

The Changing Dimensions of Japanese Security Issues

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Date: August 1999

Abstract:

Presentation on post-Cold War security issues and international relations in Japan. Delivered to the Japan Industry and Management of Technology Program (JIMT) at The University of Texas at Austin on August 11, 1999.

Keywords: national security; international relations; Japan

IC² Institute Working Paper WP-1999-08-11



The University of Texas at Austin

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IC² Institute – JIMT Series Working Paper
August 11, 1999

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Working paper # 99-08-11

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Prepared for Presentation
August 11, 1999
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Less dramatic perhaps, but no less significant than in Europe, the collapse of the Soviet Union and consequent end of the Cold War has had a profound effect on security issues and relationships in Japan and the surrounding region.

The 21st Century dawns in Asia with the need to accommodate an ascendant China, much as the 20th Century dawned with the need to deal with the expansion of Japanese international aspirations.

- How will we evolve the bilateral US-Japan relationship into a multilateral regional security framework?
- How we will accommodate the conflicting pressures of regional burden-sharing and national determinism?

These are questions for security policy — and for our technology and trade policies.

It is very much a pleasure for me to be with you this evening to discuss these issues.

Much of the history of the 20th Century — certainly the course of the first half of this century — was determined by how the established powers at the dawn of the 20th Century dealt with the aspirations of the newcomers on the

international scene — I'm thinking here primarily of the emergence — or expansion — of Germany and Japan as nations onto the world stage.

And the history of the second half of the century has centered on the role of another emergent power on the world scene — the Soviet Union — and the consequent Cold War.

In a Japanese context

- the first part of the century was about Japan's economic security, and Japan's rise as a world power, and
- the second half of the century was about Japan's role in the world, and even in Asia, as a partner with the United States — but a junior partner, playing only a supporting role — a junior partner of the United States in the Cold War confrontation with the Soviet Union, and with China.

Japanese foreign policy in the second half of this century was relatively simple as long as the United States provided clear leadership. Japan's choice was basically to follow the U.S. course, not only taking advantage of the nuclear umbrella we provided, but also following the policies set in Washington — often set in Washington with little or no consultation regarding Japanese feelings.

At the time of Iraq's invasion of Kuwait, there was sufficient uncertainty in Tokyo as to the desired policy response, that the affable, but indecisive Prime Minister Kaifu was given the nickname by some Japanese: "Bush phone." When in doubt, push the touch-tone button to connect with President Bush in Washington to get guidance. Indeed, hours after Iraq's invasion began, Prime Minister Kaifu convened a meeting of his National Security

Council — and pointedly did not invite his Defense Minister, lest he give rise to suspicion of a Japanese military response.

However, in the past decade, there have come to be advocates in the Diet of a Japan's becoming a "normal nation" — a sovereign state with its own foreign policy objectives, and programs, and its own and more independent military capability. The support for a "normal nation" posture has only increased since the August 31, 1998, North Korean Taepo-Dong missile firing — a seminal event in terms of Japanese security policy.

You may recall that our former Secretary of State, James Baker, wrote several years ago along these lines in the journal, Foreign Affairs, when he addressed how the United States and Japan should deal with each other in our relationship. He said that we must each change our way for looking at each other:

From

- as a parent looking down to a child, and as a child looking up to a parent.

To

- a level eye-to-eye, adult-to-adult relationship.

So we must! And so we are — but it is uncomfortable or awkward, so accustomed are we to the leader-follower relationship pattern.

Let's consider this parent-child or adult-adult analogy a bit — because it is part of my thesis that one of the changing dimensions of Japanese security policy is that Japan is no longer the "child" looking up to (and following the lead of) the U.S. "parent."

When we face issues such as Iraq's invasion of Kuwait, or the South Asian nuclear weapon and missile competition between India and Pakistan, or North Korean nuclear issues, it is certainly convenient for us when allies and friends simply follow our lead. That might be acceptable, at least to us, when we are indeed giving strong leadership.

But what are our better interests when, for whatever reason, the United States is not able to or does not exercise good, strong, effective leadership. Should we wish that our allies drift along with us in indecision and ineffectiveness? Or is it better — and better for us! — if they act on their own — showing initiative, while hopefully consulting with us.

With the end of the Cold War — an era in which the United States clearly had the dominant leadership role — we more or less agreed — did we not? — that the United States could not be, should not be the world's policeman? (Of course, perhaps, sometimes we try now to act too much as the world's policeman.)

We should assert ourselves when our vital interests were at stake, but we should not expect ourselves, nor should others expect us, to shoulder responsibility for all crises or conflicts worldwide. Joseph Nye, Dean at Harvard's Kennedy School of Government, and former Assistant Secretary of Defense, writes on "Redefining the National Interest" in the current issue in *Foreign Affairs*.²

² He writes: William Perry and Ashton Carter have recently argued that we should rethink the way we understand risks to U.S. security. At the top of their new hierarchy they put "A list" threats like that the Soviet Union once presented to our survival. The "B list" features imminent threats to U.S. interests — but not to our survival — such as North Korea or Iraq. The "C list" includes important "contingencies that indirectly affect U.S. security but do not directly threaten U.S. interests": "the Kosovos, Bosnias, Somalias, Rwandas, and

We should make our own policies, and exercise our strong leadership. But are we not better off when we can have the effective partnership of strong allies, making their own analyses and working in partnership with us? As adult partners? That is a role Japan is now to play as we go into the 21st Century. That's an aspect of the changed dimensions of security policy that we should welcome.

Security Issues — Political Dimensions

Thinking in dimensional terms, we might describe Japan's security policy, until recently, as one-dimensional. As I said a few minutes ago — a "follow the U.S." policy. Remember, during the Cold War, our policy in Northeast Asia was indeed linear. At one end (or pole) of our line, there was the Soviet Union with its Pacific Ocean outposts, and its continued occupation of the Japanese islands it had seized in the last week of the Second World War. And at the other — the U.S. Navy's Seventh Fleet and the U.S. Fifth Air Force and the Third Marine Expeditionary Force based in Japan, and supported by the Japanese Self-Defense Force. And of course, the Eighth U.S. Army in Korea.

Indeed, U.S. foreign and security policy in Asia has been on a bilateral basis. The U.S.-Japan bilateral relationship, the U.S.-Korean bilateral relationship, the U.S.-China bilateral relationship, with a Taiwan dimension.

Haitis."

Joe Nye's reference to Perry and Carter, is to their new book "Preventive Defense," published by the Brookings Institution.

Please recall Ambassador Mansfield's oft quoted characterization of the U.S.-Japan relationship as our most important bilateral relationship, bar none.

The emphasis on bilateralism was most evident last summer when President Clinton over-flew both Japan and South Korea, the two cornerstones of our Asian security interests to visit China for nine days — kind of a working vacation it seemed to many. The White House permitted, if not invited, the Chinese to script the visit of the U.S. President, taking most reasonably great delight in having an entire nine-day trip focused exclusively on the People's Republic of China. What President ever visited the Soviet Union without making at least one stop in the United Kingdom or in Bonn, Brussels or Paris, en route!

This over-flight — or oversight — was viewed in Tokyo — to borrow from some trade terminology — not as “Japan bashing,” but as “Japan passing.” In Tokyo, it was interpreted as a clear sign that U.S. policy under President Clinton was putting higher value on China, than on Japan.

Many in Tokyo saw the Clinton policy, which had continued the bilateral structure of the Cold War relationships, as a zero-sum game. The more we engaged China, the less we cared about Japan. That need not be the case, but it was seen that way. Should we be surprised that Japan views us differently at the end of the 90's from their view at the beginning of the decade? Influential Japanese are asking: “Can we rely on the United States?” Can the United States be, should the United States be, the cornerstone of Japanese foreign policy and security policy?

Shortly after becoming President, President Reagan met with Japanese Prime Minister Suzuki to discuss strengthening Japan's contribution to the

common defense effort vis-à-vis the Soviet Union. This led to an increased Japanese role in sea lane defense, out to 1000 miles.

The principal security policy issue for the past three years has been the so-called "Guidelines" for Japan-U.S. military force cooperation in the post-Cold War era. In 1997, Japan and the United States agreed on a series of guidelines for how Japan would assist the United States in the case of potential regional crises through activities such as search and rescue operations, inspections of foreign ships, evacuation of non-combatants, and "rear-area support" roles such as transportation and medical care.

Before these guidelines could become effective, the Diet had to approve three bills

- 1) Revision of the Acquisition and Cross-Service Agreement: This allows for mutual cooperation not only in peacetime, but also in time of crisis or war.
- 2) The Regional Crisis Law: This obliges civilian agencies and authorities to provide rear-area support to U.S. forces.
- 3) Revision of the Japanese Self-Defense Forces (SDF) Law to allow the SDF to provide logistical and direct rear-area support in crisis or war.

These bills were submitted to the Diet in April 1998 by then-Prime Minister Hashimoto, but were not passed until Prime Minister Obuchi argued strongly for their adoption on the eve of his May 1999 state visit to Washington.

Although, the new Defense Guidelines have been developed as a bilateral issue, there is certainly a multilateral dimension — as the key element of the new Guidelines is that the Japanese SDF are now able to assist U.S. forces in

the Far East — a functional description that, intentionally, was left geographically vague.

Indeed, Prime Minister Obuchi has deemed it necessary to explain the new guidelines to both China and Korea, arguing that they are focused on enhanced regional stability, do not represent increased Japanese militarism.

These guidelines will strengthen the bilateral U.S.-Japan military/security working relationship — but there is also a multi-lateral dimension. They clearly anticipate a broader regional security partnership.

We now have Japan engaged with us in dealing with Korean peninsula security and stability issues. The U.S.-Japan-South Korea are consulting on these responses to North Korea's actions.

There is increased Japan-Taiwan dialogue, and prospects for increased naval cooperation among the United States, Japan, Taiwan, and South Korea — not aimed at anyone — but a cooperative effort to enhance understanding and stability.

To say that our current relation with China are at a low point is an understatement. But Japan can play an important role in regional stability by building on her improving relations with China. And China is most important to us — North Korea's rising belligerency is only the most immediate reason.

Taepo-Dong – Agent of Change

I've already cited North Korea's August 31, 1998, firing of the multi-stage Taepo Dong missile over Japan — not into the Sea of Japan, but actually over the main island of Japan to splash into the Pacific Ocean — as a seminal event

in Japanese security policy. Other adjectives that come to mind are “crystallizing,” or “galvanizing.”

Diet leader Ozawa had several years before called for Japan to be a “normal nation,” and Japan had been witnessing the Clinton Administration’s flirtation, if not fixation, with engagement of China, and judging this China initiative as a diminution of Japan’s position vis-à-vis U.S. foreign policy.

To a great extent, the Japanese public has not been pre-occupied or even engaged with security policy issues. The Japanese constitution renounces war as an instrument of foreign policy. Japan maintains a small, but expensive self-defense force at a cost of 1% of GDP. The United States provides a nuclear protective umbrella. The Japanese Diet and people have been content to give little attention to security issues. Even Iraq’s invasion of Kuwait was viewed as a distant event, not important to Japan. Not much public attention was paid to the Nodong missile firings into the Sea of Japan.

There have been many, many politically/socially imposed limitations on the capability, or robustness of the Japanese Self Defense Forces. For example:

1. Aircraft have no in-flight refueling capability.
2. SDF units couldn’t depart Japan to participate in UN PKO operations, until after lengthy Diet and public debate. Now PKO participation is accepted — almost routine.
3. There was considerable concern as to whether the MSDF’s mine sweepers should go to the Persian Gulf as a part of the Gulf War cleanup effort.
4. Ammunition stockpiles are impressively meager.

But then the tide began to shift a bit with the Chinese intimidation of Taiwan in the Spring of 1996 firing of ballistic missiles into the Taiwan Straits, and the Indian and Pakistani nuclear tests.

Then came the Taepo Dong — a shrill wake-up call — just about a year ago. Witnessing the Japanese reaction, I was reminded of our own national arousal with the October 1957 launch of the Soviet Sputnik satellite. Within days of the Taepo Dong launch, the Government, and the Diet, were studying the situation — and announced a program to build four reconnaissance satellites within four years so that “Never again would Japan be surprised” by such an action of a neighbor.

Senior levels at MoFA supported a Japanese indigenous or nationalist solution because the meandering of what passes for policy in the Clinton Administration had left them with the conclusion that important as the United States is in Japanese foreign and security policy, Japan needed independent capability.

As with Sputnik, the public and political understanding was not quite in accord with the actual facts.

- We did have advance warning of the Taepo Dong launch from our reconnaissance satellites— but that fact was not publicized.
- We had shared this information with the Japanese Government — but that fact was not publicized.
- The U.S. Seventh Fleet and the Japanese Maritime Self Defense Force had deployed ships to track the missile after launch.
- In fact, the Japanese Aegis destroyer, *Miyako*, was on station, together with ships of the U.S. Seventh Fleet. *Miyako* detected and tracked the

Taepo Dong, first stage separation and debris, and the second stage separation and debris.

Now it is true that there is no Japanese or U.S. capability to shoot down a Taepo Dong over the Sea of Japan.

For the past six years or so, the Navy has been developing both lower tier and upper tier ballistic missile defense capability, based on our existing fleet of Aegis cruisers and destroyers, and the Standard Missile.

Last December, much to the displeasure of Beijing, the Japanese Cabinet took a decision to join in a cooperative R&D effort with the U.S. Navy on Navy Theater Wide Block II system, for which we envision deployment in about 2010.

Japan's efforts to mollify China regarding the introduction of BMD capability has been much aided by North Korea's Taepo Dong. Last September, the "relief" among Japanese advocates of BMD was palpable; they almost toasted North Korea. In the Spring of 1997, the JDA Minister, in a private meeting, referred to the C² problem he had with BMD — cost and China. In 1995, when I was discussing BMD with Vice Minister of JDA, he was concerned that he had no way to proceed — not politically correct" to say China nor Russia was a threat, and not credible to describe North Korea as the threat!

Security Issues — Equipment Issues

In the 1970's and first half of the 1980's, U.S.-Japanese military cooperation was supported by the foreign policies of each nation, and by the operational activity of our military forces — primarily air and naval.

Japan has had a long standing policy often referred to as the "Three Principles of Arms Exports" — which effectively said that Japan would export neither military equipment nor military technology.

1. No arms exports to communist nations.
2. No arms exports to nations to which the export of arms is prohibited by the United Nations.
3. No arms exports to nations in conflict, or likely to become involved in conflicts.

This dates policy position to then-Prime Minister Eisaku Sato's statement to the Diet in 1967.

One of the effects of these Three Principles was to preclude cooperative R&D. One-way transfers of military equipment from the United States to Japan were of course permitted, and Japan was a major customer for the U.S. defense industry. And one-way transfer from the United States to Japan of military technology, such as Technical Data Packages (TDPs) for F-4s, F-15s, Patriot, MLRS, C-130s, and many other systems were permitted.

Under such transfers Japanese industry received the TDPs and did the production work. U.S. companies and their shareholders benefited from license fees and royalties. But U.S. labor saw jobs being transferred from the United States to Japan. Congress began raising questions. The sale of the Aegis weapons suite in the mid-80's narrowly passed in the Senate because many Senators wanted Japan to buy not only the weapons suite, but also the entire ship from the United States.

In 1980, Bill Perry, then Under Secretary of Defense for Research and Engineering, initiated a dialogue with the Japan Defense Agency that was to

lead to two-way cooperation. In 1983, the Japanese cabinet took a decision, as an exception to the Three Principles of Arms Exports, to permit the transfer to the United States of Japanese military technology "subject to detailed arrangements to be negotiated."

We negotiated those detailed arrangements in 1985, and the Office of the Secretary of Defense published them in February 1986. In 1986 and 1987, we negotiated the procedures for U.S. origin applications for Japanese patents to be held in secrecy in Japan — as they are in the United States — if their publication would reveal sensitive military technology information. These procedures became effective April 1, 1988.

There have been several transfers of Japanese military technology under these Detailed Arrangements, since 1985. But more importantly, they have permitted the FSX development program — a sometimes difficult and/or unhappy experience.

They have permitted Japanese companies to participate in the Strategic Defense Initiative (SDI) R&D program — whereby we could access and take advantage of selected Japanese niche technologies.

In this entire area of defense equipment and technologies, there have been many U.S. skeptics. What technology does Japan have to offer us? We spend billions on defense R&D — and our systems are much more advanced.

True! Japanese industry cannot match U.S. industry at the systems level — at the point of systems engineering and integration. But in enabling technologies

- ceramic materials
- gallium arsenide

- miniaturization
- mass production of flat panel displays
- certain areas in electro-optics
- cryogenic cooling

Japanese industry has much to contribute. They can be good partners with U.S. firms to develop components, subsystems that we can use.

It should not be a contest of national flags. Not at all. Many DoD technology assessment teams have gone to Japan with the expectation of finding nothing of interest. To their surprise, they have found much of interest — and to their credit they have returned to say, “let’s work together.”

A number of people have asked me, “Why would we want to depend upon Japanese technology for our front-line military systems?”

First, I do not suggest dependence. Nor do I advocate economic nationalism. The late 1920’s and the 1930’s should still be a lesson in this regard.

Second, I want our systems to be the best possible — both cost and time of availability are elements of best.

Third, we spend a lot of money on R&D — not as much as we used to. But still a lot! And not as much as many researchers would like. Bringing in Japanese technology expands our research results, while we continue to conduct as much research in the United States, with our universities and industry, as the Congress and our Defense budget will support.

Thus, my fourth point, is accessing Japanese technology does not reduce U.S. R&D effort but supplements it.

And, Japan is moving more and more in this direction.

In the recently agreed program of Japanese participation in the NTW Block II R&D program

- a Japanese company will have a major, if not a leading, role in the cooperative effort of developing a new, so-called “full caliber second stage motor”
- a U.S. company will have the lead in the DACS development
- Japan will lead in developing new nose cone materials
- the seeker technology component will have companies competing for the lead role.

This program is agreed. The diplomatic Exchange of Notes and the MOU are expected to be signed this Friday. (They were in fact signed August 16, 1999, following Japanese Cabinet approval August 13, 1999.)

International cooperative projects are difficult, much more difficult than single nation projects — two congresses, two bureaucracies, two schedules. The NTW cooperative program, however, has been crafted so that Japan supports our program, but cannot hold it up. There will be U.S. company in leader or follower position in each task — misapproach is also good for risk reduction alternative strategies.

Many refer to the FSX program as a cooperative development effort. I do not. It was a Japanese development program against Japanese performance requirements. All of the funding, all of the requirements come from Japan. Lockheed Martin in Fort Worth, formerly General Dynamics, was a major subcontractor — and brought a lot of technology and experience to the enterprise. But it was a Japanese program, not a joint program.

The NTW BMD program — and others in recent years — eye-safe laser, ducted rocket engine, ceramic engine materials — have been truly cooperative — being jointly funded toward commonly agreed research objectives.

This is a new dimension of Japanese defense activity in the past five to six years. And there should be more such cooperative efforts in the future. As we gain practical experience in working together, it will become easier to do.

Re-Arming of Japanese Nationalism

For the final portion of my discussion this evening, I have chosen the discordant, perhaps provocative, subtitle — Re-Arming of Japanese nationalism? *I hope you can hear the question mark in my voice.*

I say discordant title, because there are currents for a definite strengthening of Japanese military/defense capability, and these are elements of nationalist approach. But I see no trend toward any threatening appearance of a militaristic approach.

China is very much concerned. Taiwan Straits is a major concern for Japan, as for the United States — but they are closer, literally in the shadow of China.

Korea and Japan have had a recent standoff regarding disputed islands in the Sea of Japan — but now are cooperating regarding KEDO.

Japan's neighbors are very sensitive to resurgent militarism. And, while there is a strengthening of military capability, it is still very limited, and is not bent at all toward any style of military adventurism.

There is debate today within the Defense Agency and the Government regarding a new cargo aircraft, a new maritime patrol aircraft, and a refueling

tanker program — each of which would enhance Japanese military capability and at least two of which would extend the Japanese military capability in the region and support greater Japanese PKO participation.

These three many wish to develop within Japan. One of the motivations is support for the Japanese aerospace industry, both design and production elements of the Japanese aerospace industry.

Japan has the best air superiority fighter in the world (the USAF's F-15 — produced in Japan under license) and the best guided missile ships in the world — ships built in Japan, but the Aegis mission capability and radar suite from the United States, and the Standard Missile also from the United States.

Japan has the world's leading AWACS capability — the U.S. AWACS mission equipment suite, installed in a Boeing 767 aircraft. The USAF uses much older Boeing 707 aircraft.

A number of key people in Japan wanted to build the FSX as an indigenous program. It was finally agreed to have significant U.S. participation.

The new Japanese tanker aircraft programs, if it proceeds, will most likely be based on the Boeing 767.

It is not at all clear that the Japan Defense Agency will have the funds for both a new cargo transport aircraft (to replace the C-1) and a new maritime patrol aircraft (to replace the P-3C). And it is unlikely that the USAF or Navy will be interested in participating in these airframe programs as they have no requirement or interest in such a new airframe.

Earlier I referred to last year's Taepo Dong firing as a seminal event in the arena of security policy. And it was also in the realm of defense equipment and capability.

Japan has long been committed to the peaceful use of space, and has, as a result, had controversy as to the use of surveillance and reconnaissance satellites.

But within weeks of the Taepo Dong, there was an agreed program to launch four multi-purpose satellites within four years — and one purpose was to watch for North Korean missile activity. But at the same time there was reluctance to call these spy satellites or even reconnaissance satellites — and the Defense Agency has had only a minor role in this program.

How the satellite program will actually proceed is very much, pardon the expression, “up in the air.” But a Japanese political requirement is that it be indigenous. And surely it will indeed be labeled an indigenous program and capability. This is a reflection of Japan's asserting herself as a sovereign state. Now, in fact, just how much U.S. content (in terms of components, or systems support) there will be remains to be determined.

Conclusion

To summarize — there are several changed and changing dimensions of Japanese security policy:

- The U.S.-Japan security dialogue is “becoming more level.” It is less and less: “parent/child, and more and more “adult/adult.”
- Japanese security policy is no longer linear — “follow the United States.” Japan is developing broader regional relationships. And

Japan and the United States are cooperating with third nations in security activities.

- Our pattern of bilateral relationships in Asia is evolving toward multi-lateral efforts.
- Japan's dependence on U.S. military equipment and technology is becoming less, as Japanese industry has more advanced capability.
- Japan is now willing and able to undertake a reverse flow of military technology to the United States.
- The U.S.-Japan security relationship has long been supported by policy and operational pillars; now there is added a technology/industrial pillar as well.
- Japan, always a partner of the United States, in recent decades is taking on expanded, more equal partnership responsibilities — and is showing her own initiative in responding to regional threats.

Japan's increasing capability and role in foreign policy and regional security policy should be viewed, not as a challenge to the United States, but as an opportunity for the United States.

I look forward to some discussion.

Thank you again for the invitation to join you in Austin this evening.