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CINCPAC OPERATIONS IN SUPPORT  
OF A GLOBAL ECONOMY 

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The contents of this paper reflect my own personal views and  
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# TABLE OF CONTENTS

Abstract.................................................................................i  
Introduction.............................................................................ii  
Chapter I.................................................................1  
   The Changing Economic Environment  
Chapter II............................................................................4  
   The Necessity for Military Engagement in the  
   Asia-Pacific  
Chapter III...............................................................12  
   CINCPAC Options  
Chapter IV...............................................................18  
   Summary and Conclusions  
Appendix A.............................................................19  
   Figure 1...........U.S. Two-Way Merchandise Trade  
   (Source: Department of Commerce)  
   Figure 2...........Spratley Islands: Occupied Islands  
   and Reefs  
   (Source: Australias Strategic Planning  
   in the 1990s)  
Bibliography.......................................................................22
Abstract of
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Since the dissolution of the Soviet Union and the end of the Cold War, the National Security Strategy of the United States has shifted its focus from containment to engagement and enlargement. Increasingly, the global economy is at the core of this strategy. As America’s strategy shifts, there is growing opinion that, since most of the threats in the new world order will be economic rather than military, the role of the military will decrease in the administration of this strategy. One of the results of this thinking is a suggestion that it is time for the United States to withdraw the bulk of its military presence from the Asia-Pacific region. This study shows that military presence and, when necessary, intervention, is required in the region, and that, in fact, CINCPAC operations will play an increasingly vital role in the execution of America’s National Security Strategy.
INTRODUCTION

With the disintegration of the Soviet Union and the resulting decrease in the risk of global conflict, the relevance of U.S. military engagement throughout the world, particularly the Asia-Pacific region, is increasingly questioned. There is growing recognition of the fact that most of the future threats to national security will stem from economic rather than military factors. This awareness often leads to the misapprehension that military operations will no longer be pertinent to those challenges.

An increasingly multi-polar world with ever-increasing economic interdependence has led many to believe it is time to reduce U.S. military presence in the Asia-Pacific and rely more on diplomatic and economic means to ensure the United States role as a world leader.

This paper will examine the role of the Commander-in-Chief, Pacific Command (CINCPAC) in support of a global economy. It is intended to reflect a predominantly peacetime environment.

Chapter I focuses on the changing global economic environment. Chapter II addresses the necessity for continued U.S. engagement in the Pacific area of responsibility (AOR) and the importance of military presence and, when necessary, intervention to facilitate the global economy. Chapter III discusses CINCPAC operations to enhance the political and diplomatic processes required of engagement and enlargement. Chapter IV summarizes and concludes.
Chapter I
The Changing Economic Environment

The 1995 National Security Strategy states, "Broad-based economic development not only improves the prospects for democratic development in developing countries, but also expands the demands for U.S. exports. Economic growth abroad can alleviate pressure on the global environment, reduce the attraction of illegal narcotics trade, and improve the health and economic productivity of global populations."¹

Historically, Americans have considered themselves to be more closely aligned with Europe and Canada than with other parts of the world. However, since the mid-1950s, world economic activity has become increasingly more global, and the United States is no exception to this trend. In fact, the Asia-Pacific region of the world is currently the United States largest two-way trading partner, with 37 percent of United States two-way trade accruing to it. Europe is second, with 22 percent of trade; Canada third, with 21 percent; and Latin America a not too-distant fourth, with 15 percent. The remaining five percent of U.S. two-way trade is divided between the Middle East and Africa.² (Appendix A, figure I)

These facts clearly indicate that, although the United States has vital economic interests in nearly every part of the

² CINCPACFLT Area of Responsibility Brief
world, and so must remain dynamic worldwide, the Asia-Pacific region is of particular interest. The figures reflect that greater numbers of Asia-Pacific countries are engaging in free market economies; and since democratic free market countries are less likely to engage in armed conflict with one another, the United States has even more incentive to remain engaged in the region to facilitate the expansion of these markets.

In the Asia-Pacific area of the world, the U.S. vital interests are not limited to trade, but also extend to the preservation of freedom of the sea lines of communication (SLOCs), and to maintaining a sufficient supply of oil at a reasonable price.

American trade with the Asia-Pacific region amounts to nearly four hundred billion dollars annually\(^3\), and exports to Asian nations are already directly responsible for some 3 million jobs in the United States, with that figure projected to rise to nearly six million by the turn of the century.\(^4\) With a population of over one billion people, China alone is a vast untapped market for export expansion. The so-called "Big Emerging Markets" (BEMs) of China, Hong Kong, Taiwan, and


Indonesia also represent a tremendous potential market.\textsuperscript{5}

The United States current oil imports from the Arab OPEC States total about twelve percent of its total oil imports\textsuperscript{6}, with projections that that figure may go as high as 50 percent in the future. Obviously, the United States, along with the Asia-Pacific countries, has a vital interest in maintaining a sufficient supply of reasonably priced oil.

Additionally, the United States has a critical interest in protecting the essential and potentially vulnerable SLOCs in the Asia-Pacific area, including the Strait of Hormuz, the Strait of Malacca, and the South China Sea.


Chapter II

The Necessity For Military Engagement in the Asia-Pacific

One of the aspects of the current National Security Strategy is improvement of domestic prosperity. In order to achieve that end, an effort is being made to reduce the Federal budget, one of the ramifications of which is the downsizing of the military. That downsizing, coupled with the lessened threat of global conflict and the economic vice military atmosphere of the emerging post-Cold War world leads many to posit that the United States can realize its national security strategy goals without the use of forward deployed military forces.

Chalmers Johnson, President of the Japan Policy Research Institute and E. B. Keehn, University lecturer in Japanese politics at the Japan Research Center, Cambridge University, state that a recent Department of Defense report on forward deployed troops in the Asia-Pacific theater "ignores the profound shifting around the world, particularly in East Asia, from military to economic power." They further state that, "If Japan is truly to remain the linchpin of U.S. strategy in Asia, any serious rethinking of US. security policy must center on rewriting or peace fully dismantling the Japan-U.S Security Treaty."

This theory is without merit and, in fact, to practice it

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would be counterproductive. Forward presence is required in the Asia-Pacific area to protect the vital and vulnerable SLOCs. These critical shipping routes are essential, not only to U.S. trade, but to that of its allies and trading partners. Failure to exhibit an active interest in the security of the SLOCs will encourage other countries, who may not have U.S. vital interests at heart, to attempt to gain control of them and possibly curtail freedom of shipping.

Certainly, although the United States takes no official position on the claims of the competing factions, U.S. presence in the Asia-Pacific area acts as a deterrent for the conflicting parties in the Spratly Island dispute to take strong military action, one result of which could be curtailment of free shipping in the South China Sea. (Appendix A, figure 2) Equally important, U.S. presence serves as a deterrent for countries seeking to restrict shipping in the Strait of Hormuz.

Further, U.S. forward presence and basing in Asia heightened its ability to respond during Operations Desert Shield and Desert Storm, a perfect example of military intervention in support of the global economy.

After the Iraqi invasion of Kuwait, the price of oil nearly tripled over a four month period. This price rise cost the United States nearly two billion dollars and was far more expensive for many of its allies, notably Japan, Korea, and the Philippines, who are almost entirely dependent on the
Persian Gulf region for their oil. The total effect was a cost of nearly one trillion dollars in worldwide Gross National Product and recession in several industrial nations.¹ The existing U.S. force structure in Asia provided a deterrent to regional perils, thereby freeing up troops from elsewhere to respond to the crisis.² This was particularly critical, as it appeared at the same time as though peace negotiations with the North Koreans were on the verge of breaking down. Additionally, forward basing in Asia provided access to ports, airfields, and maintenance facilities, enhancing the coalition’s capability to respond to the emergency. Only through military intervention was the U.S.-led coalition able to reestablish a favorable balance of power in oil-rich Southwest Asia, and prevent skyrocketing oil prices, which would have been devastating to economies worldwide. Therefore, it is imperative that a forward military presence remain in the Asia-Pacific area to maintain an advantageous stability in the oil producing regions, in order that no hostile state gain control of the region and threaten U.S. and allied vital interests through manipulation of oil prices.

Another consideration is that the People’s Republic of China acquires much of its oil from the Persian Gulf region. The takeover of the Persian Gulf region by a hostile power

¹ CINCPACFLT Area of Responsibility Brief
² United States Security Strategy for the East-Asia Pacific Region, 23.
could lead to disruption of oil supplies to China, in which case it is not inconceivable that China would invade Kazakhstan to exploit Kazakhstan’s oil reserves, leading to armed international conflict, disrupting regional economies, and possibly destroying the fragile, emerging democracies in the countries of the Former Soviet Union. Yet another effect of disruption of oil from South West Asia would be an increase in tension in the Spratly Islands, where the conjecture that oil is present is a huge factor in the dispute.

Additionally, and in direct counterpoint to Johnson and Keehn, is the fact that the reduction of American forces in the Asia-Pacific area would leave a security void which would have to be filled by one of the regional powers. The two prime candidates to close this vacuum are China and Japan, whose distrust of and antipathy for one another is historic. Since 1985, defense spending worldwide has decreased, with the exception of the Asia-Pacific region. Military expenditures in this region have increased about 22 percent.\(^{10}\) Increased prosperity has enabled this increase; concomitantly, the greatest expenditures have been in the area of the Northeast Pacific, where Korea, China, and Japan have not only the largest economies, but also the greatest strategic challenges. However, military spending in the remainder of the region has also expanded, in no small part because of regional nations’

uncertainty about the role the American military will continue to play in the future.\textsuperscript{11}

At the present time, China has changed its defense strategy policy to "change the operation of the whole national system in a state of war or in a situation close to war into a normal peace time. The rationale is that current China’s defence policy has to be subordinated to and directed towards supporting national economic development which has been given first priority by the Zhongnanhai regime since 1978."\textsuperscript{12} However, China has only adopted this strategy because, "At this juncture, the U.S. and some Western countries are seen by the leaders in Beijing as adopting a foreign policy based on power politics. In this context, Chinese leaders are convinced that the U.S. would prevent any regional power from becoming a threat to its own interests."\textsuperscript{13} Failure of the United States to ensure such security for the Asia-Pacific region will only lead to a continued military build up, at the expense of nation’s economies and domestic infrastructures. Elizabeth Davis, Associate Professor of Political Science at Illinois State University, states that the reason for the increase in defense spending in the Pacific rim is the decline of the Russian and American fleets in the Pacific. She calls

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13 Ibid.
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the vacuum left by this decline in force "unsettling." "Asian leaders are actively encouraging the United States to formulate a new policy in East Asia....Most Asians do not clamour for the immediate removal of American forces, but rather hint that a United States withdrawal from South Korea and Japan would jeopardize regional stability."¹⁴ One of the main reasons for this feeling is that many of the Asian nations remember with trepidation and bitterness Japan's imperialist aggression during World War II. While the United States may be willing to put that war behind it with the 50th anniversary of D-Day, the Asian nations are not so inclined, and indeed, many are re-arming themselves because of their determination not to allow history to repeat itself. The major ramification of this arms build up is that the Asia-Pacific countries who are engaged in the race will be forced to divert precious assets from the expansion of their economies to the expansion of their militaries, thereby reducing their growth and limiting their markets. Further, this lack of regional stability may induce nations to inhibit their trade with one another for military-political reasons. It is widely accepted that democracy and free markets emerge more readily when national security is assured.

As Michael Howard, Regius Professor of History at Oxford, points out, there are three functions of military power:

deterrence, compellance, and reassurance. He says, "But perhaps Reassurance is more important than either deterrence or compellance for the preservation of world stability, for it determines the entire environment within which international relations are conducted. Reassurance provides a general sense of security that is not specific to any threat or scenario."\(^{15}\) Howard is correct in his argument that it was only through the framework of stability provided by the United States military that the economies of the Asia-Pacific were able to evolve to their current level and that that framework must remain in place for those economies to continue to thrive.\(^ {16}\)

There is a school of thought that argues that maintaining a forward presence in Asia, particularly Japan, is done at the expense of the American economy, in direct counterpoint to the current National Security Strategy. There is, however, little basis in fact for this argument. The most recent Bottom-Up Review determined that in order to maintain a military force capable of dealing with two nearly-simultaneous Major Regional Contingencies, the United States must maintain annual defense spending at roughly 250 billion dollars. Since Japan defrays nearly all the yen-based costs of maintaining U.S. forces there (approximately 70 percent of the total cost), moving the troops from Japan would increase the cost of their

\(^{15}\) Michael Howard, "The Inaugural Paul H. Nitze Award Lecture", Center for Naval Analyses (Alexandria, VA, 1994), 1

\(^{16}\) Ibid.
maintenance, unless they are removed from the force structure, which is contra-indicated by the Bottom-Up Review.¹⁷

Finally, the United States cannot ignore that the "Golden Triangle" area of Myanmar (formerly Burma), Cambodia, and Laos provides over 60 percent of the world's opium. Only through engagement, enlargement, and expanded economic exchange can the United States hope to stem the tide of illegal drugs from this region of the world.

¹⁷ Nye, 98.
Chapter III
CINCPAC Options

The question that must be answered in view of the necessity to remain engaged in the Asia-Pacific, is, how can CINCPAC best utilize his forces and assets to bolster the diplomatic and economic strategies necessary to enhance the United States economic security in the region?

Under the provisions of the Unified Command Plan (UCP), the Commander-in-Chief (CINC) has the authority to organize and deploy his assets as he sees fit to best achieve strategic goals within his area of responsibility.\textsuperscript{18} Within that framework, there are several options for the CINC to employ in pursuit of operations in support of the global economy.

The issue of protecting SLOCs and providing a stabilizing effect in the Spratly Islands can be addressed in several ways. While the presence of a carrier battle group (CVBG) has traditionally been the deterrent force of choice, declining assets may render this option, as it currently operates, less effective and efficient. However, the CINC has the option to decrease the number of support ships assigned to the CVBG, thereby utilizing his resources more efficiently. Additionally, he can exercise the option of replacing the CVBG with an amphibious task force.

However, deployment of large numbers of assets is not the

only method of establishing presence. The CINC can lobby the State Department to allow him to arrange for port visits in contentious countries, thereby not only "showing the flag", but also increasing the possibility for meaningful dialogue with those countries. He can arrange for port visits to friendly nations, and such visits must be continued, not only to establish presence, but also to reassure those countries that the United States is still very much involved in the area.

For forward basing and power projection, the CINC is authorized to develop memoranda of understanding (MOUs) with friendly nations to provide such support as maintenance and repair facilities. These negotiations, such as those currently in process with the governments of Singapore and Brunei must continue and be expanded. While such MOUs will not provide forward bases as such, they will allow greater flexibility for forward deployment and power projection. They will also allow increased capability should mobilization be required regionally. Additionally, such agreements open the door for increased dialogue in support of patronage of coalition forces, should the necessity arise. A further advantage to these MOUs is that they open doors for American industry to establish contracts in the areas of the agreement.

Further, the CINC must continue to exploit the mixed blessing of the U.S. withdrawal from the Philippines by taking advantage of the opportunity to spread those forces through
other countries in the Asia-Pacific, thereby building additional steps in support of engagement.

A key factor in maintaining a balance of power in the Asia-Pacific region is the containment of North Korea. It is necessary to maintain a presence on the Korean peninsula, but in the face of declining assets, the current level of forward basing may not continue to be viable. While it is not in the CINC’s purview to reduce the number of forces stationed in Korea, it is within his authority to continue to cross-train with the South Korean forces in order for them to increase their confidence in their ability to pick up more of the burden of their defense. That cross-training in consonance with the maintenance of a well-trained rapid response force would enable a reduction in the number of forces based on the Korean Peninsula, to be better employed elsewhere, should the Joint Chiefs of Staff so decide.

The issue of regional uncertainty over who would fill a power vacuum, should one occur, is not easily resolved. However, the CINC can and must continue to pursue bilateral and multilateral exercises in the region. By encouraging nations in the region to exercise together with the United States serving as an honest broker, the CINC can inspire such benefits as international exchange of intelligence and technologies. Such transactions will lead to greater transparency and pave the way for a lessening of regional tensions. An additional consideration is that these joint
training exercises will embellish the interoperability of the regional militaries, enhancing their confidence in their ability to defend themselves against an aggressor.

While the CINC cannot unilaterally invite contentious nations like Vietnam and China to exercise with the United States and friendly forces, it is not too far a reach to imagine him lobbying the State Department, in the future, to allow such multilateral exercises. Such exercises will serve to ensure that China, in particular, does not perceive isolation and will inhibit the Chinese from worst-case planning because of lack of contact with the rest of the world.

A potential extension of multilateral exercises is to combine them with humanitarian operations in the Asia-Pacific region. In this way, not only will the forces engaged in the exercises continue to train and exchange, they will also begin to assume greater responsibility for their region of the world. This will serve to relieve the United States of carrying the bulk of the burden for such operations.

The CINC must work through the ambassadors in his region and carry out high level visits and negotiations to ameliorate the drug traffic problem in the Golden Triangle. Additionally, he must continue to support such operations as the United Nations peacekeeping efforts and the reconstruction and rehabilitation efforts following Cambodia's decades-long
period of war. Only through these types of operations can the United States and its allies hope to help establish the economies and infrastructures of the Golden Triangle countries to the point where illicit drug traffic is no longer the economic tool of choice.

Finally, the CINC must exercise his role as the honest broker in the Asia-Pacific region. Continued high level visits and close relationships with his regional ambassadors and the governments of the area must be used as opportunities to reassure both friendly and contentious nations that continued United States presence is to the advantage of the countries in the Asia Pacific region. It is imperative that the CINC continue to support such international training programs as the International Military Education and Training (IMET) program. He should also lobby for an extension of the National Defense University (NDU) to be located in the Pacific Theater for expanded international military training.

Additionally, although this is not, in and of itself, an operational issue, the CINC must lobby the State Department to extend ambassadorial status to the Asia-Pacific Economic Cooperation (APEC) group. The appointment of an ambassador to APEC will provide the CINC an additional avenue of communication and negotiation with this group and will enable him to utilize APEC as a forum for regional security talks and serve to strengthen his involvement in intraregional

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19 United States Security for the East Asia-Pacific Region, 18.
operations.

These CINCPAC operations to provide reassurance and stability in the Asia-Pacific region fall under the National Military Strategy umbrella of Promoting Stability through Regional Cooperation and Constructive Interaction. The continued success of these military operations will serve to fulfill America's National Security Strategy goals of a secure and growing economy. As Michael Howard says of the post Cold-War global market economy, "Peace and stability can now be preserved only if that economy continues to operate successfully; but it can so operate only within a framework underwritten by the military power and presence of the United States."20

20 Howard, p.7.
Chapter IV

Summary and Conclusion

Part of CINCPAC's vision of the future is a region where "Nations are engaged by diplomacy and integrated by economics" and where "Alliances and military relations promoting a conducive environment for trade" exist.\(^{21}\) While diplomatic and economic efforts are necessary to establish such an environment, the United States military in the form of CINCPAC forces will also play a major role, for it is through the military that the United States will convince the nations in the region that it is not a paper tiger, incapable of or unwilling to make the commitment necessary to ensure the regional stability required to allow the expansion of democratic free markets.

In order for this to happen, the CINC must understand the economic ramifications of successful engagement and presence in his AOR and be prepared to organize and deploy his assets to best achieve this vision. This organization and deployment will require innovative thinking and diplomatic expertise from the CINC, his Joint Task Force Commanders, and the military personnel assigned to the region.

Success in this endeavor will lead to expanded markets and burgeoning economies, which can only enhance the United States economy.

SPRATLY ISLANDS: OCCUPIED ISLANDS AND REefs

- MALAYSIAN OCCUPIED (3)
- NORTHERN EXTENT OF MALAYSIA'S TERRITORIAL CLAIMS
- PHILIPPINES OCCUPIED (8)
- PHILIPPINES TERRITORIAL CLAIMS
- VIETNAMESE OCCUPIED (22)
- CHINESE OCCUPIED (6)
- TAIWANESE OCCUPIED (1)

Source: "Australia's Strategic Planning in the 1990s"
U.S. TWO-WAY MERCHANDISE TRADE

Canada: 21%

Europe: 22%

Middle East: 3%

Africa: 2%

Latin America: 15%

Asia-Pacific: 37%

Source: Department of Commerce
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