The Tests of War and the Strains of Peace:

The U.S.-Japan Security Relationship

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Foreword

As the second half of the 1990s began, the U.S.-Japan security relationship was nearing crisis. The security environment in East Asia had changed with the end of the Cold War. Tensions were rising between Washington and Tokyo over the Okinawa rape incident, the funding of U.S. bases in the region, America's continued commitment to defense of the region, and doubts about Japan's commitment to mutual defense. While the September 1997 revision to the defense guidelines(which elucidated and moderately strengthened Japan's role within the alliance(showed an awareness of the need to adapt, Washington and Tokyo will need to do more to reform their alliance if it is to remain the linchpin of East Asian security. In this climate, the Council on Foreign Relations decided it would be useful to assemble a group of leading U.S. experts on U.S.-Japan relations and a number of Japanese commentators for a rigorous examination of the future of the security relationship. The Study Group, chaired by Harold Brown of the Center for Strategic and International Studies and Richard Armitage of Armitage Associates, sought to identify and explore the fundamental questions that U.S. and Japanese policymakers needed to address to make the alliance relevant for the 21st century. This report summarizes the findings of the Study Group.

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Executive Summary

The U.S.-Japan security relationship is far too important to peace and stability in Asia to allow it to simply wither away or to be destroyed by a crisis. But the relationship is not sustainable in the form that served it so well during the Cold War. To weather both the "tests of war" and the "strains of peace," the alliance must be strengthened by adapting to the new realities and security challenges of the 21st century.

The revision of the U.S.-Japan Guidelines for Defense Cooperation, announced September 23, 1997, was an important step in that direction. But the Japanese Diet must still pass laws implementing these changes.

More broadly, Japan must:

(make the case directly and convincingly to the Japanese public that closer security ties with the United States are in Japan's self interest; (agree to engage in explicit defense cooperation so that Japanese forces can be "planned in" rather than "planned out" of U.S. military operations in a range of Asian regional contingencies;

(engage in a serious dialogue with the United States on long term weapons acquisition plans, including some commitment by Japan to Theater Missile Defense.

For its part, the United States must:

(convince the American public and the Congress that a continued security relationship with Japan is essential to the United States;

(increase the flexibility of the Pentagon regarding the basing of its troops in Asia, including its forces in Japan, and especially in Okinawa;

(clearly commit to keep the Japanese security alliance as America's premier security relationship in Asia.

And both nations need to:

(cooperate more closely in gathering and sharing intelligence;

(coordinate more actively on nuclear nonproliferation and counterterrorism activities;

(enhance mutual political consultation so that in a crisis Japan shares more authority in as well as responsibility for the alliance.

These changes should be implemented at a deliberate pace with a careful eye to the political climate and the art of the possible in Washington, Tokyo, and other Asian capitals.

Only in this way can the U.S.-Japan security relationship be adapted to the challenges that lie ahead.

Introduction

"We have a security alliance that works fine in peace but which will fail the most likely tests of war." (Yukio Okamoto, Diplomatic Analyst

The U.S.-Japan security alliance is at a crossroads. The outcome of certain decisions to be made in 1998_the Japanese Diet's vote on legislation necessary to implement the new U.S.-Japan Guidelines for Defense Cooperation, the implementation of the recommendations of the Special Action Committee on Okinawa (SACO), and the nature of Japan's participation in the Theater Missile Defense (TMD) system with the United States(will determine the path of the security relationship for years to come. One course will lead to a weakening of the alliance, with reduced obligations and expectations on both sides. The other is a path toward strengthening the alliance, with a greater mutual commitment to dealing with the Asian security challenges of the 21st century.

Over the last half century, the alliance has been the cornerstone of U.S. security commitments in Asia and an important component of U.S. security undertakings around the world. With the demise of the Soviet threat, the alliance risks slowly unraveling or even suddenly collapsing in the face of possible crises in Korea, the Taiwan Straits, or elsewhere. However, the alliance is far too important to peace and stability in Asia to allow it simply to wither away or to be destroyed by a crisis. Both the United States and Japan have a stake in peacefully solving the explosive situation on the Korean peninsula, in successfully integrating China into the community of Asian-Pacific nations, and in resolving other security problems that arise in Asia. The U.S.-Japan security alliance can provide a framework for dealing with these new uncertainties.

This study recommends that the U.S.-Japan security alliance be strengthened to make it more able to weather both the "tests of war" and the "strains of peace." The revision of the U.S.-Japan Guidelines for Defense Cooperation, announced September 23, 1997, was an important first step toward that end. But the Japanese Diet must now pass a series of changes in Japanese law(permitting use of civilian airfields in a military emergency or exchanges of supplies during wartime(to effectively implement these new guidelines. To gain the Diet's support, the Japanese government must make the case directly and convincingly to the Japanese public that closer security ties with the United States are in Japan's self-interest. And this effort cannot stop with the Diet's vote. Over time, to cement Japanese public support for the alliance and to reassure its American allies, Tokyo must more clearly spell out what it is willing to do to support U.S. forces in the event of a security crisis in Asia. Japan must also restructure its forces accordingly so that Japanese forces can be "planned in" to U.S. defense preparations in Asia. Additionally, Japan must share more of the alliance's financial burden, including involvement in the TMD system.

The United States must share some of the burden of strengthening the alliance. The U.S. government needs to convince the American public and the Congress that a continued security relationship with Japan is useful to America. The Pentagon must be prepared to adjust the number, composition, and basing of its troops in Asia, including its forces in Japan, as circumstances and technologies change. Washington must also be willing to push Tokyo to make the decisions necessary to insure the sustainability of the alliance.

Such changes should be instituted at a deliberate pace, with a careful eye to the political climate and the art of the possible in Washington, Tokyo, and other Asian capitals. But reform is unavoidable if the alliance is to continue to be the foundation of U.S. security policy in Asia.

Guidelines Revised

After more than a year of consultations, in the fall of 1997, the United States and Japan issued revised Guidelines for Defense Cooperation, updating guidelines first agreed upon in 1978.

The renewal of the guidelines was motivated by several specific concerns. In 1990, the United States and Japan had failed to adequately coordinate their response to the Persian Gulf War. Tokyo contributed considerable financial support to the Allied effort, but men and materiel were noticeably lacking. In 1993-94, Washington and Tokyo again failed to coordinate during the nuclear crisis on the Korean peninsula, giving rise to uncertainty about Japan's rear-area role in the event of a security contingency. Both of these shortcomings in part reflected the fact that the 1978 guidelines failed to specify the degree of bilateral cooperation that the United States could expect in support of efforts to preserve regional security. Finally, prior to the April 1996 U.S.-Japan summit in Tokyo, Japanese public opinion surveys showed flagging popular support for the U.S.-Japan security relationship.

At the summit, U.S. President Bill Clinton and Japanese Prime Minister Ryutaro Hashimoto responded to these concerns by agreeing to the comprehensive review of the 1978 guidelines that culminated in the September 1997 revisions. The new guidelines address U.S.-Japanese defense cooperation in three circumstances: under normal peacetime conditions; in response to an armed attack on Japan; and in response to situations in "areas surrounding Japan" that have an important influence on Japan's peace and security.

The revisions make no significant changes in transpacific military cooperation in the face of an armed attack on Japan. But the guidelines commit the two governments, on a day-to-day basis, to increase information and intelligence sharing, to better coordinate peacekeeping and humanitarian relief operations, and to increase military exchanges. Washington and Tokyo will improve bilateral defense planning, including the development of common standards for the defense of Japan.

Even more importantly, the revised guidelines spell out, as never before, U.S.-Japanese cooperation during situations in areas surrounding Japan. This includes collaboration in noncombatant evacuation, minesweeping, search and rescue, enforcement of economic sanctions, and rear-area support, such as timely American access to airfields and ports.

Significantly, the "areas surrounding Japan" are specifically defined as situational, not geographic, so that Japan's defense role and responsibilities depend on the nature and context of a particular contingency rather than on its location. Mindful of Chinese sensibilities, Washington and Tokyo have gone out of their way to underscore that the guidelines are not aimed against any third country.

The revised guidelines are an important step toward strengthening the alliance. Yet several issues remain unresolved. One is the precise definition of the "areas surrounding Japan"(in particular, whether Taiwan is considered one of those areas. A second outstanding issue is Japan's right of collective self-defense: will it use its forces to help the United States defend American forces in the Far East? The guidelines consciously avoid this issue, despite the fact that it is crucial to the alliance in the long run.

The ultimate significance of the new guidelines depends on the ability of Washington and Tokyo to weave them into the fabric of the U.S.-Japan relationship through legislation, military planning, and joint training. The nitty-gritty details of this implementation will determine whether the revised guidelines are successful in adapting the U.S.-Japan security alliance to the coming tests of war and strains of peace.

The Shifting Context

The defense guidelines were revised against the backdrop of a shifting security environment in East Asia. What forces threaten to undermine the alliance? The external threats to the alliance have paled. The Soviet Union is gone, no longer a regional or global menace. North Korea is on the ropes. A belligerent China is far from a foregone conclusion, and, in any event, China will not pose a credible military threat to the U.S.-Japan alliance for at least a decade.

Internal to the alliance, the gap in economic and military capabilities between the United States and Japan has narrowed. Japan has assembled the world's second-largest economy and, somewhat unnoticed, one of the world's most significant defensive conventional forces.

Meanwhile, internal political consensus in the United States and Japan, which sustained the alliance for four decades, has also weakened. Some Americans question the wisdom and cost of continuing the global network of alliances built during the Cold War. The burden of deploying troops abroad is being scrutinized as the defense budget is squeezed. Some Americans question the fairness of the economic relationship with Japan. Chronic trade frictions have undermined the appeal of the original implicit bargain of the alliance, whereby the United States provided Japan with access to the U.S. market and Japan provided the United States with a secure base for military operations just off the Asian mainland.

Ironically, Japanese opinion has moved toward a more favorable view of the alliance, even as some Americans are having doubts. A majority of Japanese voters continue to support the alliance. Political realignment in the Diet has decimated the Socialists and marginalized other groups within Japan that long objected to the alliance. Today, there is an unprecedented consensus in the Diet between the governing party and the leading opposition party on the bedrock importance of the alliance.

Yet Tokyo, too, has entered an era of fiscal austerity and tough choices. Defense expenditures, including the $6 billion a year toward the cost of stationing U.S. troops in Japan, are a tempting target for cutbacks. The defense budget was cut in 1997 and many observers expect it to be cut again in the future. Additionally, political elements remain that seek a more independent Japanese security policy; indeed, some political elements want no security policy at all.

More dramatic is the speed with which the long-standing taboo against serious discussion of Japan's national security options has lifted. Public debate in Tokyo over the role of the alliance is now spirited and realistic, and has escaped the narrow priesthood of Foreign Ministry specialists. Today, the alliance is debated by voices in the Diet, policy analysts in think tanks, and well-informed academics, as well as by Japan's free-wheeling mass media(including television and the weekly shukanshi magazines. In the future, the alliance will be subject to ever-broader scrutiny in Japan and will be forced to accommodate a widening range of policy concerns.

The variety of proposals that emerge from this debate are more nuanced than the traditional poles of "rearm Japan within the alliance" versus "civilian Japan, illegal Self-Defense Forces, imperialist alliance." The debate now includes hybrid proposals such as that of the Democratic Party, the third most powerful group in the Diet, which argues for a strong alliance without a U.S. military presence in Japan. The United States and Japan thus need to rethink and recast the alliance with a strategic, long-term perspective before the seductive logic of radical plans alters the strategic debate.

Four Simple Questions

Against the backdrop of a changing security situation in Asia and a new security debate in Japan and the United States, the Council on Foreign Relations in New York and Washington convened an independent Study Group to assess the future of the U.S.-Japan security alliance. The group wrestled with four questions:

1. Does the alliance still serve the national interests of both the United States and Japan or have events rendered it obsolete?

2. If the alliance is still a "good thing," can it survive both the "tests of war" and the "strains of peace" in its current form?

3. Should the alliance be strengthened, loosened, or maintain the status quo?

Given a choice of direction, what are the prudent rate and terms of change?

In answering these questions, the Study Group began with two assumptions:

1. The alliance should be treated as a means to a security end, not as an end in itself. Means and ends should not be confused in the security debate.

2. The alliance is not purely military, but rather operates in a political and economic context. How it is redefined will determine the security options available to the United States throughout Asia.

A Prescription for Moderate Change

This study concludes that the alliance still serves the interests of both the United States and Japan. Post-Cold War events have attenuated the threats that prompted the formation of the alliance, but the alliance is emphatically not obsolete. It is premature to conclude that Asia is entering a new era of peace, free from great-power rivalry or friction. Should a new threat present itself over time, the alliance will respond(if it is well handled in the meantime. In the absence of a clear threat, however, and without an effort to deal with the current weaknesses in the security relationship, the alliance could well reach a point where it could be severely weakened, even broken, by a failure to hold up in either an internal or external crisis. If Japan were to refuse to aid the United States in a Korean contingency or U.S. military forces were guilty of additional serious crimes or accidents in Japan, the alliance would suffer.

Given this risk to a vital American security relationship, the alliance should quickly but carefully be made stronger and more flexible. Although a window of opportunity now exists to prepare for potential problems ahead, it could one day close. To prepare their alliance for the 21st century, the United States and Japan should undertake the following measures:

1. Increase joint military planning and training to give the Self-Defense Forces (SDF) a more essential(although not necessarily combat(role in regional contingencies (to "plan Japan in" rather than "plan Japan out");

2. Improve management of U.S. forces in Japan and East Asia through more flexible troop deployment, greater sensitivity to the unique problems of the Okinawa bases, and better discipline to avoid future crimes and accidents against or involving Japanese citizens;

3. Maintain a serious dialogue on long-term weapons acquisition plans (especially TMD);

4. Cooperate more closely in gathering and sharing intelligence;

5. Coordinate on the diplomatic agenda of nonproliferation and counterterrorism;

6. Enhance bilateral political consultation so that if a crisis occurs, Japan shares more authority in, as well as responsibility for, the alliance;

7. Reconfirm the alliance's status as America's premier security relationship in Asia;

8. Encourage Japanese leaders to clearly communicate to the Japanese public the tangible security benefits the alliance brings to Japan(making clear that the alliance

is not a favor that Japan grants to the United States, but rather a mutual responsibility to protect mutual security interests in Asia.

This is an ambitious agenda, with a risk of overreach. Therefore, it is critical that the alliance be recast resolutely but at a moderate pace. Too much, too soon could undermine the alliance by scattering the emerging consensus in Japan. But too little, too late will leave the alliance vulnerable to fatal damage from a crisis or insidious unraveling.

Is the Alliance Obsolete?

The alliance was weakened by the end of the Cold War, but not rendered obsolete. It is definitely worth preserving, for the alliance has always served multiple objectives for both parties, although the weight of these objectives has shifted over time.

For the United States, the Cold War function of the alliance was to defend Japan and contain communism in Asia, even as the mantle of immediate communist adversary shuttled between Beijing, Moscow, Pyongyang, and Hanoi. Today, the alliance has four military functions for the United States, in descending order of importance: it ensures the defense of Japan; it provides a base from which the United States can project military power abroad, whether nearby in Korea or farther away in the Persian Gulf; it serves as a hedge against possible Chinese belligerence in the future; and in the view of some it serves as "cap in the bottle" insurance against a resurgence of Japanese militarism. Furthermore, as the U.S. economy becomes increasingly dependent on trade with Asia(exports to Asia accounted for 3.5 percent of U.S. gross national product in 1996--American self-interest in the stability and security of rapidly growing Asian markets will only increase.

For Japan, the alliance continues to achieve political, economic, and security objectives. The chief function of the alliance remains the defense of the Japanese islands from external aggression. The American security umbrella continues to allow Japan to play the most powerful economic role throughout Asia without raising fears of political domination as well. While the past arrangement in which Japan was assured access to U.S. markets and technology without requiring reciprocal access to the Japanese market has ended, American protection of shipping lanes continues to guarantee Japan's export-oriented economy.

For a sizable but slowly shrinking minority of Japanese citizens, the alliance also provided "cap in the bottle" insurance, although few would like that phrase. Many Japanese remain uncomfortable with the prospect of Japan as an "ordinary country" (futsu no kuni), exercising independent military capability. This fear has gradually eased over 50 years of Japanese democracy, however.

U.S.-Japan security

There is little doubt that an unchanged alliance would continue to accomplish the narrow task of defending Japan from invasion or nuclear attack. But there is doubt about the capacity of the existing security relationship to deal with other, more probable regional and global threats, such as a regional security crisis in Asia or another Persian Gulf war. Japan's failure to provide support to the United States in such contingencies could quickly destroy the alliance.

The Tests of War

Since the new defense guidelines left Japan's military role in the region undefined, Tokyo must decide how to respond to various military contingencies. In a crisis situation not involving a direct threat to the home islands, Japan faces decisions about whether to provide noncombatant and logistical support to U.S. forces; to afford unrestricted access to U.S. bases in Japan; or to deploy the SDF in activities ranging from rear-area support to transportation, patrol, and, within limits, even combat missions. The odds of a positive Japanese response to an American request for assistance are highest in the event of a Korean contingency. The odds are lower in the event of another Persian Gulf war, especially if it is not sanctioned by the United Nations or if it involves Iran rather than Iraq. The odds of support from the Japanese government, and permission for the unrestricted use of U.S. bases in Japan, are lowest in the event of a clash between the United States and China.

Response time is a serious issue in any of these contingencies. The national security decision-making process in Japan is tortuously slow. A host of political and bureaucratic actors in Tokyo can slow or veto hard choices. Experience during the Gulf War suggests that any decision to commit Japanese funds, materiel, or forces could take weeks. With the lightning nature of modern warfare, a late response to a crisis may be as bad as no response at all.

Moreover, it will be difficult to overcome the alliance's poor record on military coordination and planning. Because of the historical weight of the interpretation of collective self-defense, a long list of hairsplitting conditions has heretofore limited the ability of the SDF to assist the U.S. military in a wide range of possible actions. For example, in the past Japan's arrangements for basic logistical support, which fell under the bilateral Acquisition and Cross-Servicing Agreement (ACSA), were limited to peacetime and to U.N. Peacekeeping Operation (PKO) activities, specifically excluded ammunition, and made no provision for supply to United States forces in the event of a military contingency. The SDF were even severely limited in the activities they could perform to rescue civilian noncombatants from a war zone.

Furthermore, the U.S. military and the SDF operated at much greater arm's length than is generally understood. The two militaries had little experience in joint command. Interoperability and joint training varied widely between the service arms: the U.S. Navy and the Maritime Self-Defense Force (MSDF) were the closest in terms of interoperability and joint operations; the U.S. Air Force and the Air Self-Defense Force (ASDF) used similar equipment, except for Japan's new F-2 fighter, and flew together from time to time; the U.S. Army and the U.S. Marine Corps used some different equipment from, and rarely trained together with, Japanese forces.

This failure to adapt the U.S.-Japan security relationship to the changing security environment posed four major problems in the years prior to the guidelines review. First, and foremost, Japan's refusal to explicitly commit itself on what the SDF and civilian support would or would not do in the event of regional contingencies in Asia meant that Japan was "planned out" of rather than "planned in" to U.S. military operations. As a result, Pentagon plans that excluded the SDF and civilian support from Japan were more complex, more costly, and possibly more dangerous for U.S. forces. As a result, if the SDF or Japanese civilian logistical help were to become engaged in a military contingency alongside U.S. forces without the benefit of joint planning, Japan's contribution would be much less valuable.

Second, the Japanese government was in the position of having to wait until a military emergency occurred to pursue administrative or legal changes in the Diet. Such precipitate action could have damaged respect for due process in Japan and domestic popular support for the alliance. Eleventh-hour decisions by the Japanese government to commit forces and support, after years of a low profile on security matters, would have risked alarming Japan's Asian neighbors. These nations long complained that while Japan's military capability was transparent, Japan's strategic intent on the use of the SDF was opaque. Waiting until a crisis to declare intent would have confirmed their worst fears about Tokyo.

Third, Japan's leaders risked being caught in political thickets that would have delayed a decision to assist the United States. This is what happened in the Gulf War, when Prime Minister Kaifu was unable to get a revised U.N. cooperation bill through the Diet. This sort of delay would have generated enormous friction in the security relationship, as Washington, absorbed by the military crisis, would have had little patience in dealing with Japanese indecision.

Finally, Japan's failure to adapt the security relationship raised questions about whether it would act at all in the event of a crisis. If American soldiers shed blood again in a military action for which Japan was a clear beneficiary, yet Tokyo was seen as standing by, offering only marginal or delayed logistical or financial support, then the outcry of public opinion and the hardening of skeptical attitudes on Capitol Hill could have destroyed the alliance.

The recognition of such problems led the Japanese and American governments to initiate the defense guidelines review. The new guidelines go a long way toward addressing some of these problems. But the guidelines still must be implemented and tested. A significant amount of joint planning, military exercises, and peacetime cooperation is necessary to put flesh on the bare bones of the commitments embodied in the guidelines. Whether these problems are issues of the past or continued concerns for the future will be determined only with the test of time.

The Strains of Peace

The alliance has never been symmetrical in any sense. The United States spends far more money than Japan on defense--$250 billion a year compared to Japan's approximately $40 billion(and

America deploys troops worldwide, including 47,000 in Japan.1 As for authority, despite some polite fictions regarding prior consultation, the United States largely has a free hand with its forces in Asia. And only the United States has the full complement of air, sea, and land forces and the logistical, intelligence, and command and control capacity to use those forces to respond to any Asian security contingency.

Many Americans feel unappreciated for the security umbrella that they provide for Japan. They correctly perceive Japan as a rich and sophisticated nation. They note that Japanese direct investment and two-way trade with the rest of Asia is larger than American commerce with the region and they conclude that Japan has at least as big a stake in maintaining the security of the region as does the United States.

Even continued peace in the Asian region will prove a budgetary strain for the United States. U.S. defense spending is likely to plateau at $250 billion a year for the foreseeable future and it could even be cut. The Pentagon has many internal voices competing for their share of this tighter budget. There will be growing pressure on Japan to take up the slack, at a time when Japan plans to decrease military spending (albeit only slightly) for the first time in two generations.

In the United States, there is also growing disagreement on the economic rationale of the alliance. It is clear that the stability of the U.S.-Japan security relationship helped Japan to rapidly rebuild itself from the rubble of World War II, that trade and investment with Japan's powerhouse economy has been essential to the economic reconstruction of the rest of Asia, and that trade with Japan has had a big impact on the United States. But the continuing economic benefit to the United States from the bilateral security relationship is the subject of intense debate. Is the alliance still critical to the U.S. economic presence in Japan and other Asian nations?

In recent years, congressional criticism of the asymmetries of the alliance has been muted. But this could change quickly. The honeymoon could be cut short by an acrimonious debate over defense priorities and budget cuts, by garden-variety political opportunism among candidates in future primary or presidential campaigns, or simply by a crisis in which Japan fails to shoulder a fair burden of alliance responsibilities.

Japan has built powerful modern military forces on the basis of the world's second largest economy. The SDF are highly trained, well equipped, and modern. But the Japanese government has taken the position that these forces cannot be used for "collective self-defense," even within the alliance, and can be employed outside of Japan only for tightly constrained PKOs under U.N. auspices.

Many Japanese feel unappreciated for the burdens they do bear. Japanese taxpayers contribute $6 billion a year to help cover the costs of basing U.S. troops in Japan. Japanese citizens also tolerate tens of thousands of foreign soldiers living and training in their midst. This is a daily inconvenience and a psychological burden that is unpleasant for a proud and homogenous nation, even with the knowledge that those troops are helping defend Japan.

The bases are all the more irksome to a wealthy Japan. As urbanization has crept to the barbed wire at the base perimeters, American F-15s now scream over Japanese apartment blocks and busy highways, the value of the real estate under the concrete runways has soared, and civilian jobs inside the bases are now less attractive than those in the wealthy private sector outside the gates.

These problems pose a test for Japan's emerging "conservative consensus" on security matters. A new alliance between the conservative wing of Prime Minister Hashimoto's Liberal Democrat Party (LDP) and the conservative wing of Ichiro Ozawa's New Frontier Party (NFP) led to an agreement on legislation to resolve most of the Okinawa lease problems, and could also push through legislation to break the artificial "collective self-defense" barrier. Mr. Hashimoto and Mr. Ozawa are strong leaders with strong views on security, but both stand atop fragile coalitions(and tactical politics change quickly in Japan.

Furthermore, the Okinawa problems were less intractable and less volatile than the question of collective self-defense. Progress on Okinawa was prodded by a series of "action-forcing events," including termination of the base leases and the rape of an Okinawan girl by U.S. servicemen. In contrast, the defense guidelines review, the implementation of the SACO recommendations, and Japan's policy on TMD have taken place at a much lower profile, out of the public limelight. These changes to Japan's overt defense posture, taken with little public debate, risk a major popular backlash.

Re-Engineering the Alliance

Should the U.S.-Japan security relationship be strengthened by eliminating some of its current ambiguities and asymmetries? Can the status quo alliance be sustained until a crisis occurs(at which time both parties should hope for the best? Or should the alliance be loosened, with obligations and expectations reduced, thereby forging a more modest but ultimately more resilient and longer-lived security relationship?

The security relationship could be strengthened by reducing asymmetries in both political authority and military responsibility in the alliance. In such an effort, Japan would end the interpretation that bans collective self-defense and expand its definition of legitimate self-defense to include support during regional contingencies. Japan would be "planned in" to all anticipated military contingencies, and the SDF would work much more closely with the U.S. armed forces. In return, Japan would assume a stronger voice in a political decision to engage alliance forces in a military crisis in Asia. The Okinawa base problem could be tackled as part of a long-term plan for collaboration between the SDF and the Pentagon.

Alternatively, the status quo could be maintained by avoiding the hard choices regarding the role of the SDF, the extent of logistical support, and the question of collective self-defense. Some additional behind-the-scenes planning could take place that would make it easier for Washington and Tokyo to consult quickly at the highest political levels in an emergency. The SDF would remain "planned out," and the SDF and the Pentagon would remain at arm's length in terms of training, joint command, and weapons procurement. The Okinawa base problem would be dealt with as an internal Japanese political matter. If a crisis occurred, Tokyo and Washington would both hope for the best.

Or the security relationship could be loosened by decoupling the alliance from any regional contingencies, accepting the limitations induced by the renunciation of "collective self-defense," and reducing mutual expectations about Japan's actions in any event other than an attack on the homeland. The SDF would remain completely "planned out" of U.S. military operations, and Washington would retain its unilateral freedom of action. If a crisis occurred, both Tokyo and Washington would know what to expect from each other.

There are pros and cons to each alternative for the alliance.

An Ironclad Alliance

A strengthened alliance would wield a more potent military club, opening the way for the SDF and the U.S. military to develop a common war-fighting doctrine, to train together, to practice joint command and control, and to ensure weapons interoperability between the forces. It would therefore have a greater deterrent effect on any potential aggressor, clearly underlining America's long-term commitment to the security of Asia. Japan's prior consultation in the event of a crisis could add caution and objectivity to U.S. actions(although it might make decision-making more cumbersome. Meanwhile, the current Asian obsession regarding how many troops the United States has deployed in the region, and the use of the "100,000 commitment" as a proxy for the reliability of U.S. engagement in Asia, would disappear.

A tighter alliance would also permit a more effective division of labor between the U.S. and Japanese militaries, easing some pressure on military budgets by eliminating redundancy. It would also open the way to more flexible deployment of U.S. forces in the region(including the possibility of some troop withdrawals from Okinawa(since greater cooperation from Japan would facilitate rapid redeployment of U.S. forces in the event of an emergency. For example, much closer cooperation between the SDF and the U.S. military would make it easier to pre-position equipment for rapid redeployment of U.S. troops within Asia, to be confident that the command and control infrastructure would work effectively, and to provide additional transportation ("lift" in military parlance) for U.S. troops courtesy of the ASDF, the MSDF, and Japanese civil transport.

It is hard to imagine a benign Chinese response to a strengthened alliance, no matter what sort of diplomatic spin is put on it. It would certainly reinforce the suspicions, and possibly the influence, of hard-liners in Beijing. China attacked the rather mild statements contained in the April 1996 "Japan-U.S. Joint Declaration on Security" as evidence of a U.S. push for "hegemony" in Asia. Conversely, clearly delineating Japan's regional role could embolden hawks in Beijing: if Japan were explicitly to commit to support the United States in a Korean or Persian Gulf contingency, but reject support for a clash with China over Taiwan, Beijing might take a more aggressive posture toward its "renegade province."

Another potential issue in a stronger alliance is that it might breach the "firewall" that has traditionally separated the security and economic aspects of the U.S.-Japan relationship. For decades, diplomats in the Foreign Ministry and in the State Department strove to insulate the alliance from commercial disputes. But it would be difficult to muster the political will in Tokyo and Washington to increase mutual obligations on the security side while downplaying mutual obligations on the economic side of the relationship.

It is not clear if breaking the firewall would be a net pro or con. It would be a positive move if Japan continued to move in the direction of economic liberalization and market openness, for the remaining trade disputes could be resolved on the tactical level, with the closer security relationship providing a salve for the inevitable frictions of trade negotiations. But the effect could be negative if Japan remains a tightly regulated, unreformed economy with a large structural trade surplus with the United States. It is not obvious how to link security and trade negotiations in a productive fashion. In any case, tense trade negotiations could poison the security relationship. Trade disputes move at a rapid pace, with many transactions on the table. Trust can be created, destroyed, and re-created over the course of the negotiation. In contrast, security questions move at a slower pace, with fewer transactions to decide. And mutual trust, once damaged, is hard to rebuild.

Preserving the Status Quo

One rationale for preserving the status quo in the alliance is the blunt wisdom "if it ain't broke don't fix it." The alliance has survived for decades in essentially its current shape with its current asymmetries. Both sides have invested a lot of time, energy, and money in the alliance. Why risk this investment unless a crisis presents itself?

The status quo alliance also benefits from the fact that ambiguity does have some virtues. No potential aggressor in Asia can really be sure what Japan will do in the event of a serious crisis. The SDF are a powerful potential ally for the United States, even in the absence of clear Japanese political will to use them.

The downside to this ambiguity is the real risk that the alliance may fail if tested in a crisis. The status quo in the alliance leaves the initiative to third nations. China, or North Korea, or a revived and belligerent Russia could exploit differences between the United States and Japan. Some scholars argue that Beijing's long-term strategy is to tolerate the alliance, using the United States to keep a lid on Japanese rearmament until China's increasing wealth and technical sophistication allow the People's Liberation Army to "handle" Japan alone. If this is a true description of Beijing's intent, then failure to transform the U.S.-Japan security relationship into a tighter partnership plays into Chinese hands. From this standpoint, the status quo alliance is dangerously passive.

Yet another argument against the status quo is the slow decline in SDF and U.S. military interoperability. As Japan buys more indigenous F-2s for the ASDF, Japanese and American air forces become less interoperable. Similarly, TMD is reaching the end of its development cycle and the production train may leave the station before the SDF get on board. The United States is not deterred by Japan's failure to participate in TMD, but it raises the cost to the American taxpayer, delays deployment, and forfeits opportunities for technical collaboration.

A Flexible, Looser Alliance

In contrast to a tighter alliance, a looser and more modest alliance would grant the United States more flexibility and balance in its foreign policy in Asia. Washington could play more of a neutral, balancing role, more accommodating to expanding Chinese influence in the region without the encumbrance of the "special relationship" with Japan or Chinese suspicions of the alliance. U.S. economic interests would no longer be sacrificed in the name of the security relationship, and the United States could pursue trade matters without perpetually worrying about damage to the alliance.

However, a looser alliance would carry the complication of a more autonomous Japan. With a more pressing need to provide for its own defense, Tokyo could have a greater incentive to develop nuclear weapons, much to the consternation of China and Korea. Despite Japan's deep-seated civilian "allergy" to nuclear weapons, this question would continually present itself in Japan's internal security debate, unless the U.S. nuclear umbrella was credibly extended for a very long time(by no means a given under a looser alliance. As a result, the alliance would have less deterrent value. Moreover, the United States would find it harder and more expensive to project power in Asia, either in Korea or further afield.

Moving Slowly but Deliberately

As stated at the beginning of this report, this Study Group concluded that strengthening the alliance is a superior strategy for both the United States and Japan. The political, military, and economic benefits of a tighter alliance are manifold. The principal shortcomings of a tighter alliance, not surprisingly, center on China. The risks of a new Cold War rivalry in East Asia and of being trapped in a deadly self-fulfilling prophecy increase if a tighter alliance antagonizes Beijing. This is the most compelling reason to move with caution and moderation in strengthening the security relationship with Japan.

An alliance that has stood the test of four decades is not something to be changed overnight. It is risky to overreach, to move too quickly. In fact, many of the military requirements for strengthening the alliance are already in place or could be remedied in reasonably short order. The real question is one of political choice, of political leadership at the highest levels, and of political consensus within Japan and the United States to move forward and recast the security relationship.

As a practical matter, the United States and Japan are not yet faced with a black-and-white choice between a tighter or looser alliance. There is actually a range of intermediate positions around the status quo, and quite a few policy instruments that can be separately toggled in one direction or the other.

The initiatives recommended by this study include changes to "plan Japan in" to U.S. and U.N. military operations; closer cooperation with the United States on training, roles, and missions; greater coordination on force deployment and on burden sharing; more systematic collaboration on weapons procurement and technical transfer, including TMD; increased intelligence sharing; closer diplomatic alignment on nuclear nonproliferation and counterterrorism; and a serious effort to educate the Japanese and American publics on the importance of the alliance and Japan's responsibilities within the alliance.

Planning Japan In

The Mutual Cooperation and Security Treaty left the obligations of the United States and Japan in the event of a regional military contingency unclear, with no formal reference to any role by the SDF and ambiguity regarding Japanese logistical support and U.S. access to civilian facilities.2 The Acquisitions and Cross Servicing Agreement (ACSA) of 1996 marked some progress by providing for peacetime supply of fuel, food, medical support, and transport by Japan to U.S. forces operating in the region. However, the ACSA explicitly excludes the supply of weapons and ammunition, and, at least by the Japanese interpretation, applies only to peacetime and to U.N. peacekeeping activities. The 1997 revised guidelines attempted to reduce some of that ambiguity, but Japanese planning needs to be done for U.S.- and U.N.-led operations in the region and beyond.

Minimizing ambiguity is a requirement for effective military planning. If planners cannot be assured with a high degree of certainty that Japanese logistical or military support will actually be forthcoming, they will avoid strategies that depend upon such support. If they cannot plan on Japan, they will not train, deploy troops, or acquire equipment to carry out such a plan. In short, the Pentagon must "plan Japan in" or "plan Japan out." Currently Japan is planned out of any U.S. military role in a regional contingency.

An essential step in strengthening the alliance is to remove enough of this ambiguity so that Japan is effectively planned in to U.S. military strategy for regional contingencies in Asia. This need not signify a direct combat role for the SDF in any crisis, but it does mean a greater likelihood of SDF involvement in U.S. military operations. For example, in a Korean conflict, a "planned in" Japan would provide complete logistical support to U.S. forces operating from Japan(unambiguously, with sufficient assurances, information exchange, and limited training up front. This support should include: combat service support; sea lane surveillance and patrol; minesweeping; airlift of U.S. forces within the regional theater; ground transportation for the movement of personnel, equipment, and ammunition; complete medical support and emergency evacuation from the battle areas; and fuel supply and rear-area maintenance of equipment.

Not planning Japan in for a Korean contingency complicates preparation for refugees. A Korean conflict would leave tens of thousands of Japanese civilians stranded in the South, and could send tens of thousands of Korean refugees (from both North and South) fleeing across the sea toward Japan. Under the 1978 guidelines, the SDF could neither evacuate Japanese civilians nor provide protection or transport assistance to foreign nationals (including Americans) in the event of a Korean war; these tasks would have fallen by default to the American military. The diplomatic repercussions in Washington of Japan's unwillingness and inability to protect both Americans and its own citizens, not to mention the political repercussions in Tokyo for any Japanese cabinet that failed such an elementary test of its sovereignty, could have had a devastating impact on public support for the U.S.-Japan security relationship.

To avoid such problems, the 1997 guidelines commit the Japanese government to accept responsibility for refugees fleeing to Japan, to evacuate Japanese nationals from combat areas, and to cooperate with the United States in such efforts when Tokyo deems that appropriate. While this last caveat still gives Tokyo significant wiggle room, any doubts about Japan's willingness to cooperate with the United States in refugee and noncombatant evacuation operations could be allayed by a realistic set of civilian evacuation and refugee-support plans, including full use of all the capabilities of the SDF.

A further gray area arises from Article V of the Mutual Cooperation and Security Treaty, which commits the United States to defend "territories under the administration of Japan," but without defining exactly what constitutes "Japan."3 For example, Article V ostensibly absolves Washington from formal involvement in a dispute between Tokyo and Moscow over the Kurile Islands, but what security obligation does the United States have toward the Senkaku Islands, whose ownership Japan disputes with China and no one formally administers, or toward Takeshima Island, whose ownership Japan disputes with South Korea? Although the Pentagon has made statements that the alliance umbrella does cover the case of the Senkakus, the broader question of territorial "boundary conditions" can be fudged only as long as Japan continues to engage China and Korea diplomatically and no party tries to resolve the territorial question with force. But even if the boundary issue is skirted in public, it should be addressed privately between U.S. and Japanese authorities, with a clear agreement on what Japan can expect from the United States in terms of military support in a confrontation over these disputed territories.

If Washington's position on the disputed islands is tested by any of the parties to the dispute, the United States must make its position clear to all parties. This is a public relations time bomb for Washington. Any American president will find it excruciatingly difficult to convince the American people(most of whom have never heard of the Senkakus or Takeshima(to go to war with China or Korea over Japan's claim of sovereignty to these wave-swept rocks. But if the Japanese public were given the impression that it could count on the American military and assistance was not forthcoming, the loss of confidence in the United States would be hard to repair.

Beyond East Asia, planning Japan in for U.N. missions could help avoid the consequences of past failures to coordinate. In particular, Japan's delayed response to American requests for assistance in the Gulf War did serious damage to the U.S.-Japan alliance. Japan's inability and unwillingness to supply even civilian goods and medical assistance to the war effort in a timely fashion damaged Japan's credibility in the eyes of many in the United States, especially members of Congress. At the same time, many Japanese felt bullied and unappreciated for their sizable financial contribution to the war effort_$13 billion.

Many Japanese officials believe that the Gulf War revealed deep flaws in Japan's security posture and decision-making processes. Even after the United Nations approved the international sanctions that ultimately led to Operation Desert Storm, the Kaifu government was incapable of getting legislation through the Diet in time to provide meaningful support for the coalition effort. Ultimately, Japan's contribution to Desert Storm consisted solely of financial payments, minor logistical support, and some minesweeping in the Persian Gulf after the cessation of hostilities.

Japan has furnished token forces to several U.N. PKOs in Cambodia, Mozambique, the former Zaire, and the Golan Heights. These are under U.N. command but are in tightly circumscribed noncombatant functions, basically limited to transportation, health, and sanitation services.

Under a strengthened alliance, Japan should be willing to commit armed forces to U.N. undertakings, including the event of a second Gulf War, on the same conditions and on the same scale as other members of a U.N. coalition. This should be done without the reservations imposed by the principles of Japan's 1992 International Peace Cooperation Law, and in a timely fashion. This would require modification of the Peace Cooperation Law to permit such operations, and the creation of an effective PKO capability within the SDF. The SDF would also need to acquire better transportation capabilities.

Changing Training, Roles, and Missions

The SDF are highly mechanized and richly furnished with annual defense budgets but are untested in combat. Although Japan's fiscal year 1996 defense budget was 4.7 trillion yen, important concerns remain about the operational capabilities of the SDF, including service composition, training, and joint command.

The shifting domestic and international environment will require Japan to redress its increasingly outdated force structure and posture. Japan currently has a military force of about 240,000 troops, though a defense review and growing budgetary pressures are likely to push this number lower. The SDF is dominated by the Ground Self-Defense Force (GSDF), which is deployed primarily in Hokkaido in response to old threats(the Soviet Union/Russia(rather than present threats(North Korea and China. Moreover, a conventional invasion of the main Japanese islands is less likely than either an air or sea engagement at the periphery of Japan's territorial boundaries; a peripheral air or sea engagement would require a response from the MSDF or the ASDF rather than the GSDF. Any missile attack would require some sort of antimissile capability.

Yet institutional momentum in Japan continues to favor the GSDF and its land-based equipment over the ASDF and MSDF in terms of both personnel and budgets. In fiscal year 1996, 37 percent of the defense budget was spent on the GSDF versus 23 percent on the MSDF and 24 percent on the ASDF. (The balance was spent on the Defense Facilities Administration Agency and other National Defense Agency expenses.)

Meanwhile, Japan's three military services have very limited interservice cooperation and coordination, operating largely independently of each other and with markedly different approaches to the same mission. This is in sharp contrast to the Pentagon, where joint operations are the cornerstone of current military doctrine, and where joint command and a joint staff have been strengthened by the Goldwater-Nichols reforms.

A major improvement in joint operations between the three SDF service arms and more joint training with the U.S. military are essential to the successful prosecution of any regional military crisis, including the defense of Japan. The SDF and U.S. forces have conducted some limited training exercises together since 1978, including command-post exercises with the GSDF, navigation and communications training with the MSDF, and air training in Misawa with the ASDF. The SDF, primarily through the MSDF, have participated in combined training such as the naval exercises that are regularly conducted by the U.S. Pacific Fleet with America's allies in the region. But military training in Japan is subject to a thicket of restrictions. There are few large-scale maneuver areas and firing ranges in Japan. This makes it difficult for the SDF to engage in joint training exercises among the three branches or with the U.S. military. Either these restrictions will be loosened(requiring Japanese leaders to expend political capital to confront Japan's own NIMBY (not in my backyard) opposition at the local level(or alternative maneuver areas must be sought abroad, perhaps jointly with the United States or with allied armed forces. The Singapore military already pursues this latter solution, conducting training exercises in Taiwan to compensate for Singapore's lack of appropriate space.

Tokyo must cope with unhelpful demographics and attitudes in modernizing the SDF. The Japanese population is aging rapidly and the pool of potential military recruits is shrinking. Young Japanese do not view the SDF as an attractive career option because of their limited pay, constrained career opportunities, and low prestige. The long-term solution, aside from obvious enhancements in pay and education, is to forge the SDF into modern "high tech" military forces, with better equipment, rigorous and realistic training, and up-to-date military doctrine (including interservice joint warfare operations) in very close cooperation with the United States.

The composition of Japan's services must also change to deal with future military contingencies. Because future threats to Japan's security are likely to come from sea or air, a greater proportion of overall Japanese defense spending must be allocated to those services. For example, to the extent that Japan needs increased capability to defend its sea lanes, the MSDF may need a different mix of ships and planes. Similarly, the ASDF may need more long-range aircraft to engage an enemy at some distance from Japan's airspace.

Force Deployment and Burden Sharing

The United States has 100,000 troops deployed in Asia, of whom 47,000 are in Japan(half in Okinawa and the other half in the four home islands. Major Japan-based forces include the 5th Air Force in Yokota, the 9th Theater Army Area Command in Zama, the 12th Marine Air Group in Iwakuni, a carrier group of the 7th Pacific Fleet in Yokosuka, the 18th Air Wing in Kadena, and the 3rd Marine Expeditionary Force in Futenma. Their roles and missions include the defense of Japan and are also tightly linked to contingencies in Korea, Taiwan, elsewhere in East Asia, and as far afield as the Persian Gulf.

Japan's SDF have 242,000 personnel, of which 152,000 are in the GSDF; 46,000 in the ASDF; and 44,000 in the MSDF. These forces are supposed to be able to resist limited aggression against Japan and, together with U.S. forces, counter more substantial aggression against Japan. The SDF also have limited goals for participating in U.N. PKOs, subject to the limitations noted earlier, as well as domestic disaster relief and emergency assistance at home and abroad.

Japan currently provides approximately $29 billion, or about $5 billion per year, as part of a six-year agreement for burden-sharing for U.S. forces in Japan. These payments cover a portion of both direct and indirect costs of those forces, including $1.8 billion for facilities, $1.4 billion for local labor, $700 million for land rent, $300 million for utilities, $800 million for deferred rent, and $80 million for tax exemptions.

The financial burden-sharing issue will resurface when the current arrangement terminates in 2001. It makes sense as part of a tighter alliance for the Japanese government to cover all of the base and operational costs of U.S. forces in Japan, excluding equipment and the salaries of military personnel. It is also essential that the Japanese government fulfill its obligations under the SACO recommendations, including replacement of the Futenma facility in Okinawa.

The United States should affirm its commitment to deploying troops in Asia but ease the reference to any specific number or type of troops. The current figure of 100,000 troops is an unhelpful proxy for U.S. security strategy in Asia and is under intense public scrutiny in Asia. If troops are added, it is taken as a signal of U.S. aggressiveness. If troops are withdrawn, it is taken as a signal of U.S. retreat. Instead, the United States should rearrange its force levels and force structures in Asia, including forces in Japan, with an eye to flexibility.

Cooperation on Weapons Procurement and TMD

The Japanese government has long pursued a strategy of licensing many U.S. military systems, such as the Patriot missile or the F-15 aircraft, for local manufacture by Japanese defense contractors, rather than buying this equipment off-the-shelf from the United States. This licensing strategy, referred to in Japanese as kokusanka, is designed to promote national self-reliance in weapons production, as well as secure the transfer of technology to Japanese firms.

Japan's kokusanka strategy is a source of tension within the alliance for several reasons. By inflating the unit cost of made-in-Japan military equipment, kokusanka deflates the real purchasing value of Japan's defense budget. Japanese modifications to domestically assembled equipment reduce interoperability; for example, the F-16 and the derivative F-2 are increasingly divergent aircraft, with different avionics and performance characteristics. Kokusanka also feeds suspicions that Japanese industries are using military technology flow under the alliance to strengthen their industrial competitiveness. As the technology flow is still largely one-way, this creates a perception of inequity and lack of good faith.

Planners in Tokyo see the procurement question from two separate points of view. On the one hand, while the global defense industry (including that of the United States) is going through a massive procurement contraction and corporate consolidation, it is inefficient for Japan to pay a cost premium for local manufacture under license. On the other hand, Japan has legitimate interests in maintaining its domestic industrial base.

A tighter alliance could resolve this problem with agreements to limit the functional divergence of key weapons, implement in good faith the flowback and original technology transfer agreements, and begin a "requirements dialogue" between the Pentagon and the SDF, including an objective assessment of Japan's long-term acquisition plans, to create a "road map" for joint development and procurement.

Theater Missile Defense (TMD), for its part, is an excellent test case for handling the weapons decisions as part of a strengthened alliance. The United States is pushing Japan hard to participate up front in the TMD program, to invest research and development (R&D) dollars, and to make some commitment to buying systems in the future. The logic driving TMD is that Japan faces a clear missile threat in Northeast Asia from conventional and chemical warheads. Both North Korea, which is steadily improving the range of its Nodong series and occasionally test-firing them over the Sea of Japan, and China, which could strike Japan with an extensive array of both conventional and nuclear-armed missiles, could threaten U.S. forces in Japan as well as Japanese military and civilian targets. Even if Tokyo were to reject TMD, the United States will still need to provide some TMD protection for its bases in Japan.

Washington and Tokyo need to work out a road map that incorporates TMD in the alliance. The first step is for Washington to decide on the U.S. domestic strategy for TMD, and then to clarify what it thinks Japan's role in that strategy should be. So far Tokyo has been getting mixed signals from Washington on TMD. Although the Japanese government has been noncommittal on TMD, it makes sense for Tokyo to commit to a lower-tier TMD capability. It could do so by upgrading to current systems and putting in place the backbone of more elaborate TMD systems (which it might someday agree to deploy). This course would require Tokyo to make substantial commitments for R&D spending and procurement(enough, for example, to provide cover for U.S. military installations in Japan plus selected coverage for some SDF and civilian targets.

Intelligence Sharing

Current intelligence sharing between Washington and Tokyo is largely one-way, with the United States sharing selected information with Japanese government agencies, and with the Japanese government taking that information largely on good faith, with little reciprocity.

This arrangement is changing. Japan's Mid-Term Defense Program includes enhancement of Tokyo's ability to gather and analyze intelligence in a timely fashion. A new command and communication system has begun and a centralized Defense Intelligence Headquarters has been created in Ichigaya, Tokyo, with 1,600 people, combining civil and military intelligence personnel for the first time. Japan has good terrestrial signal monitoring capabilities but very limited satellite capability, so the Mid-Term Defense Program also plans to acquire three-dimensional radar systems, an Integrated Defense Digital Network, and some autonomous satellite surveillance capability. The revised guidelines call for enhanced intelligence sharing, which should be implemented expeditiously. However, it makes little sense for Japan to duplicate U.S. satellite intelligence capabilities, which would waste scarce defense funds and result in incompatible systems.

Yet Japan has a legitimate self-interest in improving its intelligence capabilities in an uncertain world. The United States and Japan could cooperate to chart a longer-term intelligence "road map," agreeing to provide Japan with regular access to elements of U.S. intelligence(particularly satellite intelligence(and reduce Japan's incentive to create an autonomous capability.4 It would also make sense for the United States to supply Japan with intelligence satellites for its own network(an offer that has been made to European allies in the past. Interoperability and intelligence-sharing would help expand the coverage of the total surveillance network, with a net gain to both parties. Finally, there is no reason why Japanese technological expertise and financial resources cannot be used to develop the next generation of intelligence satellites and other intelligence-gathering technology.

Nonproliferation and Terrorism

Japan is a signatory to the Nuclear Nonproliferation Treaty and is fully compliant with the International Atomic Energy Agency, while also running the largest commercial nuclear energy program in Asia. Japan's nuclear program includes "fast-breeder" reactors, which use and generate plutonium in substantial quantities. A result of this ambitious nuclear program is that Japan is currently sitting on a stockpile of 4.8 metric tons of plutonium, the largest quantity outside of Russia and the United States. The sheer scale of this plutonium stockpile is a source of suspicion and unease among Japan's neighbors, particularly China and Korea, and is an obstacle to nonproliferation elsewhere in Asia.

Japan is a vocal supporter of nuclear nonproliferation in principle; in practice, however, it is muted in its public criticism of violators of nonproliferation norms and is especially circumspect with North Korea and China. Japan acceded only reluctantly to Washington's strategy of pressure on North Korea in 1993-94, and remains an unenthusiastic supporter of the ensuing Agreed Framework, making only a modest contribution to the Korean Peninsula Energy Development Organization. Japan suspended a modest amount of direct aid to China in the spring of 1996 when China continued to hold nuclear tests in defiance of Japanese requests for moderation, but it continued to provide billions of dollars of foreign aid, subsidized Japan ExIm Bank loans, and provided export insurance to China through the Ministry of International Trade and Industry.

As part of a tighter, more equitable alliance, it makes little sense for the United States to carry the full burden of nonproliferation in Asia when Japan has at least as much at risk. Japan should pull its weight by taking a harder line toward Chinese proliferation violations (such as nuclear technology sales to Pakistan) and by supporting the carrot-and-stick Agreed Framework with North Korea. Japan should take the lead in nonproliferation exercises in Asia and be willing to engage in sanctions when norms are violated. In the longer run, Japan should consider abandoning its fast-breeder program, reducing the additional risk of fissile material proliferation and the nuclear suspicions of its Asian neighbors.

The Japanese have come to understand the dangers of terrorism only recently. Until the 1997 hostage-taking at the Japanese embassy in Lima, Peru, which followed closely upon the 1996 Aum Shinrikyo poison-gas incident at home, most Japanese citizens and politicians considered Japan to be more or less immune from terrorism. They also considered Japanese diplomatic and private citizens abroad as somehow protected by this "bubble of safety," even as the number of Japanese living abroad increased substantially.5 The Lima incident proved to Tokyo that Japanese citizens can indeed be terrorist targets all over the world.

Despite this sizable civilian exposure abroad, the Japanese government has taken a passive approach to terrorism:

(Historically the Japanese government has engaged in negotiations or unofficial ransom in previous cases of high-profile abductions. The Japanese government engaged in high-level meetings with Saddam Hussein on the fate of Japanese hostages in Iraq before the Persian Gulf War, and the Hashimoto government reacted with extreme caution to the Lima terrorist incident.

(The Japanese government has been reluctant to engage in organized sanctions against "terrorist" states such as Libya or Syria, for fear that such sanctions could provoke retaliation against

Japanese lives or property and interfere with Japanese commercial transactions.

(Japan has no organized "Delta Force" to rescue hostages, few sources of intelligence to guide such intervention, rudimentary capabilities for national security crisis management, and no practical means of transportation for intervention or hostage relief.

Although terrorism is not as readily subject to international agreements, and the United States and Japan have no formal understanding on cooperation in dealing with terrorist incidents in third countries, dealing with future incidents of terrorism would provide graphic evidence of the usefulness of the alliance to the public at large on both sides of the Pacific. The following steps would strengthen the future ability of the alliance to cope with terrorism:

1. A formal hardening of the Japanese government's attitude toward dealing with terrorism;

2. Japan's support for economic and political sanctions against confirmed terrorist groups;

3. Close sharing of intelligence information on terrorist organizations and individuals, especially about the possible use of nuclear, chemical, or biological weapons;

4. Improving Japan's overall capability to manage national security crises such as a large-scale hostage incident. This crisis management capability should include redundant communications systems and alternate command trees.

Selling the Public

The benefits of the alliance have been undersold to the Japanese public for many years. The decades-long taboo against a frank debate of Japan's security strategy left the alliance in political limbo. It was not a natural vote-getter, yet it was also a lightning rod for political controversy. It is little wonder that Japanese politicians rarely step forward to explain what the alliance has done for the security of Japan and its citizens.

This deafening silence, against the constant noise of criticism of the alliance from leftists, populists, and pacifists, has created an impression among the Japanese public that the alliance is a sort of favor that Japan extends to the United States. This lopsided perception is hardly a secure foundation for strengthening the alliance in the years to come. If the U.S.-Japan security relationship is to be sustained into the 21st century, it is essential that Japanese political leaders step up to the plate and make the case for the alliance to the Japanese public.

To make their job easier, the U.S. military must demonstrate "good citizenship." Although the base consolidation and training restrictions imposed by the SACO recommendations may be operationally burdensome for the U.S. military, it is politically essential that civilian goodwill be maximized if the alliance is gradually strengthened. While the alliance's core base structure must be kept intact, it would be a hollow victory to retain all of the base territory for military use while fraying the civilian consensus in Japan that permits those bases to be used by the United States. Similarly, the onus is on the United States to ensure its troops in Japan are commanded and trained to the highest standards of discipline to minimize the risk of accidents or criminal behavior. Crimes like the infamous Okinawa rape can seriously damage--or even destroy(Japanese political support for the alliance.

The first test of Japanese opinion will be the 1998 Diet vote on various pieces of legislation necessary to implement the new defense guidelines. September 1997 polls in Japan showed that nearly two-thirds of the public supported the new guidelines. This is a strong base of public support upon which to build a Diet majority for the legislative changes necessary to put the guidelines into practice. But the importance of the security relationship goes considerably beyond what the Japanese people have routinely been told. Final passage of the implementing legislation will require strong political leadership in Tokyo. It is heartening that both Prime Minister Hashimoto and opposition leader Ozawa have begun to make this case to the public.

The case for a tighter alliance will have to be sold to the American public as well. As in Japan, the gap between elite opinion (positive) toward the alliance and popular perceptions (ambivalent or uninformed) remains wide. The alliance is not as one-sided as much of the American public believes(or as some of their leaders are telling them. Partisan politics must not be allowed to poison public debate on the restructuring of the alliance or the presence of U.S. troops in Japan. American forces would not be in Japan unless successive administrations, Democratic or Republican, considered it in America's interest. But the alliance is weaker than it should be to serve those interests well.

It is time for both American and Japanese leaders to be forthright with their constituents about the importance of relations between the two countries. They must explain what is now apparent: a stronger U.S.-Japan security alliance is needed and long overdue.

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Harold Brown is a Counselor at the Center for Strategic and International Studies. From July 1, 1984, to June 30, 1992, he was Chairman of the Foreign Policy Institute at the Nitze School of Advanced International Studies, Johns Hopkins University, in Washington, D.C. From February 1981 to July 1984, he was Distinguished Visiting Professor at the Nitze School. Dr. Brown was Secretary of Defense (1977-81); President of the California Institute of Technology (1969-77); a member of the U.S. delegation to the Strategic Arms Limitation Talks (1969-77); Secretary of the Air Force (1965-69); Undersecretary of Defense for Research and Engineering (1961-65); and Director of the Lawrence Livermore National Laboratory (1960-61). Dr. Brown is a consultant to and director of various corporations. His publications include The Strategic Defense Initiative: Shield or Snare? (editor, 1987); Nuclear Arms Control Choices, (coauthor with Lynn E. Davis, 1984); and Thinking about National Security: Defense and Foreign Policy in a Dangerous World (1983). Among his many honors, Dr. Brown was awarded the Presidential Medal of Freedom on January 16, 1981, and the Fermi Award on July 29, 1993.

Richard L. Armitage is President of Armitage Associates, L.C. From 1992-93, Mr. Armitage directed U.S. assistance to the newly independent states of the former Soviet Union, with the personal rank of Ambassador. In January 1992, he was appointed Coordinator for Emergency Humanitarian Assistance to the former Soviet Union. From 1989-92 Mr. Armitage filled key diplomatic positions as Presidential Special Negotiator for the Philippines Base Agreement and Special Mediator for Water in the Middle East. President Bush sent him as a Special Emissary to the Middle East during the 1991 Persian Gulf War. From 1983-89, he served as Assistant Secretary of Defense for International Security Affairs. From 1981-83, Mr. Armitage was Deputy Assistant Secretary of Defense for East Asian and Pacific Affairs. Mr. Armitage is a 1967 graduate of the U.S. Naval Academy. He served on a destroyer stationed on the Vietnam gunline and subsequently completed three combat tours with the riverine/advisory forces in Vietnam. Fluent in Vietnamese, Mr. Armitage left active duty in 1973 and joined the U.S. Defense Attach, Office, Saigon.

Mr. Armitage currently serves on the boards of several corporations. He has received numerous U.S. military decorations, as well as decorations from the governments of Thailand, South Korea, Bahrain, and Pakistan. Mr. Armitage has been awarded the Department of Defense Medal for Distinguished Public Service four times, the Presidential Citizens Medal, and the Department of State Distinguished Honor Award.

James J. Shinn served as the C.V. Starr Senior Fellow for Asia at the Council from 1994_96 and as Senior Fellow for Commercial Diplomacy from 1996-97. Mr. Shinn managed the Council's multiyear Asia Project, whose findings were summarized in the CFR report Redressing the Balance: American Engagement with Asia. Another result of the Asia Project was his book Weaving the Net: Conditional Engagement with China, a critique of the strategy of "constructive engagement," published by CFR Press in 1996. Mr. Shinn served in the East Asian Bureau of the State Department in Washington, D.C., working on trade and economic matters. He left government to spend 15 years in Silicon Valley, beginning with Advanced Micro Devices, a manufacturer of integrated circuits, and then cofounding Dialogic Corporation, a publicly held engineering firm in call processing and Internet telephony technology. Mr. Shinn received a B.A. from Princeton and an M.B.A. from Harvard.

Bruce Stokes directs the Council's programs on international trade. He is currently leading a study group to assess the future of the multilateral trading system. In addition, he directs projects on the transatlantic economic agenda for the 21st century and the future of U.S.-Japan economic relations. From 1984 to 1994 he was the international economics correspondent for the National Journal. He is currently a columnist for both the National Journal and Foresight magazine in Tokyo. His publications include Trade Strategies for a New Era: Insuring U.S. Leadership in a Global Economy (1998), Open for Business: Creating a Transatlantic Marketplace (1996), The Inevitability of Managed Trade (1990), and Japanese Investment in the United States: Its Causes and Consequences (1989). In 1996-97, he was a member of the Presidential Commission on United States-Pacific Trade and Investment Policy. He is a graduate of the School of Foreign Service of Georgetown University and the Nitze School of Advanced International Studies, Johns Hopkins University. Mr. Stokes also attended Columbia University's Graduate School of Journalism.