



**INSTITUTE FOR NATIONAL
STRATEGIC STUDIES**

**REDEFINING THE
U.S.-JAPAN ALLIANCE**

**Tokyo's National
Defense Program**

**PATRICK M. CRONIN
and
MICHAEL J. GREEN**

NATIONAL DEFENSE UNIVERSITY

McNair Paper 31

Report Documentation Page

Form Approved
OMB No. 0704-0188

Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.

1. REPORT DATE NOV 1994	2. REPORT TYPE N/A	3. DATES COVERED -		
4. TITLE AND SUBTITLE Redefining The U.S.-Japan Alliance: Tokyo's National Defense Program		5a. CONTRACT NUMBER		
		5b. GRANT NUMBER		
		5c. PROGRAM ELEMENT NUMBER		
6. AUTHOR(S) Patrick M. /Cronin; Michael J. /Green		5d. PROJECT NUMBER		
		5e. TASK NUMBER		
		5f. WORK UNIT NUMBER		
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) National Defense University Institute for National Strategic Studies Fort McNair Washington, DC 20319		8. PERFORMING ORGANIZATION REPORT NUMBER		
		10. SPONSOR/MONITOR'S ACRONYM(S)		
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		11. SPONSOR/MONITOR'S REPORT NUMBER(S)		
		12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release, distribution unlimited		
13. SUPPLEMENTARY NOTES				
14. ABSTRACT				
15. SUBJECT TERMS				
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT UU	
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified		18. NUMBER OF PAGES 70
				19a. NAME OF RESPONSIBLE PERSON

***A popular Government,
without popular information or the means of
acquiring it,
is but a Prologue to a Farce or a Tragedy; or
perhaps both.
Knowledge will forever govern ignorance;
And a people who mean to be their own
Governors,
must arm themselves with the power which
knowledge gives.***

**JAMES MADISON to W. T. BARRY
August 4, 1822**

REDEFINING THE U.S.-JAPAN ALLIANCE: Tokyo's National Defense Program

PATRICK M. CRONIN
and
MICHAEL J. GREEN

McNair Paper 31
November 1994

INSTITUTE FOR NATIONAL STRATEGIC STUDIES

NATIONAL DEFENSE UNIVERSITY
Washington, DC

NATIONAL DEFENSE UNIVERSITY

□ *President:* Lieutenant General Ervin J. Rokke

INSTITUTE FOR NATIONAL STRATEGIC STUDIES

□ *Director:* Hans A. Binnendijk

Publications Directorate & NDU Press □ Fort Lesley J. McNair

□ Washington, D.C. 20319-6000 □ Phone: (202) 475-1913 □ Fax: (202) 475-1012

□ *Director:* Frederick T. Kiley □ *Chief, Publications Branch:* George C. Maerz

□ *Editors:* Jonathan W. Pierce, Mary A. Sommerville

□ *Editor for this issue:* Mary A. Sommerville

□ *Secretary:* Laura Hall □ *Circulation Manager:* Myrna Morgan

Patrick Cronin is a senior fellow at the Institute for National Strategic Studies, National Defense University. Dr. Cronin, who holds his doctorate from Oxford University, is also a professorial lecturer of international relations at the Paul H. Nitze School of Advanced International Studies (SAIS), the Johns Hopkins University.

Michael Green is Washington Research Associate for the MIT-Japan Program and a consultant for the Department of Defense. Dr. Green spent more than 5 years in Japan as a special assistant for foreign policy and defense affairs to a member of the National Diet, a Fulbright Fellow at Tokyo University, a reporter for Defense News and the Iwate Nippo, and Tokyo Representative of the Edwin O. Reischauer Center for East Asian Studies. He is also a professorial lecturer at SAIS, the John Hopkins University.

From time to time, INSS publishes short papers to provoke thought and inform discussion on issues of U.S. national security in the post-Cold War era. These monographs present current topics related to national security strategy and policy, defense resource management, international affairs, civil-military relations, military technology, and joint, combined, and coalition operations.

Opinions, conclusions, and recommendations, expressed or implied, are those of the authors. They do not necessarily reflect the views of the National Defense University, the Department of Defense, or any other U.S. Government agency. Cleared for public release; distribution unlimited.

Portions of this publication may be quoted or reprinted without further permission, with credit to the Institute for National Strategic Studies, Washington, DC. A courtesy copy of reviews and tearsheets would be appreciated.

For sale by the U.S. Government Printing Office
Superintendent of Documents, Mail Stop: SSOP, Washington, DC 20402-9328

ISSN 1071-7552

CONTENTS

INTRODUCTION	1
A NEW SITUATION	4
THE NATIONAL DEFENSE PROGRAM OUTLINE REVIEW	7
KEY ISSUES	11
Host Nation Support	11
Theater Missile Defense	12
Technology, Procurement, and Arms Exports	13
RECOMMENDATIONS	14
APPENDIX A: <i>THE MODALITY OF THE SECURITY AND DEFENSE CAPABILITY OF JAPAN: The Outlook for the 21st Century</i>	21
Foreword	22
CHAPTER 1. THE WORLD AND THE ASIA-PACIFIC AFTER THE COLD WAR	23
The End of the Cold War and Qualitative Changes in the Security Environment	23
Multilateral Cooperation Centering on the United States	24
Roles of the United Nations and Other Regimes for Cooperative Security	25
Four Types of Likely Danger	26
Characteristics of the Security Environment in the Asia- Pacific Region	27
CHAPTER 2. BASIC THINKING ON JAPAN'S SECURITY POLICY AND DEFENSE CAPABILITY	29
Active and Constructive Security Policy	29
Multilateral Security Cooperation	31
Enhancing the Functions of the Japan-U.S. Security Cooperation Relationship	34

Maintenance and Operation of Highly Reliable and Efficient Defense Capability	35
CHAPTER 3. THE MODALITY OF DEFENSE CAPABILITY IN THE NEW AGE	36
From the Cold War Defense Strategy to the Multilateral Security Strategy	36
The Role of Defense Capability for Multilateral Security Cooperation	37
The Enhancement of the Japan-U.S. Security Cooperation ³⁸ Relationship	42
Maintenance and Qualitative Improvement of Self-Defense Capability	44
Other Items Pertaining to Defense	55
Conclusion	59
APPENDIX B: ACRONYMS	61

REDEFINING THE U.S.-JAPAN ALLIANCE: Tokyo's National Defense Program

INTRODUCTION

Japan is starting to emerge as a major player in the international security affairs of the post-Cold War era.¹ With the approach of the half-century mark since the conclusion of the Second World War, Japan's postwar generation of leaders appears more confident than their predecessors about their country's potential contribution to global peace and stability. Evidence that Japan may be finding its footing as a great market democracy is extant in the recent report of a distinguished advisory commission reviewing Japan's National Defense Program Outline: "Japan should extricate itself from its security policy of the past that was, if anything, passive, and henceforth play an active role in shaping a new order."²

The search for Japan's international security role, however, is not without consequences for the U.S.-Japan alliance. Ironically, the United States is trying to establish a special new relationship with Japan at the same time that a torrent of intellectual debate in Tokyo is questioning the longevity and vitality of the bilateral alliance. To be sure, as the United States and Japan enter the fourth decade of their postwar defense relationship, they have achieved unprecedented levels of bilateral cooperation. Japan pays more for U.S. forces, transfers more technology to the United States, engages in more joint training, and assumes more roles and missions within the alliance than at any other point in its history.

However, in many ways this close relationship is only a superficial continuation of policy trajectories established during

2 REDEFINING THE U.S.-JAPAN ALLIANCE

the Cold War. The reality is that today the U.S.-Japan alliance is on shakier ground than most will admit. One should not be misled by the fact that the Social Democratic Party (SDP) has ended its longstanding objection to the constitutionality of the alliance, and that U.S. trade negotiators are now careful to reassure everyone that economic friction with Japan is not intended to hurt the bilateral security relationship.³ The problem is that all this is *too reassuring*. These boilerplate endorsements of the alliance may in fact insulate senior policy makers from the reality that the internal workings of the defense relationship are in need of more care and top-down leadership.

There should be no mistaking the commitment of Japan's elites in government, business, and politics to the alliance with the United States as the centerpiece for Japan's future security. However, there are growing signs in Japan's policy planning of renewed attention to the United Nations, to regional multilateral mechanisms, and to stronger independent capabilities as means of hedging against possible U.S. withdrawal or fatigue.⁴ All things being equal, the U.S.-Japan alliance is Japan's first choice, but there is a growing question about whether it should be the *only* choice.⁵ Some in Japan appear to be questioning old taboos regarding force projection, arms exports and even nuclear weapons.⁶ Bureaucrats in the Japan Defense Agency (JDA) and Ministry of Foreign Affairs are increasingly distracted from alliance concerns by other matters. In the 1980s, the best and the brightest worked on the alliance; now they work on peacekeeping, Asian relations, or planning a "well balanced" Japanese force structure. Momentum and energy in Japanese policy planning are flowing away from the alliance.

In many cases the Japanese Government's apparent hedging strategy is based on miscalculations about U.S. intentions. The Department of Defense (DoD) focus on the Bottom-up Review, host nation support, the so-called Technology for Technology (TFT) initiative—which seeks to increase the flow of Japanese dual-use technology back to the United States—and joint cooperation on theater missile defense (TMD) all strike Japanese

observers as examples of a superpower in decline, rather than a nation recalculating its security policy for a post-Cold War world.⁷ Although by no means typical of contemporary Japanese opinion, one critic of U.S. military presence in Japan portrays the situation starkly: "Americans should realize this is not a period of ascent for America. It is a period of descent."⁸

The irony in this situation is that the United States now wants Japan to play an active role as a security partner in the international arena. U.S. bases in Japan form the linchpin of America's forward military presence in Asia. The bilateral security ties are watched closely by other East Asian nations for evidence of U.S. malaise or Japanese resurgence. Diplomatically, the United States wants Japan to help implement the accord aimed at dismantling North Korea's nuclear program and to bring China into the burgeoning Pacific community as a peaceful economic partner. The United States also needs to work with Japan to ensure access to dual-use technologies critical to their common defense.

Decisive action is now necessary to redefine the alliance. Lingering uncertainties about the Korean peninsula demand the establishment of clear rules for operational cooperation—including acquisition and cross-servicing agreements (ACSA), base access, and host nation support. Future bilateral cooperation in theater missile defense will depend on agreement on joint operational requirements reached in the near term. The commitment of the Japan Defense Agency (JDA) to the development of redundant (possibly destabilizing) systems for long-range airlift, maritime support, and perhaps satellite surveillance will be determined in large measure by forward-looking U.S. policies to improve interoperability and intelligence sharing for Japan's peacekeeping operation (PKO) missions. Indeed, U.S. actions and initiatives to redefine the overall security partnership with Japan must be carefully considered during this time of comprehensive reassessment in Japan.

A NEW SITUATION

In the past, the pressure of bipolar competition gave the U.S.-Japan security relationship a linear simplicity. Each decision to expand defense capabilities or burden sharing drew Japan further into the Western Alliance. New roles and missions for the Japan Self-Defense Forces (JSDF)—such as the 1981 pledge to assume responsibility for sea-lane defense out to 1,000 nautical miles—were legitimized by U.S. strategies to contain the Soviet Union.⁹ For Japan's internationalists and defense hawks alike, U.S. pressure was critical for developing domestic support for an expanded Japanese security role. The last decade of the Cold War saw rapid public acceptance in Japan of expanded bilateral security relations—reinforced by tight-knit professional ties between the two countries' military and policy communities.

This close defense relationship was not just the natural byproduct of a common external threat; the alliance was nurtured from within. On the U.S. side, the Office of the Secretary of Defense, the U.S. Department of State, the National Security Council, the U.S. Pacific Command, and U.S. Forces Japan had a comprehensive vision for the role Japan was to play within the alliance. That vision was launched with the Carter Administration's 1978 agreement on U.S.-Japan Guidelines for Defense Cooperation and reinforced by the Reagan Administration's 1982 articulation of the "Roles and Missions" approach to defense relationships with Japan. Key members of Congress and the academic community added their political and intellectual weight to the interagency planning on Japan. This community was interconnected with an expanded defense constituency within Tokyo, including the Foreign Ministry's North American Affairs Bureau, the JDA, the JSDF and key members of the ruling Liberal Democratic Party (LDP) who oversaw alliance relations as part of the defense *zoku* (caucus). This network of interagency and intergovernmental alliances helped the United States win Japanese commitments to the Strategic Defense Initiative, expanded host nation support, sea lane defense, the advanced fighter aircraft (FSX), joint military

technology transfers, and myriad other issues critical to U.S. strategy in Asia. The relationship worked because both sides had invested considerable time and effort into developing a *common* security agenda.

The critical factor in developing this relationship on the Japanese side was, however, never the Soviet threat. If anything, constitutional sensitivities made Japanese policy makers hesitant to cite the Soviet military as an explicit justification for assuming new roles within the alliance (although the implicit justification was always there for military planners). Expanded Japanese defense cooperation with the United States had its own merits: It counterbalanced growing trade friction with the United States, and it brought pressure on Japan's more passive bureaucrats and politicians to accept a larger responsibility in global affairs.

The end of the Cold War had the greatest impact on U.S. policy toward the alliance. A growing preoccupation with economic affairs broke apart the interagency coordination on the defense relationship with Japan. Japanese policy makers, formerly accustomed to working with DoD to develop strategies for quick domestic acceptance of new Japanese commitments to the alliance, have been accosted with what at times seem to them to be uncoordinated demands for two-way technology flows, TMD, and host nation support. Once managing alliance relations would have been an opportunity for Japanese officials or politicians to contribute directly to their nation's new international agenda. Now they wonder whether it is not more akin to trade negotiations.

On the Japanese side, the alliance network survived waning U.S. interest for a short time, but since the Gulf War it has eroded rapidly. The Liberal Democratic Party (LDP) defense caucus, once a crucial actor in building interfactional support in the political world for new alliance initiatives, is now scattered.¹⁰ Those politicians who are still concerned with defense issues are focused on preserving the JDA budget. Within the Foreign Ministry, the silver ring is now membership on the U.N. Security Council. Some of the strategic thinkers are moving from the

6 REDEFINING THE U.S.-JAPAN ALLIANCE

North American Affairs Bureau's Security Division into the Asia Bureau and the newly created Policy Planning Bureau (once the U.N. Bureau). The critical human bonds of the alliance seem somewhat diminished from the recent past. JDA and JSDF strategists have built their current force structure on the premise of U.S.-Japan interoperability, but long-range planning papers are focusing on the need for achieving more balanced capabilities.

These shifting patterns at the working level of Japanese alliance management are taking place against the backdrop of profound shifts in Japan's political world. The LDP and Socialists, once bitter foes (particularly over security policy), have joined forces with the smaller *Sakigake* "Harbinger" Party to seize power back from the reform coalition launched by Morihiro Hosokawa and inherited by Tsutomu Hata. Prime Minister Tomiichi Murayama frequently attacked Japan's commitment to the alliance, so in order to join the government, he and his party were forced to renounce their previous ideologies. Anti-U.S. pacifism in the SDP has been replaced with studied disinterest in security ties to the United States. In the LDP, meanwhile, defense is viewed as an unnecessary irritant in coalition relations, something to be managed with as little exposure to daylight as possible. Under the surface, however, the LDP leadership holds a variety of views regarding Japan's future security policy. Some, like Foreign Minister Yohei Kono, would put more emphasis on Japan's multilateral dialogue in Asia. Others, like MITI Minister Ryutaro Hashimoto or Transport Minister Shizuka Kamei, would strengthen Japan's autonomous defense capabilities. There are still many, like former Prime Minister Noboru Takeshita who know from direct experience the importance of strengthening U.S.-Japan security ties. These views should resurface when the Socialists are merged into new parties or eliminated by elections.

It seems increasingly likely that Prime Minister Murayama's diverse coalition could survive into late 1995, on the ironic grounds that a divisive security debate over North Korea has been averted by apparently successful U.S. negotiations with

Pyongyang. The Government of Japan will now focus on tax reform and budget distribution, two important elements in winning electoral support for the future. It will be a difficult environment in which to push new initiatives for the alliance. Nevertheless, 1995 will be a critical juncture for engaging Japan's political leadership in a new security dialogue. The process of introducing electoral reform in the Diet has already split the LDP and led to the recent series of coalitions. The process of implementing this electoral reform package will shake the political parties apart even more. New election rules (from multi- to single-seat districts) will spark the emergence of new political leaders and new political alliances (and eventually parties). Security policy issues will be important determinants in this restructuring, just as they were in the formation of the LDP back in 1955. The good news is that the Socialists' acceptance of the constitutionality of the JSDF and the alliance has removed the possibility that any major new party will be created on an anti-U.S.-Japan alliance platform. The bad news is that U.S. neglect of the alliance could tempt ambitious conservative politicians to call for more independent Japanese security roles in their political platforms, or to advocate a shifting of Japanese budget resources away from alliance themes such as host nation support and TMD towards domestic priorities. It is therefore crucial that the interests of the United States in the Japanese defense policy debate be felt soon.

THE NATIONAL DEFENSE PROGRAM OUTLINE REVIEW

Of all the issues affecting the future course and management of the alliance, none is as critical as the outcome of Japan's review of its National Defense Program Outline (NDPO). The Japanese Government's defense planning is based on parameters set in the 1976 NDPO. Early in 1994 Morihiro Hosokawa as Prime Minister established a special advisory panel to begin deliberations on restructuring the NDPO to reflect current strategic trends. The panel presented its report, *The Modality of*

8 REDEFINING THE U.S.-JAPAN ALLIANCE

the Security and Defense Capability of Japan: The Outlook for the 21st Century, to Prime Minister Murayama on August 12, 1994 (see appendix A). The next step was supposed to be a cabinet level, interagency review of the document, but it is not clear whether Murayama had sufficient interest in the NDPO issue to proceed with his predecessor's original schedule. Even if it never receives a quick response from the cabinet, the advisory panel's report will stand as a powerful guide for security policy planners in Japan. The report was prepared with only limited input from the United States. While it is important not to over-react to what is officially an advisory panel's conceptual framework, elements of the report do have troubling implications for Japan's alliance policy and require clarification.

The report's main recommendation is that Japan formulate a new comprehensive security strategy for the post-Cold War world resting on three pillars: multilateral cooperation, alliance with the United States, and a modern and efficient military. Japan's primary security priority, according to the report, is to empower the Government of Japan to respond more effectively to crises, from the Cabinet level on down. The report emphasizes enhancing intelligence and early-warning capabilities, revamping bureaucratic and legal mechanisms for decisionmaking, and introducing greater mobility and autonomy to the JSDF.

The report does contain positive statements regarding U.S.-Japan defense cooperation. For instance, it boasts of a new "alliance for peace" between Washington and Tokyo. Noting the "essentiality" of the U.S.-Japan security system, it urges both sides to reaffirm the alliance's rationale while making "systemic improvements" that clarify bilateral roles and missions. The report makes specific reference to the need for "introducing a missile defense system in collaboration with the United States," providing host nation support, and improving combined operational planning. It also calls for a NATO-style acquisition and cross-servicing agreement and the establishment of joint research, development, and production with the United States.

The report's attention to strengthening the bilateral defense relationship with the United States is overshadowed, however, by the emphasis given to multilateralism and autonomous capabilities. The multilateral agenda focuses on expanded participation in U.N. peacekeeping operations and regional forums such as the Council for Security Cooperation in the Asia Pacific and the ASEAN (Association of Southeast Asian Nations) Regional Forum. Although the report calls for U.S.-centered multilateralism, it does not explain how the alliance roles and missions will be related to the JSDF's new multilateral agenda. As it now stands, the report's recommendations suggest that multilateralism is a hedge against waning U.S. commitments to the alliance, and possibly even a distraction (in terms of political and financial resources) from bilateral defense cooperation.

After the essential mission of the defense of Japan, the report contends that peacekeeping is the major mission of the Self-Defense Forces. Almost all recommendations for restructuring or redirecting the future of the JSDF at least implicitly revolve around the mission of peacekeeping operations:

- Restructuring ground units for operations other than war and noncombat humanitarian operations
- Shifting the GSDF away from large, slow-moving platforms to more mobile systems
- Emphasizing greater jointness among the three services
- Upgrading intelligence, especially imagery intelligence
- Building long-range transport aircraft, studying a midair refueling capability, and acquiring more maritime support ships to provide greater sustainability at sea
- Bolstering research and education, including foreign language and international relations experts.

Reflecting in part concerns raised about Japan's ability to respond during the Gulf War or a potential conflict on the Korean peninsula, the report also recommends that Japan reorganize, augment, and streamline its national security apparatus to allow swift and material responses to future crises. But, at least under current constitutional interpretations, such responses would have

to be part of limited U.N. peace operations.

Lacking a proximate threat, the report consistently refers to the opaque and uncertain security environment of the post-Cold War era. To the extent that it details any specific dangers to Japan, the report refers to the following: "interference in the safety of maritime traffic, violation of territory air space, limited missile attack, illegal occupation of a part of the country, terrorist acts, and influence of armed refugees." Along with the uncertain nature of these dangers, doubts about U.S. willingness and capability to defend Japan against them, and a clear desire on the part of the report's authors for Japan to contribute more directly to its own national defense, the report emphasizes that "the ultimate foundation of security lies in the determination of a people to defend themselves and in holding the appropriate means of doing so."

Because the report's emphasis on new multilateral security roles and autonomous capabilities is not necessarily in contradiction with the alliance, the U.S. Government should seek to work in tandem with Japan on multilateral security issues. Without a more explicit articulation of how these new roles and missions will be coordinated with the United States, however, the report could have the perverse effect of undermining bilateral security cooperation in the long run.

The National Defense Program Outline advisory report's great weakness as a bilateral document is also the source of its domestic influence: ambiguity. The hedging strategy suggested in its pages is a reflection of uncertainty about U.S. intentions *and* Japanese domestic political developments. The multilateral agenda, for example, could alternately be used as legitimization for scaling back Japanese defense spending, or for expanding defense spending, since multilateralism rests on "individual nations possessing their own capability of managing or dealing with crises." Similarly, the report's recommendations for greater autonomous capabilities in satellite surveillance and airlift could be met indigenously—or by greater access to U.S. capabilities. The choice will be determined largely by U.S. actions.

KEY ISSUES

The United States and Japan will face a number of key issues over the next year that provide a first opportunity for reinvigorating and redefining the management of the alliance.

Host Nation Support

Although host nation support has always been politically controversial in Japan, the Foreign Ministry and leadership in the LDP have never failed to deliver. Under the current process of political restructuring, however, the LDP's ability to contain opposition to host nation support is under challenge. The Ministry of Finance has threatened major reductions in the JDA budget, and many in Japan feel that equity requires the United States to take a fair share of the funding cuts. Meanwhile, some politicians see advantages in leading a movement against host nation support. For decades, U.S. bases were located in multi-seat districts where the LDP worked hard to guarantee the election of at least one pro-base candidate. These candidates, in turn, restrained local opposition with generous distribution of base countermeasure funds. Under the new single-seat system, this firebreak against local resentment of bases will vanish. Moreover, given the pressure on the higher levels of political leadership to build new constituencies, U.S. bases will become attractive targets for the creation of new public works projects such as international airports and public housing. The head of the Ministry of International Trade and Industry (MITI), Minister Ryutaro Hashimoto, and nationalist Shintaro Ishihara have already submitted a paper to the LDP leadership calling for eventual removal of U.S. bases. In short, the political situation surrounding host nation support will get worse before it gets better.

Already the JDA has suggested that increases in host nation support will be difficult to meet.¹¹ Foreign Minister Kono has declared that Japan will meet its "international obligation" this year; however, Japan's commitment to outyears, is ambiguous.

The Defense Department cannot pressure Japan for host nation support in isolation from the rest of the alliance relationship. The NDPO advisory report suggests that the United States and Japan should improve the combined operational use of the bases, which requires greater attention to interoperability across the board. The caretakers of the alliance in the Ministry of Foreign Affairs (MOFA), JDA, and the political parties all recognize the symbolic and substantive importance of host nation support, but they need political support from DoD to reaffirm the advantages to the rest of the Japanese Government.

Theater Missile Defense

Japanese industry, conservative politicians within and outside the ruling coalition, the JSDF, and the leadership of the DA are generally convinced of the strategic, technological and political importance of entering into a missile defense system with the United States. But there remain some strongly discordant chords within Japan, particularly those concerned with the cost-effectiveness of missile defenses.¹²

The reasons for the JDA cold feet are unclear, but they might stem from any combination of the following four issues: First, because the Socialists have come out in opposition to TMD at their party plenum, JDA officials may be reluctant to pursue officially a policy attacked by their prime minister's party. Second, the Japanese Government is still skeptical about the U.S. ability to deploy TMD. (There is no precedent for Japan making a commitment to participate in a system that the United States has not yet successfully deployed.) Third, the Japanese Government and industry want to establish their own track record on TMD before joining the United States in an architecture study that might relegate them to the role of third-tier suppliers of dual-use technology, rather than full partners in systems development. Finally, the JDA may be unable to convince the Ministry of Finance to provide sufficient funding for participation in an architecture study this year.

The long-term prospects for Japanese participation in TMD are good. Nevertheless, for the short term, that participation will have to be limited to studies that discourage a divergence in Japanese planning and educate the broader Japanese policy audience to the U.S. commitment and capacity to deploy TMD—with or without—Japanese participation.

Technology, Procurement, and Arms Exports

The Japanese Government recognizes that achieving some degree of success on the TFT initiative is important to the future viability of the alliance. JDA is responding to the initiative by expanding the joint development of subsystems under the Systems and Technology Forum. DoD would like access to Japanese dual-use technology, particularly in the areas of composite materials, microelectronics, fuzzy logic, and flat panel displays. These are all areas dominated by private industry outside the usual defense contracting community. JDA, and even MITI, will be of only marginal assistance unless DoD is willing to increase political pressure on Japan—an action that would have an extremely detrimental impact on other areas of the alliance relationship. Ultimately, reciprocity in dual-use technology can be achieved only by expanded industry-to-industry contact. U.S. industry would be motivated first by the prospect of receiving research and development funding and only secondly by access to Japanese technology. In short, TFT will depend on DoD's willingness to create financial incentives for cross-national industry teaming on research and development projects that *then* lead to transfer of Japanese dual-use technology to the United States.

Japanese industry and MITI see in the TFT an opportunity to relax the Three Arms Export Principles (essentially a ban on defense exports).¹³ Such a relaxation, or "clarification" of policy, would be necessary for TFT to succeed at all. Japanese industry's immediate goal is greater interaction with U.S. industry in order to increase domestic offsets (and avoid forced off-the-shelf purchases like the Multiple Launch Rocket System and

14 REDEFINING THE U.S.-JAPAN ALLIANCE

AWACS). In the short term, that situation would enhance U.S. efforts to integrate Japanese technology into U.S. systems, and it would enhance interoperability; in the longer term, it could open the way for Japanese exports to third countries. For that reason, the DoD must be careful to push for more "clarification" than "relaxation" in discussions with the Government of Japan regarding arms export policies.

Finally, it is important to recall that Japanese industry has pursued indigenization of defense production ("*kokusanka*") throughout the postwar period. The increasing complexity of defense systems has raised the costs of autonomous development for Japan in terms of the impact on military efficiency. U.S. tolerance for Japanese indigenization has also declined since FSX. Nevertheless, Japanese industry believes it has the capability to pursue indigenous development of fighters, surface-to-air missiles, reconnaissance satellites, and other systems. Industry and advocates of autonomy in the government will seize upon any DoD efforts to restrict Japanese access to U.S. technologies in these areas. To the extent DoD can provide interoperable support for Japanese forces in areas such as lift, reconnaissance satellites, radar and refueling, that contribution would restrain the drive for indigenous capabilities that might be redundant or provocative.

RECOMMENDATIONS

The United States has three major objectives in its security relationship with Japan.

- We need the alliance to maintain our forward presence and preserve the balance of power in Asia.
- We want Japan to play a more active role *in partnership with the United States* to address new threats to the security of the region—such as increased bilateral coordination on non-proliferation, PKO, sea lane defense, and TMD.
- We want Japan to refrain from developing new unilateral missions or capabilities that are distractions from the alliance or provocations to other powers in the region.

It is imperative to focus on all three objectives simultaneously with Japan. Improved access to Japanese bases and host nation support can be built only on a trusting relationship in which senior Japanese defense officials and political figures are engaged in a *bilateral* process of defining new roles and missions. For the same reasons, Washington cannot attempt to discourage Japanese departures into new unilateral defense roles or capabilities without offering comparable roles within the alliance framework. What is required is a comprehensive dialogue with Japan on new bilateral roles and missions.

The political situation in Japan creates a difficult environment for engaging in this bilateral process, but the dialogue should begin now so that Japanese defense planners are not working in a vacuum. The groundwork can be laid for political decisions in 12 to 18 months hence (after elections have realigned Japan's political parties).

The model for DoD action should be the 1978 U.S.-Japan Defense Guidelines. The original 1976 National Defense Program Outline reaffirmed the alliance as the basis for Japanese defense planning, and the 1978 Guidelines followed as a necessary articulation of how expanded defense cooperation would be implemented. The current NDPO review process should also be accompanied by a specific plan for bilateral defense cooperation that ensures that Japan's exploration of new security modalities serves U.S. interests.

Like the 1978 agreement, the new guidelines ought to emanate from a year-long, bilateral planning process. That process ought to begin with the establishment of a strong working relationship between the Under Secretary of Defense for Policy, Assistant Secretary of Defense for International Security Affairs, the U.S. Ambassador to Japan and their colleagues in the Japanese Government. It must have the clear endorsement of the Secretary of Defense and go beyond regular bilateral meetings. Finally, it should include an intra- and inter-agency debate on

16 REDEFINING THE U.S.-JAPAN ALLIANCE

how to harness Japan's economic, technological and political assets to our common security agenda.

The new Guidelines for Comprehensive Security Cooperation should reflect the specific policy objectives of DoD Acquisition, DoD Policy, U.S Forces Japan, the Department of State, NSC, and, of course, their counterparts in the Japanese Government. Critical items in that agenda will include:

- Improving Japanese operational support for U.S. forces (including ACSA)

- Improving U.S. operational support for new Japanese missions such as PKO (including joint training, air and sealift, and logistical support)

- Improving intelligence sharing

- Coordinating regional multilateral security initiatives (at the ASEAN Regional Forum (ARF), etc.) *before* presenting them to the rest of the region

- Cooperating on TMD

- Increasing the joint operation of bases in Japan

- Clarifying the long-term commitment to host nation support

- Establishing industry working groups on TFT

- Clarifying the Three Arms Export Principles

- Increasing informational exchanges on procurement and defense industrial base planning (to seek out redundancies on the Japanese side and potential new areas for armaments cooperation).

To conclude, the U.S-Japan alliance is *not* on the verge of expiration, but it does need a boost, especially during this critical time in Japan. The 1993 Aspen Strategy Group report, *Harness the Rising Sun*,¹⁴ made the brief for a new U.S.-Japan strategy incorporating four critical elements:

- A clear conception of U.S. national objectives implemented in ways that capitalize on the mutual interests of the two countries

- Integration of economic and security interests, which the United States decoupled during the Cold War

- Institutional expression, both domestically and internationally
- A broad strategic vision that places the U.S.-Japan relationship in the context of America's global strategy.

This fourfold strategy remains sound. It is also squarely in Japan's strategic interest. As one noted Japanese security expert put it, "From the moment that the Japan-U.S. alliance breaks down, Japan will start having enormous difficulties in its relationship with other Asian countries. Nor will these difficulties be limited to Asia."¹⁵ Now all that remains is for U.S. and Japanese political leaders to implement it with a clear sense of the long-term mutual benefits that will accrue. In the year ahead, as we approach the 50th anniversary of the end of World War II, officials in both countries should make it a high priority to redefine the alliance in terms of new global realities, deepen the level of trust and understanding between our two governments, and strengthen our mutual interdependence and military interoperability.

Notes

1. For instance, as few as 5 years ago it would have been unthinkable for a major Southeast Asian leader to admonish Japan to stop apologizing for World War II and start conducting more peacekeeping operations as a member of the United Nations Security Council. Yet that is precisely what Malaysian Prime Minister Mahathir Mohamad told Japanese Prime Minister Murayama in August 1994. See "Mahathir to Japan: 'Drop War Apologies, Join UNSC, Become Peacekeeper'," *The Daily Japan Digest*, 29 August 1994.

2. *The Modality of the Security and Defense Capability of Japan: The Outlook for the 21st Century*, Advisory Group on Defense Issues (Tokyo, August 12, 1994).

3. The Social Democratic Party of Japan announced in July 1994 that it was recognizing the constitutionality of the Self-Defense Forces and abandoning the goal of unarmed neutrality—reversing a position held for more than three decades. See, *inter alia*, "Socialists Recognize SDF," *The Japan Times*, 29 July 1994.

4. The August 1994 advisory report on defense issues to the Prime Minister elevates multilateral and unilateral security initiatives relative to the bilateral alliance with the U.S. In so doing, this high-level advisory report followed Japanese economic trends toward greater emphasis on "Asianization." For instance, the 1994 white paper on economic cooperation, released in June 1994 by the Ministry of International Trade and Industry (MITI), calls on Japan to activate the world economy by supporting efforts among Asian economies to maintain and expand their "growth dynamism." The MITI white paper described the newly industrializing economies in Asia and the Association of Southeast Asian Nations as "the growth center for world economic development." See "White Paper on Cooperation with Asian Nations," *Kyodo News Service*, 3 June 1994, reprinted in FBIS-EAS-94-107, 3 June 1994.

5. A discernible shift in Japanese public opinion is perhaps one symptom of this phenomenon. For example, one poll conducted in early 1994 by Yomiuri and Gallup revealed that the percentage of Japanese who consider the U.S. their most trustworthy ally slipped 6 percent from 1992 to a record low 45 percent. Cited in *The Daily Japan Digest*, 8 May 1994. Similarly, Japanese public opinion is increasingly agreeable to an expansion of Japan's leadership role. According to an *Asahi Shimbun* poll taken in March 1994, well over half (55 percent) of the Japanese public think Japan should become a permanent member of the U.N. Security Council. That percentage is likely to grow as political leaders in Japan make the case for Japanese leadership. See USIA Opinion Research Memorandum, "Japanese Support for More Active Role in World Affairs," 27 June 1994.

6. The August 1994 "Higuchi Commission" advisory report to the Prime Minister (printed as appendix A of this document) contains a number of quotations that appear to raise questions about taboos being broken, whittled away, or reconsidered. For instance, the report asserts, "It is vitally important to maintain autonomy and independence in equipment procurement and defense-related technology." Furthermore, in addition to calling for building long-range airlift and studying midair refueling capabilities, the report recommends that the Ground Self-Defense Force (GSDF) "be restructured into multifunctional units with emphasis on the capability to fulfill diverse duties . . . at home and abroad." Finally, the report supports "the use of reconnaissance satellites" and recommends that "Japan itself should hold the capability

of dealing with and defending against ballistic missiles." Concerns of a Japanese nuclear capability are fueled mostly by a combination of Japanese technological and scientific prowess and worst-case projections about likely Japanese responses to nuclear proliferation in Northeast Asia. Japanese officials are quick to denounce any interest in abjuring their country's anti-nuclear posture, which is why Tokyo tried to control the media fallout after then-Prime Minister Tsutomu Hata acknowledged that Japan had the capability to produce nuclear weapons. See, *inter alia*, David E. Sanger, "In Face-Saving Turn, Japan Denies Nuclear Know-How," *The New York Times*, 22 June 1994.

7. The character of this misreading of American power and its commitment to Japan have been set out in Patrick Cronin, "Japan Rethinks the Alliance," *PACNET* No. 24, 21 July 1994.

8. The comment is from Yoshikazu Nakasone, General-Secretary of the Okinawa Center for Peace Activity, an alliance of labor and antiwar groups, quoted in Charges A. Radin, *Boston Globe*, 3 October 1994.

9. The commitment was announced at a summit meeting in June 1981 between President Ronald Reagan and Prime Minister Zenko Suzuki. At the time, few understood the implications of that declaration. Now it is obvious that the policy shift—undertaken at the request of the Reagan Administration in order to increase Japanese weapons procurement from the U.S.—provided the rationale for concrete additions to Japan's military platforms, from additional P-3C antisubmarine patrol aircraft, to Airborne Warning and Control System (AWACS) aircraft and state-of-the-art Aegis ships. See Joseph P. Keddell, Jr., *The Politics of Defense in Japan: Managing Internal and External Pressures* (Armonk, New York: M.E. Sharp, 1993), 112-113.

10. This diminution of political support for the alliance can be inferred from recent comments made by LDP members. For instance, the Deputy Chairman of the Liberal Democratic Party's Foreign Affairs Research Council, Kousuke Ito, recently announced that "The time has come for us to review the existence of all these [U.S.] bases." Similarly, Taro Nakayama, a former Foreign Minister and chairman of the Foreign Affairs Research Council, added that "We need to consider these questions from the perspective of the Asia-Pacific region as a whole, not from the narrow perspective of the bilateral relationship." See James Sterngold, "Some Leaders in Japan Begin to question U.S. Bases," *The New York Times*, 28 August 1994.

20 REDEFINING THE U.S.-JAPAN ALLIANCE

11. For instance, see "Japanese Budget Lacks \$125M for U.S. Bases," *Pacific Stars & Stripes*, 1 September 1994; "'Limitless Growth' of USFJ Costs Reviewed," *Mainichi Shimbun*, 19 August 1994, in FBIS-EAS-94-162, 22 August 1994; and "DA to Halve Extra Spending for U.S. Bases," *Kyodo News Service*, 24 August 1994 in FBIS-EAS-94-164.

12. For example, "Reconsider TMD," *Mainichi Daily News*, 29 September 1994, and Sadao Sakai, "Improbable Missile Defense," *The Japan Times*, 29 September 1994.

13. Japan's Three Principles on Arms Export, declared in 1967 by the Prime Minister Eisaku Sato, provide that arms exports to the following countries shall not be permitted: Communist Bloc countries; countries to which the export of arms is prohibited under United Nations resolution; and countries involved or likely to become involved in international conflicts.

14. *Harness the Rising Sun: An American Strategy for Managing Japan's Rise as a Global Power* (Lanham, MD: University Press of America, Inc., 1993).

15. Takeshi Kondo, "Security Ties Unaffected by Trade Friction," *Securitarian*, 1 July 1994, 12-15, in FBIS-EAS-94-199, 14 October 1994.

APPENDIX A: THE MODALITY OF THE SECURITY AND DEFENSE CAPABILITY OF JAPAN: The Outlook for the 21st Century

On August 12, 1994, after 5 months of intensive deliberations, the advisory panel created by Prime Minister Morihiro Hosokawa to review Japan's basic defense posture released its final report, "The Modality of the Security and Defense Capability of Japan: The Outlook for the 21st Century."

The advisory group was chaired by a senior representative from the business world: Mr. Hirotaro Higuchi, Chairman of the Board, Asahi Breweries, Ltd. Two members of the nine-member panel possessed extensive defense experience: Mr. Seiki Nishihiro, the venerable former Administrative Vice Minister of the Japan Defense Agency, and Admiral Makoto Sakuma, the recently retired Chairman of the Joint Defense Council. The Ministry of Foreign Affairs was indirectly represented by Yoshio Okawara, former Ambassador to the United States, and currently Executive Adviser to Keidanren. Academe was ably represented by Professors Akio Watanabe of Aoyama Gakuin University and Kuniko Inoguchi of Sophia University. The panel's other members were Ken Moroi, Chairman, Chichibu Cement Co., Ltd., Toyoo Gyoten, Chairman of the Board of Directors, the Bank of Tokyo, Ltd., and Shinji Fukukawa, Vice Chairman of the Board, Kobe Steel, Ltd.

The panel convened for its first session on 28 February 1994, with an address by Prime Minister Hosokawa. The panel then conducted some 15 meetings over the subsequent 4 months to listen to briefings and discuss myriad issues, ranging from the regional security situation, to personnel resources and readiness, to the U.S.-Japan alliance, to peacekeeping, arms control, and intelligence issues. In mid-July the panel convened to listen to an address from the new Prime Minister, Tomiichi Murayama. The report was then drafted in July and delivered to Prime Minister Murayama on 12 August. The advisory report has been translated and reprinted here in order to make it accessible to a much wider audience than the Japanese version alone.

AUGUST 12, 1994
ADVISORY GROUP ON DEFENSE ISSUES

FOREWORD

Nearly half a century has passed since the Japanese people recovered from the physical and spiritual ruin caused by World War II and, bearing a deep sense of self-reproach, started building a new Japan. At the same time, the world, having overcome the long ordeals of the Cold War, is seeking to create a new era half with hope, half with anxiety. Japan, too, faces an urgent need to reconsider its future course with a view to the 21st century. From this standpoint, the modality of the security and defense capability of Japan has reached the stage where a fundamental review must be done.

When postwar Japan made a new start, we were given a new framework of basic national policies, externally by the United Nations Charter and internally by the Constitution. However, the ideal of collective security upheld by a United Nations still in its infancy rapidly lost its basis for realization as it was exposed to the stern realities of international politics. Governments realized anew that self-defense capability was the best assurance of national security. Furthermore, the major nations were in a state of confrontation centering on the two superpowers, the United States and the Soviet Union, and realized they had no alternative but to ensure national security through an alliance of nations sharing common interests and values. Thus the Japan-U.S. Security Treaty was chosen as the realistic basis of postwar Japan's security policy.

Japan returned to the postwar international community in April 1952 with the San Francisco Peace Treaty, making that choice after serious discussions. Since then, while cooperating with the United States (which assumed the largest share of the responsibility of maintaining international order), Japan has achieved an economic recovery, and contributed to transforming the Asia-Pacific region, which was half a century ago plagued by war and poverty, into a region of peace and prosperity. Looking back, it can be said that Japan's path was, on the whole, correct.

Now that the Cold War has ended, the world is searching for a new order. In these circumstances, there is a mood in Japan to reconsider the modality of its security and defense capability as a central question

of national politics. The Japanese people, who lived in an "unstable peace" during the Cold War, are beginning to deal seriously with the questions of world peace and national security in the future by returning to the starting point with a fresh mind.

This forum, created five months ago as a nonstatutory advisory group for the Prime Minister, has since continued discussions with a view to reviewing the National Defense Program Outline, which has served as the guideline for the modality of the nation's defense capability, and presented ideas that would form the basis of an alternative guideline. The task of this advisory group is to define a direction of security policy appropriate to the new era and, on that basis, propose a new modality of defense capability while taking into account changes in the post-Cold War international situation and also various changes facing Japanese society itself.

CHAPTER 1. THE WORLD AND THE ASIA-PACIFIC AFTER THE COLD WAR

THE END OF THE COLD WAR AND QUALITATIVE CHANGES IN THE SECURITY ENVIRONMENT

The pattern of East-West confrontation, which formed the basic framework of international politics for nearly half a century following the end of World War II, collapsed with the Berlin Wall. As Western nations centering on the United States firmly maintained freedom and democracy and achieved steady economic development in the process, the Soviet Union and other socialist nations found themselves left far behind in the economic and technological race. The reforms undertaken by the Soviet Union to reverse the setback and rebuild itself as a great power produced unintended results in the form of the collapse of the socialist system in one East European nation after another and, finally, the disintegration of the Soviet Union itself. The demise of the Warsaw Pact was a stark testimony to the end of the Cold War.

Not all regions experienced the effects of U.S.-Soviet confrontation in the same manner during the Cold War, and in turn the end of the Cold War produced different effects in various regions and countries. However, as for the security question, there is no denying that the Cold War impacted every corner of the globe. The security environment also changed significantly with the termination of U.S.-Soviet confrontation. While clearly visible threats have disappeared and moves toward arms

control and disarmament have made some progress centering on the United States, Russia and Europe, we find ourselves in an opaque and uncertain situation. In other words, there exist dangers of various qualities difficult to identify, and it is hard to predict in what forms such dangers would threaten our security. The sense of security has increased in that we have been freed from the "balance of terror" that might have collapsed at any moment. At the same time, however, it can be said that we confront a more difficult security environment because that we must prepare for unpredictable dangers and maintain a stance of responding quickly to such dangers. We cannot remain insensitive to the new security problems that presented themselves with the ending of the Cold War.

MULTILATERAL COOPERATION CENTERING ON THE UNITED STATES

The realistic basis of the security environment consists of two factors—modes of military power and international regimes for keeping peace. The U.S. supremacy in military power has become even more strengthened with the collapse of the Soviet Union. The network of U.S.-centered alliances built during the Cold War is likely to be maintained as a stabilizing factor in international relations. The most typical examples of these alliances are the Japan-U.S. Security Treaty and the North Atlantic Treaty Organization (NATO). There is little possibility that any major nation with both the intention and the capacity to challenge U.S. military power head on will emerge in the near future.

However, the United States no longer holds an overwhelming advantage in terms of overall national strength. Particularly in the economic field, competition between the United States and other industrialized countries—and the newly industrializing economies as well—is intensifying. Consequently, there is a possibility that competitive relations will intensify over economic issues—but it seems unlikely that this will trigger an arms race in the classic sense of the term. All nations want to avoid such an eventuality. It is expected, therefore, that in spite of somewhat intensified conflicts of economic interest, the U.S.-centered cooperative relationships in the military and security field will continue.

The question is whether the United States, its preeminent military power notwithstanding, will be able to demonstrate leadership in multilateral cooperation, and the answer to the question will depend to

a certain extent on actions by nations in a position to cooperate with the United States. The mechanism of resolving security problems through international cooperation is still imperfect, but it is showing signs of developing little by little, both at the level of the United Nations and at the regional level.

ROLES OF THE UNITED NATIONS AND OTHER REGIMES FOR COOPERATIVE SECURITY

For the United Nations security mechanism to work it is essential that multilateral cooperation be maintained under U.S. leadership. During the period of serious U.S.-Soviet confrontation the United Nations was unable to function fully. In recent years, however, it has actively deployed peacekeeping operations, thus expanding the scope of activity both geographically and qualitatively. Whether the United Nations will be able to continue such operations in the future depends largely on how cooperation can be maintained not only among the five permanent members of the Security Council but also among all major nations, such as the Group of Seven, including Japan and Germany, both of which are making large financial contributions to the world body.

The possibility of an all-out military showdown between major powers has decreased. On the other hand, particularly in areas where the social infrastructure is so fragile that the unity of a nation-state is nearly absent, conflicts among various forces have intensified across or inside borders and, in many cases, have developed into armed clashes. How to deal effectively with such relatively small-scale regional conflicts is now a major task for international peace.

Meanwhile, as the fruits of economic development begin to spread to benefit many nations and regions beyond the boundary of a handful of industrialized nations, adjustment of economic interests has become more complex than ever before. For the moment, however, there are no indications that such economic problems will develop into military clashes. But if mishandled, such problems could develop into new problems that would threaten regional and even global security. In the Asia-Pacific region, which includes many nations whose state building has just gotten under way and are in the process of achieving dynamic economic development, it is especially necessary to pay close attention to this kind of danger. Lest the fruits of economic development increase political distrust because of conflicts of interest over such achievements, efforts to build a political relationship of trust on a

regional scale must be emphasized from the viewpoint of security.

FOUR TYPES OF LIKELY DANGER

In the security environment that has these features, what types of danger are likely to occur in the future?

First, direct military confrontation between major nations, such as developed between the United States and the Soviet Union during the Cold War, is unlikely for the moment. Consequently, the possibility of a global military conflict is far smaller than before, if not nonexistent. For the time being, all major nations of the world will pay attention to domestic economic and social problems. Russia, which is experiencing a difficult transition from the socialist system, and China, which is grappling with the task of transforming itself into a market economy, are no exceptions. The question is whether the five permanent members of the United Nations Security Council, including Russia and China, will continue to have the will and ability to play a constructive role in the international community in ways commensurate with their responsibilities. If cooperation among major nations centering on the United States is lost, the global security environment could deteriorate rapidly.

Second, it is likely that localized military clashes will occur frequently and become more complex in nature. Such regional conflicts also occurred during the Cold War, but now there is a less of a relationship of regional conflicts to big-power interests, and it is easier for the international community to deal with such flareups. On the other hand, there is the danger that the situation will worsen in the absence of effective solutions, now that the coordinative capacity of big powers is less likely to work than it did during the Cold War era.

Third, there is the increasing danger that weapons and arms-related technologies will proliferate. This would be both the cause and result of localized military clashes. In particular, if the proliferation of nuclear and chemical/biological weapons and missile technologies—not to mention conventional weapons—is left unchecked, the security of the entire international community will be threatened. Particularly grave is the danger that nuclear technologies and materials will flow out of the former Soviet Union and come into possession of those who do not abide by international rules.

Fourth, regional military clashes of the kind described above would be induced by economic poverty and social discontent and by the

related loss of the ability to govern. For example, regions containing many of the poorest nations rich in resources but very low in stability require special attention. It seems that the solution of security problems will increasingly require not only responses by military means but also by multidimensional means, including economic and technical assistance.

CHARACTERISTICS OF THE SECURITY ENVIRONMENT IN THE ASIA-PACIFIC REGION

For the moment, any large-scale danger that would threaten the security of the international community is distant. But, with nations of the world becoming increasingly interdependent because of the economic and technological conditions of the modern society, even localized conflicts are likely to affect the entire international community. In particular, the Japanese economy is built on close relations with various parts of the world, including heavy dependence on Middle East oil. Therefore, the nation's security concerns are truly worldwide, but Japan cannot help having special concerns for the security of the Asia-Pacific region. What we have described with respect to the qualitative changes in global security problems in the post-Cold War world applies to the Asia-Pacific region as well. At the same time, this region, which is undergoing dynamic changes, as already stated, has a number of characteristics demanding special attention from the security standpoint.

First, unlike the European nations that over the years have built advanced defenses to meet the strong military threat of the Soviet Union, the Asia-Pacific region did not experience such a dramatic change in its security environment with the collapse of the Soviet Union. On the contrary, there is no evidence that the level of military tension in this part of the world has rapidly declined, and nations of this region are generally more concerned about security problems than they have been and are devoting a considerable portion of their resources to the improvement of military power.

For most Asians, the 50 years following the end of World War II was the creative period in which they built their nations and began to assert themselves as sovereign states in the international community. Nation building and national unification were major characteristics of Asian history in the Cold War period. Peoples of this region had an abundance of energy for social construction, causing Asia to become a convenient stage for the fierce leadership struggle on which the East and

West staked their respective systems.

Now that the Cold War is over and the influence of the two superpowers is relatively diminished, it is no wonder that Asian nations full of youthful vitality are beginning to pursue their own security policies. At the root of their efforts to deal more seriously with security problems is the fact that power relationships in Asia are becoming fluid as a result of the end of the Cold War. Thus many nations in Asia, including China, now have political motives and economic foundations for improving their military power. This is the first characteristic of the security environment in this region.

Second, the security system in the Asia-Pacific region is still in the immature, formative stages. The tensions across the Demilitarized Zone in the Korean peninsula are continuing amid the latent danger of nuclear proliferation. It will be no easy task to resolve the division of the peninsula between the northern and southern parts and achieve a sustainable political reconciliation. At this moment it is difficult to make predictions concerning the timing and mode of national unification, the character of a resultant unified state and the direction of its foreign policy.

China, blessed with a stable international environment almost unprecedented in recent history, has devoted its maximum energy to modernization. However, there are various problems that remain unresolved, such as those that exist across Taiwan Strait, the status of Hong Kong, and the widening economic disparity between the inland and coastal regions. In Indochina, the war in Cambodia has finally ended, and Vietnam and other nations are about to enter a period of economic construction. In Cambodia, however, there is still the danger of a recurrent military clash. There is also the possibility of a military clash among the interested nations over territorial claims to islands scattered off the coast of the Chinese mainland. All this shows that a fully stabilized political and military situation does not yet exist in this region.

Third, importance must be attached to the geopolitical fact that the interests of some of the world's major military powers, namely the United States, Russia, and China, are concentrated in the Asia-Pacific region, particularly in the Northwest Pacific. Russia and China are continental states that traditionally have their foundations in the Eurasian continent. With their economic activities expanding, however, both nations are beginning to acquire the character of an oceanic state

with an eye to the Pacific. Moreover, all three nations are nuclear armed. In particular, Russia, as the nuclear-weapons state that faces the United States across the Arctic Zone, has strong concerns in the Northwest Pacific as well. The United States, meanwhile, will continue to have interest in this region, not only from the security viewpoint but also in light of its growing trade interests. Japan, situated as it is in Northeast Asia and the Northwest Pacific where the interests of these world military powers interact, cannot help but be sensitive to security problems in this region.

Considering all these characteristics—the dynamism and energy of Asian nations, the immaturity of the security cooperation system, the interacting interests of major military powers, there are both positive and negative possibilities in the security environment of the Asia-Pacific region. The period in which Asia was merely the stage for the pursuit of interests by major powers is already over. It is unlikely that Asian nations that attained sovereignty in the second half of the 20th century will repeat a history of endless wars in the rest of this century and beyond, as European nations did in those centuries in which they devoted themselves to nation building through rivalry in a narrow continent. Asia today is markedly different from Europe of those centuries not only geopolitically but also in terms of the historical circumstance. At any rate, there is little doubt that future developments in Asia will be an important determining factor in the future of global security, not only because the Asia-Pacific region abounds in opportunity but also because major nations are deeply involved in this part of the world. Concerned nations, including Japan, have great responsibilities.

CHAPTER 2. BASIC THINKING ON JAPAN'S SECURITY POLICY AND DEFENSE CAPABILITY

ACTIVE AND CONSTRUCTIVE SECURITY POLICY

During the Cold War period international security problems were discussed with the focus on the development of bipolar tensions between the United States and the Soviet Union. In today's security problems that focus no longer exists. The cause of our sense of insecurity is the very opaqueness of the present international order in which the dangers that exist are dispersed and difficult to predict. On the other hand, however, there are emerging signs that a collective

capacity to deal with conflicts will be developed through the cooperation of the United States and other major nations under the United Nations and other international regimes. These signs indicate a new direction. Various dangers exist in the present security environment, but the international community will be able, through cooperation, to prevent the development of conflicts, to contain the expansion of conflicts that have developed, and to take the initiative to remove the causes of conflict development. Thus there exist opportunities to create a more secure world, provided nations of the world take active and constructive moves to create a sustainable "structure of peace" in the spirit of cooperation. Under the present circumstances, however, nations must possess their own defense capabilities. Also we must not forget that our security is ensured by maintaining ties with our allies because we cannot defend ourselves alone.

Japan should extricate itself from its security policy of the past that was, if anything, passive, and henceforth play an active role in shaping a new order. Indeed, Japan has the responsibility of playing such a role. Preventing the use of force as a means of settling international disputes is the intent of the United Nations Charter. That the international community will develop along these lines is extremely desirable for Japan in light of its national interests, since the nation is engaged in economic activities around the globe and yet resolved not to tread the path to a major military power. Consequently, pursuing an active and constructive security policy and making efforts in this direction is not only Japan's contribution to the international community but also its responsibility to the Japanese people now and in the future.

In order to fulfill such responsibility Japan must make efforts to that end by making full use of all policy means, such as diplomacy, economy and defense. That is to say, it is necessary to build a coherent and comprehensive security policy. This consists of the following: First, promotion of multilateral security cooperation on a global and regional scale; second, enhancement of the functions of the Japan-U.S. security relationship; and third, possession of a highly reliable and efficient defense capability based on a strengthened information capability and a prompt crisis-management capability.

MULTILATERAL SECURITY COOPERATION

The United Nations, which was created 50 years ago as the organization for collective security, is now awakening to its primary function.

The "threat or use of force," prohibited under Paragraph 4, Article 2 of the U.N. Charter, refers to actions that individual states take independently as means of settling international disputes. In this respect, the 1928 Treaty of Paris (the general treaty for renunciation of war as an instrument of national policy), from which the U.N. Charter originates, provides essentially the same. In other words, as stated in the preamble to the U.N. Charter, the primary intent is that no state shall use force "save in the common interest" of the international community.

In fact, the U.N. Charter, in Paragraph 3, Article 2, calls on all members to settle "their international disputes by peaceful means" and, in Paragraph 4, states, "All members shall refrain in their international relations from the threat or use of force against the territorial integrity or political independence of any state, or in any other manner inconsistent with the purposes of the United Nations." Thus all U.N. members have pledged to the entire international community that they shall refrain from "the threat or use of force." The provision of Article 9 of the Japanese Constitution agrees in its spirit to that pledge.

However, if any major nation that supposedly bears special responsibilities for supporting U.N. peace activities should become a party to a conflict, this function of the United Nations unavoidably would be lost for all practical purposes. As this indicates, for the collective security mechanism of the United Nations to demonstrate its primary function, stability in the international environment is necessary. At the present time, when no serious military confrontations exist between major nations now that the Cold War has ended, this condition is minimally satisfied. How much nations can achieve in terms of cooperative security by availing themselves of this favorable opportunity, and whether they can acquire such a habit, will determine the fate of the United Nations in the 21st century. Japan, which is deeply committed to peace, must make positive use of this historic opportunity, not for altruistic purposes but primarily from the standpoint of its national interest.

It seems, however, that it will be a long time before the U.N. collective security organization is established in a complete form. At its present stage, the United Nations is required not so much to deal

with military clashes by regular U.N. forces stipulated in Chapter 7 of the U.N. Charter as to respond to various modes of crisis by such means as preventing armed conflicts that may develop inside unstable nations where it is unclear who holds the ability to govern; containing their expansion; and supporting the reconstruction of order following the cessation of conflicts. The U.N. peacekeeping operations are becoming more and more multifarious. Japan should actively participate in these operations and needs to make efforts to improve its system and capabilities for that purpose.

Incidentally we would like to emphasize that the civilian sector of peacekeeping operations and the construction of peace following the settlement of conflicts are important fields of international cooperation for security. In these fields Japan should be able to make particularly significant contributions. At the government level, official development assistance (ODA) policy, for example, should be positively utilized. In addition, considering that voluntary participation at the private level is particularly significant in this respect, the entire society should make serious efforts to enable nongovernmental organizations (NGOs) to step up their activities.

On the other hand, there still exists the danger that conflicts of interest between nations will lead to armed conflicts. Nations are allowed to possess self-defense capability as a measure of last resort, provided it is limited within the bounds of the exercise of the right of self-defense. However, if those nations rush to build arms while harboring an extreme sense of mutual distrust, the danger of military conflicts will increase. Consequently, it is first necessary to reduce the level of mutual distrust and to increase the sense of security and approximate a condition of mutual trust. To this end efforts should be exerted to make the arms control system effective on a global and regional scale. The registration system for the transfer of conventional weapons, established at the United Nations at the proposal of Japan and other countries, is already in practice. In addition, since preventing the proliferation of weapons of mass destruction and related technologies, such as nuclear and biological/chemical weapons and missile technologies, is a grave concern of mankind, Japan should make further efforts toward the strengthening of the international management and supervision regimes for such weapons and technologies.

The cooperative security policy must be pursued not only at the United Nations but also at the regional level. Security dialogue among

the participating nations is under way already at the ARF. Japan, which has involved itself positively in the establishment of this forum from the beginning, should continue to make further efforts for its development. We believe this forum should take up questions such as creating a regional system for increasing transparency in the mutual disclosure of information pertaining to the transfer and acquisition of weapons, the deployment of military forces and military exercises, etc., as well as building a framework of cooperation concerning the prevention of marine accidents, maritime traffic safety, and peacekeeping operations. As a private-level body to complement regional dialogue at the government level the Council for Security Cooperation in the Asia Pacific (CSCAP) was established recently. If, through such forums, dialogue is promoted with nations from which it is difficult to obtain information on military policies, such as China, Russia, Indochinese states, and the Democratic People's Republic of Korea (DPRK), then transparency in the security environment in Asia and the Pacific will increase, and as a result the sense of security among nations of the region will also increase.

There are some emerging signs of multilateral security dialogue in Northeast Asia and the Northwest Pacific, such as an attempt to create a five-nation forum at the semi-private level among Japan, the United States, China, the Republic of Korea (ROK), and Russia. But participation of the DPRK has not yet materialized. At the government level, efforts to increase transparency on a mutual basis should, for the time being, be made by promoting bilateral military exchanges, such as those with the ROK, China, and Russia.

It will be a long time before nations of the Asia-Pacific region cooperate and thereby establish a standing regional system for engaging in U.N. peacekeeping operations. But a number of nations in the region have accumulated experience in this field through participation in the U.N. Transitional Authority in Cambodia (UNTAC). Japan can learn much about regional cooperation by promoting exchanges with nations that have rich experience in U.N. peacekeeping operations, such as Australia and Canada. In addition, Japan should make efforts to broaden the basis of cooperation for regional security by acquiring as much experience as possible through exchanges of visits by military personnel, research exchanges, exchange student programs and joint training with the United States and other nations.

ENHANCING THE FUNCTIONS OF THE JAPAN-U.S. SECURITY COOPERATION RELATIONSHIP

In order to further ensure the security of Japan and make multilateral security cooperation effective, close and broad cooperation and joint work between Japan and the United States are essential. The institutional framework for this is provided by the Japan-U.S. Security Treaty. Henceforth the two nations should make efforts to make greater use of this framework and strengthen their cooperative relations so that they can act more positively in response to new security needs.

The North Atlantic Treaty Organization (NATO) was created in Europe against the background of East-West confrontation in the Cold War era. In Asia, the Japan-U.S. Security Treaty was concluded against the same backdrop, particularly the outbreak of the Korean War. Considering that international cooperation centering on the United States provides a realistic basis of the post-Cold War's security system as well, it stands to reason that these treaties should be maintained as a valuable asset for the formation of a new security system.

In relation to the security environment in the Asia-Pacific region, cooperation between Japan and the United States is an essential factor. In view of the continuing need to ensure that U.S. commitment of this region is maintained as desired by many Asian nations, it is highly significant that Japan and the United States should renew their determination to maintain their security relations. The U.S. posture in Asia might undergo some changes depending on its fiscal considerations and assessments of the military situation. In addition, as shown by the withdrawal of the U.S. bases from the Philippines and the conclusion of an agreement with Singapore on the use of military facilities, some changes have already occurred regarding U.S. presence. Nevertheless, it is of great significance to the security of this region as a whole that the United States should continue its existing frameworks of security cooperation with nations of this region, such as Japan, the ROK, Australia, Singapore, the Philippines, and Thailand. Consequently, it is desirable that the nations concerned should cooperate in this direction.

From these international and regional viewpoints, the Japan-U.S. Security Treaty will assume a greater significance than ever before. In addition, it is necessary to reaffirm the significance of this treaty in the sense that it forms an essential framework for the active and constructive security policy Japan should pursue. Consequently, in order to further ensure the continuation of this treaty and further

facilitate its smooth operation, various policy considerations and institutional improvements must be made.

MAINTENANCE AND OPERATION OF HIGHLY RELIABLE AND EFFICIENT DEFENSE CAPABILITY

The ultimate foundation of security lies in the determination of a people to defend themselves and in holding the appropriate means of doing so. This truth remains unchanged. Self-defense capability is a concrete expression of a nation's capability of self-management and of crisis management. In light of the fact that one armed conflict after another is developing in regions that contain many nations without such capability, it is self-evident that international security begins with the building of states that have a stable capability of crisis management.

Japan itself must have a reliable defense posture in order to enhance the reliability of the Japan-U.S. security arrangements and to participate actively and constructively in multilateral security cooperation. For that purpose it is necessary for the SDF to improve its intelligence capability and crisis-prediction capability, maintain a preparedness to deal assuringly with crises, and develop a policy-making mechanism that would make it possible to act in this manner.

It is also true that such self-defense capability must be one that is harmonious with the international security environment. It is not an easy task to determine the quality and quantity of defense capability that is appropriate in this sense. However, on the basis of the security environment surrounding this country and the duties of the SDF therein and taking into account such factors as relations with allies, geographic features of the land, the level of military technology, the size and composition of the population, and economic and fiscal conditions, it will be possible to determine the quality and quantity of the defense capability to be maintained by this country in peacetime. Heretofore such defense capability has been expressed by the concept of basic and standard defense capability. The concept itself remains valid even in the present age of cooperative security.

Henceforth, while making use of the concept of basic defense and standard capability but at the same time responding to the needs of the new security environment and taking into account the appropriate allocation of financial and human resources, it will be important to achieve further organization rationalization by identifying the functions that should be strengthened or improved and those that should be

reduced or consolidated. The desirable defense capability will be described in specific terms in Chapter 3. Suffice here to mention the importance of (1) intelligence functions to improve the danger prediction capability, (2) the capability of responding promptly in the early stages of manifest danger, and (3) the flexibility to prepare for the possible expansion of danger.

CHAPTER 3. THE MODALITY OF DEFENSE CAPABILITY IN THE NEW AGE

FROM THE COLD WAR DEFENSE STRATEGY TO THE MULTILATERAL SECURITY STRATEGY

The defense capability of Japan in the Cold War period was built up and maintained for the primary purpose of preparing for attacks on Japanese territory by hostile forces and, at the same time, with a view to securing the safety of maritime traffic of vital importance to the maintenance of national livelihood, on the premise that U.S. forces would be stationed in Japan and come to its aid under the bilateral security treaty. Japan's mission was to defend the country based strictly on the right of self-defense. In light of its geographical position, however, Japan naturally played an important role in the anti-Soviet strategy of the Western bloc.

Even in the Cold War era, regional armed conflicts that occurred against a backdrop of U.S.-Soviet confrontation short of a direct military showdown were a principal type of international conflict. During such conflicts, including the Vietnam War, to say nothing of the Korean War that broke out when Japan was under Allied occupation, the nation played a role as a logistical support base for U.S. forces. With the end of the Cold War, the security environment surrounding Japan changed markedly. However, the primary role of defending the country remains unchanged regardless of the changes of the times. In addition, Japan-U.S. cooperation remains unchanged as a major pillar of Japan's security policy. The question for the future is how such defense capability and security policy should be positioned from the viewpoint of cooperative security.

THE ROLE OF DEFENSE CAPABILITY FOR MULTILATERAL SECURITY COOPERATION

As described in the foregoing, the primary task for international security in the new age is to respond appropriately to diverse dangers in various parts of the world and, by so doing, to prevent the deterioration of the security environment and make positive efforts to improve it. To this end, it is important that, acting on their relationships of alliance, nations make active efforts from the constructive viewpoint to promote global and regional security through cooperation at the United Nations and other organizations. Japan, whose involvement with the international community has vastly increased, is in a position to bear proportionately larger responsibilities in this respect. Japan's defense capability has a role to play in such multilateral cooperation for international security.

The Strengthening of U.N. Peacekeeping Operations and the Role of the SDF

Japan enacted the international Peace Cooperation Law in 1992, thus making its stand clear in favor of full-scale involvement in U.N. peacekeeping operations, including participation of the SDF. As noted in light of the issues raised in "An Agenda for Peace" by U.N. Secretary-General Boutros Boutros-Ghali and by a number of peace operations now under way, the fact is that the content and concept of U.N. peacekeeping operations are being forced to adapt to the new environment and undergo repeated experiences. There is no doubt that the United Nations is beginning to move in the direction of a United Nations as it should be.

Seen in this light, it should be emphasized anew that one of the major pillars of Japan's security policy is to contribute positively to strengthening the U.N. functions for international peace, including further improvement of peacekeeping operations. Furthermore, such contribution is important in the sense that Japan's firm commitment to such an international trend regarding security problems will strengthen its role befitting its international position. The closer the world moves to the realization of the ideal held up in the U.N. Charter of a world without wars, the better it will become for nations such as Japan, which aspires for a true peace in the original sense of the word. Therefore it is extremely important to Japan's national interest to make the utmost efforts toward this goal. The SDF, whose most important mission is to ensure the security of Japan, cannot be exempt from this duty. From

this viewpoint, a number of improvements are needed in such areas as statutes governing the operation of the SDF, SDF organization, equipment and training.

Missions of the SDF and Peacekeeping Operations. First, it is important to consider it a major duty of the SDF, along with the primary duty of national defense, to participate as positively as possible in various forms of multilateral cooperation that are conducted within the framework of the United Nations for the purposes of international security, including peacekeeping operations.

In this sense, it is necessary to take such measures as improvements of the legal system, including revision of the SDF Law to add participation in peacekeeping operations to the primary duties of the SDF, and organizational improvement of the SDF with a view to international cooperation. In addition, use of SDF facilities for such purposes as training centers and advance depots for materials and equipment for peacekeeping operations, and supply by Japan of equipment necessary for peacekeeping operations conducted by other nations also merit positive consideration. Such measures mean providing international public goods for peace.

Peacekeeping operations, which are currently attracting the particular attention as a role of the United Nations, require in some cases that weapons be used to a certain extent. In view of the purposes of the United Nations already described, however, it is natural that such use of arms should be permitted. From this viewpoint, we believe the government should make efforts to obtain public understanding at home and abroad with regard to the mode of SDF participation. As for the mode and limits of SDF in peacekeeping operations, it should be decided in a comprehensive manner taking into consideration a number of aspects including whatever means available for Japan to make a meaningful contribution.

There is a view in some quarters that organizations other than the SDF should be dispatched to engage in peacekeeping operations. If this view is intended to evade constitutional questions, it is meaningless. Organizations that participate in the military sector of peacekeeping operations, regardless of their names, are internationally regarded as military organizations. Under status-of-forces agreements, for example, they are treated as "foreign military units." In addition, when the United Nations requests nations to contribute personnel, branches of service, ranks, and so forth as mentioned. Thus even non-SDF

organizations would be treated as military organizations. Furthermore, if an organization such as a peacekeeping unit for the exclusive purpose of international cooperation were to be created separately from the SDF, such a move might cause suspicion abroad that it might, for all intents and purposes, lead to substantial arms buildup. On the other hand, giving the SDF opportunities to participate in U.N. peacekeeping operations and other international activities will greatly help, internally, to broaden the international perspective of the SDF and defense authorities and enhance the public understanding of the SDF and, externally, to increase transparency in the real image of the SDF and eventually build confidence in Japan.

Organizational Improvement of the SDF. In line with the purposes stated above, it is necessary to make a series of improvements in the organization of the SDF. Heretofore the SDF has maintained a system of organizations, formations and equipment on the assumption that it deal with "limited and small-scale aggression." It also has conducted education and training on that assumption. The recent participation of the SDF in several cases of peacekeeping operations was limited in scope, so that the SDF could afford to respond within the framework of its existing organizations, equipment and training. Fortunately, as shown by the example of Cambodia, education and training and its past experience in disaster relief proved highly useful, thus enabling the SDF to receive a high international rating for its performance.

However, requests for participation of the SDF in this type of activity are likely to increase hereafter, making it necessary to make more systemic efforts to prepare for such requests. This is because, first, peacekeeping operations involve, more than anything else, activities that are exceedingly different from those in the domestic environment, culturally, geographically and politically. Secondly, such operations represent international joint actions with similar organizations from other countries. Thirdly, these activities are different in nature from conventional military actions. Consequently, if makeshift responses are made as the situation demands, it may become impossible to fulfill the duties and responsibilities that are called for. Moreover, since it is expected that peacekeeping operations will require quick responses, it is even more necessary to make preparations on a routine basis.

Specifically, we believe the following improvements should be made mainly in the areas of organization/system and equipment. First,

in the area of organization/system, it is necessary to create a special organization in charge of collecting and classifying a wide range of information pertaining to international peacekeeping operations and other types of international cooperation, to conducting the specialized training of personnel, and to having function to formulate and coordinate programs of implementation. In this connection, it is desirable to dispatch SDF officers to the Permanent Mission of Japan to the United Nations so that they can accumulate experience in various fields. As for implementing units, it is not practical for the time being to create a special unit to engage exclusively in peacekeeping operations. Such a step should be avoided. It is better, instead, to deploy existing units and personnel to carry out duties as required. In the area of equipment, it is necessary to acquire equipment required in conjunction with participation in U.N. peacekeeping operations (for example, equipment necessary for outdoor life and ensuring the safety of personnel in overseas areas). As for the questions of when it is appropriate for the SDF to participate in peacekeeping operations and what type of unit should preferably be dispatched, we advise that the government establish certain criteria while learning from past experience.

Points to be Revised in the International Peace Cooperation Law. Regarding the mode of SDF participation in peacekeeping operations, it is desirable that discussions should be continued with a view to removing as soon as possible the provision in the International Peace Cooperation Law calling for a freeze on participation of the SDF in the field of peacekeeping activities mainly conducted by infantry units. In this connection, Japan should study the common understanding that is recognized by the United Nations with regard to the use of arms. Furthermore, as we believe that the functions of the United Nations concerning security, including peacekeeping operations, will be improved and strengthened through experience to better meet the new needs, Japan should continue its quest for the ideal mode of participation while learning from past experience.

Other Forms of International Cooperation for Security

In addition to U.N. peacekeeping operations, the United Nations, its specialized agencies, and NGOs are conducting international cooperative activities in a widening range of fields. Of these activities, those to which the SDF can contribute include, for example, various types of

international rescue activities for humanitarian purposes, which are provided for in the existing International Peace Cooperation Law. In addition, we believe that the SDF will be able, for example, to provide support for refugee rescue operations conducted within the framework of international cooperation.

International Cooperation for Arms Control. As for arms control, various efforts are being made, regionally and globally, in conjunction with confidence-building measures. In this regard, Japan has been making no small contribution. In order to ensure that the uncertain and opaque security environment in the post-Cold War period does not move in a dangerous direction, it is increasingly necessary to promote international cooperation in this area. In the case of the SDF, examples of cooperation so far include participation in various disarmament-related conferences at the United Nations and other organizations and the dispatch of personnel to monitor the disposal of chemical weapons in Iraq. Regarding questions for the near future, it is desirable, for example, to dispatch SDF personnel versed in chemical weapons to the secretariats of treaty organizations as monitoring personnel in order to ensure the effectiveness of the treaty banning chemical weapons, which is expected to take effect in 1995. The challenges for the future include the disposal of weapons accumulated in the past and chemical weapons and mines left in the battlefield. In carrying out these duties, it must be kept in mind that large-scale efforts involving an SDF unit will be required.

Thus it is expected that SDF personnel will increasingly become involved in areas where personnel with military expertise and experience are needed. Participation in such international activities should reasonably be regarded as duties of SDF personnel, and we believe that participating personnel should be accorded appropriate status treatment.

Promotion of Security Dialogue. As stated in Chapter 2, dialogue aimed at building confidence is starting to take place at various levels in the Asia-Pacific region. It is important that military and defense personnel from the nations concerned participate positively in these security dialogues.

In addition, reciprocal goodwill visits by training fleets and joint training with units of neighboring countries are some of the measures that can be recommended, in the sense that they will help increase mutual transparency. In the same vein and also with a view to

developing defense personnel capable of international activity, exchanges between officials in charge of policy affairs and researchers and exchanges of defense academy students should be implemented more positively than before. For this purpose, we urge the government to take the necessary measures, including those related to funding and personnel.

THE ENHANCEMENT OF THE JAPAN-U.S. SECURITY COOPERATION RELATIONSHIP

The Japan-U.S. Security Treaty remains an indispensable precondition for the defense of Japan even in the post-Cold War security environment. What is more, the range of fields in which Japan and the United States can cooperate for the security of Asia is expected to widen. In other words, the Japan-U.S. relationship of cooperation in the area of security must be considered not only from the bilateral viewpoint but, at the same time, also from the broader perspective of security in the entire Asia-Pacific region.

For example, the use of bases and related facilities by U.S. forces stationed in Japan and the support of such facilities through financial measures required for their maintenance and other means should be favorably evaluated in the sense described above. In addition, it is necessary to build a more flexible and positive relationship of cooperation in practical terms. Such cooperation between Japan and the United States will provide a foundation for further ensuring the security of this region and the whole world. The importance of the Japan-U.S. security cooperation should be recognized from the standpoint of such a positive "alliance for peace."

We cannot ignore, of course, the fact that the security of Japan itself depends heavily on Japan-U.S. cooperation in the military area. In particular, the United States' nuclear deterrent is indispensable to the security of Japan as long as some nations possessing nuclear weapons continue to exist. In the United States, a nongovernment movement seeking abolition of nuclear weapons as a long-term goal, starting with nuclear disarmament by the five major nuclear nations, including the United States, is under way. The U.S. Government is making efforts for nuclear disarmament while calling on Russia and other nations to make similar efforts. At the same time, it has as its major policy goal for the present the prevention of the emergence of new nuclear weapons states. Both goals agree perfectly with the interests of Japan, which is

determined to firmly maintain its nonnuclear policy. At the same time, until these two goals are actually achieved, it is of decisive importance that the credibility of the U.S. nuclear deterrent be firmly maintained. The long-term strategy for peace of creating a world free from nuclear weapons and the policy of maintaining and strengthening Japan-U.S. security cooperation are, in this respect, inseparably related.

In order to promote the Japan-U.S. friendship of security cooperation on a more routine basis, efforts should be made to establish a greater interoperability in a broad range of fields, including operations, intelligence/command communications, logistic support, and equipment procurement. Specifically, improvement should be promoted in the following respects:

- **Enhancement of Policy Consultations and Information Exchange:** Japan-U.S. policy consultations and information exchange for this purpose should be further promoted, and the relationship of mutual trust should be enhanced.

- **Promotion of Operational Cooperation Setup:** It is necessary to promote joint formation and studies of unit operation plans as well as joint training on the assumption of various circumstances.

- **Improvement of Mutual Cooperation Setup in Logistic Support:** The United States maintains ACSA with NATO member states and other allies for the purpose of facilitating mutual logistic support and provision of supplies and services. Japan should conclude a similar agreement (ACSA) at the earliest possible time.

- **Promotion of Mutual Cooperation in Equipment:** In order to facilitate joint actions with U.S. forces it is necessary to emphasize the joint usability of equipment systems including C³I (command, control, communication and intelligence). Moreover, it is expected that weapons and equipment to be required in the future will consist mainly of those types that are advanced in quality but limited in quantity. In order to meet these demands, joint research, development, and production with the United States and other industrialized nations would be a rational choice. This problem involves technologies developed by private corporations. Consequently, lest the interests of the corporations involved should be impaired, it is important that the Japanese government request the governments of nations concerned to take the necessary protective measures.

- **Improvement of the Support Setup for U.S. Forces Stationed in Japan:** The Japanese government has over the years borne part of the

expenses relating to the U.S. forces in Japan under the status-of-forces agreement. In more recent years it concluded a special agreement to increase the Japanese share of such payments. Henceforth, too, it will be necessary to cover such expenses, even though there seems to be room for technical improvement, such as ensuring a more flexible management of expenses. In addition, it is desirable that the joint use of facilities be further streamlined. Efforts should continue to be made for consolidation and realignment of these facilities as necessary.

MAINTENANCE AND QUALITATIVE IMPROVEMENT OF SELF-DEFENSE CAPABILITY

The general trend for international security in the post-Cold War world is shifting from the confrontational to the cooperative pattern, but this does not mean that the roots of various military dangers have disappeared completely. As stated in Chapter 1, the security environment in the Asia-Pacific region is in a state of flux for various reasons. In light of this situation, the fact remains that the basis of security lies in individual nations possessing their own capability of managing or dealing with crises. Furthermore, we must not ignore the reality that only when at least major nations of the world possess such capability can the mechanism of multilateral security through the United Nations and other organizations demonstrate their effectiveness. In this sense, the possession of a reliable self-defense capability is the ultimate assurance of maintaining national independence; it is also desirable from the viewpoint of international security.

Likely Military Dangers

During the Cold War period when the whole world was overshadowed by a military standoff between the Eastern and Western blocs, the defense of Japan was positioned in this overall picture of East-West confrontation. For example, it was hardly likely that the Soviet Union would target only Japan for a full-scale attack in disregard of its relations with the West as a whole. The National Defense Program Outline of 1976, which defined the level of defense capability to be maintained by Japan as being capable of dealing with "limited and small-scale aggression," assumed that the U.S. forces had the ability to deter aggression against Japan and in the event of such aggression actually taking place, to repel it. In other words, the assumption was that the military forces of Japan and the United States, which stood in

a complementary relationship, would deal with Soviet aggression in a coordinated manner. On the basis of this strategic concept and, moreover, as a result of constitutional constraints and political considerations, Japan's defense capability was limited to one of modest scale and quality even during the Cold War period. Thus Japan maintained the so-called basic and standard defense capability.

Now military dangers have changed both in form and nature, but the thinking that Japan should maintain the minimum necessary level of basic defense capability as an independent state remains basically valid. The possibility that the kind of military incursion that has been anticipated in the past will be mounted directly against Japan has markedly diminished. We should not completely rule out a case in which the possibility of a military attack from a certain country increases as a result of an extreme deterioration in political relations with that country. It is unlikely, however, that a state comparable to the former Soviet Union—one that is prepared to confront the U.S. militarily and politically—will emerge in the near future. At any rate, it should be possible to predict the emergence of such a threat considerably in advance. Consequently, Japan, too, should be able to have a reasonable period of time in which to prepare for the kind of threat mentioned above. The modality of defense capability in such a case should be considered anew in light of the prevailing situation.

For the moment, attention should be paid to the various dangers that lurk in the unstable and hardly predictable situation. In case such dangers become manifest, it is necessary to maintain a certain level of management capability so as to deal correctly and quickly to prevent them from developing into large-scale conflicts. We believe importance should be attached particularly to the capability of dealing with the following situations: interference in the safety of maritime traffic, violation of territorial air space, limited missile attack, illegal occupation of a part of the country, terrorist acts, and influx of armed refugees.

Factors to be Considered in Defense Buildup

The primary factor to be considered in determining the future buildup of defense capability is, needless to say, the perception of the situation as stated above. On the other hand, there are factors to be considered in light of the developments of recent years in military technology and from the viewpoint of the optimal allocation of national resources.

Developments in Military Science and Technology. The performance of weapons has improved markedly as a result of the progress that has been made in science and technology in recent years. There has been a major shift in emphasis from conventional weapons of the heavy, large types to high-performance weapons of the precision-guidance type. In parallel to these changes, progress has also been made in saving the labor required of weapons. In addition, the advancement of information and command/communication systems including the use of satellites have also made marked progress, and C³I systems such as various information networks have come to occupy a highly important position. In particular, software is expected to gain in importance since the quality of software affects equipment capability. The sophistication of equipment will likely add to the complexity of weapons systems and drive up the prices of weapons. Since the research, development and manufacture of such high-performance weapons and the training of operating personnel cannot be achieved in a short period of time, it is necessary to formulate plans from the long-term viewpoint.

Long-term Downward Trend of the Young Population. Another long-term factor is the long-term trend of the decline of the young population. As a result, conditions for securing SDF personnel will deteriorate. In fact, this problem is already mentioned in the Mid-term Defense Program (FY 1991-1995). In light of the future prospects for population changes, the male population eligible for enlistment as Private, Seaman Apprentice, or Airman 2nd Class, who comprise the main part of the recruitment of short-term SDF personnel (said population consisting of those aged 18-27), is projected to peak at about 9 million in 1994 and decrease sharply beginning in 1995. In particular, 18 year olds, who form the core of the eligible population, is expected to drop about 40 percent 15 years from now. Assuming these population changes, we believe it is necessary to consider a defense buildup in a direction leading to the conservation of human resources.

Severe Fiscal Constraints. The aging of the population will bring pressure to bear on the finances. This is because the social security budget is expected to increase substantially as the aging of society continues, and consequently, it is hardly likely that fiscal constraints surrounding the defense buildup will improve in the long term.

Japan's defense spending has for many years been limited to less than 1 percent of the GNP. Such spending as a percentage of the

general-account budget has stayed at the level of about 6 percent. Thus, when compared with other nations, the allocation of resources to the area of defense is never too large. Moreover, personnel expenses per SDF member and equipment prices tend inevitably to rise, as compared with nations that maintain a conscription system or follow a policy of keeping equipment prices lower through overseas weapons markets. In addition, a considerably large portion of defense spending (about 11 percent of the 1994 budget) is earmarked for base countermeasure expenses and expenses for the support of U.S. forces stationed in Japan. Thus real defense spending is not as large as it appears. Defense buildup in the future demands, even more than before, that efforts be exerted to make the best possible use of the limited budget and prevent any decline in the actual level of defense capability.

Incidentally, it may be pointed out that defense spending consists mostly of obligatory expenses such as personnel expenses and payments for equipment on which contracts have been concluded in the past. In view of this characteristic, it is difficult to increase or decrease such spending on an annual basis. It is desirable that spending changes be managed from the medium- and long-term viewpoints.

New Thinking on Defense Capability

Considering the above, namely, the perception of the situation, the developments in military technology and the constraints on human and fiscal resources, we believe it is reasonable to adopt the following thinking on the basic modality of future defense capability: while making use of the concept of basic and standard defense capability Japan should make the necessary revisions to that concept by adapting it to the new strategic environment. Specifically, first, the intelligence function should be improved so as to deal with the opaque security environment. At the same time operational preparedness should be maintained so as to deal correctly with manifold dangers. Secondly, combat units should be reorganized into more efficient ones while their functions and quality should be improved by such methods as promoting the use of high technology and the modernization of equipment. On the other hand, the overall scale of such units should be reduced. Thirdly, consideration should be given to the question of flexibility so that, in the event that a more serious situation has developed, the SDF can deal with it. We hope that reform and reorganization of defense capability

based on such thinking will be carried out in stages, preferably within about 10 years.

Specific Measures of Reform

Improvement of C³I Systems. Generally, the need for the C³I systems of defense organizations has increased in order to meet dangers, now that highly mobile military technologies are increasingly used. In particular, in order to meet manifold dangers by defense capability of a restrained scale, it is necessary to attach importance to the capability of dealing quickly and flexibly with such dangers. Only by speedily and properly grasping the situation and deploying the necessary units at the necessary time at the necessary locations is it possible to defend against a quantitatively superior attack capability. For that, it is essential to possess well-organized C³I systems. In addition, it is necessary to make use of various types of sensors, including the use of reconnaissance satellites.

The need to improve the information-gathering and analysis capability and various warning and surveillance capabilities has been pointed out in the past, as in the National Defense Program Outline. Given the tendency toward the dispersion and proliferation of dangers in the opaque post-Cold War international situation, however, it is necessary to attach greater importance to this particular need in order to quickly discern changes in the situation and help make decisions expeditiously.

Strengthening of Joint Operational Posture. In order to effectively perform new duties including U.N. peacekeeping operations and to improve the capability of dealing promptly with various types of danger stemming from the opaque international situation it is urgently necessary to strengthen the joint operational posture of the Ground, Maritime and Air Self-Defense Forces. This is also necessary because in many cases collaboration between Japan and the United States is essential. In particular, the strategic information function and the command/communication functions must be strengthened from the viewpoint of integration. In this connection, it is especially necessary to broaden the areas of coordination by the Joint Staff Council and its Chairman with necessary personnel.

Improvement of Maneuverability and Combat-ready Capability. In order to ensure effective operation of our defense capability of a restrained scale it is essential that such capability be deployed at the

necessary locations and at the necessary time. From this viewpoint it is necessary to improve maneuverability and combat-ready capability.

Scale of Human Resources. Considering the constraints stemming from the anticipated demographic trend, we believe it is necessary to devise ways to make more effective use of a limited number of personnel to the extent that does not impair the combat capability required in an emergency. Consequently, the authorized number of regular SDF personnel, including even those who will be required correspondingly to the functions to be strengthened, should be reduced from the present level of approximately 274,000 to the neighborhood of 240,000. Henceforth, the necessary personnel must be secured to carry out the duties within this numerical limit. On the other hand, in order to promptly make up for any shortage in an emergency it is necessary to consider introducing a new system of SDF reservists. This question will be described further later in this report.

Ground Defense Capability. No matter how the security environment surrounding this country may change, the fact remains that ground defense capability has the mission of national defense and contributes to the stability of national life. Hitherto, in preparation for possible aggression against Japan proper by hostile forces, the GSDF has had its uniformly-organized divisions deployed across the country with emphasis on the concentrated operation of almost all of its existing force. Henceforth, the GSDF should be restructured into multifunctional units with emphasis on the capability to fulfill diverse duties such as dealing with dangers which may not be full-scale aggression but which seem highly likely to occur, U.N. peacekeeping operations and disaster relief/emergency rescue at home and abroad. In other words, the GSDF should be reorganized into divisions and brigades of diverse formations with regional characteristics taken into account, and its units should be deployed accordingly. At the same time, the numbers and sizes of units should be reduced.

There is a wide disparity between the authorized number and the actual number of SDF personnel, creating difficulties in the maintenance and management of units. For example, education and training and management of unit activities have been considerably hampered. In order to solve these problems it is necessary to reduce the scale of units and reorganize them into qualitatively improved units. Regarding, in particular, those sections of the GSDF that have many opportunities to perform duties in peacetime and positions that require an ability to make

prompt responses, it is highly important to secure the necessary personnel and maintain high levels of proficiency. At the same time, in order to respond quickly in an emergency, a study should be made on introducing a new system of SDF reservists. Specifically, such a system should be aimed at creating a highly proficient force capable of serving in front-line units in an emergency. For this purpose reservists would be recruited from retired SDF personnel and receive training for a considerable number of days each year. For such a system to be marketable, it would also be necessary to create through cooperation between the government and the private sector, an arrangement for allowing the reservists to participate in training. For example, such supportive measures as improving treatment for the reservists and financial incentives for businesses that employ them would be necessary.

Along with the reduction of the overall number of personnel, efforts should be made to expedite the shift in emphasis in weaponry from heavy equipment such as tanks and artillery to more sophisticated equipment with increased mobility and high-tech applications. At the same time, by improving the professional proficiency of personnel who operate such equipment, the GSDF should be restructured so as to further improve its ground-defense capability.

Maritime Defense Capability. For Japan, surrounded by seas, the defense of adjacent seas and securing the safety of maritime traffic are essential in order to secure the foundations of national survival in an emergency, the combat-sustaining capability and the foundations of U.S. military deployment. Furthermore, securing the safety of the maritime traffic in peacetime is a matter of life and death to Japan which has an extremely high degree of overseas dependence, as in energy supply and manufactured-goods trade. In addition, the MSDF has duties to perform, in collaboration with the Maritime Safety Agency, in such areas as sea rescue, crackdown on pirates and control of drug trafficking.

In the foreseeable future the naval force of the United States, which prides itself on its overwhelming superiority at sea, will, we believe, remain the basic factor in maintaining security on the world's oceans including the Pacific. Japan's maritime defense capability is to perform duties such as described above while maintaining cooperative relations with the U.S. Navy.

The possibility of full-scale attacks on sea lanes by Soviet [sic] submarines, for example—the kind of attacks that have been anticipated in the past—has declined. Consequently, the number of ships and aircraft for antisubmarine and anti-mine warfare, which was previously emphasized, should be reduced. On the other hand, efforts should be made to build up a more balanced maritime defense capability. For example, the surveillance and patrol functions as well as anti-surface and anti-aircraft battle capabilities should be further improved. In addition, considering participation in U.N. peacekeeping operations and other international activities, we believe it is also necessary to somewhat strengthen support functions such as maritime transport and seaborne supply.

Moreover in order to improve the level of proficiency and combat readiness, it is essential to resolve the situation where some of the manning requirements for ship crew are left unfulfilled. For this purpose we believe measures such as reassigning surplus personnel resulting from the gradual reduction of ships, etc. described above should be taken.

Air Defense Capability. Considering the development of aircraft and missile technologies, the role of air defense capability in national defense will increase rather than decrease. The introduction of the Airborne Warning and Control System (AWACS), for example, has given a further impetus to the modernization of Japan's airborne warning and control capability. Since technology in this field is expected to make considerable progress, airborne warning and control organizations such as radar sites should be reviewed substantially, in part from the viewpoint of increasing their efficiency. Moreover, in view of the reduced possibility of a full-scale air attack of the kind that was previously anticipated, such as one by the Soviet Union, the number of fighter units or fighters should be reduced (ballistic missile defense will be discussed later since it includes something that transcends the conventional concept of air defense).

On the other hand, we believe it is worth studying the introduction of midair refueling from the standpoint that it helps to increase the efficiency and strength of the air-defense system. This will make it possible to increase the efficiency of flight training as well. Since the training of pilots takes a long period of time, however, further expenses and energies should be applied to improving their education and training.

52 REDEFINING THE U.S.-JAPAN ALLIANCE

In addition, from the viewpoint of participating in U.N. peacekeeping operations and other international activities, we believe it will be necessary to build a certain degree of long-haul transport capability.

Systems for Dealing with Ballistic Missiles. In order to deal with the danger of the proliferation of weapons of mass destruction and their means of delivery, regulatory efforts are being made under various regimes, such as the Nuclear Nonproliferation Treaty (NPT), the Chemical Weapons Convention (CWC) and the Missile Technology Control Regime (MTCR). Needless to say it is desirable from the standpoint of Japan's interest in terms of its security that these international efforts from the long-term viewpoint should succeed. Accordingly, Japan is playing a positive role in building such international control regimes. On the other hand, the possession of effective means of defending against attacks or threats by nuclear missiles and other weapons during the transitional period up to the time when this goal is attained is an essential condition for the success of the long-term nonproliferation regimes described above. For, as long as there exist states haunted by unrest, motives for proliferation will not disappear. From this viewpoint it is absolutely essential for Japan, which adheres to a nonnuclear policy, that the credibility of the U.S. deterrent be maintained. In addition, Japan itself should hold the capability of dealing with and defending against ballistic missiles. To that end, Japan should make positive efforts toward possessing such capability in collaboration with the United States where research in this area is most advanced. Furthermore, it should be especially noted that such a system makes collaboration with U.S. forces essential and requires a system of integrated operation among three services.

In introducing such a system it is necessary, we believe, to conduct studies on an efficient air defense system, including a review of roles and missions among the three services of the SDF.

Maintaining a Flexible Defense Capability. It may be said that there are no imminent threats today, yet no one knows what kind of situation would develop from dangers now lurking in the opaque and uncertain security environment. In preparation for such an emergency it is necessary to maintain some leeway with respect to specialists who take a long time to train (such as commanders and pilots) and equipment that takes a long period to acquire (such as aircraft and ships). This should be done by, for example, assigning certain numbers

of such personnel and equipment to the education and training divisions so that they can contribute to the improvement of education and training at the same time. Relating to this, introduction of a new reserve system should be studied, as mentioned before.

Measures in the Personnel Area.

- **Improvement of the Treatment of the SDF Personnel:** As in the case with every organization, the basis of the defense organization lies ultimately in people. In particular, in order to maintain the efficiency of the entire organization while reducing the number of personnel it is essential that duties be performed by personnel of high morale and skill. From this viewpoint it is necessary to provide well-thought measures to improve the treatment of personnel, from entry to retirement, their living environment and other aspects of life in the SDF.
- **Improving the Recruitment Method:** The diminishing trend of the young population makes it unlikely that the recruitment of SDF personnel will become easier in the future. In view of this, it is desirable to improve the recruitment method as follows: First, the current method should be revised so that a method similar to that used for general civil service personnel and private company employees can be adopted as far as possible. By this method applicants would be recruited through local public organizations and schools in cooperation with the latter. Secondly, introduction of a new recruitment method that would make it possible to manage the numbers of personnel to be recruited over several years should be considered. Such a multi-year method would take into account annual increases or decreases in the number of applicants due to changes in the business cycle and other factors, instead of limiting itself to the fixed number for a single year.
- **Development of Human Resources and Qualitative Improvement of the Education and Training Program:** In view of the tendency toward the globalization and diversification of the role of defense capability in the new age, the education and training for cultivating the necessary personnel must be qualitatively improved. This begins with securing personnel who have aptitude at the recruitment stage, but the education and training following their entry also has a very large role to play. What should be particularly emphasized henceforth is the viewpoint of cultivating personnel who have knowledge and sensibilities regarding such

matters as foreign languages and international relations, namely, those who are fully capable of responding to calls for international cooperation, such as participation in U.S. peacekeeping operations. For that purpose the necessary measures should be taken so that the opportunity to study abroad may be offered as widely as possible to many SDF personnel. In addition, considering that the proportion of simple work has decreased and more complex abilities are required as a result of the modernization of weapons systems, the education and training should be improved with emphasis on the acquisition of special knowledge and skill. On the other hand, greater efforts need to be made toward the cultivation of personnel who have an ability to perform as many multifunctional duties as possible.

- Consolidation of Stations and Posts: The stations that exist now were located not only from the viewpoints of defense and internal security, but also by taking the following fact into account: the dispatch of SDF troops to disaster-stricken areas in the country was emphasized immediately after the creation of the SDF. This is because major natural disasters, represented by the Ise Bay Typhoon of 1959 and the heavy snowfall that hit the Hokuriku area in 1963, occurred during the early years of the SDF. Thus, responding to the needs of local communities was a major contributing factor.

Today, in light of the need for a more rational and efficient defense capability, and considering that the anti-disaster capability of local public entities has dramatically improved over the past 20-30 years, it is high time that the siting of SDF units was reviewed. For example, some of the small GSDF stations may be consolidated to the extent that the social needs of the communities in which they are located are not seriously affected. However, in the case of those locations which in an emergency are highly likely to become necessary for national defense, it is necessary to maintain such measures as will make their restoration possible in such an event.

From the viewpoint of increasing the overall efficiency of defense capability, it is desirable that the consolidation of stations and posts be promoted in such a way that funds generated by the disposition of some stations and posts are applied to the improvement of the stations and posts to be integrated. In order to facilitate such consolidation it is necessary, we believe, to work out

special devices in the fiscal area.

However, even if a certain degree of efficiency is achieved through consolidation, a considerable number of personnel and a considerable amount of expenses will continue to be required to maintain stations and posts. In order to ease the pressure on resource allocation and personnel assignment to other departments, we believe that, generally speaking, operations of such stations and posts should be entrusted to private entities as far as practicable.

OTHER ITEMS PERTAINING TO DEFENSE

The main question addressed by this report is what improvements should be made in defense capability in order to adapt to the new international situation and security environment. However, as emphasized earlier, defense can play its role only when it is correctly positioned in the regime of comprehensive security policy. In that sense improvement of defense is part of the question of giving new direction to overall security policy. Consequently, we would like to take up in this final section questions that the government as a whole or Japanese society as a whole should address--questions that are closely related to the desired restructuring of defense capability. (We would like to add that some of the questions described in three previous sections, such as the proposed introduction of a new system of SDF reservists, also involve many difficult problems which cannot be solved unless national efforts are exerted beyond the level of the Defense Agency.)

Improvement of Research and Education on Security

In Japan thus far there has been a tendency to show little concern for research and education on security. The international environment surrounding us requires the government and the people to take serious interest in peace. This must be reflected in research and education on security problems.

Education on security as it stands is extremely inadequate. It is important to the future security of Japan that appropriate security education be provided in all stages of education, from elementary school all the way to college and university. Security is a public good whose benefits are equally enjoyed by the entire people. If the whole society forgets to pay due respect to those who are engaged in the defense of the country, the spiritual foundation of national defense and security will be lost. History shows that such states did not enjoy lasting

prosperity. Consequently, we believe that the necessary consideration should be given so that SDF personnel may devote themselves to their duties with pride and in the spirit of challenges.

Defense Industry

Total output of Japan's defense industry today accounts for about 0.6 percent of domestic industrial production. From the viewpoint of the national economy, this represents a paltry amount. From the viewpoint of security, however, we would like to emphasize that it is extremely important to have a domestic defense industry capable of developing and producing technologically advanced and high-quality equipment. The roles played by state-owned munitions factories before the end of World War II, such as army ordnance and naval arsenals, have been taken over completely by the private defense industry since the war's end. What is notable about today's defense industry is that it consists of numerous enterprises that cut across a broad spectrum of industrial sectors and, moreover, includes a large number of small- and medium-sized enterprises and highly specialized enterprises. Furthermore, as Japan maintains a policy of imposing strict voluntary restraints on arms exports under the three principles of arms exports, weapons-related divisions of component enterprises have no alternative but to formulate production plans based entirely on orders from the Defense Agency. As a result, a wide variety of products tend to be produced on a limited scale, which leads to prices higher than the average price abroad. As for mainline equipment, it is notable that a major part of such equipment is either imported from the United States or manufactured domestically under license from U.S. defense contractors.

In spite of these limitations the Japanese defense industry has managed to maintain its manufacturing base because the nation's defense capability has until recently been in the stages of build-up and improvement. During the past few years, however, the equipment procurement budget has leveled off or begun to decrease, making the future prospects uncertain. As overall business earnings are shrinking because of the current economic slump, it is becoming increasingly difficult for related enterprises to maintain their defense divisions.

Henceforth, as already described, it will be necessary to promote the modernization of defense capability and, at the same time, reduce the overall scale of defense capability, with emphasis on combat units, and improve its overall efficiency. Moreover, considering that the

service life of equipment is tending to lengthen markedly, it is expected that procurement volume of equipment, particularly front-line equipment, will be considerably reduced. As a result, unless appropriate measures are taken, a number of enterprises may find it difficult to maintaining their production basis and, if worse comes to worst, may be forced to withdraw from the defense industry.

For the reasons described above, Japan's defense production is placed at a disadvantage in terms of cost. But because of the nature of the defense industry economic efficiency should not be the only criterion for judgment. It is vitally important to maintain autonomy and independence in equipment procurement and defense-related technology, partly with a view to facilitating technological exchanges with the United States. Consequently, it is necessary to give policy consideration so that maximum possible support may be provided to help maintain the existence of enterprises involved in the defense industry. For example, it is desirable that the government should announce medium-term procurement estimates as far in advance as possible so that related enterprises will find it easier to draw up production plans. In particular, with a view to easing as much as possible the adverse effects of decreases in the procurement volume of front-line equipment, continued consideration should be given to domestic production and to the promotion of restructuring at the level of individual enterprises. At the same time the following points should be noted: First, regarding areas where advanced technology is required, consideration should be given to the maintenance of the foundations of research and development and manufacturing technology. Secondly, in order to avoid difficulties in the routine operation of equipment on the spot it is absolutely necessary for related enterprises to maintain the capacity for equipment repairs. Thirdly, regarding small- and medium-sized enterprises that depend heavily on defense demand, we believe it is necessary to consider measures from the viewpoint of industrial policy or social policy. Fourthly, we believe that promotion of appropriate joint research and development with the United States and other nations is another measure that merits consideration.

Technological Foundation

It is expected that military technology will make for steady progress. Furthermore, since it is impossible to make up for laggard in quality through expansion of quantity, it is extremely important to security that

defense technology be maintained at the advanced level. On the other hand, as already stated, the procurement volume of front-line equipment is expected to decrease in the future, so that even if research and development work on equipment should succeed, the actual volume of orders for such equipment may not reach the level desired by the producers. It is possible that the uncertain prospects for future contracts will reduce the desire of private enterprises to invest in research and development.

In view of these points, it is essential for the government to make greater efforts for research and development, promoted Government-funded research of technological prototypes not predicated on mass production, and seek to strengthen the basis of most advanced technologies. In addition, it is important to make greater efforts to accumulate software and build data bases.

Modality of Future Defense Program

Implementation of the restructuring of defense capability and organizational reform along the lines of thinking proposed by this report will have considerable effects not only on SDF personnel and those concerned with the Defense Agency but also on general society such as local public organizations and private enterprises concerned. Consequently, in order to avoid unnecessary confusion it will be necessary to implement our proposals in stages over a considerably long period of time (for example, about 10 years). It should also be noted that the nature of the reforms proposed herein is such that they present targets to be attained during the process of reforms to be carried out over an appropriate period of time. As such, they do not indicate targets to be maintained in the long term or upper limits of defense capability, such as those indicated in the appendix to the "National Defense Program Outline" of 1976. We must part with the "National Defense Program Outline," but whether an alternative document should be prepared is a question to be considered by the government. In addition, whether the "Basic Policy for National Defense" of 1957 should be rewritten as to express the new basic thought on defense is a question to be studied in the future.

As for specific defense buildup, we believe that mid-term plans should be prepared and that efforts should be made on a flexible yet programmed basis.

Establishment of Crisis Management System and Integration of Intelligence

Regarding C³I systems, it is pointed out that, generally, links between a plurality of organizations are the weakest spots and that defects are liable to present themselves in these areas. This seems to be the case with the present conditions of Japan's intelligence system and crisis management system. Efforts are being made to strengthen these links, such as by holding joint intelligence conferences at the Cabinet, but it is necessary to make further efforts so that the intelligence and crisis management systems of the entire government may function more effectively. Henceforth it will be necessary to make full-scale efforts to strengthen and improve the crisis management and intelligence analysis functions at the Cabinet level. This is a task of vital importance that covers a broad range of endeavor from the training of intelligence specialists and improvement of their treatment to the strengthening of the intelligence functions at the levels of government organizations and the SDF and finally to the integration of intelligence at the Cabinet level and the maintenance of the policy-making machinery suited to crisis management type and the domestic legal system designed to prepare for emergencies. Consequently we hope that sufficient discussions will be conducted on these matters.

CONCLUSION

The nature of security problems has undergone certain changes with the ending of the Cold War. In these circumstances peoples of the world are beginning to make their respective efforts in search of a new international order. We, too, should deal squarely with our security policy with a fresh mind.

It goes without saying that the security policy of each state lies basically in its capacity for self-management and crisis management. It also remains true that the sharing of common interests and values is the most reliable of ties in relations between nations. In this sense, the ties between Japan and the United States, which have a common goal concerning the formation of a new international order, are expected to become even more important. This is because peoples of the world, working together to prevent armed conflicts and bring about their early settlements and to resolve social problems contributing to conflict, such as poverty, will likely have increasing opportunities to act positively and constructively to that end. Through steady accumulation of productive

results in such cooperative security mankind will be able to come closer to the United Nations' goal of collective security. As a result, an international order in which the prohibition of "the threat or use of force as means of settling international disputes" is the basic rule will become a greater certainty. We should make maximum efforts toward that goal because that will also be in the interest of the Japanese people.

From this viewpoint this report has discussed the modality of security policy and defense capability Japan should henceforth pursue. Such security policy and defense capability consist of three pillars--promotion of multilateral cooperation, improvement and strengthening of Japan-U.S. security relations, and maintenance of a highly reliable and efficient defense capability.

In order to ensure that the new security policy described here is smoothly implemented and that defense plays a significant role in the process, it is essential that the entire nation make efforts accordingly from the comprehensive viewpoint and that policy be implemented in a coherent manner. To that end the building of a crisis management system that makes effective policy making and execution possible is indispensable. At the same time, we would like to emphasize that broad public understanding, support and participation lie at the heart of security policy. It is our sincere hope that this report will help to deepen the public understanding of security issues.

APPENDIX B: ACRONYMS

ACSA	acquisition and cross-servicing agreements
ARF	ASEAN Regional Forum
ASDF	Air Self-Defense Force
ASEAN	Association of Southeast Asian Nations
AWACS	Airborne Warning and Control System
C ³ I	command, control, communications, and intelligence
CSCAP	Council for Security Cooperation in the Asia Pacific
CWC	Chemical Weapons Convention
DoD	Department of Defense
DPRK	Democratic People's Republic of Korea
FSX	fighter support experimental
GSDF	Ground Self-Defense Force
JDA	Japan Defense Agency
JSDF	Japan Self-Defense Force (also SDF)
LDP	Liberal Democratic Party
MITI	Ministry of International Trade and Industry
MOFA	Ministry of Foreign Affairs
MSDF	Maritime Self-Defense Force
MTCR	Missile Technology Control Regime
NATO	North Atlantic Treaty Organization
NDPO	National Defense Program Review
NGOs	nongovernmental organization
NPT	Nuclear Nonproliferation Treaty
NSC	National Security Council
ODA	official development assistance
PKO	peacekeeping operation
ROK	Republic of Korea
SDP	Social Democratic Party
TFT	technology for technology
TMD	theater missile defense
U.N.	United Nations
UNTAC	United Nations Transitional Authority in Cambodia

McNair Papers

The McNair Papers are published at Fort Lesley J. McNair, home of the Institute for National Strategic Studies and the National Defense University. An Army post since 1794, the fort was given its present name in 1948 in honor of Lieutenant General Lesley James McNair. General McNair, known as "Educator of the Army" and trainer of some three million troops, was about to take command of Allied ground forces in Europe under Eisenhower, when he was killed in combat in Normandy, 25 July 1944.

The following is a complete listing of published McNair Papers. For information on the availability of specific titles, contact the Circulation Manager, Publications Directorate & NDU Press, Fort Lesley J. McNair, Washington, DC 30219-6000 (telephone: commercial 202/475-1913; DSN 335-1913).

1. Joseph P. Lorenz, *Egypt and the New Arab Coalition*, February 1989.
2. John E. Endicott, *Grand Strategy and the Pacific Region*, May 1989.
3. Eugene V. Rostow, *President, Prime Minister, or Constitutional Monarch?*, October 1989.
4. Howard G. DeWolf, *SDI and Arms Control*, November 1989.
5. Martin C. Libicki, *What Makes Industries Strategic*, November 1989.
6. Melvin A. Goodman, *Gorbachev and Soviet Policy in the Third World*, February 1990.
7. John Van Oudenaren, "The Tradition of Change in Soviet Foreign Policy," and Francis Conte, "Two Schools of Soviet Diplomacy," in *Understanding Soviet Foreign Policy*, April 1990.
8. Max G. Manwaring and Court Prisk, *A Strategic View of Insurgencies: Insights from El Salvador*, May 1990.
9. Steven R. Linke, *Managing Crises in Defense Industry: The PEPCON and Avtex Cases*, June 1990.
10. Christine M. Helms, *Arabism and Islam: Stateless Nations and Nationless States*, September 1990.
11. Ralph A. Cossa, *Iran: Soviet Interests, US Concerns*, July 1990.
12. Ewan Jamieson, *Friend or Ally? A Question for New Zealand*, May 1991.

13. Richard J. Dunn III, *From Gettysburg to the Gulf and Beyond: Coping with Revolutionary Technological Change in Land Warfare*, March 1992.
14. Ted Greenwood, *U.S. and NATO Force Structure and Military Operations in the Mediterranean*, June 1993.
15. Oscar W. Clyatt, Jr., *Bulgaria's Quest for Security After the Cold War*, February 1993.
16. William C. Bodie, *Moscow's "Near Abroad": Security Policy in Post-Soviet Europe*, June 1993.
17. William H. Lewis (ed.), *Military Implications of United Nations Peacekeeping Operations*, June 1993.
18. Sterling D. Sessions and Carl R. Jones, *Interoperability: A Desert Storm Case Study*, July 1993.
19. Eugene V. Rostow, *Should Article 43 of the United Nations Charter Be Raised From the Dead?* July 1993
20. William T. Johnsen and Thomas Durell-Young; Jeffrey Simon; Daniel N. Nelson; William C. Bodie, and James McCarthy, *European Security Toward the Year 2000*, August 1993.
21. Edwin R. Carlisle, ed., *Developing Battlefield Technologies in the 1990s*, August 1993.
22. Patrick Clawson, *How Has Saddam Hussein Survived? Economic Sanctions, 1990-93*, August 1993.
23. Jeffrey Simon, *Czechoslovakia's "Velvet Divorce," Visegrad Cohesion, and European Fault Lines*, October 1993.
24. Eugene V. Rostow, *The Future of Palestine*, November 1993.
25. William H. Lewis, John Mackinlay, John G. Ruggie, and Sir Brian Urquhart, *Peacekeeping: The Way Ahead?* November 1993.
26. Edward Marks and William Lewis, *Triage for Failing States*, January 1994.
27. Gregory D. Foster, *In Search of a Post-Cold War Security Structure*, February 1994.
28. Martin C. Libicki, *The Mesh and the Net: Speculations on Armed Conflict in a Time of Free Silicon*, March 1994.
29. Patrick Clawson, ed., *Iran's Strategic Intentions and Capabilities*, April 1994.
30. James W. Morrison, *Vladimir Zhirinovskiy: An Assessment of a Russian Ultra-Nationalist*, April 1994.
31. Patrick M. Cronin and Michael J. Green, *Redefining the U.S.-Japan Alliance: Tokyo's National Defense Program*, November 1994.

JFQ

JFQ: Joint Force Quarterly is a professional military journal published under the auspices of the Chairman, Joint Chiefs of Staff, by the Institute for National Strategic Studies, National Defense University, to promote understanding of the integrated employment of land, sea, air, space, and special operations forces. **JFQ** focuses on joint doctrine, coalition warfare, contingency planning, operations conducted by the unified commands, and joint force development.

The journal is a forum for examining joint and combined warfare and exchanging ideas of importance to all services. **JFQ** appeals to a wide audience across the defense community with an interest in the nature and history of joint warfighting.

TO ORDER A SUBSCRIPTION, cite **Joint Force Quarterly (JFQ)** and send your check for \$22.00 (\$27.50 foreign), or provide your VISA or MasterCard number and expiration date, to Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15220-7954. You may also place orders by FAX: (202) 512-2233.