



**Falling eagle**

**Rising dragon**

The dangers of  
a new arms race  
in the Asia-  
Pacific region



CAMPAIGN FOR NUCLEAR DISARMAMENT

# Foreword

CND has been a source of inspiration since I first learned of the Aldermaston Easter march in the 1960s, and it has been my privilege to know and work with CND activists, including Alan Mackinnon, for many years. These ties make it all the more gratifying that Alan and CND have kept their eyes on the prize and are now raising the alarm about Washington's imperial 'Pivot' to Asia and the Pacific. With *Falling Eagle, Rising Dragon* they are again exercising essential leadership in building movement and popular capacities to prevent growing military tensions from climaxing in catastrophic – potentially nuclear – war.

History doesn't repeat itself but returns in disguise. As you read Alan's comprehensive overview of the US military buildup across the Pacific, Asia and into the Indian Ocean, of Washington's efforts to gain economic and strategic leverage over China with the Trans Pacific Partnership (TPP) free trade agreement, and of China's responses, bear in mind similarities to the spring and summer of 1914: dominant powers committed to enforcing the status quo while rising powers press against what they perceive to be an unjust global (dis)order; territorial disputes; expanded trade and economic interdependence; interlocking alliance systems; intense arms races; nations dependent on sea power versus a continental power that is becoming a naval force to be reckoned with; globalization surging, along with increased communication; numerous wild cards, including failing states and rising nationalism; and the belief that a great power war has become unthinkable.

Then add nuclear weapons and cyber-warfare to the mix.

Many in Europe think of China and the military tensions across Asia and the Pacific as being 'far away,' not related to their daily life and security. Think again. Containing and leveraging China is a primary reason that the European Union and the US are currently negotiating a free trade agreement to complement the TPP. And, as Physicians for Social Responsibility, International Physicians for the Prevention of Nuclear War and other scientists warn, a limited nuclear war would result in the starvation of more than a billion people across the northern hemisphere, while a major US-China nuclear exchange would result in nuclear winter, ending life as we know it.

Unthinkable?

Since October, 2012 China, Japan and the US have twice approached the brink of catastrophic war in a territorial dispute over uninhabited rocks in the East China Sea called the Daiyou Islands in China and the Senkaku Islands in Japan. Good luck trying to find them on the map. And further north, in March, 2013, the US conducted simulated nuclear attacks against North Korea with B-2 and B-52 bombers.

Here's one possible scenario, which I'll place in 2017: Following his promised expansion of Japanese military spending and the official reinterpretation of what was once called Japan's 'peace constitution,' Prime Minister Abe (loyal grandson of Class A war criminal Nobusuke Kishi) orders

Japan's new marine force to use amphibious military exercises as cover to build military installations on the Senkaku Islands. Outraged by what he understands to be a challenge to China's territorial integrity and anxious not to fall behind popular nationalism still fueled by the memory of China's century and a half of humiliation and Japan's Fifteen Year war in China (1931-45) President Xi orders a naval blockade of the islands. He reinforces the blockade with drones and warplanes.

Prime Minister Abe counters by reiterating his willingness to go to war to protect what he claims to be Japan's sovereign territory.

President Hillary Clinton sends her Secretary of State to Tokyo and Beijing in a desperate attempt to mediate the confrontation, but given the need to maintain the confidence of Washington's allies, and thus its regional hegemony, both Clinton and Congress repeat that if it comes to war, the U.S. is treaty-bound to fight alongside its Japanese ally. It doesn't matter, they say, that the U.S. remains 'neutral' on the question of which country has legal rights to the disputed islands, a treaty is a treaty.

Pressed by nationalist military leaders and political forces, Prime Minister Abe and Presidents Xi and Clinton fear the political costs of appearing to back down. Their military forces are put on alert, including a Defcon 1 nuclear alert in Washington and the People's Liberation Army's equivalent in Beijing. Then 22 year-old Japanese Marine Senji Suzuki, frightened and angered by low flying Chinese Xian JH-7 fighter-bombers, brings one down.

Political and military miscalculations follow, buttons are pushed, and the unthinkable follows.

This is why *Falling Eagle, Rising Dragon* is so important. At the height of the Cold War, CND and the millions of people it reached played essential roles in preventing the escalation of the nuclear confrontation by blocking the deployment of nuclear armed cruise and Pershing II missiles, what those of us in the US called Euromissiles. With that victory and the Intermediate Nuclear Forces Treaty that followed between the US and the Soviet Union, the Cold War came to an end before the collapse of the Berlin Wall.

Educated and mobilized people of conscience can determine the course of history.

If we are to use what remains of our democratic rights to substitute Common and Human Security for the rising dangers of great power war in Asia and the Pacific, we must first educate ourselves, our movements and our communities. Alan Mackinnon has done us a great service with his research and writing. I trust we will all make great use of it.

With appreciation and for peace and survival,

Joseph Gerson

American Friends Service Committee

Working Group for Peace & Demilitarization in Asia and the Pacific

# Falling eagle, rising dragon

The dangers of a new arms race in the Asia-Pacific region

Alan Mackinnon

*By virtue of our unique geography, the United States is both an Atlantic and a Pacific power. We are proud of our European partnerships and all they deliver. Our challenge now is to build a web of partnerships and institutions across the Pacific that is as durable and consistent with American interests and values as we have built across the Atlantic.*

THE ‘pivot’ or rebalancing to Asia was perhaps the most significant foreign policy statement of President Barack Obama’s first term of office. Its purpose was to shift America’s geo-strategic focus from the Europe-centred Cold War past to the new realities of power across the world. Less than two decades earlier William Jefferson Clinton had presided over a United States that appeared to be at the height of its global power. It had recently seen off an historic challenge from the Soviet Union and had emerged as the world’s sole superpower. Historians such as Francis Fukuyama rushed into print proclaiming ‘the end of history’ and the final triumph of neo-liberal economics and Western (i.e. American) values.

But all empires rise and fall, and America’s decline in the past decade has been precipitous. The recent U-turn on military intervention in Syria and the opening to Iran shows the new limits of America’s power. Its much vaunted military machine suffered humiliating reverses in Iraq and Afghanistan while its neoliberal agenda is rejected by much of Latin America and some of its client regimes in the Middle East are felled by popular protest. Perhaps most crucially, its economic dominance is increasingly challenged by the rise of China and other emerging economies while its own economic recovery is hampered by massive debt, economic stagnation, crumbling infrastructure and political gridlock.

This pamphlet will examine how the United States is responding to these challenges in economic, political and military terms. The ‘pivot’ to Asia, it will argue, is raising tensions around existing territorial disputes in the region and helping to militarise the entire Asia-Pacific region. The development of a military strategy of containment and encirclement of China, the deployment of new and destabilising missile defence systems in Japan and South Korea and the adoption of aggressive strategic doctrines such as AirSea Battle could trigger a new Cold War and a new arms race with huge regional and global implications.

## **America's Pacific century?**

The 'pivot' represents a significant shift of US foreign policy with the centre of gravity moving from Europe to the Asia-Pacific region. 'The 21st century', asserted Hillary Clinton grandly, 'will be America's Pacific Century'<sup>2</sup>. It was a recognition that the region had become the key engine of the global economy and the driver of much of its politics. She defined the Asia-Pacific region as comprising half the world's population, stretching from the Indian subcontinent to the western shores of the Americas and spanning two oceans - the Pacific and the Indian.

Although the country's name was rarely mentioned, it was always clear that the policy shift was about containing America's biggest challenge – China. The rise and rise of China at often double digit growth rates is taking place while recession and crippling debt haunts the United States and Europe. China, as well as having a growing global impact, is now the biggest trading partner for most of its neighbours and is rapidly becoming a hub of Asian economic activity. In 2007 the ten members of the Association of South East Asian Nations (ASEAN) committed to establishing an ASEAN free trade area including China, Japan, South Korea, India, Australia and New Zealand (ASEAN + 6) by 2013 and an ASEAN economic community by 2015 with a single market and integrated production base.

## **The economic response**

The United States' response to these developments has been economic, political and military. In his State of the Union address in February 2013 President Obama announced ambitious plans to reverse the fortunes of the US economy. He wants to put the United States at the centre of two huge economic blocs – transatlantic and transpacific partnerships - to ensure US global leadership for the 21st century. Negotiations on comprehensive free trade areas are now taking place simultaneously across Atlantic and Pacific oceans which are intended 'to boost American exports [and] support American jobs'<sup>3</sup>. This is part of a determined effort to push through, by a series of regional agreements, 'free trade' measures which have been blocked for years at the World Trade Organisation (WTO).

In particular, the TransPacific Partnership (TPP) negotiations are intended to underpin the policy shift to Asia. Henceforth, the United States will make the Asia-Pacific area the central focus not just for its military strategy, but also its economic and political activity.

The most alarming part of the TPP negotiations is the lack of transparency. These are secret free-trade talks involving selected countries of the Pacific rim being conducted behind the backs of their own people and their elected representatives but with the help of 600 corporate advisors. The countries involved are the United States, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and most recently, Japan. Together they cover approximately 40% of the global economy.

The TPP is intended to boost trade and stimulate the US economy but opponents have described it as a global corporate coup which would undermine democracy and entrench corporate power in almost every area of people's lives. Although conducted in strict secrecy, leaks from the talks have suggested that big companies will be allowed – via the investor-state dispute settlement – to sue governments who pass food safety regulations or laws

protecting workers or farmers, claiming that they are a barrier to trade or likely to harm expected profits. Thus existing or future labour laws, minimum wage rates, health and safety laws and environmental regulations could be challenged in court.

It is, therefore, about much more than just trade. It allows back door access to negotiations for the biggest transnational companies to create laws that they could never get passed in an open democratic system. Pharmaceutical companies, for example, are pushing for long-term patents to block the development of much cheaper generic drugs and keep drug prices high. Obama is applying heavy pressure to have the negotiations completed by the end of 2013 and he wants the US Congress to agree to 'fast track' a TPP bill which would prevent Congress exercising its constitutional responsibility to scrutinise and amend the agreement.

There should be no doubt that the main objective of this agreement is the exclusion and isolation of China. In the 2012 US presidential elections, Mitt Romney expressed the mainstream Republican view that Obama was soft on China. He endorsed the TPP as a 'dramatic geopolitical bulwark against China'<sup>4</sup>. Obama used rather more diplomatic language in referring to the trade talks: 'We're organising trade relations with countries other than China so that China starts feeling more pressure about meeting basic international standards'<sup>5</sup>. These 'standards' have clearly been defined by US transnational companies who have also fashioned the legal instruments to enforce them. According to Professor Jane Kelsey:

*China is the ultimate target of every US major proposal in this 'new generation, twenty-first century agreement', in particular stricter protection for intellectual property rights, disciplines on 'anti-competitive' state-owned enterprises, and processes and rules to stop 'unjustified and overly burdensome' regulation.*

Such an agreement would not just act against the interests of China. It could outlaw state ownership or state subsidy of key industries in any country within the agreement and create supranational legal obstacles to labour or environmental regulations, indeed anything which could reduce expected profits. It is, in reality, a race to the bottom which would entrench unfettered neoliberal economics as the only game in town for large parts of the globe. Negotiations on the TPP, however, are proving difficult due to differences over intellectual property rights and demands by some countries to have access to US markets for agricultural goods.

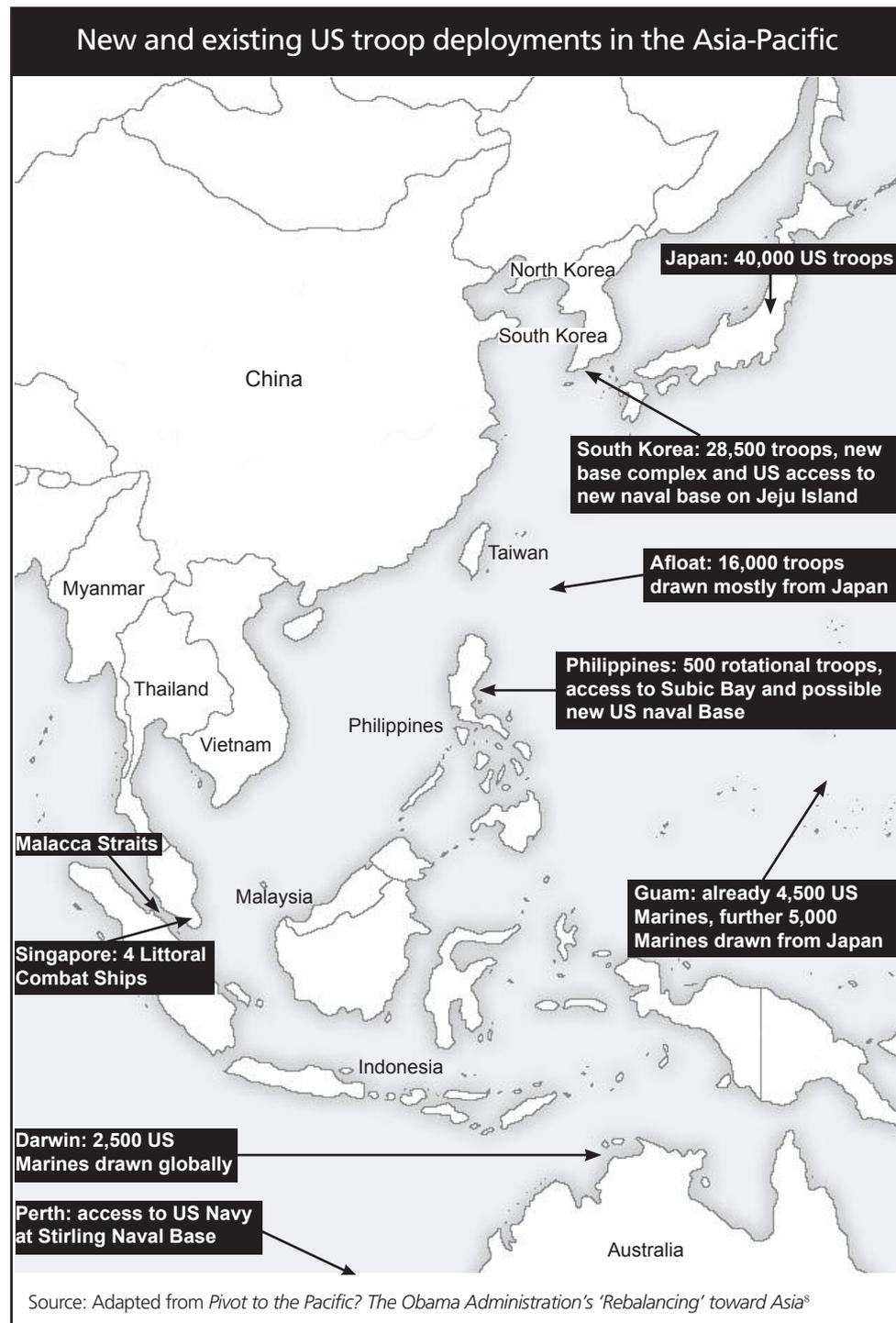
This can be contrasted with the approach of ASEAN. Here a 16 country Regional Comprehensive Economic Partnership (RCEP) largely led by China, will enshrine looser and more flexible rules concerning intellectual property, environmental and consumer protection, labour legislation and government procurement. Instead of a one-size-fits-all agreement, the RCEP will recognise the individual and different circumstances of each country, and include flexibility and longer phase-in periods, especially for the poorest countries. The timetable for completion of the RCEP agreement is December 2015.

## **Building alliances**

In political terms the 'pivot', or 'rebalancing' as the administration now prefers to call it, is partly about trying to do more with less in a rapidly changing world. In place of Bush's unilateralism, Obama has emphasised a new 'multilateralism' – a recognition that the United States can no longer

go it alone and needs to work with allies. US hegemony will now be sustained by building and strengthening regional and global alliances which seek to bind other countries into US foreign policy. This represents, in many ways, a return to pre-Bush liberal imperialism.

In a speech delivered to the Shangri-La Dialogue conference in June 2013, the US Defence Secretary Chuck Hagel indicated the scale of US efforts to strengthen political and military ties to virtually every country in the Asia-Pacific region<sup>7</sup>. He described greater cooperation - and in most cases deeper military engagement - with Japan, South Korea, India, Australia, Indonesia, Singapore, Brunei, Malaysia, Burma, Vietnam, the Philippines, New Zealand, Thailand and Taiwan. In addition to these strengthened bilateral relationships the US is hosting the next meeting of the Association of South East Asian Nations (ASEAN) in 2014 in Hawaii. In building these alliances



the United States is seeking to exploit concern about the growing economic might of China in the region. And it is doing so in the context of inserting itself into a series of territorial disputes between China and its neighbours in the East and South China Seas.

Most alarming, however, are the proposed changes to the military balance in the region. The United States will now deploy nearly 100,000 military personnel in the region beefing up existing deployments and redistributing forces to the southern part of the Western Pacific. It will retain 40,000 troops in Japan, 28,500 in South Korea and move 5,000 more troops to the Pacific island of Guam<sup>8</sup>.

New deployments include 2,500 US marines to Darwin in Northern Australia, 500 troops to the Philippines on a rotational basis, and 4 new Littoral Combat Ships which can engage in close-to-shore operations in shallow water to Singapore (see map). In addition the Pentagon has repeatedly emphasised that any future cuts in US defence spending will not come at the expense of the Asia-Pacific region or the Middle East. In total 60 percent of US naval and air force assets will be based in the Pacific by 2020 including 'six aircraft carriers, and a majority of the US navy's cruisers, destroyers, littoral combat ships and submarines. These would be fortified by an increase in the number and size of military exercises in the Pacific, and a greater number of port visits.<sup>9</sup> Some of these will be forces drawn down from the wars in Iraq and Afghanistan and others will be drawn from the continental United States.

All this is part of a wider plan to create a more flexible, more agile expeditionary force in the Asia-Pacific area which can 'operate effectively across all domains, including air, sea, land, space, and cyberspace'<sup>10</sup> and alongside the armed forces of regional allies. It includes enhancing the military capabilities of existing US partner states, increasing US military training and conducting joint military exercises with the armed forces of partner countries. Already US forces in the region conduct 170 military exercises a year and 250 port visits. One of these was the provocative series of joint exercises between the United States and South Korea in April 2013 involving 10,000 US troops and US bombers practising bombing runs including simulated nuclear attacks against the Korean peninsula which triggered angry denunciations and threats of countermeasures from the North Korean government.

## **Militarism and nationalism in Japan**

The 'pivot' has encouraged militarism and nationalism throughout the region. This is particularly so in Japan where the right-wing ultra-nationalist government of Prime Minister Shinzo Abe took office in December 2012 promising to build 'a strong Japan' with 'a strong military'. He has boosted military spending, taken a more confrontational stance on the Senkaku islands (known as Diaoyu in China), and is determined to free the military from the constraints imposed by Japan's pacifist constitution.

Most worryingly, the Abe administration has become more aggressive in its dispute with China over the unoccupied disputed islands in the East China Sea. In a move welcomed by Washington, the Japanese government has agreed to increase its overall military spending by 2.9% in 2014 despite Japan's huge national debt now standing at 240% of GDP (Britain's debt to GDP ratio is 80%). Japan's Prime Minister is determined to amend or reinterpret the constitution to allow

Japan's armed forces to act alongside their US allies in the region and even to act in a pre-emptive strike. Article 9 of the Constitution currently prohibits Japan from possessing or using military power other than the minimum necessary to defend the nation if it is directly under attack. A pre-emptive attack would, therefore, be a clear violation of the constitution.

In a number of other decisions, the US has announced plans that will fuel further tension between Japan and its neighbours. It will deploy advanced long-range P-8 surveillance and anti-submarine warfare planes starting in December 2013 and long-range Global Hawk drones the following year. These will increase Japanese and US surveillance of the western Pacific area including the East China Sea. It will also deploy a second X-band radar near Kyoto to augment its missile defence system which already boasts 4 Aegis destroyers equipped with radar and interceptors. Japan is also jointly involved with the United States in developing the next generation of missile defence interceptors. These are ostensibly about countering a threat from North Korea. But North Korea is more of an irritation than a threat and everybody knows that the real targets are China and Russia. In addition the United States plans by 2017 to start deploying 42 F-35B short take-off vertical landing stealth fighters (STOVL) and two squadrons of MV-22 Osprey vertical take-off transport planes which will allow the Japanese military to rapidly deploy troops in the event of a conflict over the Senkaku island chain.

Japan already hosts a huge US military presence. 40,000 US armed forces personnel are permanently based in the country, most of them in the southernmost island of Okinawa, nearly a thousand miles from Tokyo but less than 400 miles from mainland China. The 32 bases there have been deeply unpopular on the island for decades due to noise, pollution and base-related crime and have triggered wave after wave of protest. Attempts to close or reduce the impact of the bases has so far been unsuccessful and in 2010 led to the resignation of Prime Minister Yukio Hatoyama. In 2012 a new agreement was reached which involved the closing of the Futenma base – a noisy and polluting air base in the middle of a built up area on the island. The deal involves the transfer of 9,000 marines to other locations – 5,000 of these to new accommodation on the Pacific island of Guam, and the rest to Hawaii and Darwin. The total cost of the move will be \$8.6bn, \$3.1bn of which will be met by the Japanese government<sup>11</sup>.

In December 2013 the last part of that agreement was put in place after long-stalled negotiations between Abe and the Okinawan Governor Hirokazu Nakaima. It involves the building of a replacement base for the US Marine Corps at Henoko, a less heavily populated area towards the north of Okinawa island, and will include a 10-year offshore landfill project in an environmentally sensitive area and the construction of two new runways a mile long. The stalled talks made progress following the Abe administration's promise of \$2.9 billion a year until 2021 for the island's economic development, the prospect of hundreds of local construction jobs and rising tensions between Japan and China. This deal could yet be blocked by popular opposition, following the landslide re-election victory of anti-base Nago Mayor Susumu Inamine on 19th January 2014.

## **South Korea in the Front Line**

In a visit to Seoul in October 2013, Defence Secretary Chuck Hagel reaffirmed that the US military has no plans to downsize its forces in South Korea. A new military base complex described as the

biggest building site since the Panama Canal is currently under construction at a cost of \$11bn. The new base – Camp Humphreys – will house most of the 28,500 US troops in the country and is situated 40 miles south of the capital Seoul. When civilian employees and family members are added the new base is expected to accommodate 44,000, making it the biggest base in Asia. Most of the cost of building and relocation – almost £8bn – will be met by the South Korean government. Elsewhere in the country, 100 installations are being consolidated into around 50 sites and two major hubs<sup>12</sup>.

Although South Korea has refused to join the US-Japan missile defence system it has its own South Korean missile defence system as well as 3 Aegis equipped destroyers and is in the process of purchasing 112 Patriot (PAC-2) low level intercept missiles from the United States.

South Korea's Jeju Island, nearly a hundred miles south of the mainland and just 300 miles from Shanghai, is a beautiful volcanic island and the first place in the world to obtain UNESCO designations in all 3 natural sciences – as a Biosphere Reserve in 2002, a World Natural Heritage in 2007, and Global Geopark in 2010. It was also designated in 2006 as an 'Island of Peace' by the late President Roh Moo Hyun as part of an official apology for the massacre of 80,000 islanders in a rebellion in 1948. The South Korean military is now building – despite fierce local opposition – a new naval base at Gangjeong village on the south of the island that will have a capacity for submarines and up to 20 warships. Although it is described as a South Korean base it has been deliberately designed to accommodate the much greater depths required for US nuclear submarines and US aircraft carriers. Under the Republic of Korea/United States Mutual Defence Agreement the US Navy will have access to the base for its nuclear powered hunter-killer submarines, aircraft carriers and Aegis destroyers. The lead contractor at the base is Samsung while Hyundai Heavy Industries is working with Lockheed Martin to produce the Aegis Combat System to be deployed on US warships at the base<sup>13</sup>.

Many villagers are outraged by the violation of their 'Island of Peace' status, and are convinced that the new base will destroy much of Jeju Island's volcanic and marine environment while making them a target in the event of war. They have maintained a heroic campaign of resistance to the construction of the base for over 5 years, often supported by international peace activists.

Well to the south of the Korean peninsula and east of the Philippines lies the Pacific island of Guam – the largest and most southern of the Mariana Islands. It has been under US control since the Spanish-American War of 1898 and is host to two important military bases – the Apra Naval Base and the Anderson Air Force base. Plans to bring almost 5,000 US marines from Okinawa will bring the number of US forces on the island to 11,000 and increase the US military footprint to 40% of the island's surface area. On a visit to Guam in 2008, Defence Secretary Robert Gates said that the island's military build-up will be 'one of the largest movements of military assets in decades' and will help maintain 'a robust military presence in a critical part of the world'. A recent report by the Congressional Research Service said the island would play a key role in the AirSea Battle concept (see below) and challenge adversaries with anti-access and area-denial capabilities<sup>14</sup>.

## **Australia – lynchpin for the Asia-Pacific**

Like many other countries in the region, Australia has been a key part of United States regional power projection through the ANZUS (Australia, New Zealand and the United States) alliance for the past 60 years. The focus of that alliance has shifted from an initial post WW2 role in preventing the remilitarisation of Japan, through the decades of Cold War division to a peripheral role in Bush's War on Terror and on to a new role in the containment of China. And with that changing focus, Australia's role has become more crucial and central than ever before. Australia is now deeply embedded strategically and militarily into US global military planning, its defence forces increasingly integrated with those of the United States with a growing US military footprint on the Australian continent.

The central place of Australia in the new system of alliances was emphasised by the fact that the first announcement of the 'pivot' was made by Obama on November 2011 on Australian soil in front of Australian parliamentarians<sup>15</sup>.

A recent report from the Centre for Strategic and Budgetary Assessments (CSBA) – an arms length US based think-tank largely funded by the Pentagon – suggests that the US-Australia relationship will in future become the lynchpin for the Asia-Pacific region in the same way that the UK-US relationship has been crucial for the North Atlantic area<sup>16</sup>. The report goes on: 'Australia's strategic geography, well-trained armed forces, and highly regarded intelligence complex renders it an increasingly invaluable partner to the United States... America's strong ties with Australia provide it with the means to preserve US influence and military reach across the Indo-Pacific.' The Robertson Barracks at Darwin is hosting the first contingent of 200 US marines. In 2013 the number will rise to 1,100 and by 2017 to 2,500. And it's not just Darwin. Across northern Australia airfields and training ranges will see an influx of US long-range bombers, and ports like Stirling Naval Base near Perth will increasingly accommodate US warships and nuclear-armed submarines. The Australian armed forces are being restructured at every level to function as the junior partner of the United States in the region.

In addition to the build-up of US marines at Darwin, the United States has access to virtually every other Australian Defence Forces base and training area. These provide 'supportive sanctuary' – places of safety for US forward forces remote from Chinese missile 'threats' but close to the potential theatre of war in the South China Sea. Of particular importance are the air bases in northern Australia which will serve as launch pads for long range bombers and surveillance flights. This will dovetail with growing US-Australian collaboration on surveillance and intelligence and the crucial role of the US electronic spy base at Pine Gap near Alice Springs. It is the Australian equivalent of GCHQ and plays a key part in the NSA's global intelligence gathering and missile defence systems as well as providing targeting data for 'extra judicial' killings by US drones. The Australian government recently established an Australian Cyber Security Centre which could make a vital contribution to future cyber warfare operations. The North West Cape facility is a US-run base which is involved in communicating with US nuclear submarines and will soon have new powerful space radar and space telescopes to give the base a key role in space warfare. Most menacing of all, the close proximity of north Australian bases to the Indonesian Archipelago could give Australian/US forces a key role in monitoring, policing and intercepting Chinese shipping via

‘choke points’ such as the Malacca, Sunda and Lombok straits, potentially cutting China’s imports of oil, gas and minerals from Africa and the Middle East.

The CSBA report laments Indonesia’s history of non-alignment and neutrality which forbids US bases on Indonesian soil and coastal waters. It also expresses concern that Australian air and naval forces lack the range necessary to carry out long-distance missions and it calls for Australia to purchase American nuclear submarines, rather than build its own diesel-powered vessels. The report dispenses with the diplomatic language which marks official US government policy documents. It explicitly identifies China as the chief potential enemy.

And this presents a problem for the Canberra government. The growing integration of military strategy between Washington and Canberra assumes that their wider economic and political interests in the region coincide. But that is far from the case. Australia’s 23 million people need peace and regional stability to enable the current resource-led economic boom to continue. The Canberra government has every reason to avoid antagonising its northern neighbour. Australia, it argues, must not be forced to choose between its principle military ally and its largest trading partner. The Australian government knows that no one can replace China’s demand for resources, yet China could choose to get its raw materials elsewhere. There may, therefore, be clear limits to Australia’s new support for US geostrategic ambitions for the region.

## **The Indian Ocean**

If the ‘Pivot to Asia’ symbolises a shift in emphasis from Europe to the Far East, there is no evidence of any shift away from that other long term US strategic objective – the Middle East. In particular the Gulf, where around 55% of known global oil reserves are located remains the ‘prize’ just as it was in times past. The June 2012 report of the US Senate Foreign Relations Committee describes the region as:

*Home to more than half of the world’s oil reserves and over a third of its natural gas, the stability of the Persian Gulf is critical to the world economy<sup>17</sup>.*

By ‘stability of the Persian Gulf’, of course, the report means US hegemony over the despotic fiefdoms around the Gulf and US naval dominance over oil shipping lanes. That is why the United States is increasing its military presence in the region with air bases, forward command centres, naval bases and training facilities and a corresponding increase in arms sales to Gulf monarchies with an atrocious record of human rights abuses. A fuller discussion of the militarisation of this volatile area is beyond the scope of this pamphlet.

The ‘pivot’ shifts America’s main theatre of operations to the Indo-Pacific, linking the Middle East with the Asia-Pacific area via the Indian Ocean. The neo-conservative writer and advisor to the Pentagon Defence Policy Board, Robert Kaplan, described it thus:

*Here lie the principal oil shipping lanes and navigational choke points of world commerce... forty per cent of sea-borne crude oil passes through the Straits of Hormuz at one end of the ocean and fifty percent of the world’s merchant fleet capacity is hosted in the Strait of Malacca<sup>18</sup>.*

And close to the centre of this strategic ocean is the island of Diego Garcia. Its 2,000 original inhabitants were forcibly expelled by the British colonial authorities in the late sixties/early seventies, mainly to Mauritius and the Seychelles, to allow the United States to build a military base. Today the wishbone-shaped coral island plays host to a large ship and submarine base for the US Navy, an air base, a communications and tracking facility and an anchorage for pre-positioned warships and supplies in the lagoon. According to David Vine<sup>19</sup>, there are 3,000 to 5,000 US troops and civilian support based on the island. Diego Garcia was used as a launch-pad for the wars in Iraq and Afghanistan and would be an important staging post for military action in the Asia-Pacific region.

## **Role of India**

In the Obama administration's plans for the region the role of India is central. This was spelled out in the Department of Defence document of January 2012, where it declared its intention to 'invest in a long-term strategic partnership' with India to support its ability to serve as a 'regional economic anchor and provider of security in the broader Indian Ocean region'<sup>20</sup>.

The transformation of US-India relations was symbolised by the civil nuclear energy deal of 2008. In supplying nuclear fuel and know-how to a state outside the Non-Proliferation Treaty (NPT) framework, the United States was willing to commit a flagrant breach of NPT rules to promote its wider strategic interests with the Indian government. The cynical double standards in the treatment of India, which possesses nuclear weapons and is outside the NPT, and Iran which has no nuclear weapons and remains a member of the NPT, could hardly be more blatant.

Since then Obama has announced \$5 billion of military sales to India on top of the \$8 billion of military hardware that India had bought from US companies between 2007 and 2011. According to the *Times of India* the country will spend over \$100 billion on new weapons over the next 10 years. The Pentagon is keen for US arms manufacturers to capture the lion's share of this market and displace Russia as India's leading arms supplier<sup>21</sup>.

India has recently acquired two 'new' aircraft carriers, one built in India and the other a reconditioned former Soviet-era vessel from Russia. An older carrier is soon to be retired. India's two new aircraft carriers, when equipped with their complement of Mig-29 combat aircraft and anti-submarine and surveillance helicopters, will provide a considerable boost to India's maritime warfare capabilities.

In addition, Indian and US forces have held around 80 joint combat exercises over the last decade helping to cement the military relationship at all levels. In political terms, the United States has supported India's bid to become a permanent member of the UN Security Council.

China is seen as the catalytic factor in pushing the United States and India into a new and closer relationship. India's rivalry with its powerful Asian neighbour goes back decades with a land border dispute that remains a point of tension and is exacerbated by China's longstanding relationship with India's arch-enemy Pakistan. More recently Indian leaders have expressed concern about China's territorial claims in the South China Sea, its growing naval and commercial presence in the Indian

Ocean and its 'string of pearls' around the rim of the Indian Ocean. But there is little substance to any paranoia on the part of the Indian Government that India is about to be surrounded by Chinese bases. The port facilities in Gwadar (in Western Pakistan), Hambantoto (southern tip of Sri Lanka) and Chittagong (Bangladesh) are not military bases but refuelling, resupplying or staging posts for breaking bulk cargo for onward transporting. In short, they are intended to service China's growing merchant fleet. No warships are based at any of these sites and China is on record as opposing overseas military bases.

Moreover, it would be wrong to assume that India will necessarily accept a role as the US junior partner in a new Indo-Pacific 'Great Game'. Within the Indian elite there is strong support, argues influential think tank the Centre for Policy Research, for a policy of 'strategic autonomy' – a 21st century version of the longstanding Indian policy of non-alignment<sup>22</sup>. Such a policy allows India to benefit from a variety of partnerships and economic opportunities and even to emerge as a major global power in its own right.

In addition, China is India's second largest trading partner binding the two economies into a mutually dependent relationship. India and China participate together in international fora, such as Brazil-Russia-India-China-South Africa (BRICS) which is critical of US and western economic policy and has called for the replacement of the dollar as the international currency of exchange. The Indian government, therefore, is not always willing to do the bidding of the United States. It has refused to bow to US pressure to halt oil and gas imports from Iran as part of a sanctions programme directed against that country's nuclear programme.

In short, the leaders of the United States and India undoubtedly share a number of common objectives. But there are also areas where their interests diverge. The Obama administration is keen to promote India as a strong political and military counterbalance to Chinese power in the Indo-Pacific region. Future Indian governments, however, are likely to want to maintain their freedom to act independently in a rapidly changing world. As a rising global and regional power it may not be in India's long term interests to hitch its wagon too closely to that of a declining imperial power, especially one which threatens regional peace and stability.

## **Return to Subic Bay?**

In the Philippines, opposition from local people led to US forces being unceremoniously ejected from their long term bases in Subic Bay and Clark Air Base just over 20 years ago. But today Washington is back. Under the Visiting Forces Agreement of 1999 it already has access to all Philippine military bases without a formal permanent base agreement and its special forces have been actively supporting anti-insurgency actions in Mindanao for over a decade. It is now negotiating for a 20 year deal to provide access for 500 US troops on a rotational basis. The negotiations concern US access to a range of Philippine bases, including Subic Bay and the proposal to build a new US naval base in Oyster Bay on Palawan Island. The objective here is to provide support for Philippine government claims to the Spratly islands in the South China Sea. Meanwhile, Japan has offered 10 Coast Guard ships to the Philippine government.

Indeed, the Japanese government, perhaps mindful of long-term US strategic decline, has been conducting its own regional charm offensive. Prime Minister Shinzo Abe has visited all 10 ASEAN members states in the past year and he has promised \$20 billion for development aid to ASEAN in an attempt to dilute Chinese influence. He is also upgrading Japan's cooperation with other strategic partners including South Korea, Australia and India.

Of course, the United States and Japan have not been alone in diplomatic moves to secure their longer term strategic interests in the region. China has been busy with its own charm offensive in Pakistan, Myanmar, Bangladesh, Nepal and Sri Lanka – all of whom have reason to be wary of the growing power of India. And in a move reminiscent of the ancient Silk Road through which China's emperors traded with the Mediterranean, Chinese President Xi Jinping has been touring the nations of Central Asia armed with billions of dollars for investment deals, carving out a new land route to the West and securing a new route for China's energy supplies. New investment deals were signed with Kazakhstan, Kyrgyzstan, Turkmenistan and Uzbekistan.

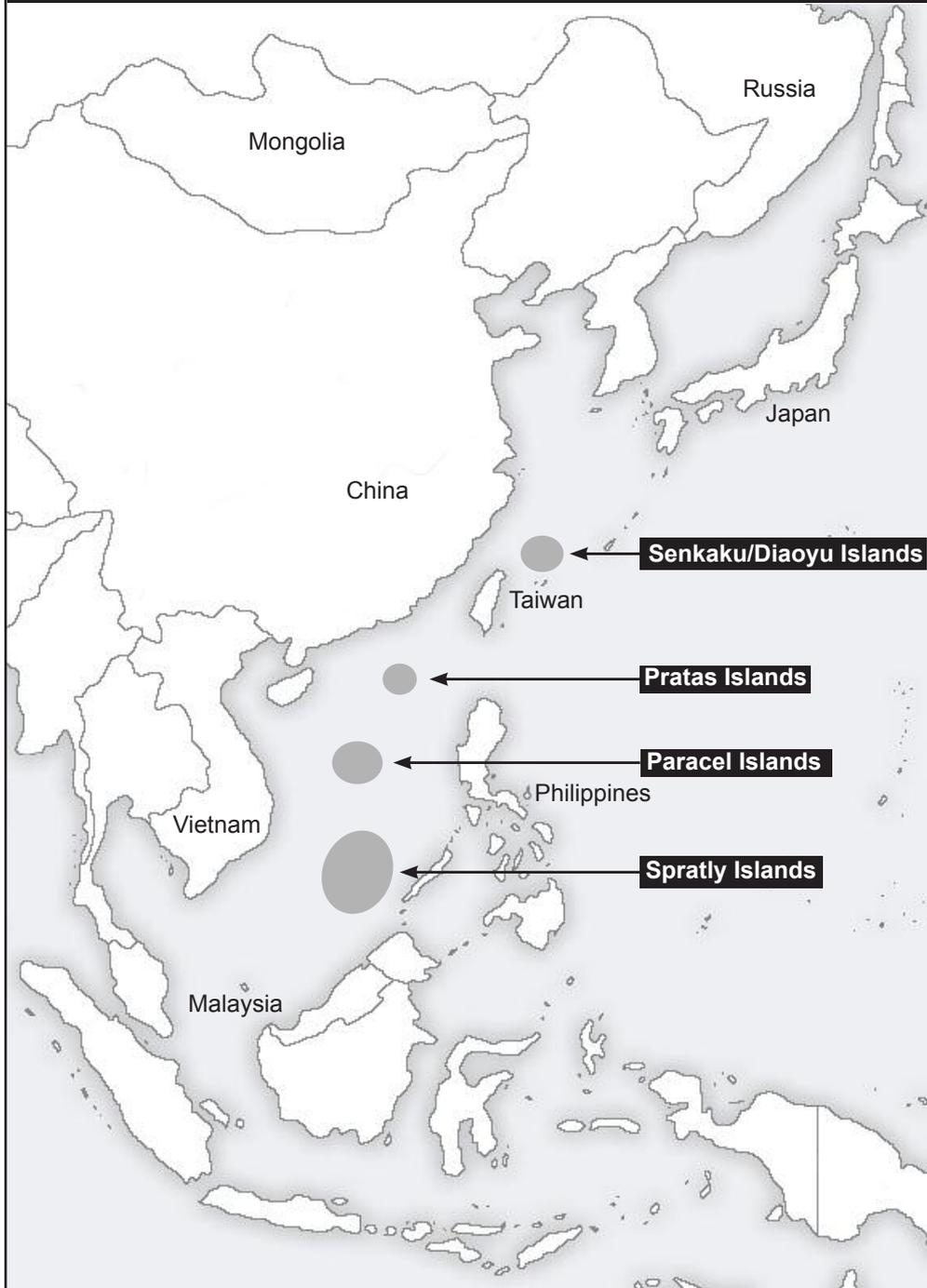
While the United States has placed the emphasis on boosting its military role and new basing agreements in the region, China's regional drive has been primarily economic. Tours of South East Asia in October/November 2013 by President Xi Jinping and Premier Li Keqiang included visits to Malaysia, Indonesia, Thailand, Brunei and Vietnam to boost trade and regional infrastructure, including plans to connect China with South East Asia by high speed rail. And, perhaps most symbolic of all, Xi went on to play a major role in the Asia Pacific Economic Cooperation (APEC) summit in Bali proposing an ambitious target for increased China-ASEAN trade and a new Asia Infrastructure Development Bank, while President Obama had to cancel his attendance at the summit to deal with government shutdown at home.

### **Island dispute in the East and South China Seas**

One of the most difficult issues which could trigger war in the region is the dispute over islands in the East and South China Seas. These islands, most of which are uninhabited and some of which are submerged at high tide, have been the subject of competing claims for many years. China, Malaysia, the Philippines, Taiwan and Vietnam all have claims to the Spratly Islands (see map), while China, Taiwan and Vietnam claim the Paracels. The Pratas islands are disputed between China and Taiwan while the Senkaku/Diaoyu islands are claimed by Japan, China and Taiwan. As well as being rich fishing grounds these islands are believed to harbour minerals, natural gas and oil both onshore and in surrounding waters. Perhaps more importantly, however, they sit astride the vital sea lanes of world trade, carrying up to 40% of the global trade in raw materials and manufactured goods. China has recently become more assertive in pressing its historic claims that the islands have long been part of China. The issue of sovereignty of the Parcel and Spratly islands has been partly 'shelved' with the proposal, originally made by Deng Xiaoping in 1984, that the islands be jointly developed before discussing sovereignty<sup>23</sup>.

The dispute between China and Japan over the Senkaku/Diaoyu islands is the most serious. China claims that the islands were seized by Japan in 1895 along with Taiwan as an act of imperial plunder and that subsequent treaties handed the islands back to China. But here the role of the United States was crucial. It administered the islands in the post war period before being handing them back, not to China, but to Japan in 1972. The Japanese state 'purchase' of three of the disputed

## Disputed islands in the East and South China Seas



islands from a private Japanese owner in September 2012 sparked angry demonstrations in China and led to a sharp downturn in Japanese trade with China. Trade has since bounced back but in November 2013 China declared an air defence identification zone around the islands, again raising tensions and the risk of conflict. As with the Spratlys and Paracels, China has offered to shelve the issue of sovereignty of the islands in favour of joint development but this has been rejected by the Japanese government which does not even accept that there is a territorial dispute.

The United States, despite its claim to neutrality on the issue, recognises Japanese administration of the islands. The Chinese air identification zone seems to be a response to an existing Japanese air identification zone which covers a large part of the East China Sea.

Relations between Japan and both China and South Korea have recently deteriorated because the Abe administration refuses to acknowledge Japanese war atrocities, including the Nanjing Massacre and the existence of Korean sex slaves. He recently compounded this with a provocative visit to the Yasukuni Shrine to pay homage to Japan's war criminals. Taken together with re-militarisation and the moves to change the Japanese constitution, the scene is set for a dangerous confrontation where miscalculation or mishap at sea could trigger conflict, including the possibility of a great power war.

It may seem ludicrous that the three biggest economies in the world would go to war over tiny unoccupied rocks in the Pacific, even if they have proven resources. But the issue is not so much the islands themselves as what they symbolise. At the heart of the issue is a determination on the part of a rising China never again to suffer the ignominy and humiliation it experienced at the hands of nineteenth and twentieth century colonial powers. Above all, that enmity and hostility is concentrated against Japan as the regional state who defeated China in the 1894-5 war, seizing Taiwan and the Senkaku/Diaoyu islands, and then occupied north-east China from 1931 followed by full scale invasion of much of China from 1937. The sheer scale of the atrocities visited upon the people of China during that period has not been fully acknowledged.

For China, therefore, the issue of Taiwan and the disputed East China Sea islands are unfinished business. Small wonder that modern day China should want to defend its coastal waters and develop a 'counter-invasion strategy'.

### **China's military expansion**

The Pentagon accuses China of a lack of military transparency and a campaign of military expansion that increasingly threatens regional allies and the freedom of US armed forces to 'operate in the global commons'. This is breathtaking hypocrisy. This year China's defence budget rose to \$114.3 billion while that of the United States is well over \$700 billion (base budget plus war costs) – almost 7 times as much. Moreover the size of its military budget in proportion to GDP remains much smaller – in 2012 it was 2% for China as compared to 4.4% for the US<sup>24</sup>. US military spending as a percent of GDP has never fallen below 3.6% since WWII. Over recent years the People's Liberation Army (PLA) has been dramatically downsized from over 2 million to 850,000 as has its navy and air force. It has one recently acquired aircraft carrier – the Liaoning – which is not yet in service. Ten other countries have at least one carrier. China does have a programme of military modernisation as much of its existing equipment is elderly and dated. More importantly, perhaps, China has no ability to project power outside its own region. Compare this to the truly global reach of the world's sole superpower. The United States dominates the world in every domain – land, sea, air and space - and in every part of the globe. Its eleven aircraft carriers, each with its own flotilla of warships, patrol every ocean and carry out joint military exercises with the armed forces of almost every nation. Just one of these carrier groups would be enough to conduct a small war and would dwarf the total firepower of most countries.

The US projects power right up to the sensitive strategic waters near the Chinese coast through its powerful navy. By contrast, China's defence posture is overwhelmingly defensive and regional. In US military jargon it is an 'asymmetric' strategy. China has opted not to match the United States weapon for weapon as the Soviet Union tried to do but has instead chosen to develop defensive

weapons – anti-ship cruise and ballistic missiles – which could inflict unacceptable damage on US naval assets. In that sense the Chinese strategy could be described as modernising its military forces to challenge US domination up to its ‘inner island chain’ and US military operations related to Taiwan and the Diaoyu/Senkaku islands.

## **Nuclear weapons and Missile Defence**

China is one of the original 5 nuclear weapons states (P-5) recognised by the nuclear Non-Proliferation Treaty. It claims that it operates a ‘minimal deterrent’, shuns involvement in any arms race and adopts a ‘no-first-use’ policy, the only one of the P-5 nations to do so. It is believed to possess around 240 nuclear warheads (slightly more than Britain but less than France) which can be delivered by land-based ICBM, submarine or aircraft. All the missiles, which are being gradually modernised, carry a single warhead and the warheads are stored separately from the missiles. The submarines do not carry nuclear weapons on patrol during peacetime. China’s nuclear strike force is, therefore, vulnerable to a decapitating first strike. According to Kristensen and Norris: ‘China’s main concern is the survivability of its minimum nuclear deterrent, and it spends considerable resources on dispersing and hiding its land-based missiles’<sup>25</sup>.

This makes the issue of missile defence all the more dangerous and destabilising. Missile Defence, to recap, is a system that has been under development in the United States for many years. It attempts to use satellites, radar and interceptor missiles including those on Aegis ships, to detect and knock out incoming missiles. It gives the United States and its allies the possibility of nuclear dominance – the ability to strike first with impunity. It is, in other words, fundamentally destabilising to the existing strategic balance and has already led to other nuclear weapons states taking counter measures.

Both the United States and Japan have fairly sophisticated missile defence systems in the Asia-Pacific including Aegis-equipped destroyers with SM-3 missile interceptors and Patriot Advanced Capability batteries. South Korea and Australia have more basic missile defence capabilities. The stated purpose of missile defence is ‘to defend against limited missile strikes from rogue states, not to alter the balance of strategic nuclear deterrence with the major nuclear-armed states’<sup>26</sup>.

But Russia and China have been highly critical of US missile defence deployments as threatening their nuclear ‘deterrents’, and thus endangering strategic stability. Moreover, missile defence antagonises North Korea further undermining regional stability. The United States deliberately exaggerates the North Korean missile ‘threat’ to build support for expensive missile defence systems and create a defence dependency on the United States. There is an open deception here. Just as NATO’s new missile defence system in Europe is not targetted on Iran but Russia, in the Far East the missile defence systems and strengthened military alliances are not targetted against North Korea but China.

In short, missile defence is the shield that complements the nuclear sword. The relatively small number of Chinese nuclear warheads are highly vulnerable to a US first strike using the missile defence shield to mop up any remaining missiles. The reality is that missile defence, despite its name, is not defensive at all. It is highly offensive and destabilising. The danger is that, despite its

statements to the contrary, the Chinese leadership could be drawn into a new and dangerous nuclear and conventional arms race in the Asia-Pacific.

## **AirSea Battle**

Alongside the military build-up and strengthened alliances in the Asia-Pacific region we have seen the worrying development of a new strategic doctrine which lowers the threshold for war. The AirSea Battle (ASB) concept arose to counter a new defensive ‘threat’ from potential adversaries like China, Iran and North Korea and as an alternative to fighting another disastrous land war in Asia. In particular, China’s new generation of sophisticated anti-ship missiles fired from mobile land-based launchers, aircraft and submarines have the potential to take a heavy toll of US warships who sail into contested waters. The People’s Liberation Army calls this a ‘counter-invasion’ strategy. The Pentagon describes it as an anti-access/area denial (A2/AD) strategy which threatens its ‘right’ to project power to any part of the globe:

*Anti-access strategies seek to deny outside countries the ability to project power into a region... Without dominant US capabilities to project power, the integrity of US alliances and security partnerships could be called into question, reducing US security and influence and increasing the possibility of conflict<sup>7</sup>.*

The ASB concept, initially conceived by the Pentagon-funded CSBA, was given official endorsement in the Administration’s 2010 Quadrennial Defence Review<sup>28</sup>:

*The Air Force and Navy together are developing a new joint air-sea battle concept for defeating adversaries across the range of military operations, including adversaries equipped with sophisticated anti-access and area denial capabilities. The concept will address how air and naval forces will integrate capabilities across all operational domains – air, sea, land, space, and cyberspace – to counter growing challenges to US freedom of action and to sustain operations in the global commons during peacetime or crisis.*

The battle plan would open with a ‘blinding’ campaign where US forces would attack China’s reconnaissance and command and control centres to impair the Chinese military’s ability to target US forces off the Chinese coast. Next the United States would take the fight to the Chinese mainland, striking long range anti-ship missile launchers and anti-satellite missiles, taking out air defence systems, command and control centres and other anti-access weapons. This would, of course, amount to total war and could escalate to a nuclear exchange. It is yet another sign that the United States will brook no challenge to its unfettered domination of the seas. In the context of China’s oft stated ‘peaceful rise’ strategy it is a very aggressive response. Any attempt to carry out deep mainland strikes could easily be misconstrued by Chinese leaders as an attempt to knock out its nuclear weapons sites. The battle plan requires the development of US long range strike capabilities including the X-47B – a new stealth drone bomber which can attack Chinese missile sites.

Another purpose of AirSea Battle is to cut China’s vital shipping routes to the Middle East and Asia by blocking ‘choke points’ such as the Malacca Straits. Under the heading of ‘Implementing Distant Blockade’ the CSBA document talks of choking off Chinese seaborne commerce by ‘comprehensively blocking maritime shipping in and out of Chinese ports’ in the event of a protracted war. In doing so US forces could ‘exploit the Western Pacific’s geography, which

effectively channelizes Chinese merchant traffic' using 'platforms most suited for this kind of operation, such as Littoral Combat Ships (LCS), patrol craft and small frigates'. As a result, the Chinese economy would be starved of imported energy and raw materials. It is presumably with that purpose in mind that the US 'pivot' includes the deployment of 4 new littoral combat ships to Singapore, the first of which arrived in Changi Naval Base in April 2013<sup>29</sup>.

This is an astonishingly aggressive doctrine which, if ever implemented, would be likely to escalate to total war. It assumes a Chinese military 'threat' that simply is not there. Robert Zoellick, former deputy US Secretary of State and former President of the World Bank, described the position of China:

*...the China of today is simply not the Soviet Union of the late 1940s. It does not seek to spread radical, anti-American ideologies. While not yet democratic, it does not see itself in a twilight conflict against democracy around the globe. While at times mercantilist, it does not see itself in a death struggle with capitalism. And most importantly, China does not believe that its future depends on overturning the fundamental order of the international system. In fact, quite the reverse: Chinese leaders have decided that their success depends on being networked with the modern world<sup>30</sup>.*

Above all, China is not embarked on a path of confrontation with the West. The policy inherited from Deng Xiaoping was to concentrate on growth, industrialisation and the elimination of poverty while keeping a low profile. China's leaders have embraced a foreign policy of 'peaceful development' and are keen to participate in the current world order rather than undermine it. China participates in the United Nations where it rarely uses its veto. It observes global trade rules and uses legitimate channels to resolve trade and territorial disputes.

## **Greater assertiveness**

China's long term strategy has not changed, nor has its careful diplomacy or defensive military strategy. What we have seen, however, in the last 2 or 3 years has been a greater assertiveness in pressing its claims to sovereignty over the disputed islands in the East and South China Seas. China continues to insist that negotiations on the future of the islands should be conducted on a bilateral rather than a multilateral basis. In some cases – as with the dispute with Vietnam over the Paracels – the island dispute has exacerbated longstanding tensions between two neighbours with a long history of animosity.

This has created some anxiety among the nations of the region about how China might use its growing power. And this, in turn, has allowed the United States to present itself as a 'balancing force' in the region, building existing and new alliances and increasing its military presence. But whatever concern ASEAN countries may have about the rise of their northern neighbour, and whether or not they see a balancing role for the United States, they all recognise that the US is a declining power and China is the future. Moreover, China is by far the biggest trading partner of all the countries in the region and their economies are increasingly integrated into a Chinese hub. As Martin Jacques argues:

*... the most important single category of ASEAN exports to China is composed of intermediate goods: components account for around half of China's imports from East Asia ... China is where the final*

*assembly of many products of foreign owned multinationals ... takes place prior to their export to their final destination. Countries like Malaysia and Thailand thus occupy a crucial niche in a complex division of labour centred on China.*<sup>31</sup>

In other words, the countries of South East Asia increasingly recognise that their futures are interlocked with that of China in a new co-dependency. China is widely accepted as the engine of growth that is transforming the region. Thus, any diplomatic, political or military action which damages or destabilises China is likely to damage or destabilise themselves. In that sense, they have more to lose than gain by picking a fight with their northern neighbour. And that is equally true of every other country in the Asia-Pacific area and is what makes any future 'Cold War' in the region radically different from the past. The Soviet Union, Eastern Europe, China (before 1980) and Cuba were largely isolated from other parts of the global economy and tended to trade mainly with themselves. By contrast, China is highly integrated into the global economy especially that of Asia. Even for Japan, the most developed nation in the region and that most hostile to China's rise, China is now the country's biggest export market. Similarly for South Korea, China is by far the largest trading partner and South Korean firms invest heavily in mainland China. China's soaring demand for raw materials helped create Australia's two decade-long boom and Chinese imports of iron ore, coal and other minerals account for 21.8% of Australia's exports. No matter how close its relationships with the United States, Australia's economic future lies in Asia.

Perhaps the clearest example of the interlocking of interests lies in China's relationship with the United States. US imports from China outpaced exports by \$315 billion last year. US national debt is now a staggering \$17 trillion of which China holds \$3.6 trillion in foreign exchange reserves, mostly US treasury bonds. This means that the two economies are highly interdependent. It gives China huge influence over the value of the dollar. That alone should make any armed conflict between the two countries unthinkable.

On the other hand, in the run-up to World War 1 many people thought that growing trade between Europe's major powers would make a general war impossible. They were proved tragically wrong as rival imperial interests, rising powers pitted against established ones, whipped up chauvinist and nationalist emotions in their respective countries to support a devastating war on many fronts.

## **Containment and encirclement**

After a lost decade when President Bush largely ignored the Far East in his obsession with oil and the Middle East, the Obama administration is determined to shift the focus of its policy to the Asia-Pacific and recoup lost ground. It is pursuing a twin track approach to contain the growth of China, pushing to create a new trading bloc which excludes China while strengthening its military grip in the region. In particular, new and strengthened alliances and new basing agreements mean that China is encircled by a growing ring of US and allied bases in Australia, Singapore, Guam, the Philippines, South Korea and Japan. Add to that the growing threat of missile defence and the development of AirSea Battle as a new and escalatory strategic doctrine, and you have a highly combustible cocktail. Just think how US citizens would feel if the situation was reversed – if it was China which was encircling

the United States with military bases and insisting on the right of its warships to sail into contested waters off the US coast. There would be widespread outrage!

This is a high risk strategy. Let us assume that the Obama administration does not actually seek outright war with China. It would, after all, be disastrous for both nations, especially the US. But neither does the US want to surrender its ability to bring preponderant military pressure on China. That's why despite the soaring rhetoric of his Prague speech, Obama has done little to implement his vision of a 'nuclear-free world'. Instead he has agreed to a 10-year programme of nuclear weapons 'modernisation' – spending \$88 billion on bombs, warheads and supporting infrastructure and about \$125 billion for delivery systems over the same period<sup>32</sup>. That's also why, instead of discussing nuclear disarmament and rolling back conventional weapons, he is investing heavily in missile defence at home and abroad. That way he can create the illusion of 'security' without actually having to get rid of the most dangerous weapons. And he can build new military alliances and create defence dependency on the United States at the same time.

Moreover, he can boost the US economy in the one area where it still has most of the global players. For the US, it seems, peace is not good for business. And manufacturing weapons of war is one business where the United States is in a class of its own. Its global war machine has no near competitors and its military industrial companies have few peers. That is why, despite the bankruptcy of its economy, the United States continues to account for 40% of global arms spending and will attempt to use that global military dominance to roll back the tide of history.

## **The role of the peace movement**

There are, therefore, two key dangers for the future. The first is that a new incident could trigger new conflict in the highly charged situation in the East or South China Sea which could escalate to war. The unpredictable play of politics could be important here. A change of leadership in any of the key players could make confrontation and war more (or less) likely. The second danger is that China will be drawn into a wider arms race in the Asia-Pacific. Either situation would play to US strength and China's weakness. And both possibilities stress the importance of negotiations and the crucial role of the international peace movement.

Currently it would appear that the Chinese leadership is determined not to get drawn into a wider arms race, aside from its asymmetric military modernisation programme aimed at defending its land and coastal waters. It recognises the challenges it faces but is, in general, careful to avoid inflammatory rhetoric<sup>33</sup>. The long-term Chinese strategy for peace, it would appear, is to develop levels of economic interdependence and 'common development' that will make aggressive action politically and economically more difficult. But as we have seen, the risks of confrontation and outright conflict remain very considerable and appear to be increasing.

This makes the role of the international peace movement of key significance. That movement can take encouragement from the recent success in preventing US-led military strikes against Syria. This important but solitary success followed a long series of failures to halt military interventions – in Afghanistan, Iraq and Libya – and a consequent period where

the peace movement was able to highlight the disastrous consequences of intervention. Public opinion was relatively well informed. Political leaders were aware of the disquiet.

This is not currently the case with the Far East and the Pacific. It is considered far away and of limited importance to Britain. There is widespread lack of knowledge and understanding of the political and military issues. Moreover, media reports tend to demonise both China and North Korea. While North Korea's internal politics may be unpalatable to many, it is no worse than countries in the Middle East to which Britain is closely allied. Its military posture, like that of China, is predominantly defensive.

The peace movement, therefore, has a particular responsibility to educate and explain. This pamphlet represents a first attempt to do this and it is important that its arguments and analysis are broadly disseminated.

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