Japan-U.S. Security Relations: A Forward Looking Ten Year Retrospective

A Conference Report

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The views expressed here do not necessarily represent the views of the U.S. or Japanese governments, the co-sponsoring institutes, or the group of workshop participants as a whole.

Foreword

The Japan Institute of International Affairs and the Pacific Forum CSIS were pleased to convene the 10th annual U.S.-Japan security seminar on March 21-23, 2004 in Washington, D.C. in cooperation with the Japan Embassy in the U.S. We broke with our usuual tradition of holding the meeting in San Francisco to allow one of our charter members, Ambassador Ryozo Kato, help us commemorate the event's 10th anniversary. We were honored that so many alumni were able to join us.

We had an excellent group of more than 70 participants, including current and former government officials, analysts, and scholars who are the most knowledgeable in our two countries on alliance management. The annual seminar has earned a reputation for promoting candid, off-the-record dialogue, aimed at strengthening the alliance by anticipating and offering suggestions to address potential alliance problems.

The extraordinary evolution of the U.S.-Japan alliance can be seen through the prism of this seminar's dialogue. Each year for a decade our deliberations have helped to clarify choices and define next steps. In 1995, the U.S. was concerned about China, Japan was concerned about Russia, and it was a period of transition. In 1996, the debate was whether the alliance had to transform beyond the Cold War model, and what the new mechanics should be. The Defense Guidelines were mentioned for first time in that seminar. Jump to the year 2000, and the notion of a strategic dialogue emerged, to look at a common future direction. Over the past ten years, we have witnessed a shift from "Japan bashing" to "Japan passing" to today's "Japan surpassing" – as Tokyo has exceeded Washington's expectations and helped move the alliance to a higher and deeper level of cooperation.

The challenge now is to maintain the momentum and to meet the new rising expectations created by our unprecedented level of cooperation, in a manner that is consistent with international norms and our mutually shared values and objectives.

We are grateful to all of the participants and keynote speakers for taking time out of busy schedules to join us. It was their commitment, insights, and ideas for the future of the alliance that made this conference a success.

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Conference Summary

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Japanese and American security specialists and both former and current government officials met at the Hotel Washington in Washington, D.C. on March 21-23, 2004 to discuss the current status and desired future of U.S.-Japan security relations. The sections below closely follow the conference agenda, concentrating on current concerns and developments in East Asian security, and the evolving security policies of both Japan and the United States, including their respective interests on regional and global events. A final section addresses future issues that both governments should be alert to as they consider how to improve alliance management. Readers should note that this summary reflects the rapporteur's notes and interpretations of discussions, and is not intended to convey consensus. It also strives to respect the off-the-record, not-for-attribution nature of the conference.

Security Concerns, Trends, and Developments in East Asia

Overview. In broad terms, security relations among the major powers in East Asia have been positive this past year. Bilateral relations between the U.S. and both China and Japan have progressed to a significant degree in their own unique ways, and all three of these countries are seeking to vitalize their relationships with Southeast Asia according to their own histories, needs, and means. South Korea has also actively engaged with China, Japan, and the U.S. to promote mutual interests, including active involvement to resolve the crisis with North Korea through bilateral and six-party talks. The regional economic situation is much improved from this time last year, with the U.S. in a recent recovery mode and Japan's long economic policy struggle finally resulting in nascent growth. It was also observed that the power of ideology – whether as a unifying force for national policies or as a principle guiding foreign policy – has continued the steady decline that took root in the 1990s. One exception has been the promotion of democracy and democratic values, which enjoys a high priority among U.S. and Japanese foreign policy objectives.

The challenges for the region lie in several areas. While the region's governments are working to build stronger regional institutions as well as deepen participation in international organizations, the scope and capabilities of these nascent institutions are weak. The region also struggles with cross-border problems and historical legacies that pose obstacles to improved relationships, which is most evident in the China-Japan and Japan-Korea (North and South) relationships, but also in the ASEAN-China relationship where ASEAN's concern about tilting too far toward China warrants attention from the U.S. and Japan. Finally, the future peace and stability of the Korean Peninsula concerns the entire region. While the mechanism of the Six-Party Talks is widely regarded as a real achievement in bringing the relevant parties to the table, there was significant debate among the participants at this conference about the prospects of the talks actually achieving the goal of a non-nuclear Peninsula.

Anticipating future challenges that loom on the horizon, it was observed that a global

war between major powers is not a likely concern, as it is broadly accepted that these wars cannot be won. Even the overtly hostile relations between India and Pakistan have taken a turn toward dialogue to resolve issues short of war. Rather, the key security issues of the future that are not, as yet, adequately addressed include terrorism and the growing importance of human security, which are not easily resolved and certainly not by military means alone. Another issue is the acquisition and use of resources – from water to energy – which cries out for cooperative approaches if future conflict is to be avoided. Third, the myriad problems of failing states, such as North Korea and Myanmar, could spill across borders and cause friction and destabilization, whether from refugees or economic dislocation.

Turning to Russia, it was argued that it will once again become a global power; the only question is when. Its economic weight will grow, particularly as an energy supplier, and its strategic role will grow as well. The recent tensions in Russia-EU and Russia-U.S. relations should be addressed, and it is in the interest of countries to aid in Russia's economic development; it is a unique Euro-Asian power that can help balance the rise of China. Both the U.S. and Japan should strive to maintain positive relations with Russia, and this is particularly important for Japan. The U.S. should try to find a way to help solve the Northern Territories question.

It was argued that the U.S. military's reconfiguration of U.S. forward deployed forces in Asia and elsewhere as well as the revolution in military affairs (RMA) could create a new source of uncertainty about the U.S. among governments and societies throughout the region. The U.S. blueprint for a rapid deployment of troops, for example, will change the strategic interaction of many states, and if U.S. intentions of exercising military power are not clearly communicated or the restructuring of operations not clearly discussed, there could be problems.

The image of the U.S. at the grassroots level in Japan and around the world needs considerable attention. At the leadership level, the U.S. may receive support, but as recent events in Spain demonstrate, this support can strain leaders' credibility with their citizens. It was observed that the image of the U.S. in the world is among the top three problems it faces, after terrorism and weapons of mass destruction (WMD). While some argued that the Bush administration's rhetoric and diplomacy need to urgently address this growing problem, others believe that improvement will depend on actions and outcomes in Iraq and Afghanistan – these are high-risk ventures with potential high gains.

Participants also evaluated the specific challenges within key bilateral relationships, as outlined below.

Sino-Japanese relations. Bilateral relations between these two powers remain mixed. On the economic front, concerns in Japan about hollowing out and resultant protectionist pressures still exist, but there has been a growing recognition for some time that burgeoning trade and investment are more positive than negative. For example, JETRO recently reported that 27,000 Japanese companies operate in China and 80 percent are recording a profit.

On the other hand, China's ongoing concerns about the past are readily invoked by the Prime Minister Koizumi Junichiro's visits to Yasukuni Shrine, and Beijing has made clear that Koizumi is not welcome in China as long as the visits continue. It was noted that a majority of the Japanese public doesn't support these visits because they believe the visits violate the separation of church and state as set out in the constitution. But Prime Minister Koizumi will not allow China to extract concessions from Japan on this issue. There could be an economic casualty from Koizimi's determination, as China recently warned that it might reject Japan's bid for building the lucrative high-speed railway system unless the visits stop.

China's concern about Japan's future military capability has been an ongoing issue of contention. While Japan may reinterpret or amend its constitution to allow it a broader military option, participants agreed that this will not translate into a stand-alone (and thus potentially threatening) military power, unless two factors are wedded: the loss of U.S. credibility as an ally combined with an increased nuclear threat (e.g., from North Korea). Some argued that Japan's increasing military role will be enhanced by rapid evolution of technology, it was argued by some.

For Japan, however, one of its main bilateral security concerns is China's repeated intrusions into Japan's exclusive economic zone (EEZ). Despite repeated complaints and discussions with China on the matter, China's ships continue to violate the EEZ. Japan established a task force in February to examine policy options, and a report is due in several months.

China's internal domestic politics also affects China's relations with Japan, as the rise of anti-Japanese feelings in China is often related to internal contradictions and problems. In fact, the real challenge for Japan, and the U.S. is not China's economic rise but its lack of political growth. The two tenents of legitimacy for China's leaders are economic growth and nationalism. If the economy stagnates, nationalism will grow in importance, with potentially negative or even dangerous consequences. The U.S. and Japan need to work together to nurture China's political system, such as judicial training and the rule of law, areas the Chinese government agrees are important.

China-U.S. relations. China's fourth generation leadership has made a priority of addressing some domestic policy problems – such as the income gap, unemployment, and reforming the banking system – and has reiterated the need for a peaceful external environment and good relations with neighbors to achieve these goals. Some participants also refered to China's need to create a buffer among Asian countries against American power. For the United States, the growing economic interaction has created a massive trade imbalance that tends to ignite protectionist proclivities, but so far Bush administration officials have kept a balanced approach. Common strategic interests, such as North Korea, have proved to be ties that bind. Nonetheless, as the November 2004 U.S. presidential election approaches, trade issues – and especially concerns about trade deficits, currency manipulation, and out-sourcing – may increase Sino-U.S. tensions.

China with U.S. and Japan. Participants noted the shift in the region away from a focus on the U.S. and Japan toward China; China is effectively putting itself in the center, while the U.S. is seen as having a single-minded focus on terrorism and Japan is weakened by economic decline. This is significant, it was argued; the economy has seen one percent growth over a decade, whereas if Japan had taken the right policies a decade ago growth could have been three percent. As a result, it is not that China is strong but that Japan is considered to be weaker and "in decline" as China continues to rise. There is a decided vacuum intellectually and conceptually as to how the U.S. and Japan can manage the growth of China and, in fact, the entire region has the same problem.

Some participants noted that economics, particularly energy issues, affects the security agenda. The trade volume between China, South Korea, and Japan has been rising three times as fast as between the U.S. and Japan; the realignment of exchange rates will impact trade. China's energy imports grew by 30 percent in 2003. There are also enhanced trade flows between China and the Middle East, most notably in energy. This is also an area to develop a cooperative agenda, which could include the development of strategic petroleum reserves, joint oil/natural gas pipelines, and alternative energy technologies, such as hydrogen. China is following the model of Japan's energy policy, which is not market-oriented, and not driven by price.

North Korea. This is clearly the most troublesome issue in Northeast Asia. As a divine monarchy with absolute power, it is a traditional, not revolutionary, society; how concerned states can bring it into the modern world is a supreme challenge. It appears that the North Korean elite have realized that they must adopt some economic reforms, however modest, as they strive to engage ROK industries to employ the North's cheap labor.

The most troubling aspect of North Korea is the uncertainty of the leadership's attitudes. No one really knows what North Korean leader Kim Jong-il is willing or not willing to do; most importantly whether he intends to keep his nuclear assets or is merely trying to use them as a bargaining chip. The ROK's recent proposal at the February round of Six-Party Talks – for the North to freeze nuclear processing, followed by inspections and then by a broad agreement on demilitarization, with external commitments coming in stages – seems to be a reasonable approach, according to some participants.

A weak South Korean government at this juncture is surely not helpful; President Roh and the Uri Party will likely benefit in the April elections due to the unpopularity of the opposition's impeachment bill, but in reality all political parties are in disrepair, one participant argued.

Participants agreed that the Six-Party Talks is a remarkable achievement, and is an extremely useful instrument for all concerned: it limits North Korea's ability to divide and conquer, and combines pressure and incentives. The potential for this mechanism to develop into a viable multilateral framework to deal with other issues of peace and security could be significant. Obviously, the first imperative is to denuclearize North Korea, and it is too early to tell what framework could emerge after that. Some expressed concern that North Korea may make the same mistake as in autumn 2000, when it attempted to manipulate negotiations

ahead of the U.S. presidential election, and it missed a window of opportunity. Anti-Americanism in South Korea could destabilize this process; the inherent tension between managing of the inter-Korean relationship versus U.S.-ROK alliance management poses a risk to the overall management of Northeast Asia problems.

Participants debated the distinct interests of the U.S. and Japan in their negotiations with North Korea. Some in Japan wonder whether the U.S. understands the domestic importance in Japan of the abduction issue or the North's missile threat; they are afraid that the U.S. and China will accept a deal on the nuclear issue and leave Japan's priorities unresolved. U.S. government officials have provided assurances that this will not happen. They argue that no gap exists between U.S. and Japanese objectives in dealing with the North Korea threat. Participants noted that successful resolution of the abduction issue is critical to getting the Japanese public to support any six-party accord.

The requirement for the complete, verifiable, irreversible dismantlement (CVID) of its nuclear weapons programs is the only option that the North can take if it wants to peacefully resolve the current crisis; this message must be clear and consistent from all parties. While the other five parties should be ready to offer strategic assurances that can address the North's concerns, they should not give North Korea any illusion that it can maneuver or choose the wrong strategic option.

One result of the Six-Party Talks has been an enhanced regional leadership role for China's Foreign Ministry; this is one of the most important issue that the ministry has taken on since 1949, and officials did not expect to encounter so many problems keeping all parties in the room and on a roadmap. The ministry has been on an exceptional learning curve. It is not clear if ministry officials have really weighed what to do if the process fails, according to some. It is also interesting to see what the North Koreans say to the five parties jointly as compared to what they would have said (or previously did say) differently to each of them separately. It hasn't just been the U.S. or Japan asking what they mean; Russia and others also insist on getting the North's meaning straight. It has been very important to have China take responsibility for this process, but equally important that all parties now have a vested interest in what is being said privately in the sessions as well as publicly.

Despite media commentary to the contrary, U.S. and Japanese officials note that ROK involvement in the Six-Party Talks has been closely coordinated with Washington and Tokyo, and their cooperation has been excellent. This is largely attributed to the continuation of the Clinton-era Trilateral Coordination and Oversight Group (TCOG) process.

Despite the convening of two rounds of Six-Party Talks, concern was expressed that the Yongbyon nuclear reactor has now been open for a year, and instead of one or two nuclear weapons, the North could now possess six or eight. Critics of CVID refer to it as "confusion, vacillation, inaction, and delay." While no one knows for certain if the DPRK has reprocessed the 8,000 fuel rods, it is prudent to assume that they have. While none of the other five parties will accept North Korea as a nuclear weapons state, how far each is willing to go to prevent this is not clear. All countries need to intensify North Korea's self isolation; it must get food, fuel, and money from the outside, and it does appear that money from Japan is flowing at a much reduced rate, for example. It is not clear when, or if, North Korea will

respond to this pressure, but the alternative is military financial/economic pressure, which makes all parties uneasy.

Southeast Asia. The Oct. 12, 2002 Bali bombings and more recent events confirm that this region has become a second front in the war on terrorism with many unresolved threats. The U.S. and Japan have been cooperating closely to bring democracy, political stability, and economic prosperity to this region. In addition to addressing the root causes of terrorism, both countries have been engaged in cooperation in law enforcement and intelligence sharing with the region. Some participants opined that Japan should focus its efforts on social issues such as education and health, as well as on developing multilateral approaches that could yield deeper cooperative relations with nations in the region in the antiterror campaign. Compared to earlier eras, the primary security issues are not state to state, but largely intrastate domestic problems such as weak leadership and decentralization, as in Indonesia. People in the region think U.S. priorities regarding antiterrorism take precedence over local concerns, and the U.S. should broaden its view to include those issues that are important to Southeast Asian countries.

Taiwan. Participants believed that the current political turmoil in Taiwan over the outcome of the presidential election would subside relatively soon, but also believed that instability between Taipei and Beijing would probably continue, there being little incentive for either side to reconcile at this point. The attitudes of the U.S. and Japan will be very important; the U.S. must hold to the basic tenet of not supporting independence or the use of force. Taiwan will be a continuing issue between Washington and Beijing. In Taiwan, the identity issue is very emotional and divisive, and could set the stage for a clash with China; it could provide a pretext for China to intervene since the concept of a separate identity violates China's precept of Taiwan's "Chineseness."

APEC, ARF. The effectiveness of regional institutions is progressing in fits and starts. The ASEAN Regional Forum (ARF) made exceptional progress in 2003 with the joint statement urging action on Myanmar and North Korea. The ARF meeting only occurs once a year however, and there are limits to what the group can accomplish. A clearer leadership role for the Chair might help, since this shifts from year to year. The Bush administration has worked to re-engineer APEC to have a broader view, including security issues related to economics, first in the 2001 Shanghai Statement and more decisively in the 2003 Bangkok Statement. Given the ASEAN Plus Three dialogue and its off shoots, it is even more imperative that the U.S. and Japan dedicate energy to these fora.

Deepening and Broadening the Alliance

U.S. participants clearly recognized, and endorsed, the central importance of the Japan-U.S. alliance to the accomplishment of U.S. objectives in Asia and globally. The intellectual template for viewing the alliance in this context is the October 2000 Nye-Armitage report. While the report's publicity focused on the hope that Japan would be more like the UK, the real point the report made was that the goal is for Japan to be a "more complete ally" that willing participates with the U.S. across a range of issues.

Specifically, if Japan moves toward removing the prohibition on collective self-defense, it would permit Japan to work more closely with the U.S. to build a joint, or integrated, command and control structure. This would also foster a process to jointly focus on big picture issues for the future. This is, however, a sensitive domestic issue in Japan, one the Japanese people must ultimately decide for themselves.

The Japan-U.S. alliance remains the predominant maritime force in Asia, which is counterposed with China's efforts to strengthen its maritime frontier; its rich east coast is vulnerable to attack, as are energy imports through its sea line of communications (SLOCs). Taiwan's strategic location is important in this regard. This does not have to be a point of contention, however. The U.S. and Japan, no less than China, rely heavily on the SLOCs, opening up an opportunity for strategic cooperation.

Several participants opined that the 1996 U.S.-Japan Joint Declaration and 1997 revised Defense Guidelines are out of date, and argued that both sides should think about a new joint declaration that recognizes a new and different strategic environment for both countries since Sept. 11, 2001. However, agreeing on a joint document would be a difficult, laborious process; the bureaucracies in both governments are very "stovepiped," requiring as much or more effort to coordinate positions within each government as between them. Besides, the two governments steadily engage in ongoing consultations, and the two-way exchange is so far meeting the strategic interests of both partners.

U.S. and Japan in the region. Debate ensued about the alliance's regional policies. In the battle of ideas, China has made a great deal of headway compared to the U.S. and Japan, some argued. This trend began during the Clinton administration and has accelerated. China is influential in ways that the two countries do not realize; the U.S. and Japan are preoccupied with other things, and neither is focused on developing a regional policy, but China has for some time. Others argued that Japan-U.S. coordination on China is woven into the broader strategic dialogue on how the region is developing, rather than being limited to one mechanism.

The U.S. and Japan need an Asia strategy, and should talk through the big ideas, focusing on how change will evolve over the next 15 to 20 years. China has thought about these issues very carefully, and it does have a regional strategy. While the U.S. agenda with Southeast Asia revolves around counterterrorism, China has free rein to concentrate on aid and trade. This gives Beijing an advantage.

Others worried that that if U.S. Asia policy is merely or primarily a subset of the global war on terrorism, Washington will lose the ability to influence Asian thinking. The U.S. shouldn't be myopic about terrorism to the exclusion of other problems and the long-term picture. What role should the alliance play in Asia over the next decade? In fact, the coalition doctrine – the "coalition of the willing" – poses serious risks to alliance management because it potentially deprives the alliance of legitimacy; it makes allies nervous and uncertain; they feel constantly tested. More debate is needed over the size and shape of Japan's Self Defense Forces (SDF). Is the alliance capable of developing a Japan-wide approach to U.S./SDF basing? If this is possible, then does reducing the burden on

Okinawa mean moving forces out of Japan or realigning U.S./Japan forces along common missions that share bases? How monolithic are Okinawan views toward basing? Are the views of officials and the public in Naha representative, or do different constituencies have different ideas?

The division of labor in the alliance is also changing. Although we cannot expect the alliance to function in a purely reciprocal way, the concept of complementarity is becoming more and more important. This requires more effective management, such as pooling resources and better articulating roles and missions. Japan also needs to explore its role in Asia – what will be the alliance's division of labor in Asia? Should Japan focus on defense capabilities, and the U.S. on offense and providing the nuclear umbrella? Should Japan engage in collective defense (or collective offensive) operations – if it decides that this is constitutional? These are all looming questions that need to be addressed.

Japan's new global role. Japan has forged a new engagement with the world that is visible and appreciated, providing leadership diplomatically, financially, and strategically, in a way that makes it central to the national interests of emerging countries. India is now the largest recipient of Japan's overseas development assistance (ODA), and India's leaders now look to Japan to play a larger role in their economic opening. Japan plays many key roles in Afghanistan reconstruction, among other things leading the UN's DDR project (to "disarm, demobilize, and reintegrate" insurgents), and President Karzai appreciates the energy that Japan brings to motivating others. One vignette of how far Japan and the alliance have come was a story about a small contingent of SDF troops arriving in Kuwait, tired and dirty from their post in Sanawha. This was truly a case of "boots on the ground and ground in their boots."

Some question whether Japan's new role is an enduring or a temporary change. Japan's foreign policy has three ingredients that make real world power: the first is money, the second is ideas and leadership, and the third is people. These are all enduring assets. The other change we've seen that seems enduring is that Japan now acts with speed, decisiveness, and conviction. Part of this is Prime Minister Koizumi's own energy; a well- known example is when he called President Bush right after Sept. 11, expressed condolences, and offered help, while asserting that "we must defeat terrorism." Soon after came a statement listing how Japan would respond; it was more than expected and decisive. This was a defining moment for the alliance.

There are other examples where Japan's swift and determined actions have had important impact. Prior to the Iraq reconstruction conference, everyone knew that Japan would pledge a significant amount of money, and that the Gulf countries would as well, but it wasn't clear who would go first and how much. Then Mr. Koizumi stepped up and pledged a $5 billion package – instead of *gaiatsu* on Japan, Japan put *gaiatsu* on the Gulf states. Speed was essential and Tokyo delivered; that hasn't always been the case in the alliance.

The United States has also made some significant changes that complement Japan's desire to do more internationally. First is a strategic view of Asia that has Japan and the alliance at the center, and this is carried through in an array of internal documents, public

diplomacy, and the president's statements. This view does not mean a zero-sum relationship with China, but that a firm hand on U.S.-Japan relations helps the U.S. build a positive relationship with China. From Theodore Roosevelt on, the U.S. has tended to tilt one way or the other, but it is now trying to build both relationships. Second, the U.S. made a conscious decision to not play *gaiatsu* with Japan. That era is over, it was argued. On economic issues, for example, officials work behind closed doors to come up with solutions together.

Third, the U.S. recognizes that it needs to stand by allies on issues that are of great consequence to them. This is the case with Japan and the abductee issue, as well as with the ITER project (in question is the location of a $10 billion global research facility, with an independent group selecting Japan as the best site, which the U.S. and the ROK support; France is also hoping to be selected, and has recruited Russia and China to support its case).

It was pointed out, however, that this "new partnership" has yet to resolve the issue of Japan's permanent membership in the UN Security Council. A more effective UN is a core concern for Japan, and the U.S. understands it would benefit from a strong Japanese voice inside the UN leadership structure. As a result, Washington strongly supports a UNSC seat for Tokyo. But, the problem remains stuck over the issue of broader UNSC reform, and the need to avoid a large unwieldy body. Participants urged the governments to develop a common strategy, while agreeing that Japan has earned the right to permanent representation on the UNSC.

The changes that have occurred in both countries has meant that the alliance can move beyond just managing bilateral issues to become a foreign policy alliance, where officials work out common strategies on issues early, and long-term strategic planning is built into alliance relations. There is a new recognition that the alliance is needed for more than just the two countries but for addressing world problems. Of all the United States' global relationships, one participant said, its relationship with Japan – and perhaps Australia – is where it can best play offense, anticipating and addressing potential problems.

While some people tend to give credit for the strong alliance today to Bush administration policies, it is the product of a long, step-by-step continuum of bipartisan efforts in both countries. President Clinton's five visits to Japan were more than any other president, and his attendance at the late Prime Minister Obuchi's funeral was due to a strong personal relationship. Changes in the threat environment, particularly North Korea and the impact it has had on Japanese threat perceptions, have also had a significant impact on Japan's changed behavior.

Vulnerabilities in the alliance. While Japan enjoys untapped diplomatic potential, in the long term continued economic weakness will limit its political effectiveness internationally. There is also a sense of threat in Japanese society, and the U.S. cannot fail to act at decisive moments to demonstrate that the alliance works to Japan's benefit. Washington and Tokyo also need to address the base problem on Okinawa, even if the issue is not as threatening to the alliance as was thought in 1995.

Leaders should also build more public support for the alliance in both countries. In

the U.S., awareness of the importance of the alliance is restricted to a small group. In Japan, more people support it given the North Korean threat, but there is criticism among the public that Mr. Koizumi always follows the U.S., and this is buttressed by the way the Bush administration handles international affairs unilaterally. Mr. Bush is criticized in Japan for setting the agenda without consultation, then demanding allies and friends follow. It was suggested that Prime Minister Koizumi could address this by better articulating how Japan's national interests motivate his policy decisions, rather than appearing to just follow the U.S. lead. Mr. Koizumi has spoken with great passion about Japan's own history and experience of reconstruction, for example, as a powerful foundation for assisting Iraq and Afghanistan.

Charting a Course for the Future

There was broad agreement that this is the most important time in the post-Cold War period and fundamental change is happening. The alliance needs to zero in on strategic issues. One voice stressed the need for a coherent Middle East policy, similar in consistency, commitment, and resources to the containment policy of the Cold War.
Participants also heard a warning bell regarding the need for international legitimization for U.S.-Japan global cooperation.

As Tokyo deliberates its own defense review, it is evident that Japan is in transition and it is difficult to develop a consensus on defense policy. There is a recognition that Japan should not be caught in a World War II mentality forever; the youth of Japan want to be proud, not forever ashamed. But the road ahead is not yet clear either. Afghanistan and Iraq are a beginning, but they are a reminder too that domestic politics matters in determining security policies for the future.

In this light, a note of caution was issued: Japan's definition of legitimate cooperation in the global arena may rely more on the UN than the U.S. definition. Several trends in Japanese security thinking were identified: one stresses the UN (and possibly a Security Council resolution) as the focal point for Japan's international role; a second stresses Japan playing more of a role alone; and the third emphasizes the U.S.-Japan alliance. In reality there is a mix of all three, but the U.S. needs to realize that aspects of Japan's actions will be outside the alliance framework. In addition, the United States cannot expect Japan to fall into line on every issue, and should understand that a "coalition of the willing" does not trump the alliance and that global needs don't always trump regional concerns. Japan is sensitive to the concerns of states who fear how they will be treated in a coalition of the willing, some argued.

How Japan's international role is shaped in the future will be influenced by how current problems play out, particularly as regards Iraq and North Korea. There is recent growing public support for Mr. Koizumi, but sending the SDF to Iraq remains a controversial domestic issue. If the mission fails, it could be damaging to the alliance, and Mr. Koizumi could be seen as going off a cliff, while being pushed by the U.S. The outcome of the Six-Party Talks will also be critical, and one can imagine that both good and bad scenarios pose challenges. The evolution of relations with China is also key; right now the triangle is as harmonious as it has ever been, but this is always complex. How the alliance would deal

with a cross-Strait crisis is open to question; the U.S. has a de facto security relationship with Taiwan, while Japan does not, and contingency scenarios have not been fully explored.

One reform that is critical is that the alliance has to be – and to be perceived by both sides as being – more equal. In Japan, there is a persistent sentiment that Japan is the junior partner, which does not bode well for future initiatives. The point that the grassroots image of the U.S. in Japan and around the world is not positive was again stressed. The U.S.'s unilateralist stance enhances the sense of inequality between the two countries, because people in Japan perceive that they have no choice but to go along. The United States has to improve its exercise of leadership in international affairs, some argued. How the U.S. handles its force restructuring in Japan, the region, and the world will be crucial to its future credibility, and hopefully it will not further deepen the alienation caused by real or perceived unilateralist acts.

For Japan, the priority in the U.S. global posture review is to maintain the deterrent capability of U.S. forces in Japan and in the region, and avoid sending misguided signals to other countries that the U.S. is reducing either forces or, must importantly, commitment. Secondly, it should address longstanding local issues, such as Okinawa basing. In assessing the U.S. military footprint in Japan, the U.S. review must also address the question of whether moving the "furniture" around is sufficient or whether it needs to subtract from the total force posture. In that case, the current level of Host Nation Support (HNS) will look extravagant.

Finally, participants were reminded that the U.S. elections in November will be bitterly contested, and it will be a problem for both Americans and friends abroad. It would be inappropriate, over-simplistic, and potentially counterproductive to suggest that Europeans prefer Democrats or that Japan is better off when the Republicans are in power. The U.S.-Japan alliance enjoys broad bipartisan support. It was a Democrat, Ambassador to Japan Mike Mansfield – who served both Democratic and Republican administrations – who coined the phrase "the most important bilateral relationship in the world, bar none." Nonetheless, foreign friends need to beware of the rhetoric that ensues in any election year, and recall that many promises (and threats) are made that are never kept (and that's a good thing!). As one senior politician noted, the UK prime minister will always have a best friend in the White House regardless of which party is in power. Bipartisan support has always been expressed toward Japan, and we can expect that the current centrality of the Japan-U.S. alliance in U.S. foreign policy will remain, regardless of who wins in November.

Concerns about the viability or vitality of the alliance, expressed during earlier conferences over the past 10 years, have largely dissipated. In this new era of "Japan surpassing," the challenge is to meet rising expectations and to manage the evolving relationship in a manner that gains support from the publics in both countries and from Japan's neighbors and the international community in general. This requires a coordinated vision and common strategy for promoting peace and prosperity worldwide and for dealing with regional challenges such as the North Korea nuclear stand-off, the rise of China, and the management of cross-Strait relations as democracy continues to blossom in Taiwan, as elsewhere in Asia. It also requires a careful assessment of the impact of coalitions of the

willing on alliance management and of the impact of "Asia for Asians" multilateralism on broader Asia-Pacific multilateral cooperation as well as on the vitality and continued relevance of the bilateral relationship. These will be the challenges to be addressed at the future U.S.-Japan Security Seminars.

Changing World and a Changing Alliance
By Ambassador Ryozo Kato

Ten years ago, only a few years after the collapse of both the Berlin Wall and the Cold War, I was Consul-General in San Francisco. At that time, I was privileged to participate in and host the inaugural dinner in honor of the participants of this seminar.

During this past decade, the purpose of this seminar has always been to enhance and power up the alliance between Japan and the United States to tackle issues beyond the Cold War. Since its signing more than fifty years ago, the alliance has undergone significant changes. And it is not just the Alliance that has changed, but the entire international community has evolved.

Today, the new world order is taking shape much more clearly than ten years ago, when we first met in San Francisco.

Russia and China, the once victorious communist nations after World War II, have eventually come out of the Cold, and both nations are now on the path to reforms. But there are still hurdles that must be overcome. Russia is struggling with difficulties on their path to democracy and free market reforms. China introduced the free market system, and dramatically succeeded. Along with the end of the Cold War, the Marxism-Leninism ideology lost its validity as the glue that united their populace. Consequently, the leadership of the Peoples' Republic of China has resorted to ensuring sustainable economic development as the source of political legitimacy of their regime.

European colonial empires became clearly obsolete in the latter half of the twentieth century. The Suez Crisis was dramatic proof of this. They imploded into medium-sized powers and are now uniting themselves into a historic European Union to make their political and economic weight felt again.

Once a defeated power fifty years ago, Japan is in a process of coming back to the center stage of international politics. Japan is a member of industrial democracies and one of the most important economic powers along with the United States.

The United States stands taller, stronger and prosperous, still capable of leading the community of nations.

Sharing Values and Interests

The 20th century was an American century. After all the errors and failed attempts of new ideals and power struggles throughout the 20th century, it is freedom and democracy, as opposed to totalitarianism and communism, which have prevailed.

And it is the United States that introduced the ideals originating from their Founding Fathers and "The Enlightenment" into the community of nations that only knew "the rule of power struggle." If the lead of the United States had not been followed, the world would have been locked into a long 19th century-like power game. This is the United States' greatest contribution to humanity.

The United States has created the post-World War II order. Democracy and free trade as it relates to international politics were nothing but castles in the air in the 19th century. But in the post-World War II era, violence among nations was banned by the United Nations Charter. A UN collective security system was created. The principles of an international free market were established. Globalization is nothing but the logical conclusion of the American Open Door Policy, proclaimed more than one hundred years ago by Americans.

Sensing the advent of a new era, Japan reversed its national strategy by 180 degrees after the Second World War. Before the war, Japan longed to build a European- style empire, trying to provide itself with exclusive economic zones for both its glory and survival. Japan chose the path toward "international isolation."

After the war, Japan found that to maximize its national interests, adhering to the post-World War II international systems would be the most beneficial. The unprecedented economic expansion achieved in later years is undeniable proof that these systems work.

Japan has chosen, and will surely continue to choose the path toward "international cooperation" during the crucial and strategic periods of international affairs. Today, it is of foremost significance to Japan the fundamental and paramount understanding of the value of human dignity that it shares with other industrial democracies and newly democratizing nations. And Japan has become more of a "player" on the ground than a "spectator" in the stands of the international arena. Japan is not just a democracy; but also a champion of democracy in Asia. Like the United States, Japan does not have any territorial ambition. Japan has no need for any continental strategy.

Japan's national interest is best served by being a maritime power and keeping all the sea lanes surrounding Japan safely open a full 360 degrees, so that Japan can continue to pursue the benefits of a free trade system. Given Japan's non-nuclear and basically homeland defense oriented military posture with very limited capabilities for power-projection, it is natural that Japan would seek this goal in partnership with a credible and effective Japan-U.S. Alliance. On this basic national interest, the focus of Japan and the Japanese is clear.

The Alliance as a Bedrock of Regional Stability

After the demise of the Cold War, the stature of the alliance is now quite high in the Asia-Pacific region. The common goal of the alliance is to enhance freedom and democracy and maintain stability in the Asia-Pacific region.

The alliance can do that, and it is their obligation to do so. Japan and United States are now the most responsible and powerful industrial democracies in East Asia. They share

common values. They share common interests. They recognize each other's roles and missions. And they respect each other's strengths.

It took fifty years to arrive at this point. It is time to reap the harvest.

At least in the foreseeable future, the alliance is stronger in military, political and economic terms than any of the potential challengers in the region. In the region, the alliance is a bedrock of regional stability and that enhances the trend towards democracy and free markets.

As a matter of simple fact, Japan and the United States, when combined, represent an economy that is twelve time larger than China's, and almost 40times larger than that of Russia, or three times larger than the whole of Asia, excluding Japan.

The United States is transforming its military forces to be lighter, smarter, swifter, and more lethal. By far, U.S. forces will remain the strongest and the most advanced.

While Japan is basically maintaining its defensive military posture, it is expanding its international roles. In 1993, Japan began to contribute to Peace Keeping Operations; in 1998, the "New Guidelines" were formed jointly with the U.S. to address the alliance response to potential conflicts in areas surrounding Japan. After 9/11, Japan sent warships for the first time in the post World War II history to the Indian Ocean to replenish oil to the naval vessels of the Coalition. I have to add that no other navy, other than the U.S. Navy, could sustain an operation of that magnitude for two years. And now Japan's ground forces are in Iraq.

Japan's Self-Defense Forces (258,000) are almost the same size as the British Forces (250,000), and by far exceeds the size of Australian Forces (50,000). Just by their sheer size, and under evolving legal frameworks and attendant new missions, the JSDF's contribution to the stability of the region or to causes of international justice can be much more than before.

When Japan and the United States are strongly united and stand together, the stability of the region could not be adversely affected. Nobody would be tempted to change the status quo by force. It should also be noted that every nation in the region owes a debt of gratitude to the Japan-U.S. alliance for providing stability to the region. And all of them enjoy an added benefit, because of the alliance's ability to maintain the security of sea lines of communication (SLOCs) between the Persian Gulf and the region.

Value and Power Balance

I wish to emphasize that the balance of power doctrine does not suffice. In a fundamental sense, the value neutral doctrine does not stem from the soul of the Americans.

A United States that forgets the ideals of its founding fathers no longer strives to reach the lofty ideals and aspirations of the founding fathers. It loses radiance as a leader. Naked might is not enough to lead.

The balance of power shall be, as Dr. Rice wrote in the national strategy of 2003, an instrument to enhance freedom and democracy that the Alliance so deeply cherishes and cradles in its bosom.

Sharing the Leadership

Together, we face the challenges of a New Age. International terrorism, the North Korean nuclear program as well as proliferation of WMDs and missiles are just a few of most notable ones. The Alliance should squarely tackle each of them.

But our response is not limited to these specific issues. Our goal is to bring freedom, justice, tolerance, common sense and good governance to humanity. This is the job started by Americans in the last century. The job still remains difficult and far from being finished.

Together with nations sharing the same goal, the Alliance will and shall work toward this goal deep into this century.

As the late Dr. Herman Kahn noted long ago, - I am not referring to nuclear expert A. Q. Kahn - "Democracies are susceptible to two dangers; one is aggression from outside. The other is erosion from inside."

On the first point (i.e., the threat of the former Soviet Union), democracies must deal with it with by exhibiting an indivisible security framework without any weak link.

On the second point, democracies should not fall into the trap of "educated incapacity" (i.e., anti-military and anti-nuclear, or in other words, "Paralysis by over-analysis.") This "educated incapacity" in today's world can take the form of sardonic cynicism; it can lead us toward "passive multilateralism," which will contribute little to the world's stability.

We hear aspirations for a better life, freedom, democracy, human rights, and prosperity from Eastern Europe, the Middle East, Southeast Asia, Central Asia, Latin America, Africa and across the entire globe. Not expecting them to rise towards freedom and the other goals could be seen as arrogance and tyranny on our part by future generations.

It is also very important to be optimistic. Time is on our side. The United States will lead. And Japan is ready to share in leadership and responsibilities.

It is my dire and sincere wish that at the turn of the next century, history will write that the Japan-U.S. alliance was one of the most instrumental in carving the shape of the world during the 21st century. That should be the alliance's new mission.

U.S.-Japan Security Dialogue 10th Anniversary Message
By Deputy Secretary of State Richard Armitage

I want to congratulate the Japan Institute of International Affairs and the Pacific Forum CSIS for this very successful series of meetings which has helped to shape the present and future of the alliance. As a charter member of this seminar, I am especially sorry that I could not join the 10th anniversary meeting but wanted to share briefly my thoughts about the importance of the alliance with the group.

As I mentioned during my last visit to Tokyo in February 2004, the recent past has been a time of testing and a time of transformation for the alliance. I believe that Prime Minister Koizumi has set a new benchmark, not just in the dispatch of Japanese Self Defense Forces to Iraq, but also in redefining Japan's role in the world. The Prime Minister has a remarkable vision, and I believe the right vision at the right time.

A little over three years ago, I joined together with Dr. Joe Nye to chair a bipartisan panel on U.S./Japan relations. I don't think that we anticipated that so much would happen so quickly. The events of the past three years have been dramatic. Indeed, my nation's entire frame of reference has shifted and brought the worldwide battle with terrorism to the fore. But I can tell you that the administration of President Bush has never lost sight of long-term priorities. So we can say today that much of the vision laid out in the Nye/Armitage report has become a reality. Of course, given how important this is to my country, as well as to me personally, I wish I could take more credit for these developments. But the fact is, it was our counterparts in Japan who were thinking along the same lines. It was Prime Minister Koizumi and the people of Japan who actually made this happen.

In this time of change at home, in the region and around the world, Japan had not been caught standing still. Indeed, today Japan is putting its skillful hands on the tiller of the international community, no longer content simply being a passenger, which I believe will chart a course to a direct and a rightful role in shaping a better future. Now, that may sound to some of you like an overstatement. But there can be no exaggerating the importance of this new era of self-confidence for Japan. Certainly for Japan itself the benefits mean everything from a stronger economy to a safer region. But there are also important benefits for the United States, which is recognizing an equal partner in a mature relationship, and for the international community, in its entirety, because Japan has a unique contribution to make to world affairs.

History has handed the United States extraordinary wealth and power. As President Bush has said, "with great power comes great responsibility." We accept that responsibility. We will play our role. Japan too has great wealth and great power, as the second largest economy in the world, as the second largest donor of foreign aid, with a political and a cultural character that influences millions of people around the world every day. But as a country of such great significance, Japan has a different role to play. Certainly our roles are

complementary, for the simple reason that we share core regional and global strategic interests, as well as common political and common economic values. But on the other hand, we also have different strengths, and different approaches. I suppose there are still some in Japan, as well as around the region, who believe that a self-confident Japan is something to fear. Those fears are ghosts of the past. They have no foundation in the present.

Today we need a new approach, and we need policies that are proactive in building peace. From my perspective, from the viewpoint of my country, Japan clearly has a comparative advantage in establishing such an approach. Indeed, the Prime Minister of Japan has pointed out that the spirit and the ideals of the constitution call for Japan to be nothing less than a force for global peace. I am quite well aware that much has been made of one single passage in the American security strategy that concerned the concept of preemption. While military action to prevent a terrorist attack has to remain an option, the fact is that the United States, just like Japan and the rest of the international community, must be prepared to take effective measures to keep peace, not just to wage war or to clean up after the fact.

The cost of war is far too high in human misery, in instability and in scarce national funds, so we must be prepared to use the tools of national power to serve the national interests in global security and global stability. This call to peace means different things for different countries. For my country it means leadership. It means acting to promote our values and protect our interests. But it also means engaging in effective multilateralism. We simply cannot guard our own security, let alone build peace and prosperity in the world, if we attempt to act alone. For Japan it means acting as an advocate and catalyst for effective multilateral tactics. But it also means exercising leadership in the global community, and finding the will to be proactive on behalf of peace.

That is why the world can welcome the more active leadership role that Japan has taken and continues to take, not just in the global war against terrorism, but also closer to home in the Asia-Pacific region. Japan and the United States certainly share an interest in keeping the relationship between Taiwan and China on an even keel, and more generally in helping to shape what sort of country China will choose to be in this century.

In the case of North Korea, Japan is already playing an important role. North Korea is a country that supports itself largely through counterfeiting, smuggling, trading in drugs and missiles and other weapons, a pattern of behavior that has included the cruel abductions of Japanese citizens as well as nuclear threats. It is a dangerous and unstable situation in one of the most dynamic and heavily populated regions in the world, and unfortunately all of the stopgap measures we tried in the past to end North Korea's nuclear programs failed. But the stakes are too high. We simply cannot allow the situation to continue to slide in the wrong direction.

As President Bush said during the recent State of the Union address, "We are committed to keeping the most dangerous weapons out of the hands of the most dangerous regimes." President Bush has made it very clear that he believes diplomacy can work in this instance, and he has indicated the United States is willing to document security assurances for North Korea in a multilateral context if North Korea will completely dismantle its nuclear

programs in a way that is irreversible as well as verifiable.

Japan, the United States, China, the Republic of Korea, and Russia all have clearly stated their opposition to nuclear weapons on the Korean Peninsula, as well as their conviction that a nuclear arms program does not enhance North Korea's security. I believe it is the strength and unity of this particular coalition that will, with wisdom and with patience, lead to an end of North Korea's nuclear threat. But I also want to make it clear that, as President Bush said to Prime Minister Koizumi, "The United States will stand squarely with Japan until all Japanese citizens abducted by North Korea are fully accounted for."

I believe the key to our success lies in the longstanding strength of our bilateral alliance. Japan can count on America, and increasingly, America can count on Japan. Certainly a more self-confident Japan, with its own unique style of global leadership, can only add to that equation, both in the economic opportunity for our peoples and in advancing our shared global interests. Indeed, Japan already has been instrumental in keeping the six-party talks on track and in helping to smooth the way for a new United Nations role in Iraq. For that matter, the United States can afford to have full confidence in a Japan that has confidence in itself, not just in what we can accomplish together, but also in what we, as true allies, can accomplish apart.

The Deepening and Broadening of the Alliance
By Akio Watanabe

I intend to provide you with neither explanation nor description, but rather provocation. Many good things have been already said about U.S.-Japan security relations during recent months. Therefore I am going to point to some possible problematic aspects of U.S.-Japan relations, not in the immediate future, but in the longer term. I am not a pessimist; I am cautiously optimistic.

The nature of the challenges we now face in the world in general and in East Asia in particular is a compound mixture made of the distinct issues of national and international security. One issue area concerns the changing power structure globally, and this is also a prominent future in Northeast Asia: the possible unification of Korea, the uncertain status of Taiwan, and above all the rising power of China, economically and diplomatically. We have canvassed these issues in the previous session. When discussing them, we rely on a traditional paradigm and use such phrases as "balance of power," "territorial defense," etc., although the situation is new due to the ongoing change in power relations among the countries concerned.

There is a second type of issue for which a new, not yet clearly understood, paradigm is needed. The existing security arrangement embodied in the U.S.-Japan Security Treaty of 1960 and its related agreements was designed primarily to address the first type of security issue (i.e., "national" security of Japan) and is not geared to deal with the emerging issue of "international" security. Of course, the U.S.-Japan alliance is a uniquely flexible institution and less rigid as compared with other alliance structures including NATO. It can, therefore, be creatively applied and adapted to changing circumstances both during and after the Cold War. Even so, we are increasingly required to face newer issues of regional and global security after September 11 and the Iraq war, which stand outside of the stipulations of the existing treaty; they are sort of extracurricular activities.

Then what do I regard as possible problematic issues in the way of security cooperation between our two nations? I will state my conclusion first. My major message is that the "war on terror" is not and should not be an American war; it is an international war. The entire international community as a whole should be engaged in it. I say this because the war on terror requires a long-term commitment, constant and concerted efforts, and vigilance. No quick solution is easily available. An enduring and comprehensive approach is essential. The keyword is *endurance*. It is therefore absolutely necessary to enlist as wide a group as possible of willing and capable participants. A broad and robust coalition must be created and maintained to fight it out.

It is obvious that the United States marks the focal point of the needed international coalition. This is precisely the most fundamental reason for Japan's support for the U.S.-led coalition forces in fighting against international terrorist groups. In this sense, as Prime Minister Koizumi has said, the alliance with America (*nichibei domei*) and international cooperation (*kokusai kyocho*) are one and the same. Careful reading of the text of the

Antiterrorism Special Measures Law enacted in October 2001 reveals the fact that its purpose is to enable the Self Defense Forces (SDF) to "provide support to the military forces of the United States and other foreign countries working to achieve the goals of the United Nations Charter" in order to eliminate the "threat to international peace and security" posed by international terrorists. Similar wording can also be found in the text of the Iraq Reconstruction Assistance Special Measures Law of July 2003. In other words, these laws refer not to the U.S.-Japan Security Treaty but to the United Nations Charter.

A corollary of this argument is that, to the extent the United States tends to explain the Afghan and Iraqi wars as *American* wars, Japanese leaders find it harder to justify domestic public opinion to the contribution of the SDF. Obviously, the desire to avoid that thorny question about "the collective right to self-defense" is one factor. More importantly, however, this issue involves a difference in perception between the Americans and Japanese about the nature of the antiterrorism war. If you wish you can call it a war, but it is a war of a *new kind*, and as such distinct from a state-to-state war.

Next is the issue of roles and missions, or the division of labor within the coalition and especially between the U.S. forces and JSDF. I tend to think that the U.S.-Japan alliance will likely face essentially similar problems to those of the NATO allies. While the U.S. covers the "high end" of the operation, other coalition members cover the "low end." This pattern in the alliance relationship applies both to countries within NATO and to the U.S.-Japan alliance. For the time being we are impressed by a contrast between transatlantic relations, which is conflict-ridden, and transpacific relations, which are basically healthy: Europe's retreat vs. Japan's advance. Nevertheless, structurally speaking, the same logic will eventually work on both alliances.

Robert Kagan wrote in his book, *Of Paradise and Power,* about the diverging paths between America and Europe due to physical (i.e., power) and ideological gaps. Much of his observations on U.S-EU relations can be also said about U.S.-Japan relations: neither alliance can be entirely and indefinitely free from the law of asymmetrical relationships. The power gap between the U.S. and Japan is as great as (or even greater than) between America and Europe. As for the ideological gap, what Robert Kagan says of Europe resembles beliefs in Japan: an aversion to war and military power; a peaceful strategic culture; a post-historical paradise of peace and prosperity (witness Matsushita's slogan, "PHP," Peace and Happiness through Prosperity!); mingling self-confidence with self-doubt, etc. These ideas and beliefs have been frequently articulated and are characteristic of the thinking in postwar Japan for many years. People of my generation may remember an episode about John Foster Dulles who was amazed by Yoshida Shigeru's stubborn rejection of a rapid and substantial rearmament at the time of negotiations prior to the peace settlement with Japan at San Francisco. Dulles wondered if the Japanese were living in Alice's Wonderland in the midst of the fierce U.S.-Soviet confrontation.

Despite Afghanistan and Iraq, Japan remains very cautious about the use of force in a manner similar to the United States. Post-conflict peace building will be Japan's specialty. I, for one, think that the Japanese should be prepared to take risks in post-conflict peace building activities for which the use of force may be, to a certain degree, unavoidable. The

"Peace Constitution" cannot be used as an excuse for avoiding these type of activities.

Last, but not least, the Japanese, like the Europeans, tend to find merits in "the constraining egalitarian quality of international law" and those of "multilateral arrangements." The difference is that European nations look to the EU and other regional institutions; Japan looks to global institutions like the UN. A more effective UN is therefore a matter of serious concern for the Japanese.

The U.S.-Japan Alliance:
An Era of Unprecedented Cooperation
By James A. Kelly

As a charter member of this seminar series, it is a great pleasure for me to participate in this 10th annual U.S.-Japan Security Seminar. The title of this conference, "A Forward Looking Ten Year Retrospective," is very appropriate; as we look forward in U.S.-Japan relations, it necessarily involves some looking back as well. Our relationship with Japan covers an immense range of ideas and activities. My talk will emphasize U.S.-Japan cooperation as well as a bit on the Six-Party Talks.

The 10th anniversary of this security seminar coincides with another very important anniversary in U.S.-Japan relations. Next week we will celebrate the 150th anniversary of the Treaty of Kanagawa which established diplomatic relations between the U.S. and Japan. On March 31, Deputy Secretary Richard Armitage – who truly has a terribly busy travel schedule or he would definitely have been with us here – will commemorate the treaty's anniversary with Ambassador Ryozo Kato at the National Archives. I look forward to seeing many of you around the table at that occasion.

Despite our common pursuit, 150 years ago, of the similar goals of security, opportunity, and national prosperity, our first efforts did not necessarily fare well. Yet, for the past nearly six decades, we have seen a remarkable transformation in our ties with each other. The key difference between U.S.-Japan relations before World War II and since is that we have moved from being rivals on the world stage to being a unique and very important set of partners.

Our partnership today manifests itself in so many ways – in common efforts in the diplomatic, economic, and security arenas. There is a unique partnership between Prime Minister Koizumi and President Bush; their individual chemistry seems to reinforce each other. This sets the tone for the bureaucracy, but our joint efforts are based on much more than personal relations. As one example, we have a special coordination of strategic aid in many critical countries. Japan's contribution in this and so many other political ways is important, and has clearly been strengthened in the last few years. Let me outline a few of these areas.

With respect to Afghanistan, Japan hosted the Afghan reconstruction conference and gave that effort special momentum. Japan agreed to fuel U.S. ships in the Indian Ocean, which was an unheralded and an extraordinarily valuable and generous assistance. In Iraq, we have seen a deployment of forces as well as aid and political support from Japan. Sacrifices too have been made. Two courageous Japanese Diplomats, Mr. Oku Katsuhiko and Mr. Inoue Masamori, gave their lives in a determined effort to participate in the reconstruction of Iraq. We honor and pay tribute to their heroism. Japan's continued support is essential to establishing democracy in Iraq, both for the Iraqi people themselves and as an

example for the entire Middle East and elsewhere.

We are also working closely together on the Sri Lankan peace process. In Cambodia, we have worked jointly to develop the Khmer Rouge tribunal. In Indonesia, we are cooperating closely in a country that we both agree is enormously important. This is an example where the vision and practical situations that both countries bring to Indonesia are very different, but cooperation is closer than any two countries with independent interests. We realize that our independent issues and interests can be worked better in coordination with each other than separately.

In the bilateral arena, we are engaging in a regularized strategic dialogue in the form of discussions between Deputy Secretary Armitage and Vice Minister of Foreign Affairs Yukio Takeuchi. This dialogue brings reality to the global partnership; it is a mechanism of coordination that has the global picture in mind with a joint review of where our interests coincide. We have begun to bring Australia into this dialogue, which is not intended as an effort to create a Pacific community that would exclude anyone, but is driven by a more basic and practical need to consult and cooperate where our mutual interests overlap.

In the U.S.-Japan security relationship, there are three areas where Japanese movement has been important: security policy development, the expansion of the legal framework, and the deployment of Self Defense Forces (SDF) overseas. The changes in these three areas have evolved gradually over more than a decade: Japan‘s support of the Gulf War in 1991; the joint declaration on security of 1996; the adoption of the Defense Guidelines in 1997; Japan’s response to the 9/11 attacks; the Diet’s legislative package to support operations in Iraq; the adoption of ballistic missile defense (BMD); and the broadening of the acquisition and cross-servicing agreement (ACSA). This array of developments is a substantial record of change and agreement.

To enhance the alliance further, we are evaluating various issues. Within the U.S. global restructure review, we are examining the U.S. posture in Japan with the intent to maintain capabilities, while also being sensitive to the alliance’s burden on Okinawa. Other issues include procurement and servicing; refueling; heavy lift capabilities; aviation; technology; transportation for humanitarian and peacekeeping missions; protecting sea lanes; and maritime security beyond Japan. In the latter issue, it is remarkable that there are no efforts among governments to jointly monitor the thousands of ships that traverse the oceans, and that there is no single authority that knows where these ships are at any one time. This contrasts with the extensive coordination among the world’s air traffic controllers, where commercial flights are handed off from one jurisdiction to another. The U.S. and Japan are discussing these types of regional and global interests in a way that can promote our own and global security.

In looking toward the future, the United States seeks an alliance that is more flexible and capable of dealing with security concerns, regionally and globally. We and Japan agree that it is important to reach agreement on goals, rather than react to events. The United States is aware that Japan faces constraints in addressing some of these issues, including budget issues, for BMD, Iraq, and Afghanistan, as well as Article IX. It is significant that the Diet is

now conducting its own studies of Article IX, which in itself is new.

We have made significant progress, and hope to go further still. On the global/regional dimension, there is considerable progress. On the goal of "equal partnership," we are integrating roles and missions. On the "network of Pacific allies," there is some progress on a trilateral basis with Australia. On "ensuring the viability of the Trilateral Coordination and Oversight Group Meeting (TCOG)," there have been some 15 meetings over two years.

Let me talk briefly about the importance of the Six-Party Talks. In some quarters there seems to be a nostalgia for the way the 1993/94 crisis was resolved, a desire to put together another Agreed Framework. However, there are very different and distinct conditions that exist then and now. In 1994, neither Japan nor the ROK had mechanisms, formal or informal, to deal with the DPRK. Today, they each have a bilateral dialogue process, especially the ROK, which makes excluding either party from negotiations unthinkable. In 1994, there had been no demonstration of DPRK missiles that could reach Japan; since the three-stage missile test of August 31, 1998, the DPRK has developed at least 200 missile with enough range. And with North Korea's declaration of its nuclear deterrent (and possibly weapons), Japan faces a more direct and serious threat to its own territory than in years prior. We also have the September 2002 Koizumi visit, the North's admission of the abduction cases, and the profound effect on the Japanese people that this has had. That admission is very much a part of the change from 1994 to now, in terms of the acceptability and logic of any resolution with the North to the people of Japan. Unlike 1994, it would be inconceivable for Japan to be omitted from this process. This is why we support a comprehensive multilateral approach in pursuing a diplomatic solution to the current standoff.

The strength of the Six-Party Talks is that each member has an important and direct interest in the outcome; this is not the UN General Assembly or even the ASEAN Regional Forum (ARF). The spirit of cooperation that this developed as we pursue a complete, verifiable, irreversible, dismantlement of North Korea's nuclear programs can help provide a framework for future multilateral cooperation in Northeast Asia. In like manner, this important annual bilateral dialogue helps to strengthen the foundation upon which future multilateral cooperation will be built. That foundation is, of course, the multidimensional U.S.-Japan political, economic, and security relationship. We remain grateful for the insights and recommendations generated by this seminar over the past decade. The U.S.-Japan Security Seminar has played, and continues to play, an important role in revitalizing and redirecting the alliance and I look forward to many more productive sessions in the coming years.

From Japan Bashing to Japan Surpassing

By Yoichi Funabashi

From a U.S. standpoint, Japan is currently in the midst of a "Japan surpassing" phase, says Ralph Cossa, president of Pacific Forum CSIS (Center for Strategic and International Studies).

In the last decade, the United States has changed its attitude toward Japan from "Japan bashing" to "Japan passing." That is now set to change again to "Japan surpassing." In other words, Japan is transforming itself into a reliable ally that far surpasses U.S. expectations.

During the first term of the Clinton administration, economic friction gave rise to intense Japan bashing. The second term was characterized by "Japan passing" caused by its sluggish economy that showed no signs of recovery and the rise of China. By contrast, Japan's stock sharply rose with the Bush administration, particularly after the Sept. 11, 2001, terrorist attacks, with Japanese contributions in the war against terrorism and reconstruction of Afghanistan and Iraq.

A high-ranking U.S. government official in charge of Asian affairs, who recently toured India, Afghanistan and Kuwait, offered the following observation: Japan's standing in India has risen a great deal because India has become the top recipient of Japan's official development assistance. In Afghanistan, President Hamid Karzai praised Japan for its leadership and various ideas offered in Afghan nation-building. In Kuwait, the official spoke with some security members of the Ground Self-Defense Force who had just returned from Samawah in southeastern Iraq. Although they were covered with dust and wearing muddy boots, they appeared proud for having carried out an important mission-"real boots on the ground," as the official put it.

Money, ideas, leadership and personnel are the keys to success, the U.S. official stressed.

Japan is not bowing to *gaiatsu* (external pressure). In Iraqi reconstruction, Japan took the initiative to donate $5 billion (550 billion yen). That worked as *gaiatsu* to move countries in the Gulf to offer aid. Speed is important in everything and Japan is acting speedily, the official said.

What are the factors behind this change? The following are some of the factors cited by Americans well versed in Japanese affairs.

Prime Minister Junichiro Koizumi's leadership and the relationship of trust he has developed with President George W. Bush.

The Persian Gulf War gave Japan a sense of humiliation and taught it a lesson. The North Korean threat and China's rise also shook Japan. Based on these circumstances, the

Japanese people have developed a stronger determination to defend their country and recognize the importance of the Japan-U.S. alliance.

The abovementioned U.S. official pointed out that the Japanese people are beginning to accept a Hobbesian view of international politics. The world is essentially dangerous and unstable. Deterrents, above all military deterrents, are indispensable for the establishment of peace and stability. Such realism is spreading among the Japanese people, in particular the younger generation, and that awareness is supporting the dispatch of Japanese troops to Iraq.

However, a U.S. Democratic Party elder referred to a pitfall in foreign support for the U.S. initiative. He said that Spanish Prime Minister-elect Jose Luis Rodriguez Zapatero said he wants the Democrats to win the U.S. presidential election. But the Democrat said Zaparero's comment was insensitive and unnecessary.

Even supporters of the Democratic Party find such remarks offensive. To Americans, the president stands for their country-not a single political party.

But Japanese government leaders and diplomats seem to think it would be easier for them if the Republican administration under Bush stays in power because they feel it treats Japan with respect. But Japan should be careful not to be seen to want a Republican president, the Democratic elder warned.

Such advice in itself shows that the intense struggle for power between the Republicans and the Democrats is causing a deep division in the United States. The Bush administration is causing a factional split at home and a serious gap in perception toward the United States between government leaders and ordinary citizens abroad. Such a double rift is making it difficult for countries to deal with the United States. Japan's U.S. diplomacy is also expected to walk a tightrope from now on.

Even experienced Japan hands who praised Japan's dispatch of troops to Iraq repeatedly pose the following questions although they say that such situations must never be allowed to arise.

"How would Japan react if SDF troops in Iraq are attacked and killed by terrorists?"

"How would Japan react if ordinary Japanese citizens were targeted by terrorists like in the recent Madrid bombings?"

Although they say Japan has become "a reliable ally," they don't seem that confident.

Japan surpassing. The phrase sounds artificial.

The author is an *Asahi Shimbun* senior staff writer and foreign affairs columnist.(IHT/Asahi: March 30,2004) (03/30)

Reflections on the U.S.-Japan Alliance and its Future
By Rust Deming

- **The alliance is as close as it has ever been** but there are uncertainties ahead.

- **There is a remarkable evolution in Japan's policy since 9/11** and the pattern of U.S.-Japan interaction on defense issues.

- Historically, the U.S. has been the "demandeur."
  - Initially Japan pushed for full restoration of sovereignty; 1960 Treaty, Okinawa return; then except for base issues, pressure came from U.S.
    - U.S. pushed Japan to do more; Japan sought to find the balance between risking entrapment and abandonment.
    - Became ritualized dance, with "gaiatsu" becoming integral part of Japanese decision making system; Mansfield ritual; produced incremental strengthening of cooperation but at a price in both U.S., Japan.

  - **The pattern may now be changing;** it is remarkable how rapidly the government of Japan has moved forward without overt U.S. pressure.
    - Responded to 9/11 without prompting; anti-terrorism steps; Afghan deployments; host of Aid conference; emergency legislation; unfreezing 1994 Peacekeeping Operations (PKO) law; Iraq legislation and deployment; $5 billion in aid; deployment of ballistic missile defense.
    - Japan now actively discussing taboos. Permanent legislation for Self-Defense Forces deployment for PKO and humanitarian operations; collective defense; constitutional revision.

  - **Why this change?**
    - Accumulation of incremental steps.
      - **End of Cold War** and the ideological split in Japanese domestic politics; collapse of Japan Socialist Party; development of broad center.
      - **Lessons of Gulf war** and legislative, administrative steps taking on crisis management, including revision of the guidelines.
      - **Impact of North Korea**, including nuclear program, missile tests (Taepu-Dong), hostages, spy boat, along with collapse of *Chosen-soren.*
      - **Rise of Chinese power**. China not a "threat" and no interest in containment, but more public awareness that Japan will be in a better position to deal with an emerging China if it keeps the U.S.-Japan alliance healthy.

- **More realistic appreciation of limits of UN** and other international and regional organizations in addressing security threats. Koizumi statements, "do you expect UN to come to the defense of Japan?"
- **New generation** that is less weighed down by history, more willing to look at world, Japan's security in a fresh light.
- **More regional tolerance for active Japan role** – still some rumbling in China, Korea but much less than before.

- **Turning point toward a stronger alliance or a more independent Japan? Or both?**
  - If Japan and the U.S. continue to share the same basic threat perceptions and the strategy for dealing with those threats, then alliance should become stronger. If not, Japan's more activist role could be a step toward Japan as a more independent actor.

- **Four issues** may be pivotal;
  1. **Iraq** – Koizumi on firmer ground than he was earlier, with polls now evenly divided, but he, and the alliance, could pay a large political price if SDF deployments go badly or if Iraq venture as a whole goes south. **Need to be cautious in drawing parallels with Spanish situation** but not impossible.
     - Democratic Party of Japan (DPJ) divided, but Kan, others, still trying to make Iraq a wedge issue.
     - Komeito already under pressure internally for its alignment with Koizumi on this issue.
     - JSDF casualties or more importantly collapse of Iraq, as a whole would be major setback.
     - Possible, but not likely, that government could collapse on this issue, with a DPJ government coming to power with a very different approach to the U.S.-Japan alliance.

  2. **Korea: bad news or good news** will pose challenges for the alliance.
     - **Bad news**: If we **fail to undo or at least cap North Korea's nuclear program**, it will be difficult to maintain U.S.-ROK-Japan alliance unity on the appropriate response, given the different domestic political environments, geography, etc.
       - Weak U.S. response undermines American credibility.
       - Overly muscular response, if uncoordinated with ROK, Japan, risks public backlash.
       - Moreover a DPRK nuclear test could stimulate discussion in Japan of its own nuclear options, creating tensions in U.S.-Japan relations as well as in the region.
     - **Good news:** If we are successful to getting rid of the DPRK nuclear program, leading to North-South détente and normalization, **taking the "Korea threat" off the table, the "Kim Jong-il glue" to the alliance will have been removed**, creating pressure in Japan and

perhaps the U.S. for a substantial reduction of U.S. forces and perhaps setting in play a new and potentially unsettling dynamic among Beijing, Seoul, Tokyo, and Washington.

3. **China** – always a delicate issue in U.S.-Japan relations. At the moment U.S., Japan, China all enjoying good relations with each other, but there are potential differences between U.S. and Japan with respect to PRC.
   - **Taiwan**: Neither U.S. or Japan support Taiwan independence and both counsel restraint by both sides, but **U.S. is much more inclined to use force** to defend Taiwan, raising delicate questions about whether Japan would allow the use of U.S. bases in Japan/Okinawa in such an eventuality. The **alliance groundwork has not been put in place for such a contingency.**
   - **Human rights.** Quiescent, but the issue plays differently in the U.S. and Japan, could differentiate U.S. and Japanese approaches to Beijing.
   - **Trade**: U.S.-China trade war? Japan won't want to play; happy to have China as target but does not want to get entrapped into a U.S.-China conflict.
   - **"Japan passing" again?** – If U.S.-China relations continue to improve (e.g., Beijing delivers Pyongyang on the nuclear issue), and if China engages in serious political reform, there may be some in U.S. who see China as a more attractive strategic partner than Tokyo. Unlikely, should not be a zero sum game, but possible.
   - **"China threat":** More broadly, if and when the Korean threat is removed as the primary public rationale for the alliance, **some Japanese and American leaders may be tempted to cite China's emerging power as the focus of the security relationship; need to avoid this self-full-filling prophesy.**

4. **Accommodating Japanese Nationalism.**
   - For the first time since the end of WWII, Japan is beginning to **seriously debate revising its constitution** to allow it to play a more "normal" role in the world, including in the security area. This debate is healthy and welcome and should lead to a stronger U.S.-Japan alliance.
   - There appears to be, however, **at least three competing visions** with respect to the future direction of Japan's strategic role.
     - **"New nationalists"** who see the removal of constraints on Japanese security policy as opening the door for a more independent Japan, less tied to the United States.
     - **"Traditional nationalists"** who advocate a more active role for Japan centered largely on the alliance.
     - **"Internationalists"** who want to see Japan's more active role firmly tied to cooperation with the UN and other international institutions, in order to constrain Japan's independence, reassure

Japan's Asian neighbors, and to keep Japan from being "pressured" by the U.S. into non-UN sanctioned "adventures."

- The constitutional amendments and defense policy that emerges from this debate are likely to contain elements of all three of these visions; the **question will be one of emphasis.**
- In order to ensure the health of the alliance as this process move forward, it is **important for Japan to clearly articulate its strategic vision and the central place of the alliance** in any new Japanese defense policy;
- **Equally important for the U.S. to make clear that concept of "coalitions of the willing" does not diminish the importance we attach to traditional alliances** while at the same time **giving Japan breathing room** with respect to developing the capabilities to undertake certain missions, such as PKO, independently of the U.S.
  - **If we expect Japan to participate in U.S.-led coalitions, we will need to bring it in on the ground floor and factor in Japan's interest.**
  - **If the U.S. acts unilaterally, particularly in Asia, or is seen as not taking fully into account Japan's interests on important issues, a new more nationalistic generation in Japan may be more willing than their predecessors to lead Japan in a more independent direction.**
  - **Transformation**: Major realignment of U.S. forces under consideration in Asia **risks being seen as driven more by U.S. interests, the war on terrorism than alliance concerns. Needs to be handled carefully**.

- **Conclusion**:
  - Remarkable success story; **in interest of both countries that alliance continues, grows, but challenges ahead.**
  - **Need committed leadership** on both sides to manage potentially divisive issues.
  - **Need enhanced strategic dialogue at both government level and in Track II and Track III, such as this forum.**
  - **Need to build on 1996 Security Declaration** to continue to redefine the rational for the alliance, identifying new areas of common endeavor.
  - **Need to broaden base of support for alliance** beyond the "alliance managers" that have traditionally played such a critical role to a new generation of political, business, and bureaucratic leaders who currently don't fully appreciate the history and value of the alliance.

The 10th Annual U.S.-Japan Security Seminar: A Forward Looking Ten Year Retrospective

Synopsis by Masahiko Sasajima

Japanese and American experts from both inside and outside government convened the Japan-U.S. Security Seminar to assess the present condition of Japan-U.S. security arrangements. The seminar was held in Washington, D.C. from March 21, 2004 for three days. The U.S.-Japan Security Seminar is an annual, bilateral meeting usually held once a year in San Francisco. Since March 1995, the seminar has functioned as a closed forum for current and former high-ranking government officials, military experts, scholars, and media representatives from the U.S. and Japan concerned with security issues to candidly exchange their opinions.

Commemorating the 10th anniversary of the seminar, we moved our meeting place to Washington, D.C., allowing more than 30 participants from the U.S. and Japan. We had a wide range of discussions on deepening the alliance and its future prospects. The conference began with a speech by former National Security Adviser, Brent Scowcroft, on the night of March 21. From March 22 to 23, participants discussed three themes: "security concerns, trends, and developments in East Asia," "deepening and broadening the alliance," and "charting a course for the future." During the two days of sessions, Japanese Ambassador to the U.S. Ryozo Kato, Assistant Secretary of State James A. Kelly, former Secretary of Defense William J. Perry, and Director for Asian Affairs of the National Security Council (NSC) Michael J. Green delivered speeches.

Respecting the off-the-record, closed nature of the conference, this report presents points and issues without referring to names of speakers.

Overview

The U.S. Side: U.S. officials evaluated highly the firm relationship of President Bush and Prime Minister Koizumi and noted that the two leaders have strengthened their personal ties even more than "Ron-Yasu relations" during the Nakasone Administration. In addition to these personal relations, it was pointed out that the U.S. and Japan have developed a broad level of deliberations, including the "2 plus 2" Cabinet-level meeting (the U.S.-Japan Security Consultative Committee) and the U.S.-Japan vice-ministerial security dialogue. According to their analysis, "speed" is a determining factor for the improvement of the functioning of the current U.S.-Japan alliance. For example, immediately after the Sept. 11 terrorist attacks in 2001, Prime Minister Koizumi held a telephone conversation with President Bush and asserted, "We must decisively defeat terrorists." Soon after came a statement defining Japan's policy direction, and on September 18 the Japanese government outlined seven commitments it planned to take. The news that the Fleet Escort Force of the Maritime Self-Defense Force launched from Yokosuka port to guard U.S. aircraft carrier

Kitty Hawk was widely reported in the U.S. media, and the image on television left a deep impression on the U.S. Congress and the American people. Furthermore, in Iraq reconstruction assistance, Japan pledged financial assistance of $5 billion under Prime Minister Koizumi's initiative. This was a quick response that is greatly different from Japan's action at the time of the Gulf War in which it reluctantly contributed $1.3 billion.

According to the remarks by the American side at this seminar, the U.S.-Japan alliance occupies a core position in the present U.S. strategy in Asia. The U.S.-Japan relationship and the U.S.-China relationship do not reflect a zero-sum relationship. Rather, the American side thinks that a firm U.S.-Japan relationship helps the U.S. construct cooperative relations with China. The U.S. is establishing multiple relations which can also be a kind of "foreign policy alliance" in the Asia-Pacific region based on the relationship with Japan and Australia. The U.S. recognizes that the time of "*gaiatsu* (external pressure)" is over.

The Japan Side: The Japan side also emphasized the importance of the U.S.-Japan alliance. One Japanese official presented his view of history as follows. Before World War II, Japan aimed for a European-style empire, but after the war made a 180 degree change in its thinking, reaching the conclusion that adherence to international norms could best maximize its national interest. Now, Japan has become an indispensable partner for the U.S. Japan is not a mere democratic state but one that promotes democracy in Asia. The peace of the Asia-Pacific and its stable maintenance are common interests to Japan and the U.S. The two countries share common concerns and respect each other's roles and missions. The U.S.-Japan alliance is the bedrock for maintaining peace and stability in the Asia-Pacific region. The U.S. takes the lead and Japan is ready to share leadership and duty. As a result, the U.S.-Japan alliance is the driving force to establish the peace and stability in the world.

Afghanistan and Iraq

The U.S. Side: U.S. participants regarded Japan's reconstruction assistance very highly, saying, "The first epoch-making occurrences in Japanese history came in a series of ground-breaking actions, such as Tokyo's hosting the International Conference on Reconstruction Assistance to Afghanistan, oil re-supply activities in the Indian Ocean by the Maritime Self Defense Force, and the Ground Self Defense Force dispatch in Iraq."

The Japan Side: A Japanese expert insisted that the fight against terrorism should not be a war of the U.S. alone but for the whole of international society. Patience and endurance are crucial and the solidarity of international society is indispensable.

The Korean Peninsula

The U.S. Side: Discussions ensued with regard to the Six-Party Talks on the North Korean issue. After acknowledging that Japan has played an important role in the talks, the U.S. side indicated that a serious stance has been adopted toward North Korea, and the current conditions surrounding the North Korean nuclear issue are clearly distinct from those at the time of the Agreed Framework in 1994. Moreover, North Korea certainly possesses

missiles that put the whole Japanese territory within range, and the possibility of having a nuclear deterrent capability is also strong. North Korea very likely possesses biological and chemical

weapons, not to mention nuclear weapons and, thus, the U.S. side warned that Japan faces a serious security threat from North Korea.

The Japan Side: Japanese participants insisted that seeking progress in the abduction issue is critical for a resolution of the North Korean issue. They argued that in utilizing the opportunities provided by the Six-Party Talks, we must eliminate the possibility for North Korea to make wrong strategic choices.

China

The U.S. Side: American experts expressed optimism that U.S.-China relations have positive future prospects. According to their opinions, despite many domestic problems China's fourth generation leadership is continuing to take pragmatic policies. They analyzed that Chinese leaders need peace and stability in the region in order to focus on domestic problems and are seeking to improve relations with neighboring countries towards creating a buffer zone to U.S. power. In addition, U.S.-China economic relations are in a deepening and expanding trend. The opportunity for the U.S. and China to cooperate over the North Korean issue and other matters is increasing and, especially in the Six-Party Talks, China has taken leadership. However, the Taiwan issue continues to be clouded with uncertainties, and it was argued that the U.S. should avoid unnecessary lucidity. The key to maintaining peace would be to strive for maintaining the status quo; in other words, the continuation of "strategic ambiguity."

In addition, participants were warned to observe that the amount of Chinese energy consumption is remarkably increasing.

As for the military side, the warning was issued that China is advancing its high-tech arsenal at a faster level than predicted against the background of its powerful economic strength.

The Japan Side: A Japanese expert raised the issue that China has strengthened naval operations near Japanese territorial waters in recent years. Moreover, in spite of repeated protests by Japan, China has not stopped activities by research ships either, and a maritime issue is surfacing and could become contentious for both countries. Moreover, another expert expressed concern over China's move toward reinforcement of its military potential. He also indicated that the increase in anti-Japanese sentiment last year seemed to reflect a dilemma in Chinese domestic politics.

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About the Contributors

Richard L. Armitage is U.S. Deputy Secretary of State since March 2001. Prior to assuming that post, he was President of Armitage Associates L.C. from May 1993. He has been engaged in a range of worldwide business and public policy endeavors as well as frequent public speaking and writing. Previously, he held senior troubleshooting and negotiating positions in the Departments of State and Defense, and the Congress, including as Assistant Secretary of Defense for International Security Affairs. He is a graduate of the U.S. Naval Academy.

Ralph A. Cossa is President of the Pacific Forum CSIS. He is a political-military affairs and national security strategy specialist with over 25 years of experience in formulating, articulating, and implementing U.S. security policy in the Asia-Pacific and Near East-South Asia regions. He is the author of numerous books, journal articles, and op-ed pieces in *The Japan Times, Korea Times,* and the *International Herald Tribune.* He is a retired USAF Colonel and a former National Security Affairs Fellow at the Hoover Institution. He is a member of the ASEAN Regional Forum's Experts and Eminent Persons Group.

Rust Deming is Distinguished Visiting Fellow for the Institute for National Strategic Studies at the National Defense University since September 2003. His research focuses on East Asia, the Middle East, and South Africa. He served as U.S. Ambassador to Tunisia (2001-2003), and as Principal Deputy Assistant Secretary of State for East Asian and Pacific Affairs (1998-2000). He was Senior Advisor to the Assistant Secretary for East Asian and Pacific Affairs from December 1997, and from October 1997 to December 1997, he was the East Asian and Pacific Affairs Bureau's Senior Advisor to the United Nations General Assembly in New York.

Yoichi Funabashi is the chief diplomatic correspondent and columnist for *Asahi Shimbun*. He has been a Nieman Fellow at Harvard University and a Ushiba Fellow at the Institute for International Economics in Washington, D.C. He is the author of several prizewinning books and was awarded the 1985 Vaughn-Uyeda Prize for his coverage of U.S.-Japan trade frictions, and was granted the Sakuzo Yoshino award for the Japanese version of "Managing the Dollar: From the Plaza to the Louvre" (revised edition, 1989). He is also the author of *Asia-Pacific Fusion: Japan's Role in APEC* (1995), which was awarded the Asia Pacific Grand Prix Award.

Ryozo Kato is Ambassador Extraordinary and Plenipotentiary of Japan to the United States of America. Ambassador Kato graduated from Tokyo University, faculty of law, in 1965, whereupon he entered the Ministry of Foreign Affairs. He has held numerous posts in the Ministry, including as director of the Security Affairs Division (1981-1984), Treaties Division (1984-1987), General Affairs Division (1990-1992), North American Affairs Bureau (1992-1994) and director-general of the Asian Affairs Bureau (1995-1997) and the

Foreign Policy Bureau (1997-1999). Most recently, Ambassador Kato was the deputy minister for Foreign Affairs at the Ministry from 1999-2001.

James A. Kelly is Assistant Secretary of State for East Asian and the Pacific Affairs since March 2001. He is former President of the Pacific Forum CSIS from 1994-2001. Previously Mr. Kelly served as Special Assistant for National Security Affairs to President Ronald Reagan, and as Senior Director for Asian Affairs at the National Security Council. He also served as Deputy Assistant Secretary of Defense for International Security Affairs (East Asia and Pacific). From 1989 to 1994, Mr. Kelly was president of EAP Associates, Inc., an international business consulting firm. He is a former Captain in the U.S. Navy and is a graduate of the U.S. Naval Academy, Harvard Graduate School of Business Administration, and the National War College.

Makio Miyagawa is Director of the Japan Institute of International Affairs. Prior to assuming that post in early 2004, he had a distinguished career with the Ministry of Foreign Affairs including posts in Kuala Lumpur, Geneva, and the UK. He was deputy chief cabinet secretary in the Office of the Prime Minister, and was deputy director of the 2nd North American division, as well as deputy director of the Russian division. Recently he served as director of the developing economies division and led negotiations for Japan's economic partnership with Singapore. He is the author of many books and articles on regional security and economic affairs. He is a native of Kyoto, and received the BS degree from Tokyo University and the PhD degree from Oxford University.

Masahiko Sasajima is Research Fellow of the Japan Institute of International Affairs, and concurrently Research Fellow at the Yomiuri Research Institute, the research arm of the *Yomiuri Shimbun*. Since joining the newspaper in 1980, Mr. Sasajima has covered domestic and foreign affairs, including covering the Prime Minister's office, the Ministry of Foreign Affairs, the Defense Agency, the Liberal Democratic Party, and the Japan Socialist Party. From 1996 to 1998, Mr. Sasajima served as a Beijing correspondent, focusing on Japan-China relations. He served as a visiting fellow at the Graduate School of Journalism at UC Berkeley from 2001 to 2002. He received the B.A. degree from Waseda University and the MA degree from the School of Advanced International Studies (SAIS) at Johns Hopkins University.

Jane Skanderup is Director for Programs at the Pacific Forum CSIS. She specializes in comparative political economy in Asia, as well as international trade and investment issues. Current projects include cross-Strait economic and political relations, comparative studies in economic reforms, regional economic integration, and APEC. She has published op-eds, journal articles and books on a range of Asia-Pacific economic issues. Ms. Skanderup received the MA degree from the Johns Hopkins School of Advanced International Studies where she focused on international economics and Latin America.

Akio Watanabe is President of the Research Institute for Peace and Security in Tokyo. Professor Watanabe began his teaching career at Hong Kong University, and has since taught at Meiji University and at Aoyama Gakuin University, Faculty of International Politics and

Economics, specializing in international politics and Japanese diplomacy. He is an Emeritus Professor of both Tokyo University and Aoyama Gakuin University. From February to August 1994, Prof. Watanabe served as a member of the Defense Affairs Roundtable (advisory panel to the Prime Minister) and participated in the compilation of the "The Modality of the Security

and Defense Capability of Japan" (the Higuchi Report). He graduated from Tokyo University Faculty of Arts, Department of Japanese History, and received the PhD from Australian National University.

APPENDIX

Tenth Annual U.S.-Japan Security Seminar
"JAPAN-U.S. SECURITY RELATIONS: A FORWARD LOOKING TEN-YEAR RETROSPECTIVE"

Jointly sponsored by
The Japan Institute of International Affairs (JIIA),
the Pacific Forum CSIS, and the Embassy of Japan

March 21-23, 2004
Hotel Washington • Washington, D.C.

Agenda

Sunday, March 21

all day participants arrive

6:00PM **Opening Reception/Dinner at Hotel Washington**
(Washington Room, Roof Top)
Speaker: *The Honorable Brent Scowcroft*
President, Forum for International Policy

Monday, March 22

8:30-9:30AM Continental Breakfast (available in conference room)
(Sky Room – Roof Top)

9:30-9:40AM **Welcoming Remarks:** *Ralph Cossa*

9:40-10:00AM **Keynote Address:** *Ambassador Ryozo Kato*

10:00-Noon **Session I. East Asia Security Concerns/Trends/Developments**

This opening session will provide a general retrospective of changes in the East Asia (and broader) geopolitical environment since our conference series began ten years ago, with special emphasis on changes and emerging trends since our March 2003 meeting. Particular focus will be placed on those actions and events that pose new or revised challenges to the alliance relationship or our respective national security interests. Topics to be discussed could include the status and prospects of the Six-

Party Talks and other North Korea-related developments; China's continued evolution under its "fourth generation" leadership; prospects and concerns regarding cross-Strait relations, given the results of the (March 20, 2004) Taiwan elections; stability in Southeast Asia, as a second front in the war on terrorism; and other current or emerging issues of mutual concern. Each country's evolving relationship with China should also be addressed as it potentially impacts the bilateral alliance relationship. This geopolitical overview will help set the stage for subsequent in-depth discussions of U.S. and Japanese security policy and our individual and bilateral efforts to address these challenges.

U.S. Presenter: *Professor Robert A. Scalapino*
Japanese Presenter: *Dr. Yoichi Funabashi*

Noon-1:30PM **Lunch** (Parkview Room, Ground Floor – Lobby)

1:30-2:30PM **Keynote Address:** *The Honorable James A. Kelly, U.S. Assistant Secretary of State for East Asian Affairs*

2:30-3:00PM **break**

3:00-5:00PM **Session II: The Deepening and Broadening of the Alliance**

Under Prime Minister Koizumi and President Bush, and especially in the wake of September 11, 2001, the alliance relationship has reached new, unprecedented levels of cooperation. Japanese thinking on security has continued to evolve and rapid strides have been taken in increasing Japan's role in international security affairs, in Iraq, in the Indian Ocean, and elsewhere. Japan has also expanded its commitment not only to develop but also to deploy missile defenses in close cooperation with the U.S. Meanwhile, Washington's East Asia strategy also continues to evolve, with force restructuring efforts being accelerated (primarily but not exclusively on the Korean Peninsula), even as the war on terrorism continues to proceed on multiple fronts. This session will examine these trends and developments and discuss how they impact on the broader alliance relationship. Emphasis should be placed on examining and explaining both sides' current thinking about security roles and responsibilities and how perceptions overlap.

Japanese Presenter: *Dr. Akio Watanabe*
U.S. Presenter: *RADM Michael McDevitt (USN, ret.)*

5:45PM Bus departs Hotel Washington for Ambassador's Residence

6:30-8:30PM Reception/Dinner at the Residence of Ambassador Ryozo Kato

Tuesday, March 23

8:00-9:00AM Continental Breakfast (available in conference room)

(Sky Room – Roof Top)

9:00-10:00AM **Remarks by U.S. official:** *Dr. Michael Green, NSC Senior Director for Asia*

10:00-Noon **Session III: U.S.-Japan Security Relations: Charting a Course for the Future**

How is the alliance relationship likely to evolve over the next ten years? Can the current level of cooperation be sustained? Can/should it be expanded and, if so, how? What more does/will the U.S. and Japan expect of each other? What are the future challenges that will affect the alliance? What are the political/security-related areas where future cooperation will be most important? Do our respective visions regarding future basing and force structure requirements coincide? Can issues related to stationing in Okinawa be appropriately addressed? How can multilateral mechanisms and initiatives enhance future bilateral cooperation?

Japanese Presenter: *Mr. Yasumasa Nagamine and Mr. Nobushige Takamizawa*
U.S. Presenter: *Ambassador Rust Deming*

Noon - 1:30PM Closing Lunch (informal)
(Parkview Room, Ground Floor – Lobby)

Tenth Annual U.S.-Japan Security Seminar

"JAPAN-U.S. SECURITY RELATIONS: A FORWARD LOOKING TEN-YEAR RETROSPECTIVE"

Jointly sponsored by
The Japan Institute of International Affairs (JIIA),
the Pacific Forum CSIS, and the Embassy of Japan

March 21-23, 2004
Hotel Washington • Washington, D.C.

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Mr. Charles W. Jones
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Assistant Secretary of State, EA/PA
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Honored Guests

The Honorable John J. Hamre
(Sunday Dinner)
President, Center for Strategic and International Studies

Lt. Gen. Brent Scowcroft (USAF, Ret.)
(Dinner Speaker)
President
The Forum for International Policy