of the utility of U.S.-backed International Monetary Fund (IMF) rescue packages for ailing East Asian economies, and criticized the Clinton Administration's requests for added U.S. funding for the Fund.⁹

Many in Congress also placed strong emphasis on U.S. values, especially political values associated with democracy and human rights. They applauded when Clinton Administration officials stood firm in the face of authoritarianism and

⁶ Presidential candidate Clinton had strongly supported these congressional debates in 1992, but gradually reversed his policy until he decided in 1994 to delink the annual waiver from China's human rights and other policy practices and behavior.

⁷ See, *North Korea's Nuclear Weapons Program*, by Larry Niksch, CRS Issue Brief 91141.

⁸ See, *China-U.S. Trade Issues*, by Wayne Morrison, CRS Issue Brief 91121, and *Japan-U.S. Trade*, CRS Info Pack IP201J.

⁹ See, *The Asian Financial crisis, the IMF, and Japan*, by Dick Nanto, CRS Report 98-434, and *The Asian Financial Crisis*, by Richard Cronin, CRS Report 98-74.

oppression, as in the case of Burma; but they urged a stronger Administration stance in dealing with repression in East Timor, Cambodia, and other areas.¹⁰

Areas of General Agreement. Despite the many issues in dispute, there was majority support in the Congress for several major features of Clinton Administration policy in the region during the 1990s:

- ! The U.S. market remained open to East Asian and Pacific exports, despite the growing U.S. trade deficit.
- ! There was broad support in the Congress for the Administration's determination to maintain a strong military presence involving about 100,000 U.S. troops in the western Pacific.
- ! Despite strong criticism from some Members, Congress generally went along with Clinton Administration efforts gradually to lower the priority given to U.S. values of democracy and human rights in the conduct of U.S. policy toward China and some other East Asian countries.¹¹

Congressional Views at the End of the 105th Congress

Congressional staff members consulted for this study differed sharply on appropriate U.S. policy approaches on many sensitive regional issues. But the interviews reflected several areas of broad agreement on features of Administration and congressional decision making, and general priorities for U.S. policy attention.

Clinton Administration Leadership

Many strong congressional backers of Clinton Administration policies agreed with the views of congressional critics that the Administration's policies in the region did not reflect well thought out or coherent approaches to East Asia and the Pacific. To some, the Administration appeared to divide recent policy responsibility among key Administration actors, with the White House leading on China policy, Treasury leading on the Asian economic crisis and policy toward Japan, and the State and Defense Departments engaging in a seeming tug-of-war over policy toward North Korea. To others, Clinton Administration attention to issues seemed to be reactive or episodic.

One example cited was President Clinton's attitude toward the Asia Pacific Economic Cooperation (APEC) forum. At first, the President appeared to be pushing hard to initiate a summit of regional leaders at the APEC annual meeting in Seattle in 1993, but he allegedly lost interest in the process in subsequent years. A strong

¹⁰ See, *Burma-U.S. Relations*, by Larry Niksch, CRS Report 96-3; *Indonesia-U.S. Relations*, by Larry Niksch, CRS Report 97-186; and *Cambodia*, by Robert Sutter, CRS Issue Brief 98036.

¹¹ These points were confirmed with congressional staff interviewed in October 1998.

congressional supporter of the President's engagement policy toward China was dismayed by what he saw as a lack of follow through by the Administration leadership after the Washington and Beijing summits of 1997 and 1998. He was particularly interested in pursuing opportunities to ease U.S.-China economic and trade difficulties, judging that after the summits the time was right to press China on market opening and other trade issues. He speculated that President Clinton had appeared to be more interested in using China summitry to distract attention from his legal problems at home than in providing the implementing actions needed to bring concrete benefit for American trading and other interests.

Meanwhile, congressional supporters of the Administration's efforts to sustain most favored nation tariff treatment, known since 1998 as "normal trade relations," for Chinese imports were critical of a "lackadaisical" Administration approach toward defending the trade status in annual congressional debates on the issue. More often than not, they felt they were left to their own devices, without strong Administration leadership, to defend the Chinese trade privileges.

Several congressional supporters of Clinton Administration policies in the region argued that the above criticisms were unfair or not very important. In their view, the bottom line in judging Administration policy were the results for U.S. interests. They viewed these generally positively, noting continued U.S. prosperity, strong U.S. power and influence in the region, and prevailing regional conditions of peace and stability advantageous for the United States.

Strict coherence in U.S. policy and consistent, high-level Administration attention to regional policy issues were unwarranted in their view. The problems of the region tended to be diverse and episodic; the Clinton Administration was seen logically to be following this pattern. Moreover, beset by many policy issues at home and abroad, high-level U.S. leaders could not be expected to give consistent priority to East Asia and the Pacific.

Several in this group added that congressional complaints about the absence of coherence and consistency in U.S. strategy toward the region were typical complaints by those out of power to discredit those in power. In reality, they argued, the United States had not had a coherent strategy toward East Asia since the cold war period of the so-called "Nixon doctrine" saw a major realignment of U.S. military forces in the region. Since then, they judged, U.S. policy has been more episodic and reactive.

The Role of Congress

In considering the appropriate role of Congress in U.S. policy toward the region, all those consulted agreed that the key to effective U.S. foreign policy was effective leadership by the executive branch; Congress played a vital role but could not be expected to lead in policy formation.

Even the harshest congressional critics of Clinton Administration policy maintained that the U.S. constitutional division of powers gave primacy to the President in the conduct of foreign affairs. Many congressional staff added the view that Congress is not good at making foreign policy: its structure is too diverse to provide coherent leadership; and its tools in foreign policy focus on legislative

injunctions, sanctions, funding decisions, and appointment decisions that are often too rigid and difficult to adjust to changing international circumstances.

A few congressional staff consulted for this study were sharply critical of the role Congress has played in U.S. policy toward East Asia and the Pacific. One staff member, who strongly disagreed with congressional critics of the U.S. engagement policy toward China, viewed congressional criticism of China as based largely on ignorance. Others pointed to what they saw as a decline in Congress' role in foreign affairs as a result of a perceived failure to pass foreign affairs and foreign assistance authorizing legislation, that in past decades had been used to influence the direction of U.S. foreign policy.¹² In contrast, several staff members maintained, the congressional committees dealing with trade issues--including legislation important to Administration interests--were seen to exert powerful influence on U.S. foreign policy and were reportedly sought out by Clinton Administration leaders for consultations and compromises.

While conceding leadership to the executive branch, many congressional staff consulted for this study supported an active congressional role in making U.S. policy toward the region. As one observer put it, the Administration needs to be the "author" of policy, but Congress plays a key role as "editor." A prevailing view was that there were numerous perceived shortcomings in Administration policy that needed to be adjusted, corrected or stopped through rigorous congressional oversight, and if needed, legislative steps.

Congressional activism in U.S. policy toward the region had several sources, according to congressional staff. Many advised that since Congress sensed weaknesses in Administration policy, or a need to make up for seeming Administration inattention to salient questions, it intervened with steps designed to strengthen U.S. policy in sensitive areas. And when congressional Members pointedly disagreed with the thrust of Administration policy, they tried to use levers at hand to push the policy in a direction more acceptable to them.

Several congressional staff members, both those supporting and critical of Administration policy, claimed that partisanship played an important role in congressional criticism or support of Administration policy. They had the impression that congressional-Administration relations were strongly colored by partisan considerations at the end of the 105th Congress, and that policy toward East Asia and the Pacific was affected by this trend.

Several other congressional staff members denied significant influence of partisanship on policy toward the region. In contrast to those who saw partisanship behind often sharp congressional criticism of the Clinton Administration's China policy, for example, some advised that congressional criticism of Administration policy on China and other issues was broadly and demonstrably bi-partisan. Others judged that critics of Administration policies on China, North Korea, IMF funding

¹² The Appropriations Committees have been seen to step into this situation and used the "power of the purse" to "influence policy (see discussion of North Korea on Page 13).

and the Asian economic crisis, and other issues had ample justification without considering partisan concerns.

Competing Congressional Approaches on East Asian Issues

Congressional staff consulted for this study tended to agree that there was a major split in Congress between two approaches to East Asian issues. On one side were congressional observers who emphasized the importance of U.S. engagement, especially economic engagement, with East Asian countries as the prime means to secure U.S. interests in regional prosperity and peace. These observers tended to judge that in the post cold war environment, with no overriding security threat to U.S. interests in the region, economic exchange provided the best way to promote greater openness and transparency, not only in economic areas, but over time in political and security areas as well. In these circumstances, according to this view, U.S. economic interests benefit, but so do U.S. interests in promoting greater social and political pluralism, greater international interdependence, and conformity to acceptable norms of behavior.

On the other side were congressional observers who judged that relying on economic engagement would not meet U.S. policy objectives. In their view, such engagement must be done in tandem with vigorous U.S. political and security measures designed to secure changes in those areas sought by the United States. These observers cited perceived trends in Indonesia and China to argue that relying on economic engagement cannot be expected to result in political and security outcomes desired by the United States. The United States "should not economically strengthen corrupt or authoritarian systems." They urged Congress to use rhetoric, sanctions, and other means to press East Asian governments to conform to political and security standards supported by the United States.

A third important congressional approach to regional issues was duly noted by those consulted for the study, even though they did not personally subscribe to it. This view echos the sentiment of the "America First" school of thought seen in the political rhetoric of Ross Perot and like-minded politicians. It favors greater U.S. disengagement from what it sees as counterproductive and draining involvements in East Asia and other areas. Thus, they tend to favor U.S. military pull back from the region, reduction of U.S. commitments through the United Nations, International Financial Institutions and other means to deal with problems in the region and elsewhere, and avoiding international trading arrangements which they feel do not benefit U.S. working people.¹³ Because the sample of congressional staff consulted for this study was focused on those with particular interest and involvement in U.S. policy toward East Asia and the Pacific, it presumably failed to proportionately include congressional observers who view involvement in these issues as counterproductive to U.S. interests.

Senate "Centrism". The split in congressional opinion between those relying largely on economic engagement to foster U.S. interests in East Asia and the Pacific,

¹³ Leading proponents of this view regarding East Asia include Ted Galen Carpenter of the Cato Institute, Washington, D.C.

and those who stress the need for continued strong political and security pressure along with economic engagement, was seen as greater in the House than in the Senate by several congressional staff interviewed for this study. These congressional observers also tended to see wider divides on these policy approaches in the House International Relations Committee than in the Senate Foreign Relations Committee. The reasons for this perceived difference were seen as the following:

- ! Senators with "centrist" positions on sensitive policy issues in East Asia and the Pacific (e.g. China policy) have been able to use their power to "hold" legislation they disapprove of until compromises are reached that meet their concerns. House Members have no such power. One House Republican staffer with moderate views who tended to be supportive of administration China policy maintained that to force compromise over what he viewed as extreme legislation on China required intervention by House leadership--something that could not be done on a routine basis.¹⁴
- ! Senators tend to represent constituencies larger than most House districts; this reportedly prompts them to have a "broader" policy perspective, less focused on particular issues that might be seen pushing U.S. policy in one direction or another.
- ! Elected only every six years, Senators are said to be able to adopt a more detached view of U.S. policy concerns in East Asia and the Pacific, less swayed by the constituency interests and concerns that are seen as capable of driving House Members to push U.S. policy in particular directions.

Priority Issues

Issues in U.S. policy toward Northeast Asia had priority over issues in Southeast Asia, according to congressional staff consulted for this study. The confrontation with North Korea was often cited as the most dangerous flashpoint, having the potential to quickly draw the United States into a land war in Asia. U.S. relations with China were widely seen as posing the most important long-term strategic challenge for U.S. interests. In this context, Taiwan-mainland China relations were

¹⁴ In this regard, a Senate staff member emphasized a perspective on the ongoing U.S. congressional debate on China that was also echoed by some others. He viewed the congressional coalition against the Administration's China policy as led by elements of the political right and the political left, who under other circumstances appeared to have little in common. Thus, in the ranks of congressional critics of the Administration's China policy were seen religious conservatives concerned about Chinese practices on abortions and treatment of independent Christian worship; Members with strong pro-labor leanings, along with right-populists sympathetic to Patrick Buchanan and Ross Perot who have common ground in their concern about loss of U.S. jobs overseas; liberal leaning Members concerned with human rights abuses in Tibet and the suppression of dissent in China; and Members concerned with China's rising military power as a possible security danger to U.S. interests. Allied against this coalition, in the view of this staff member, are Members of the generally pro-business wings of both parties, who tend to favor continued trade and investment with China.

viewed as an important point of tension--one with the potential to involve the United States in a military confrontation with China.

The region-wide Asian economic crisis and frustrations in U.S.-Japan economic relations headed the list of priority issues for several congressional staff. They had little confidence in Clinton Administration or other expert assessments of the crisis, which were seen as having proven largely wrong or behind the trend in viewing the crisis. They judged that the size and scope of the Japanese economy made it a linchpin of future economic stability in Asia and a major ingredient in the continued health of the U.S. economy.¹⁵

A few congressional staff consulted for this study gave prime emphasis to the perceived movements in Southeast Asia, notably Malaysia and, to a degree, Hong Kong, away from reliance on free-market economic policy and toward more government management in economic processes. They saw these steps as contrary to U.S. interests in fostering free and open economic markets. The crisis in Indonesia loomed as a big problem for some in Congress, who saw political as well as economic and social uncertainty there posing not only a significant economic challenge but also a crisis in the Southeast Asian regional order. Indonesia has been a bulwark of the Association of Southeast Asian Nations (ASEAN) and its region wide security body, the ASEAN Regional Forum (ARF)--both of which are key organs for U.S. interaction with Southeast Asia.

Several congressional observers judged that burgeoning U.S. trade deficits with Japan, China, Taiwan, Korea, and others in East Asia would seriously exacerbate U.S. relations in the region in 1999, even though they had received only limited attention in 1998. Only a few of those interviewed gave high priority to issues of human rights and democratic values in countries like Burma, Indonesia (especially East Timor), Cambodia, and Vietnam. The issue of full accounting of U.S. prisoners of war/missing in action (POW/MIA) from the Vietnam war was rarely mentioned. No significant issues were raised regarding U.S. policy toward Australia, New Zealand, and the Pacific Island states. When queried, staffers judged that U.S. relations with its Australian ally were seen as excellent, and previously strained relations with New Zealand were improving. Congressional initiatives in policy regarding the Pacific island countries were seen to come mainly from Members from the region or with a special interest in the region.

Specific Issues

North Korea. A crisis in U.S. policy toward North Korea represented the most important Asian issue at the end of the 105th Congress, according to many staff consulted for this study. Media reports in August 1998 said that North Korea was constructing what appeared to be a major underground facility for manufacturing nuclear weapons. North Korea on August 31, 1998 launched a nuclear-capable ballistic missile over Japan. Congress reacted strongly. At first it voted to cut off or

¹⁵ By contrast, bilateral security issues with Japan were rarely mentioned. One staff member highlighted problems for U.S. bases in Okinawa. For background, see *Japan-U.S. Relations*, CRS Issue Brief 97004.

severely condition funding for U.S. obligations under the 1994 agreed framework; and later agreed to compromise language in the omnibus funding bill (H.R. 4328, signed into law on October 21, 1998, P.L. 105-277) approving staged funding allocations amid several U.S. presidential certifications.

In interviews conducted while the Clinton Administration and congressional critics were working out the compromise language in H.R. 4328, some congressional staff members made clear their intent to use congressional control of the funding for U.S. obligations under the agreed framework as a means to prompt a toughening of Administration policy toward North Korea. A few judged that the United States should set more firm conditions in interactions with North Korea; and if North Korea continued provocations and otherwise failed to meet those conditions, the United States should be prepared to "walk away" from the agreed framework and other negotiations with the North, until such time as the North was prepared to negotiate again in what these congressional observers hoped would be the basis of a "new strategic bargain" in U.S.-North Korean relations. These staff members judged that North Korea would return to negotiations in part because it needed food aid and wanted the United States to lift U.S. economic and diplomatic embargos against the North. To deal with the potentially more dangerous situation on the Korean peninsula that might result from terminating the U.S.-North Korean agreed framework, the congressional staff urged greater U.S. and allied military preparedness, including development of theater missile defense, as effective means to deter North Korean adventurism.

A larger number of congressional staff consulted for this study were not prepared to abandon the agreed framework.¹⁶ The situation on the Korean peninsula was seen as too dangerous, and North Korea too heavily armed and capable of unpredictable actions. In their view, there was no viable current alternative to the agreed framework, even with its perceived shortcomings. Some congressional staff said that the Clinton Administration policy had been successful in that North Korea was weaker and more isolated than in the past; and the danger of conflict seemed much less than in 1994 when the agreed framework was signed.

This larger group of congressional staff generally favored closer Administration interaction with Congress to come up with ways to toughen U.S. policy without seriously upsetting the stability of the peninsula. In general, they sought to avoid the appearance of U.S. accommodation and acquiescence to North Korean provocations, while evading any hard-to-control reactions from North Korea.

Asian Economic Crisis. This broad ranging problem was seen by several interviewed staff as beginning to have an important impact on the U.S. economy, and therefore it was said to warrant greater attention in Congress. Concerns focused notably on U.S. relations with Japan, Indonesia, Malaysia and the IMF.

¹⁶ About half of those interviewed discussed North Korean issues in some detail. Three of them were inclined to "walk away" from the agreed framework if North Korea did not change recent provocative policies and actions. The rest were not prepared to abandon the agreed framework.

Concerning *Japan*, there was agreement among those who raised this issue that the Japanese economy represented a key to regional economic revival; there was also agreement that economic conditions in Japan would not improve soon. Some interviewed staff warned against what they saw as the hard public line, taken notably by the U.S. Treasury Department and supported by President Clinton, that pressed the Japanese government to adopt sweeping economic reforms. Sensitive to Japanese political and social constraints and perceived rising anti-U.S. sentiment in Japan, these staff warned against possible counterproductive reactions in Japan if the United States appeared to be pushing the Japanese government "into a corner." They favored a more carefully orchestrated and balanced U.S. approach, including Congress as well as the Administration working in close interaction with Japanese officials and opinion leaders in ways designed to persuade the Japanese to make needed economic reforms. They added that the United States should be prepared to adjust its demands and goals where they appear unrealistic or counterproductive. They also favored giving more emphasis to areas of U.S.-Japanese common ground.

Other interviewed congressional staff saw little alternative to the current U.S. Administration's hard line toward Japan. Such outside pressure was seen as needed to prompt change by entrenched Japanese government decision makers. It also served as a warning to others in Asia who might be tempted to follow narrowly self-serving or merchantilist policies involving large increases of exports to the U.S. market as they try to shake off the effects of the Asian economic crisis. The hard public line also provided political protection against U.S. domestic critics who claim that the U.S. government was not doing enough to protect U.S. economic interests in the face of seemingly unfair Japanese and other Asian trading practices.

On *Indonesia*, interviewed congressional staff were focused as much on the political and security implications as on the severe economic decline. Indonesia's economy was not seen as of critical importance to the United States economy. But Indonesia's large size and strategic location meant that economic and political instability there would have important repercussions throughout Southeast Asia. Many congressional staff saw the Clinton Administration-backed IMF rescue efforts in Indonesia as flawed, though some said they had no viable alternative to offer. Congress was seen as willing to increase humanitarian aid to the many millions of Indonesians falling below the poverty line.¹⁷ Some congressional observers also favored using the currently fluid political situation to push for tangible progress toward greater democracy and for autonomy (some sought independence) for East Timor and other disputed regions; others argued for caution in pushing too hard for such changes in what all agreed was a delicate political situation that could eventuate in fragmentation of Indonesia.

Malaysia's reassertion of state guidance in economic development, coincident with the arrest and beating of leading pro-free market political leader Anwar Ibrahim, was seen as an ominous sign by several staff. They viewed with concern a possible broader backlash in the region against U.S.- and *IMF*- backed free market prescriptions for the Asian economic maladies. In this context, some noted the Hong Kong

¹⁷ Seventy million dollars in such aid was approved in the Omnibus Appropriations Bill H.R. 4328 that passed Congress and was signed into law (PL 105-277) on October 21, 1998.

government's unusual intervention into the Hong Kong stock market; others pointed to Chinese government backtracking on efforts to reform state-owned-enterprises.

Against this backdrop, staff interviewed recommended continued strong U.S. support for free market initiatives in East Asia. They supported U.S. funding for the IMF, requested by the Clinton Administration, even though such funding was viewed as a necessary evil in the eyes of some; several were critical of IMF practices and argued for strict conditions on IMF funds in order to prevent continuation of what they saw as inefficient economic arrangements among IMF recipients in East Asia, or use of IMF funding as de facto subsidies for East Asian enterprises competing with U.S. companies. In the view of some staff, U.S. free-market economic engagement with Asia would have been boosted by the congressional passage of so-called fast track legislation--allowing for expedited congressional consideration of trade agreements negotiated by the Administration. Some staff also argued for greater U.S. economic assistance for distressed Asian populations, greater U.S. diplomatic and congressional exchanges--including those involving congressional travel abroad--with concerned Asian leaders, and continued funding and support for Radio Free Asia and other programs to publicize and support U.S. economic and other values in the region.

China. Although many congressional staff interviewed saw U.S.-China relations as a key issue determining U.S. interests in East Asian peace and stability, there were few issues of immediate concern to them at the end of the 105th Congress. For some, the summit meetings of 1997 and 1998 had not been followed by significant initiatives by either the Chinese or U.S. Administrations that would possibly change or upset the equilibrium in U.S.-China relations and thereby prompt renewed debate in Congress. For others, there remained wide ranging differences with Clinton Administration policies regarding China over human rights, trade, weapons proliferation, Tibet, Taiwan, and other issues, but the time did not appear appropriate to attack these issues in late 1998. A few expected these issues to be featured in 1999 in congressional debate and in the context of increasing Republican and Democratic competition for the presidential nomination.

An exception to this modest level of congressional concern over China policy was voiced by several congressional staff members over Clinton Administration policy toward Taiwan. Even some supporters of the Administration's engagement policy toward China judged that the President's statement in Shanghai on June 30, 1998 stating publicly the "three no's" (no U.S. support for one China, one Taiwan, Taiwan independence, or Taiwan representation in international organizations where statehood is required) represented unwarranted acquiescence to PRC pressure at the expense of U.S. interests in relations with Taiwan.¹⁸ Citing congressional resolutions in support of continued close U.S. relations with Taiwan that passed the Congress in the aftermath of the President's trip to China, the staff members indicated that they and their Members remained on guard against further perceived Administration

¹⁸ For background, see *Taiwan*, by Robert Sutter, CRS Issue Brief 98034.

accommodation of Beijing's demands at the expense of Taiwan and U.S.-Taiwan relations.¹⁹

More broadly, congressional staff interviewed divided sharply over U.S. policy toward China. On one side, a few judged that Congress played a negative role in U.S.-China relations; they were particularly frustrated with the annual congressional debates pegged to consideration of China's trade status. One warned that the United States could not allow relations with China to deteriorate for the sake of particular U.S. concerns over human rights, Taiwan, trade or other issues; he saw potentially disastrous consequences flowing from U.S.-Chinese confrontation over these issues. On the other side were several strong congressional critics of Administration policy. Some resented Administration efforts to describe the U.S. debate as between advocates of "engagement" versus advocates of "isolation." What they sought was a toughening of Clinton Administration engagement that would allow for adequate protection of legitimate U.S. interests in relations with an increasingly muscular and still Communist China. They favored strong U.S. pressure on human rights and other areas of dispute in U.S.-China relations that could affect the nature of China's 21st century. Some also advocated a strengthening of U.S. relations with Japan, employing theater missile defense systems there and in Taiwan, and other steps they felt would buttress U.S. resolve in the face of perceived PRC assertiveness and pressure.

¹⁹ In a related development, one staffer noted a view said to be held by some in the Administration that the Clinton Administration would endeavor in 1999 to use more active U.S. government support for Taiwan's entry into the World Trade Organization (WTO) as leverage to pressure PRC leaders to come to terms on WTO entry that would be acceptable to the United States. Taiwan has already reached agreements with most of its WTO trading partners, but is blocked on account of Beijing's insistence that it must enter the WTO before Taiwan. In part to urge the Clinton Administration to be more supportive of Taiwan's WTO entry despite Beijing's position, the 105th Congress passed legislation (P.L. 105-277) that included a provision urging Taiwan's WTO entry. For background, see *Taiwan*, CRS Issue Brief 98034.

EveryCRSReport.com

The Congressional Research Service (CRS) is a federal legislative branch agency, housed inside the Library of Congress, charged with providing the United States Congress non-partisan advice on issues that may come before Congress.

EveryCRSReport.com republishes CRS reports that are available to all Congressional staff. The reports are not classified, and Members of Congress routinely make individual reports available to the public.

Prior to our republication, we redacted names, phone numbers and email addresses of analysts who produced the reports. We also added this page to the report. We have not intentionally made any other changes to any report published on EveryCRSReport.com.

CRS reports, as a work of the United States government, are not subject to copyright protection in the United States. Any CRS report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS report may include copyrighted images or material from a third party, you may need to obtain permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

Information in a CRS report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to members of Congress in connection with CRS' institutional role.

EveryCRSReport.com is not a government website and is not affiliated with CRS. We do not claim copyright on any CRS report we have republished.