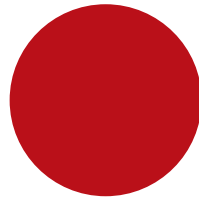


SECURING FREEDOM

THE U.S.-JAPANESE ALLIANCE
IN A NEW ERA



Michael Auslin
Christopher Griffin



A Report of the American Enterprise Institute

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Executive Summary

For nearly five decades, the U.S.-Japanese alliance has underwritten peace and security in the Asia Pacific. The alliance has allowed for the forward basing of tens of thousands of American troops and cooperation between the two countries on a wide range of security issues. The alliance is being tested today by the economic and military rise of China, the continuing crisis in North Korea, and the struggle to maintain the tide of democratic reform in the Asia-Pacific region.

As Asia undergoes these changes, the United States and Japan must reorient their partnership to cooperate in supporting political and economic liberalization in the region. Washington and Tokyo should seek to enhance and promote the prospect that democracy, free markets, and transparent security policies become the norm in Asia during the twenty-first century. In short, the U.S.-Japanese alliance should be the primary instrument of both countries in managing, hedging against, and taking advantage of the myriad changes in Asia.

The principal tasks for Washington and Tokyo are to develop new capabilities, tear down barriers to security cooperation, and develop shared concepts of military operations to meet new challenges in Asia and beyond. This agenda is an ambitious one, but it is also necessary.

Over the past decade, the United States and Japan have taken the first steps in responding to these challenges, gradually transforming the alliance to address a new agenda. However, this attempt at alliance transformation has been obstructed consistently by the regime of restrictions placed on Japan's security policy in its postwar constitution more than six decades ago, and it has lost steam since the premiership of Junichiro Koizumi. From this base of punctuated progress, it will fall to members of the next

U.S. administration, working with their Japanese counterparts, to reestablish progress and reform.

If the United States and Japan address the capability gaps within the alliance, they will find that the weaknesses in planning are reflected in an inability to execute. Most of these capability gaps reflect upon the historical decision to differentiate between U.S. and Japanese roles in the alliance, a bifurcation that has been reinforced by a system of domestic legal restrictions on Japanese security operations.

There are four areas in which there is a growing or nascent requirement for combined operations between the United States and Japan: missile defense, the maintenance of air superiority, maritime security, and strike operations. These are the most sophisticated fields of contemporary military operations, and as the United States and Japan work to deepen cooperation in them, their actions will force them to address such fundamental questions in the relationship as the Japanese ban on collective self-defense.

Ultimately, deploying a jointly capable military force is in the service of a political goal: nurturing a stable and productive Asia-Pacific environment. One way to achieve that goal is to adjust the hub-and-spoke alliance system toward a more multilateral arrangement among U.S. allies. The alliance must be the bedrock for organizing discussions, coordination, and even planning among two different trilateral groupings: South Korea–Japan–United States and Australia–Japan–United States.

Japan has made impressive progress in reforming its national security mechanisms over the past decade. Tokyo today has far more tools with which to define and protect its national interests and more experience and willingness to work with its American partner. Yet there is much more that Japanese policymakers can do to realize the vision of becoming a

fully capable actor engaged in regional and global security and political issues.

Tokyo should address legal barriers by adopting general legislation for the international deployment of the Japan Self-Defense Forces, reform and reorganize the national security bureaucracy from the prime minister's office through the Ministry of Defense, organize a secure and efficient intelligence-sharing mechanism both within the government and in the alliance, and organize the defense committees of the Diet to manage a more transparent and informed debate of Japan's national security. Most important, perhaps, Tokyo

must address the obstacle of its restrictions on collective self-defense, a range of prohibitions that mean that Japan is today largely incapable of providing assistance legally to the United States and other security partners, even in the dire event of a missile attack against the American or Japanese homelands.

For its part, the principal challenge for the United States is to facilitate Japan's transformation while maintaining its commitment to provide forward deterrence to Japan. These two roles are not only mutually compatible, but they also provide the only path to achieving shared security objectives.

The U.S.-Japanese Alliance in a New Era

The Asia Pacific is today emerging as the most dynamic region on earth. In recent years, democracy has advanced and trade has expanded in Asia as the region has become the world's economic engine, providing goods and services for all parts of the globe. Despite this progress, Asia also remains a cauldron of instability, beset with territorial rivalries, nationalist passions, aggressive authoritarian regimes, a nascent arms race, and the spread of weapons of mass destruction. Any of these threats could destabilize global stability and derail economic growth.

For nearly five decades, American policymakers have recognized the central importance of the Asia Pacific and have underwritten peace in the region with a constant American military and political presence. The linchpin of that presence has been the U.S.-Japanese alliance, codified in the 1960 Treaty of Mutual Cooperation and Security, which allows for the forward basing of tens of thousands of American troops and cooperation between Japan and the United States on a wide range of security issues.¹

Changes since the end of the Cold War, however, have tested and stretched the U.S.-Japanese alliance in ways that are creating tensions between the two partners and raising questions about the very nature of the alliance itself. The U.S.-Japanese relationship is changing and will continue to do so in the coming decades. As it does, policymakers in both Tokyo and Washington must guide that transition and maintain the alliance as the key mechanism of U.S.-Japanese security relations and the primary tool in their Asian strategies. A more active and engaged U.S.-Japanese alliance is the best guarantor of continued stability and growth in the Asia-Pacific region.

For the past half-century, the U.S.-Japanese alliance has successfully maintained a defensive posture that guarantees Japan's security. However, as Asia faces a choice between different visions of the

future—between liberalism and authoritarianism—the U.S.-Japanese alliance should reorient itself to become an active promoter of political, social, and economic liberalization. Tokyo and Washington should seek to enhance and promote the goal of making democracy, free markets, and transparent security policies the norm in Asia. In order to do this, both countries will have to clarify their long-term interests, craft clear strategic goals, and commit the resources required to ensure their active participation in the region's key developments.

The Evolving Role of the Alliance

As a political instrument, the alliance has served to cement a set of shared interests between Japan and the United States, containing communist influence and power in Asia throughout the Cold War. Indeed, due in part to its success at providing credible forward deterrence, the alliance has never been tested as a military instrument. In recent years, however, the alliance's political mandate has expanded to encompass global issues, resulting in the dispatch of the Japan Self-Defense Forces (JSDF) to Afghanistan and Iraq, as well as to disaster relief sites. The alliance's growing role in active military operations provides a glimpse of what a fully realized political-military partnership could look like.

Washington and Tokyo have long concentrated primarily on alliance management, finessing the myriad issues surrounding the basing of U.S. forces in Japan and fulfilling agreements related to training and planning. Even as policymakers have intermittently sought to increase the scope of action for both U.S. and Japanese forces within the alliance, discussions of the alliance's future structure often played second fiddle to the practicalities of the forward basing of

American troops. While often contentious, these negotiations were conducted in a largely static strategic environment. Until the collapse of the Soviet Union in 1991, American and Japanese energies were focused on containing Moscow's military capabilities in the Pacific.

During the 1990s, Washington only gradually became concerned about China's rapid economic rise and the concomitant growth of Beijing's military power. Suddenly, and less than a decade after the collapse of the Soviet Union, American policymakers realized they had a potential long-term competitor in the region—one that was flush with the cash needed to field long-range ballistic missiles, advanced submarines and jet fighters, and possibly even a blue-water navy. Hard on the heels of this growing perception came the terrorist attacks of September 11, 2001, leading to a “global war on terror” that often sidelined Asia except to focus on North Korea and terrorist groups in the region.

At the same time that the strategic environment was taking new form, alliance managers also had to react to Japanese domestic opinion, particularly regarding basing issues and their spillover effects, such as crimes committed by U.S. servicemen in Japan. Thus, the 1997 revised guidelines for alliance cooperation and “road map” reflected both a strategic interest in rationalizing the roles of both countries' forces and increasing the JSDF scope of action, as well as a demand on the part of the Japanese populace to realign the presence of U.S. forces so as to reduce their impact on host communities.²

It was as a response to this fluid situation that the George W. Bush administration made “globalization” of the alliance a key goal early in its tenure. Based in part on recommendations contained in a 2000 report spearheaded by Richard Armitage and Joseph Nye, “The United States and Japan: Advancing Toward a Mature Partnership,” the new approach emphasized the idea that Japan would become the United Kingdom of Asia, using its economic strength, technological expertise, and growing military capabilities to play a bigger role in the world in support of joint activities and shared interests.³ The alliance would then be able to respond to challenges

near and far, moving beyond a static, 1960s-era vision of defending Japanese shores from assault.

The unhesitating decision by then-prime minister Junichiro Koizumi to support the Bush administration's military operations in response to 9/11 drove the nascent concept of globalizing the alliance to new levels. Despite lingering domestic opposition, Koizumi dispatched JSDF troops to Iraq and Maritime Self-Defense Force (JMSDF) vessels to the Indian Ocean to refuel allied ships engaged in counterterrorist operations. During the humanitarian response to the devastating Indian Ocean tsunami in December 2005, JMSDF ships worked alongside American and Australian naval vessels to provide immediate relief. This mission not only improved Japan's diplomatic standing in Southeast Asia, it also gave the JMSDF valuable experience and stimulated Japan's desire to provide public goods in the Asia-Pacific region.

Since Koizumi's retirement, his successors have struggled to define what Japan's security policy will be in the future, particularly in light of its more forward-leaning posture since 2001. In addition, as the old Liberal Democratic Party-dominated electoral system breaks down, the rise of the Democratic Party of Japan under Ichiro Ozawa has made domestic politics the battlefield for questions of national security. Yet the demands on the alliance continue to increase as new challenges emerge, and without clear agreement between Tokyo and Washington on the scope of their joint interests, the alliance may fail to adapt to changing conditions, becoming less capable, and thus less relevant, over time.

New Strategic Challenges to the U.S.-Japanese Alliance

The changes in Asia's geopolitical conditions are well known and continue to attract the attention of pundits, policymakers, and the public. The fundamental driver of these changes is the economic and military rise of China. In addition, the continuing crisis over North Korea; the deepening of multilateral institutions and similar associations; and the

challenges to democratic stability in countries such as Thailand, Mongolia, the Philippines, and others are also central to the shifting geopolitical terrain in the Asia-Pacific region. Given these challenges and opportunities, as well as the need to promote continued liberalization, we believe that the U.S.-Japanese alliance should be the primary instrument of both countries in managing, hedging against, and taking advantage of the myriad changes in Asia.

The complex and changing nature of Asia's regional challenges is moving both Japan and the alliance into uncharted waters. For example, for a full decade, the two countries have been attempting to deal with North Korea's growing nuclear capability, even as the nature of the threat has moved from missile launches over Japanese territory to the apparent stockpiling of nuclear weapons, the detonation of a nuclear device, and almost certain proliferation of nuclear processes to at least one country (Syria).

Following Washington's lead, Tokyo agreed to join the six-party talks in 2003, thus absolving the alliance from having primary responsibility for solving the crisis. However, the political relationship between Tokyo and Washington has been damaged by Washington's insistence on accommodating North Korea's negotiating tactics while effectively ignoring Japan's demands that Pyongyang fully resolve the issue of Japanese citizens kidnapped by North Korean agents during the 1970s and 1980s. Yet, despite the Bush administration's hopes that diplomacy will convince Kim Jong Il to give up his nuclear weapons program, any contingency surrounding North Korea will require Japanese and American military and political leaders to work together seamlessly in order to ensure successful operations both in defense of Japan and against the Pyongyang regime. This, in turn, requires a clarification of Japan's constitutional restrictions on the exercise of the right of collective self-defense, as well as operational jointness with American forces engaged in hostilities.

Beyond the present threat of North Korea lies long-term concern over China's security policies and regional goals. As a key driver of economic growth in the region, China serves as a major market, buyer,

producer, and investor throughout Asia and the world. Like all developed countries, both Japan and the United States find their economies increasingly intertwined with China's. In Japan's case, in 2006, 15.3 percent of its exports went directly to China and 20.5 percent of its imports came from China, while Japanese firms employ over 10 million Chinese citizens on the mainland.⁴ China holds just over \$500 billion of U.S. public debt, making it the second largest financial prop to the U.S. government after Japan, which holds nearly \$600 billion.⁵ A collapse of the Chinese economy, or panic in its financial system, would have devastating repercussions for the global economy, while its continued growth provides billions of dollars in trade and thousands of jobs in both countries.

Yet China is also the only legitimate military threat to long-term stability in the Asia Pacific. Beijing has increased its military budget by double digits for over a decade, pursuing a sophisticated modernization plan.⁶ While the ground forces of the People's Liberation Army (PLA) are still under-equipped and cumbersome, the PLA Navy and Air Force have started deploying advanced ballistic missile submarines, such as the *Jin* class, and fourth-generation jet fighters, like the Shenyang J-11. The PLA Navy has announced plans to build between three and five aircraft carrier groups and currently mans approximately fifty-five submarines, giving it a potentially decisive edge in certain maritime conflicts. The stated goal of Chinese military leaders is to have a blue-water navy that can protect Chinese maritime interests and project force out into the oceans, thus inherently threatening Japan's maritime lifeline, not to mention that of all other East Asian nations.⁷

In addition to its growing sea power, China fields upwards of one thousand ballistic missiles and over one hundred nuclear-armed missiles.⁸ In January 2007, the Chinese successfully shot down an orbiting weather satellite with a land-based rocket, thus demonstrating a kinetic kill capability. Recognizing that network-centric warfare is becoming the cornerstone of U.S. military capabilities, China also has pursued other asymmetric methods of warfare, including cyber-attacks, and the U.S. Department of

Defense has publicized numerous instances of computer hacking originating in China.⁹

The real issue raised by current challenges, such as North Korea, and future ones, like China, is whether the U.S.-Japanese alliance will take an active role in resolving regional tensions and shaping the Asia-Pacific environment, or whether it will remain reactive in nature and limited in operational scope by its political restrictions. A policy of active shaping goes far beyond the initial vision of the defensive nature of the relationship, but it is fully congruent with the decades-long American commitment to maintaining Asian stability. Without a clear American and Japanese commitment to promoting stability, political and security dilemmas may scuttle continuing economic growth in Asia or lead to armed conflict.

Defining Japan's Security Choices

The core reason for the alliance's existence is to protect Japanese security and, by extension, maintain stability in Asia. This defensive orientation will remain, but as the alliance continues dealing with regional tensions and potential threats, it may require a more forward posture, and both parties must be prepared for such contingencies. As demands increase, it is more likely that Japan and America will have diverging preferences, mismatched interpretations of risk, and disagreement with each other's policy choices.

Japan's active participation in international security faces both legal and cultural constraints. Article 9 of its 1946 constitution renounces Japan's right to belligerency. Over the decades, this article has been interpreted to prohibit the right of collective self-defense, and it thus severely circumscribes Japan's ability to work with the United States as an ally. Moreover, these legal restrictions have been translated into political and social unwillingness to use force to participate in a wide array of national security activities. The potential challenges to stability in Asia are direct challenges to Japan's long-held defensive security preferences and, by implication, to the

ultimate effectiveness of the alliance as a peacekeeping mechanism in Asia.

Only in recent years has Japan's leadership begun to move the country significantly beyond the strictures of post-World War II political culture and the constitution. In doing so, it has broken away from decades of restricting its foreign policies to largely economic issues. Prime ministers Koizumi and Shinzo Abe worked to expand the scope of activities of the JSDF into regional and global spheres. Critics and supporters alike questioned the overarching strategic vision driving such expansion. Yet such activities nevertheless are rooted in the evolution of Japanese security policy in the post-World War II period, from a severely limited postwar national police force to a technologically sophisticated military now beginning regularly to operate regionally with the potential to contribute globally.

It is in this long-term context that today's debates over the scope and extent of Japan's security cooperation with the United States occur. Japan is faced with the inescapable reality of a changed geopolitical situation in Asia. As China has grown in political, economic, and military terms, Japan has struggled for nearly two decades with a slow-growing or stagnant economy and an inability to make amends politically for its depredations against other Asian countries during World War II. As a result, Tokyo has begun to fear isolation and possible abandonment should Washington determine that its long-term interests require a closer relationship with Beijing.

While there is little likelihood of Washington radically ending its relationship with Tokyo, Japanese policymakers nevertheless must clearly define and articulate a strategic vision that maintains and expands their country's role as a major player in Asia's future, and they must craft security policies that promote that strategy. As will be discussed more fully in the second chapter of this report, Abe attempted to provide a vision for Japan's international presence in the twenty-first century. However, his foreign minister's call for promoting an "arc of freedom and prosperity" throughout the Asian littoral was not warmly received by other countries, and Abe's suggestion to link Japan with the other

leading democracies in the region—Australia, India, and the United States—was a non-starter, due to those countries' fears that such an arrangement would be interpreted as an attempt to contain China.

For any policy to be effective, Japan must square the circle of maintaining tight bilateral relations with the United States while deepening its engagement with China (on the one hand) and its Asian neighbors (on the other). This has been complicated by Beijing's tendency to read containment of China into any grouping of nations not led by Beijing or in Japanese policies designed to promote liberalization in Asia. The two capitals, however, have recognized that ill will between them can be harmful to economic relations and can stoke the fires of nationalism in both countries. Thus, both Abe and his successor, Yasuo Fukuda, assiduously courted Beijing and succeeded in warming relations that had gone into deep freeze under Koizumi.

Any meaningful security cooperation with China is decades away, and so Tokyo has thus far chosen to strengthen cooperation with the United States against immediate threats, such as North Korea, while steadily building up capabilities for the long term. In the case of North Korea, this approach has meant a significant Japanese commitment to joint missile defense research and testing with the United States, as well as participation in innovative programs such as the Proliferation Security Initiative. The longer-term build-up, though, is designed to maintain Japan's technological superiority to China. Thus, we see the outfitting of further JMSDF destroyers with Aegis systems; improvements in intelligence, surveillance, and reconnaissance capabilities; and the desire to purchase or build leading-edge jet fighter platforms, such as the U.S. F-22A Raptor.

However, Japan's leaders face a shrinking population and industrial base at the same time that China continues to grow and extend its influence. While it is entirely possible that such growth, even of military capabilities, will be benign, the development of sophisticated Chinese offensive systems demands that policymakers explore and pursue prudent defensive countermeasures. Such measures can only be truly effective within an expanded

alliance relationship that shifts its focus toward a combined goal of shaping a peaceful and liberal Asian future as well as opposing any Chinese attempts to unilaterally shift the balance of forces in its favor. In reality, then, all realistic choices for Japan are contingent upon U.S. policies and the strength of the alliance. For the foreseeable future, security for the Japanese comprises both political and military components tied to the United States, supported by a strong high-tech economy.

The Alliance and U.S. Global Responsibilities

However important it is, maintaining the U.S.-Japanese alliance is but one part of America's larger Asian strategy. Even if the Japanese can make difficult decisions to move out of their comfort zone and take on an expanded role in Asia, the alliance will work only if America remains committed to it and sees it as the primary tool to promote Asia's liberalizing trends. Yet the alliance must at the same time fit into the United States' overall security and political strategy.

The changing nature of post-Cold War international relations in Asia raises the question of whether the United States should continue to rely on the hub-and-spoke model of security relationships set up in the aftermath of the war in the Pacific. These arrangements, of which the U.S.-Japanese alliance is the most developed, served American purposes for decades in a geostrategic environment in which its alliance partners were scattered across thousands of miles of ocean and in which deeply bitter memories from the war prevented any realistic grouping beyond bilateral arrangements. Yet those arrangements are less suited to an environment of overlapping threats and multilateral institutions.

Criticism today of the hub-and-spoke model falls along two lines: either that it should be replaced by a multilateral mechanism encompassing all major actors in the region (such as making the six-party talks a permanent body) or that it should evolve into a trilateral or quadrilateral arrangement among the United States and its key allies, such as South Korea and Australia. The former option is unrealistic,

given the lack of any meaningful security cooperation between China and the United States, the revived tensions between Russia and America, and any semblance of a common vision for Asia's future on the part of the six parties. On the other hand, the latter option should be a long-term goal for both Japan and the United States, but it is highly unlikely to occur soon, given the unwillingness of America and its allies to upset relations with China. Thus, effective security cooperation and the promotion of stability will remain the province of bilateral agreements for the foreseeable future.

While the United States retains its global commitments, the ongoing war on terrorism has strained U.S. resources and reshaped America's strategic calculations. Expanding allied cooperation and participation against Islamic terrorists, while keeping a lid on North Korea's nuclear program, has made Washington rely more on a realist approach to regional relations, defined largely as working with all major nations in Asia to avoid conflict and maintain the status quo. Due in part to demands on the United States in the Middle East, recent U.S. policy has appeared less willing to articulate a vision of Asia that builds on America's long-standing commitment to strengthening democracy and liberal governance.

In the coming decade, as the war on terror begins to wind down from its hitherto major focus on Afghanistan and Iraq, Washington will be again confronted with the overarching question of what U.S. strategic goals should be in Asia. Unlike in 1991 or 2001, however, U.S. officials face a very different regional landscape. While no one knows if China will remain a rising power, it is unlikely to lose the political, economic, and military significance it has carefully built up over the past decade. The United States must balance the reality of China's position in Asia with a desire to maintain American military supremacy, economic engagement, and political influence. For example, as China's diplomatic embrace reaches towards Japan and Australia, and as the economic benefits to those U.S. allies become more apparent, Washington will have to adjust to closer relations between Beijing and Tokyo or Canberra.

The next U.S. administration will face other security considerations too. It will have to deal with a nuclear North Korea and a half-decade-long diplomatic process that has failed to answer questions meaningfully about Pyongyang's nuclear capabilities or to achieve denuclearization. The competition over access to energy resources will remain a major influence on everything from political relations to protecting shipping routes. In addition, the growth of multilateral institutions—from the East Asia Summit to the Association of Southeast Asian Nations—will test the traditional hub-and-spoke alliance structure the United States has depended on for the past half-century.

The U.S.-Japanese alliance should be the key tool employed in addressing these issues. At the most basic level, the shared values of the two societies should lead to a unified political front that is informed by a desire to see stable, liberal regimes and international practices become the norm in Asia. Ironically, there is a danger that the more the United States relies on its relationship with Japan, the more circumscribed its freedom of action, as well as Japan's, will become.

Maintaining the Primacy of the U.S.-Japanese Relationship

Despite Japanese legal restrictions on the use of force and sometimes conflicting foreign policy goals, the U.S.-Japanese alliance remains the central mechanism for ensuring Japan's national security, America's presence in the region, and stability in the western Pacific. As the forward-based hub for fifty thousand U.S. troops and the USS *George Washington* battle group, Japan serves a unique role in American force posture. Beyond that, the country shares important common characteristics and values with the United States, including a democratic political system, free press, market-based economy, rule of law, and vibrant consumer culture. These shared values and social modes of organization help to maintain a community of interests between Japan and America. Equally important is the level of economic interdependence

between the two countries. Japan has served as an engine for regional and global economic growth, a pioneer in value-added high technology innovation, and a major market for U.S. goods and services. These ties make it more certain that the two countries will continue to place a high priority on close political relations and that security threats to one will have a significant effect on the other.

At the regional level, the common values Japan and the United States share should manifest themselves in a political approach to support and encourage liberal political regimes, while our combined technological and economic expertise can play a major role in developing good governance, best practices, entrepreneurship, and social programs throughout Asia. Finally—and a major focus of the remainder of this report—the security relationship between the United States and Japan can and must continue to play a central role in maintaining stability in Asia and protecting the gains by liberal regimes from encroachment or threat by illiberal elements in the region.

Yet such progress in the relationship relies on the depth of political will in both countries as well as on the confidence each country has in the credibility of the other as a partner. The Japanese are concerned that Washington will ultimately decide that China is the key country in Asia and will tailor policy toward reaching some sort of working relationship that downgrades Japan's position and leads to American accommodation with Beijing's goals. This would force Tokyo into the unpalatable choice of either conforming to a de facto Sino-American partnership or into an unrealistic position of having to go it alone in Asia.

Such an outcome is perhaps not too far-fetched, should Washington come to believe that Tokyo is unwilling to step up to a true leadership role in Asia

or take on greater responsibility for contributing to regional security. It is partly in response to such fears that Japanese policymakers in the past decade sought to upgrade their national security policymaking mechanism. As chapter 2 of this report recounts, Japan has begun a potentially transformative reform of its policies and institutions, a reform that is fully consistent with the regional changes and alliance goals indicated above. However, that process seemed to stall in 2007–2008, and it leaves Tokyo's policymakers unsure of their next steps, while American officials wonder if the Koizumi-Abe approach was a "bubble" fated to have a short existence.

Whether or not Japanese politicians and bureaucrats continue their conceptual and institutional innovation, Japan's military has carried out the first steps of a far-reaching recasting of roles, missions, and capabilities. The third chapter of this report sketches how the JSDF have upgraded their systems, begun doctrinal reform, and gained experience in operations in theaters far from the Pacific. This section also describes the kind of military Japan will need in order to play the requisite role in an alliance with greater reach and depth.

The final chapter provides specific recommendations for American policymakers and suggestions for their Japanese counterparts for a comprehensive upgrading of the alliance's political, military, and diplomatic relations. We believe that if these recommendations are not adopted, the alliance will naturally come to play a lesser role in America's Asian strategy and will be a less credible guarantor of Japan's security. However, a recommitment by both sides to the alliance as their primary strategic relationship in the Asia-Pacific region will ensure that the U.S.-Japanese alliance remains the engine of a peaceful, productive, and liberal Asia.

The Unfinished Transformation, 1997–2007

In the decade between 1997 and 2007, the Japanese government undertook an unprecedented bid to transform itself into what may be called a “normal country,” one that could undertake a role in international security affairs commensurate with the country’s economic power and inherent weight in East Asia. This effort was largely ad hoc in nature—indeed, only in hindsight can it be described as a single scheme, for it appeared at the time to be a series of simultaneous, often halting and uncoordinated, activities.

The Japanese bid for normalcy rested on three pillars: sequential efforts by Japanese policymakers to articulate a comprehensive national security strategy; the gradual transformation of the bilateral alliance with the United States and expansion of Japan’s international activities, especially after the 9/11 attacks; and the attempt to reorganize Japan’s defense bureaucracy and establish a firm legal basis for national security policy. These three sets of activities had profound implications for Japan’s debate on national defense, as the country’s leaders responded to a rapidly changing security environment in the wake of the Cold War.

For Americans, the closest analogy to this effort was President Harry Truman’s effort to establish national objectives for the Cold War and the policy-making mechanisms to achieve them. In March 1947, Truman committed the United States “to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure,”¹ and in July, he signed the National Security Act of 1947, creating a unified Department of Defense, the Central Intelligence Agency, and a National Security Council through which to direct American national security policy. By 1950, the report known as NSC-68 articulated the grand strategy of the United States,

thereby knitting together the disparate parts of the national security establishment. In a matter of months, Truman had promulgated the essential policy and established the instruments that would guide four decades of American Cold War strategy. Truman had captured the moment and permanently transformed the United States and its role in the world.

In Japan at the dawn of the twenty-first century, the moment was lost. As the three pillars of Japanese security reform pointed toward what seemed to be a culminating point in mid-2007, the government of Prime Minister Shinzo Abe collapsed, and Japan’s strongest advocate for a more ambitious security policy resigned in disgrace in September. Although the end of the Abe government left the agenda for Japanese security policy adrift, the U.S.-Japanese alliance continues to face real challenges that demand ever greater cooperation.

The Makings of a Japanese National Security Strategy

The essential question for Japanese policy was raised by the collapse of the Soviet Union—what to make of Japan’s role in the world after the Cold War? Japanese security policy had centered on the Soviet threat for decades, and Tokyo was shocked by the new threats of that arose in its wake. When the United States led a United Nations (UN) coalition to remove Iraqi forces from Kuwait in 1990–91, Japan watched from the sidelines after failing to dispatch the Japan Self-Defense Forces (JSDF) in support of the international effort. Two years later, as North Korea announced its nuclear weapons program, Japan once again watched helplessly, unable to influence the march to war that was narrowly averted by

the June 1994 Agreed Framework between Washington and Pyongyang. The world had changed, and Tokyo was unprepared.

Since the Cold War, the government of Japan has twice turned to independent commissions to make sense of the new international order: the Higuchi Commission of 1994 and the Araki Commission of 2004. These two commissions were assigned to provide strategic guidance for Japan's keystone defense planning document, the "National Defense Program Guideline," but their reports also provide useful signposts in Japan's effort to craft a national security strategy.² In the decade between these two reports, the challenges facing Japan came into focus, and the debate on Japanese security policy evolved from confusion toward clarity.

The first Japanese effort to explain Japan's post-Cold War mission was provided by an independent commission under Prime Minister Morihiro Hosokawa, who came to power in 1993 at the helm of a fractious coalition that had overthrown the long-ruling Liberal Democratic Party (LDP). Although Hosokawa and his allies sought to leave their mark on Japanese security policy, they were hobbled by their reliance on antiwar socialists. The commission's convoluted name, "The Modality of the Security and Defense Capability of Japan: The Outlook for the Twenty-First Century," reflected the strategic and political ambiguity that overshadowed its establishment. Known as the Higuchi Commission, after its chairman, the panel issued its final report in June 1994.

Responding to Japan's embarrassment during the Gulf War, the Higuchi Commission declared that "Japan should extricate itself from its security policy of the past that was, if anything, passive, and henceforth play an active role in shaping a new order."³ The commission then prioritized the instruments through which Japan would achieve its new active role:

First, promotion of multilateral security cooperation on a global and regional scale; second, enhancement of the functions of the Japan-U.S. security relationship; and third, possession of a highly reliable and efficient

defense capability based on a strengthened information capability and a prompt crisis-management capability.⁴

The Higuchi Commission found the question of "multilateral security cooperation" to be of such great importance that the bulk of the document is indeed devoted to this question—three times as much space, for example, as is spent discussing the future of the U.S.-Japanese alliance, and more even than is assigned to describing the military capabilities the report was supposed to tee up for the defense program outline. The commission's emphasis on international security cooperation reflected the recent passage of the International Peace Cooperation Law, which allowed Japan for the first time to join peacekeeping operations and international humanitarian assistance activities. Indeed, Japanese soldiers had made up the largest contingent of UN troops in Cambodia only the year before the Higuchi Commission drafted its report, a tremendous accomplishment for Japan.

Although the Higuchi Commission's embrace of multilateralism reflected genuine excitement about Japan's recent accomplishments, the panel was also grasping for the lowest common denominator. Emphasizing multilateralism allowed the Higuchi Commission to downgrade the alliance and avoid discussing the importance of robust self-defense capabilities. The commission concluded that Japan would take a larger role in the world, but neither embraced nor forswore the hard choices that would come with achieving that role. The commission presented, in short, a strategic muddle, and one that was eventually of little use for the defense program outline that followed it.

If the Higuchi Commission presented a strategic muddle, the years that followed brought a new clarity. The first North Korean nuclear crisis revealed the unpreparedness of the U.S.-Japanese alliance for dealing with regional conflict. In 1995, Japan was struck by the Great Hanshin Earthquake (known outside Japan as the Kobe quake) and the Aum Shinrikyo sarin gas attack on the Tokyo subway system, each of which was met by a delayed JSDF

response. The Taiwan Strait missile crisis of 1995–96 raised the specter of great power war as the United States and China entered into a tense standoff over the fate of Taiwan. Finally, when North Korea tested a Taepodong missile over Japanese territory in August 1998, the message was as clear as it was unwelcome—the neighborhood was indeed a dangerous one.

These emerging threats introduced a new sense of urgency in Tokyo, where the alliance again became a clear priority. Prime Minister Ryutaro Hashimoto and President Bill Clinton signed an April 1996 joint declaration reaffirming the relevance of the alliance, and the two governments agreed a year later to a new set of guidelines for U.S.-Japanese security cooperation. The groundwork for missile defense cooperation was laid in a series of agreements in 1998–99, and Japan began to reorganize the JSDF. By the end of the century, Japan scholar Michael Green described a “reluctant realism” that informed Japan’s efforts to bolster its joint defenses against security threats, capturing the notion that despite Tokyo’s hopes that it could avoid making hard decisions about national security, circumstances in East Asia were forcing it to do so.⁵

The process of evolving strategic clarity accelerated in the early years of the new century, as the 9/11 attacks in 2001 presented a new global menace and the second North Korean nuclear crisis pushed Northeast Asia toward the edge. In response to these new threats, Prime Minister Junichiro Koizumi, who had been elected earlier in 2001, dramatically expanded Japanese security activities, committing Japan to support the U.S.-led coalition in the Indian Ocean and Iraq. Koizumi also worked to expand Japan’s own defense capabilities, taking a hard line on North Korea after Pyongyang refused to cooperate on the return of Japanese citizens it had abducted in the 1970s and 1980s and authorizing enhanced missile defense cooperation with the United States.

In order to address this rapid expansion of threats and security activities, the Koizumi government established its own commission on Japanese security policy and defense requirements. Like its predecessor, the Council on Security and Defense

Capabilities (more widely known as the Araki Commission) was assigned to inform a new “National Defense Program Guideline.” But in contrast to the Higuchi Commission, the members of this advisory panel looked out upon a world that did not just encourage Japan to assume a greater share of the burden for international security but demanded that Tokyo act to protect itself from new threats.

The Araki Commission provided a clear assessment of the dangers facing Japan, concluding in its November 2004 final report that Tokyo must be “prepared to deal head-on with threats from non-state actors, such as terrorists and international criminal organization,” as well as the threat of “traditional warfare” emanating from such unpredictable states as North Korea.⁶ The commission proposed an “integrated security strategy” for Japan with two clear goals:

The first is to prevent a direct threat from reaching Japan, and in the event that it does reach Japan, to minimize the damage. The second goal is to reduce the chances of threats arising in various parts of the world with the aim of preventing such threats from reaching Japan or affecting the interest of Japanese expatriates or corporations overseas.⁷

In addition to stating a clear set of goals for Japanese security policy, the Araki Commission also reversed the prioritization of the instruments of strategy, describing “a threefold policy that includes (a) Japan’s own efforts, (b) cooperation with an alliance partner and (c) cooperation with the international community to defend the homeland and, at the same time, strive for improving international security environment.”⁸ Although Japan would seek multilateral security cooperation where it was possible and advantageous, responsibility for Japanese security would begin with the capabilities of the JSDF.

The Araki Commission report details the capabilities that the JSDF needed in order to respond rapidly to “a variety of threats arising from conflicts between states, such as those involving ballistic missiles,” as well to “acts of terrorism by non-state actors” and

“major natural disasters.”⁹ It describes a Japanese military that is significantly leaner and capable of rapid deployment to meet threats to the outlying elements of the archipelago, as well as for cooperation internationally. The report also details recommendations for responding to emergency situations, strengthening Japanese intelligence, streamlining national security decision-making, and upgrading the U.S.-Japanese alliance. It was, in short, a blueprint for a new Japanese security strategy—and for the resources the military required to realize it.

By the time the Koizumi left office in fall 2006, the Japanese government had identified the challenges that it faced in the post–Cold War world and prioritized the security response to them. The Koizumi strategy was practical, but it lacked an ideological justification—a purpose for Japanese power. Abe, whom Koizumi chose to succeed him as premier, attempted to articulate such a vision, to transform Japan into a “beautiful country” that could inspire others by its example. As prime minister, Abe spoke at length about Japan’s “shared values” with the United States, such as “freedom, democracy, human rights and the rule of law,” and he argued that Japan should “play a role in trying to spread such values, for example, in the Asian region.”¹⁰

Taro Aso, at that time a conservative foreign minister who closely supported Abe’s ambitions, developed Abe’s proposals. In a November 2006 speech entitled “Arc of Freedom and Prosperity,” Aso described Japan contributing to a string of nations stretching from Northeast Asia to Central Europe, linked by their common commitment to such universal values as freedom, democracy, fundamental human rights, rule of law, and the market economy.¹¹ Aso saw that such a mission would distinguish Japan from its rapidly growing but illiberal neighbor, China, and justify closer collaboration with its democratic neighbors. Indeed, in August 2007, Abe proposed that the United States, Japan, India, and Australia form a quadrilateral arrangement for security cooperation in Asia. Japan had achieved all the makings of a new strategy. The question that remained was whether it could realize the means.

Transforming the U.S.-Japanese Alliance

As Japan has worked to articulate a viable national security strategy over the past decade, its alliance with the United States has served as the key vehicle through which actual reforms have proceeded. Negotiations with Washington over the alliance have repeatedly compelled Tokyo to translate its aspirational security objectives into concrete commitments and have provided Japan with an avenue through which to develop its military without facing excessive regional criticism. In recent years, the alliance has developed in two complementary directions: to address security challenges in Northeast Asia and to meet the growing global demands on Japan as an ally of the United States.

The North Korean nuclear crisis of 1993–94 woke Japan to the nature of post–Cold War threats in its neighborhood, as Tokyo was forced to watch idly as Washington and Pyongyang approached war over the North Korean nuclear program. When U.S. defense planners asked their Japanese counterparts what contributions Tokyo could make to an American war effort, they found the answer wanting. Japanese officials explained that Tokyo was unable to provide so much as logistical support to the United States, although Washington was committed to fighting for the regional stability from which Tokyo derived so many benefits.¹² Despite having survived for over thirty years in the face of the Soviet threat, the alliance suddenly seemed incapable of addressing its most pressing challenge.

After the nuclear crisis revealed the alliance’s failings, American and Japanese policymakers set about renegotiating the bilateral guidelines that describe the respective commitments of each side to the other under the terms of the 1960 Treaty of Mutual Cooperation and Security. The United States and Japan announced a revised set of “Guidelines for U.S.-Japan Defense Cooperation” in September 1997, which introduced a cumbersome new term to the alliance: “cooperation in situations in areas surrounding Japan that will have an important influence on Japan’s peace and security.” This was known more commonly, if only slightly more

succinctly, as “situations in areas surrounding Japan” (SIASJ).¹³

SIASJ vastly expanded the realm of U.S.-Japanese security cooperation. Under the previous cooperation guidelines, U.S.-Japanese relations were effectively restricted to deterrence under normal circumstances and actions in response to an armed attack against Japan. The agreement’s provisions for other situations in Asia were limited to occasional consultations, which clearly failed in 1993–94.¹⁴ Under the SIASJ concept, Japan now had a commitment to the United States, which created the political space for Japan to expand its military capabilities in the context of the alliance.

The particular capabilities required of Japan under the 1997 agreement include providing rear area support to American forces conducting operations in the area surrounding Japan, cooperating in response to noncombatant evacuations and refugee flows, and undertaking search and rescue activities.¹⁵ These new commitments on the part of Japan were all designed with a clear objective: supporting the United States in the event of a war on the Korean Peninsula, all the while providing assistance to the civilian and expatriate population in Korea, which would be deeply affected by a renewed Korean war.

Less than a year after the United States and Japan announced the new guidelines for bilateral cooperation, North Korea dramatically upped the ante for conflict in Northeast Asia when it launched a Taepodong 1 missile over Japanese territory. The 1998 North Korean missile test was not just an escalation of regional hostilities but the announcement of a new threat that the bilateral guidelines did not entirely anticipate: that the next Korean war might not occur on the Korean Peninsula but on Japanese soil. In response, the United States and Japan launched a breakneck effort to develop ballistic missile defenses, an effort that further expanded the areas of bilateral security cooperation.

The second track of U.S.-Japanese alliance transformation has been the “globalization” of the alliance, as the United States and Japan moved the geographic area of bilateral cooperation beyond the

boundaries of Asia. This process was spurred by the 9/11 attacks. Immediately after the attacks, Koizumi decided that Japan would contribute almost immediately to avoid the mistakes of the 1991 Gulf War. One month after the attacks, the Japanese Diet passed the Anti-Terrorism Special Measures Law, which cleared the way for Japan to participate in the Operation Enduring Freedom coalition, under the auspices of its UN mandate to fight terrorism.

The vehicle for Japanese participation in international counterterrorist operations was the Maritime Self-Defense Force (JMSDF), which dispatched a combination of supply ships and destroyer escorts to the Indian Ocean. Under their initial deployment, these ships provided underway refueling to U.S. and other coalition partner naval vessels over a period of six years, delivering about 490,000 kiloliters of fuel on 794 occasions to vessels from eleven countries, including the United States, France, Britain, and Pakistan.¹⁶ Although the JMSDF deployment was not especially visible—being limited to maritime operations, after all—it demonstrated the sophisticated capabilities of Japan’s military personnel, as there are relatively few countries whose navies can conduct underway refueling operations for such an extended period of time at such great range from home port.

Even more striking than Japanese operations in the Indian Ocean was the country’s December 2003 deployment of soldiers from the Ground Self-Defense Force (JGSDF) to southern Iraq. For two and a half years, approximately 5,600 JGSDF personnel worked to restore public services to Iraqi civilians who had been affected by the war, including water supply systems and medical facilities. This effort was the subject of significant controversy in Japan, which had not previously sent troops to a foreign country except under the direction of a UN peacekeeping force, but Koizumi’s forceful will won the day, and the mission came off as a success. Complementing the JGSDF efforts in Iraq, the Air Self-Defense Force’s three C-130H transport planes have provided logistical support to coalition reconstruction efforts in the country since December 2003, an effort that has continued even after the last JGSDF soldier returned home in July 2006.

In 2005, these two paths of alliance transformation converged in the deliberations of the alliance's senior policymaking mechanism, the Security Consultative Committee (SCC). In February and October of that year, the SCC adopted a pair of joint statements that provided blueprints for pursuing newly-identified common strategic objectives in Asia and globally through a reorganized and reinvigorated alliance.

The February 2005 joint statement identified common strategic objectives for the United States in Japan. Although these objectives—such as the peaceful reunification of the Korean Peninsula, peaceful settlement of issues concerning the Taiwan Strait, and constructive engagement with both China and Russia—are nearly self-evident, they nonetheless created quite a stir in the region, where the alliance had long been viewed as an inert bulwark of American strength, rather than a partnership to achieve common goals.¹⁷ The expansion of the alliance's common objectives to such global challenges as human rights and democracy promotion, counterproliferation, and the eradication of terrorism was an even more stunning declaration of the globalized alliance's new ambitions.

The October 2005 joint statement of the SCC built upon the committee's earlier work by outlining roles, missions, and capabilities that Japan and the United States must fill to realize their shared strategic objectives.¹⁸ This agreement identified three particularly important areas for U.S.-Japanese cooperation:

- It provided for the establishment of a collocated U.S.-Japanese military headquarters, the “bilateral joint operations coordination center” (BJOCC) at Yokota Air Base. The BJOCC has allowed the United States and Japan to share missile defense responsibilities, sensor data, and situational awareness, as well as coordinate joint operations.
- It marked a major step forward for U.S.-Japanese cooperation on missile defense. The two governments agreed to base an

X-band radar station in Japan, which has greatly enhanced ballistic missile acquisition data. Washington also agreed to deploy the land-based Patriot Advanced Capability 3 and Standard Missile 3–equipped destroyers in the region to support Japan.

- It broke new ground in efforts to minimize the impact of the U.S. presence on Japanese civilians. Washington agreed to remove some seven thousand Marines from Okinawa, explore measures to restore civilian aircraft access to the airspace over Yokota Air Base—and most of Tokyo—which is under U.S. control, and relocate some units from Futenma Marine Corps Air Station to extended facilities at Camp Schwab in northern, more rural Okinawa.

Reflecting both North Korea's continuing missile and nuclear weapons program, as well as China's ongoing military modernization, the transformation report extended the 1997 SIASJ concept. It called for Tokyo to respond to ballistic missile attacks and the “invasion of remote islands”—presumably the Senkaku or other southern islands and presumably from China—and thus dovetailed with Japan's 2005 white paper on defense, which also called for protecting unnamed southern territories. In addition, the report committed Japan to “bilateral cooperation in improving the international security environment,” a key tenet of the Araki Commission's conclusions.¹⁹ Both sides stressed that the “entire spectrum of bilateral cooperation must be strengthened” and included a laundry list of missions, including maritime security; intelligence, surveillance, and reconnaissance (ISR); counterproliferation; and others.²⁰

The joint statement also clarified the “roles and missions” that the United States and Japan would undertake in the context of the emerging threats in Asia, reaffirming Japan's responsibility to defend itself from “ballistic missile attacks, attacks by guerilla and special forces, and invasion of remote

islands,” while the United States will provide “strike capabilities [and] nuclear deterrence” as an essential complement to Japan’s defense capabilities. The two parties also committed themselves to global security cooperation, including regular exercises with third countries. Finally, Japan and the United States used the October 2005 joint statement to identify a set of activities in which the two must improve their coordination through an examination of their respective roles, missions, and capabilities, including air defense, ballistic missile defense, counterproliferation operations, maritime security operations, mutual logistics, and ISR activities.²¹ The 2005 SCC talks thus established a strong bar for U.S.-Japanese security cooperation and set an ambitious agenda for ever greater cooperation.²²

These breakthrough efforts to develop the U.S.-Japanese alliance were put to the test only months after the SCC meetings when North Korea tested a combination of Nodong, Scud, and Taepodong 2 missiles on July 5, 2006. During the tests, the United States and Japan coordinated their responses through the BJOCC, where U.S. and Japanese military representatives shared data on North Korean warheads in real time, which was relayed back to the missile defense destroyers and batteries in the field. In less than a decade after North Korea’s 1998 Taepodong test, the United States and Japan had established an apparently robust mechanism for coordinating the two countries’ missile defense efforts, leveraging programs and capabilities that had only shortly before appeared impossible.

A Japanese National Security Establishment

As the Japanese government sought to develop a robust national security strategy and transform its alliance with the United States, the government has consistently faced a dilemma of Gordian proportions—the regime of legal restrictions on security policy established after World War II. These restrictions range from the oft-cited Article 9 of the Japanese constitution, which renounces both Japan’s right to belligerency and the maintenance of war materiel,

to the cumbersome structure of the Japanese bureaucracy and more specific policy pronouncements on such matters as Japan’s ability to sell arms. Both Koizumi and Abe worked to roll back this regime of restrictions.

The Koizumi era was marked not so much by a comprehensive reform effort as by the sheer energy of the prime minister, who used every tool available to him to push forward Japanese security policy. Koizumi transformed the cabinet office, known as the Kantei, from the final check on bureaucratic decisions to an “executive organization that makes political decisions and directs the bureaucracy” to implement its directives.²³ Newly empowered to introduce bills without having to wait for ministry bureaucrats to plan and draft them, Koizumi pushed through laws to support the United States in Afghanistan and Iraq.²⁴ In contrast to the bureaucratic debacle of the first Gulf War, when feuding within the foreign ministry hamstrung then-prime minister Toshiki Kaifu, Koizumi’s Kantei drafted and passed these laws in a matter of months, setting a model for Japanese political leadership.

The enhanced powers of the Koizumi Kantei also facilitated the passage of a series of laws designed to prepare Japan to deal with an attack by a foreign country—a policy matter that the government had been discussing since 1977 but had made no progress on. Even after September 2001, Japan’s military had no legal authority to operate during wartime, as legislative opposition throughout the Cold War had focused on such inane topics as whether or not the JSDF would be able to run red lights in the case of a national emergency. Koizumi again demonstrated his resolve when he pushed through three national emergency laws in June 2003 that redressed this situation by amending some twenty preexisting laws, authorizing the government to declare Japan to be “in a state of armed attack” or a “situation where an armed attack is anticipated,” and to direct the JSDF accordingly.

Despite these major steps, Koizumi never focused on the organization of government—ever the brilliant political tactician, he identified priorities and trusted his competent chief cabinet secretaries to organize the

legislative response. These efforts pushed Japan's security agenda forward but ultimately did not resolve the legal obstacles to a more normal defense posture. For example, during the July 2006 North Korean missile tests, the question arose as to whether or not JMSDF ships could escort American antimissile destroyers that were patrolling the Sea of Japan. Because the Aegis-equipped American ships were focusing their radars on ballistic missile launches, they were rendered vulnerable to attacks by either North Korean surface ships or submarines. The JMSDF, the U.S. Navy was informed, would not be able to defend it in the event of such an attack, due to the nation's ban on collective self-defense.²⁵

When Abe succeeded Koizumi in September 2006, he was determined to use the strengthened Kantei, as well as his supermajority in the lower house of the Diet, to effect a permanent change in Japanese defense policy. Abe promised in his inaugural speech to the Diet that he would further reorganize and strengthen the Kantei, execute U.S.-Japanese alliance transformation, and revise the policy ban on collective self-defense, which he viewed as the nation's principal handicap.²⁶

Abe's first accomplishment in this agenda was to elevate the Japan Defense Agency to a full-fledged Ministry of Defense (MOD). The new ministry was inaugurated in January 2007 with three main goals: to improve defense policymaking and planning functions, to enhance responses to emergencies, and to allow Japan to make its own initiatives for international peace and stability.²⁷ Simultaneously, the Diet revised the Self-Defense Forces Law to include international peace cooperation as a primary mission for the JSDF, justifying a permanent dedication of resources and prioritized planning for such activities. The establishment of the MOD not only provided the military a boost in morale but also allowed for direct submission of defense budgets to the Ministry of Finance, enhancing the ministry's clout in Japan's annual budget fights.

Almost as soon as the MOD was established, however, it became enmeshed in a series of scandals that hobbled its authority. The ministry's senior leadership was devoured by a combination of political

gaffes and bureaucratic infighting, creating a vacuum at the top. Simultaneously, a series of incidents—the leak of classified data on the Aegis weapons system, bungled statistics on the delivery of fuel to American and other ships in the Indian Ocean, and the collision of the JMSDF destroyer *Atago* with a civilian fishing vessel in February 2008—raised questions as to the competence of the fledgling ministry. Finally, former vice minister Takemasa Moriya, who had been the first career defense official to rise to the top bureaucratic slot within the ministry, was arrested in a massive procurement scandal, directing even more scrutiny toward the ministry.

While the MOD foundered, Abe set to work on his second major pillar of reform, a bill to establish a Japanese National Security Council (NSC). Since 1986, a “security council” had been located in the Kantei, comprised of the prime minister, foreign minister, defense agency head, and chief cabinet secretary, along with five other cabinet officials. The security council had responsibilities for the basic policy for national defense, the “National Defense Policy Guideline,” the basic plan in response to armed attack situations, and other national security issues, but it had neither a secretariat nor a mandate to establish a comprehensive national security strategy.²⁸

Abe sought to amend the security council law by dramatically expanding both the mandate of and the personnel responsible to an NSC. A “committee of four ministers,” comprising the prime minister, foreign and defense ministers, and the chief cabinet secretary, would serve as a crisis management body, supported by a standing secretariat. In addition, the NSC would determine a “fundamental national security policy,” a Japanese equivalent to *The National Security Strategy of the United States*, a document that would provide overall guidance for foreign and defense policy. Abe appointed another blue-ribbon committee headed by academics and named former environment minister Yuriko Koike, a Middle East specialist, as the first special adviser to the prime minister for national security issues in September 2006. After months of discussion, Abe submitted a bill to launch the NSC in spring 2007,

anticipating that he would launch the new body by the end of the year.

The third piece of Abe's reform agenda was to push for a "General International Peace Cooperation Law" that would supplant the accumulation of ad hoc laws—the 1992 International Peace Cooperation Law, the 2001 Anti-Terrorism Special Measures Law, and the 2003 Iraq Special Measures Law—that required continual Diet debates to sustain Japan's international activities and that provided little policy cohesion between strictly UN-related activities and cooperation centered on the U.S.-Japanese alliance. Passing such a general law would establish a permanent basis for Japan's growing international responsibilities, a longtime goal of the LDP.

The final, vital plank of Abe's reform agenda was the question of the Japanese constitution, which has been the critical obstacle to articulating a coherent Japanese security policy and achieving a more effective alliance with the United States. Abe announced his ambitions in this regard even before assuming the premiership, declaring in his capacity as an LDP official in 2005 that Japan must "make it clear that we do have and can exercise the right to collective self-defense."²⁹ Abe's ambition certainly seemed reasonable at the time; after all, the prohibition on collective self-defense is not clearly stated in Japan's constitution and was only declared in 1981 on the advice of the Cabinet Legislation Bureau, an appendage of the Kan-tei that offers guidance on legal matters in Japan.³⁰

Abe used his inaugural speech to declare his game plan to revise the ban on collective self-defense by studying "individual, specific cases to identify what kind of case falls under the exercise of the right of collective self-defense which is forbidden under the constitution."³¹ In other words, Abe would not attack the problem head-on, but incrementally through a private commission, the Council on Reconstruction of a Legal Basis for Security, also known as the Yanai Commission, which was assigned to consider very narrow cases in which the ban on collective self-defense would harm Japanese interests. This salami-slice approach freed Abe to lay the groundwork for eventual amendment of the constitution by first attacking questions of interpretation.

The commission's case studies were chosen from challenges that had arisen in the course of U.S.-Japanese missile defense cooperation and Japan's involvement in international security activities: defending U.S. naval vessels on the high seas, intercepting ballistic missiles that might be headed toward the United States, using weapons in international peace operations, and providing logistical support for other nations conducting international peace operations. These were hypothetical cases, but also potentially real ones, and a failure to resolve them could result in future crises.

Abe's commission on the constitution held its meetings through 2007–2008 and released its final report in June 2008. Not surprisingly, the commission found that Japan had to revise its interpretation on the ban against collective self-defense, acknowledging that no matter the pacifistic intent of the restrictions, "peace cannot be achieved just by aspiring to it."³² By the time the panel issued its report, however, the Abe government was no longer available to implement it.

The Unfinished Agenda

Even as Abe accelerated the process of alliance transformation, the relationship between Washington and Tokyo had begun to erode following North Korea's October 2006 nuclear test. As the Bush administration reengaged Pyongyang through the six-party talks, it agreed to sideline Tokyo's demands that North Korea resolve the issue of Japanese citizens who had been abducted by North Korean agents in the 1970s and 1980s. This highly emotional issue soured attitudes in Japan and raised an existential question for the alliance—of what value is an American security commitment that fails to protect Japanese citizens?

As Abe's agenda for national security reform foundered in the face of a weakening bilateral relationship with Washington, his government faced setbacks and humiliations as a series of LDP cabinet ministers were implicated in scandal. The party finally suffered a tremendous defeat in July 2007

upper house elections, losing control to the opposition Democratic Party of Japan (DPJ). When President George W. Bush informed Abe in September 2007 that he planned to remove North Korea from its official list of state sponsors of terrorism, the prime minister reportedly suffered a nervous breakdown and promptly resigned.³³

Abe was replaced by Yasuo Fukuda, an LDP elder whose record of moderation made him a consensus candidate at a time that the party was licking its wounds. Fukuda had served as Koizumi's chief cabinet secretary and had spearheaded the post-9/11 legislation that dispatched Japanese forces to the Indian Ocean and established the 2003 crisis response laws. Fukuda came to power with no real mandate, however, and did not embrace his predecessor's agenda of remaking Japanese national security policy. Facing strong opposition in the DPJ-controlled upper house, weak approval ratings, and no clear ambitions for security reform, Fukuda allowed most of the agenda for establishing a Japanese national security structure and further transforming the U.S.-Japanese alliance to fall by the wayside.

Upon assuming control of the Kantei, Fukuda immediately retreated from Abe's effort to establish a Japanese NSC, letting Abe's spring 2007 legislation expire without further consideration by the Diet. Indeed, many of the appointed positions that Koizumi and Abe filled in the Kantei have fallen vacant, allowing the traditional bureaucracy to reassert its grip on the reins of power.³⁴ The attempt to establish a general law for Japanese overseas deployments ran out of steam. Although the LDP prepared legislation in early 2008 on the topic, the Fukuda government chose to return to the piecemeal approach, forcing through a one-off renewal of the Indian Ocean deployment without planning to submit the general law.³⁵

The effort to reform Japanese restrictions on collective self-defense fell on even harder times. The advisory panel on legal reforms submitted its recommendations on reinterpreting the restriction on collective self-defense in June 2008 after sitting on the

draft report for four months. Although the media response to the report was overwhelmingly positive, with approving editorials in all of Japan's major newspapers, the Fukuda government chose to ignore the panel's recommendations. It was a safe decision that avoided another fight with the DPJ, but also one that revealed a vacuum of leadership in Tokyo.

It is only in the area of MOD reform that Fukuda continued to press for some continuation of Abe's agenda. Following the string of MOD scandals in 2007, Fukuda established the Defense Ministry Reform Council to address that organization's failures. Unfortunately, this effort to reorganize the ministry suffered a critical blow with the August 2008 replacement of defense minister Shigeru Ishiba, the key proponent of significant, if controversial, reform. Meanwhile, opposition within the ministry to any meaningful reform remains strong, and it appears that attempts to restructure Japan's premier defense policymaking organization have gone into a deep stall. Fukuda himself resigned abruptly in September 2008, just days short of one year in office. Reform of Japan's national security mechanisms all but halted in the chaos, and it remains in doubt under Fukuda's successor, Taro Aso, who served as foreign minister for Koizumi and Abe.

Despite these setbacks, from 2001 onward, Japanese policymakers initiated a wide-ranging series of reforms to upgrade Japan's military capabilities, modernize its decision-making processes, and provide policy rationales for an expanded role both within the U.S.-Japanese alliance and on the global stage. Some of these reforms were sidelined under the Fukuda government, others are incomplete, and still others have yet to be articulated fully. In order for Japan to undertake a robust role in world affairs, and for the U.S.-Japanese alliance to reorient itself to face current and future challenges, Japan's reform process should continue. Although the opportunity appears lost for now, it will fall to the next stable Japanese government, working with its U.S. counterparts, to reclaim it.

3

Toward a Normal Alliance

Japan's efforts to transform itself into a normal country since 1997 may have stalled, but they have also created the opportunity for the United States and Japan to build something of greater importance: a normal alliance. The last decade has forced Japan and the United States to reconsider the dangers and opportunities they face, as well as the options for closer collaboration. What the alliance now requires is leadership in both Washington and Tokyo to respond to the common threats facing the alliance, as well as the opportunities available to it. Such leadership would recognize three broad areas for enhanced collaboration: integrated planning, combined military operations, and regional and global security cooperation.

Getting the Policy Right

The U.S.-Japanese alliance is not static but rather a constantly evolving relationship that is informed by a continual process of articulating policy objectives, planning to achieve them, and fielding the capabilities that can meet the threats the two countries face. The alliance requires engagement at multiple levels, and without regular involvement by presidents and prime ministers, it can lose its bearings. When the leaders in Washington and Tokyo collaborate, they can direct through declaration, pointing the relationship forward.

An example of how a declaration of policy can drive allied cooperation is the 1981 joint statement between Prime Minister Zenko Suzuki and President Ronald Reagan, in which Suzuki pledged that "Japan, on its own initiative . . . [will] seek to make even greater efforts for improving its defense capabilities in Japanese territories and in its surrounding sea and air space."¹ By 1983, Prime Minister Yasuhiro

Nakasone implemented this pledge as a Japanese commitment to defend its sea lanes up to one thousand miles, and Tokyo duly invested in P-3C Orion antisubmarine warfare aircraft, as well as a modernized surface warfare fleet.² By 1990, Japan was laying the keel of the first of its *Kongo*-class destroyers, which are equipped with the advanced Aegis combat system. A single U.S.-Japanese agreement had set the course for over a decade of alliance cooperation and fostered Japan's emergence as a major naval ally of the United States.

By the early 1990s, the U.S.-Japanese alliance had achieved mastery of Asia's sea lanes and emerged triumphant from the Cold War. But the alliance faced challenges like Japan's inability to contribute to the U.S.-led Gulf War coalition, the nuclear crisis on the Korean Peninsula, and China's rise as a military competitor. Previous U.S.-Japanese declarations on policy had all been realized, but they were rapidly being overtaken by events in Asia and beyond.

In response to these developments, President Bill Clinton and Prime Minister Ryutaro Hashimoto signed an April 1996 joint declaration that proclaimed the continuing relevance of the alliance in the twenty-first century. Acknowledging that the region still faced "[u]nresolved territorial disputes, potential regional conflict, and the proliferation of weapons of mass destruction," they committed to advancing bilateral security cooperation. The joint declaration called upon the two governments to revise the existing guidelines for security cooperation with a focus on "situations that may emerge in the areas surrounding Japan," a commitment that again created a decade-long agenda for the alliance.³

As described in the preceding chapter, the United States worked between 1997 and 2007 to implement the Clinton-Hashimoto declaration, all the

while rapidly expanding the scope of the alliance in response to growing threats from North Korea and global terrorism. In this period, stewardship of the alliance devolved to the Security Consultative Committee, which reached agreements in February and October 2005 that provided landmark commitments for the ongoing transformation of the alliance. With troops in Iraq and the Indian Ocean, the alliance had gone further and faster than ever before.

As the rising tide of U.S.-Japanese security cooperation reached its high-water mark in June 2006, President George W. Bush and Prime Minister Junichiro Koizumi issued a third joint statement that captured the confluence of the two countries' commitments to an alliance based upon both interests in values. Bush and Koizumi declared that the "United States and Japan stand together not only against mutual threats but also for the advancement of core universal values such as freedom, human dignity and human rights, democracy, market economy, and rule of law." The United States and Japan further "pledged to work together to shape and support [the] transformation" of Asia into a region that embraces these universal values, recognizing the alliance as an instrument of leadership.⁴

The June 2006 joint statement marked the end of an era, as the objectives that Bush and Koizumi set were soon overtaken by an overwhelming American focus on managing its diplomatic relationship with North Korea and internal political disarray in Japan. Without a clear agenda for how the alliance will address the challenges it faces, it has fallen to managers to implement the agreements they have inherited without clear guidance as to the end they are working toward.

The next U.S. president should work with his Japanese counterpart to develop a new agenda for the alliance, a declarative policy to further promote the region's transformation into a hub of liberty and economic growth. Such an agenda must meet the challenges that the alliance now faces in Asia and the world, where the existence of North Korean nuclear weapons, the growth of Chinese military power, the potential reemergence of Russia, and the continuing threat of global terrorism create widespread

uncertainty. Moreover, such a declaration would provide the essential vehicle for Washington and Tokyo to articulate the unilateral commitments that are necessary to direct a long-term agenda, just as the 1982 Reagan-Suzuki declaration provided for Japan's enhanced contributions to maritime security or the 1996 Clinton-Hashimoto declaration provided Japan to contribute to security operations outside of its own territory.

Planning for a Normal Alliance

The principal task for a U.S.-Japanese security agenda is simple enough to state: preparing to meet the threats that the alliance faces effectively and decisively. But meeting the requirements imposed by this task could not be more challenging. It requires Washington and Tokyo to develop new capabilities, tear down barriers to security cooperation, and develop shared military concepts of operations to meet new challenges in Asia and beyond. This agenda is an ambitious one, but also one that necessity demands.

The alliance faces a singular threat in the form of nuclear North Korea. In recent years, North Korea has developed and tested both nuclear weapons and an array of ballistic missiles that can reach throughout Asia. This danger is heightened by the instability of the North Korean regime, which poses a direct threat to the security of Asia and global prosperity. There are other threats facing the alliance—global terrorism, the menace of piracy, and the uncertainties surrounding the rise of Chinese and Russian military power, to name a few—but none is as urgent as the North Korean nuclear challenge. Building a bilateral agenda around the North Korean threat will permit the United States and Japan to prepare for these other challenges as well.

The first steps toward meeting this challenge were taken by the Clinton administration over a decade ago. As noted in the preceding chapter, the 1997 revision of "Guidelines for U.S.-Japan Defense Cooperation" expanded Tokyo's role in the alliance to address "situations in the areas surrounding Japan," including the provision of rear area support and

cooperation in search and rescue activities, noncombatant evacuations, and maritime inspections.⁵ This new language addressed the demands that the United States would place on Japan in the event of a war on the Korean Peninsula, as seemed imminent in 1993–94. It did not, however, anticipate the future course of the North Korean threat.

Since 1997, North Korea has rapidly escalated its weapons of mass destruction and delivery system programs. This decision was announced with Pyongyang's August 1998 Taepodong ballistic missile test, which sent a literal warning shot over Japanese territory and has continued despite repeated diplomatic efforts to circumvent North Korean weapons programs. In 2006, these programs culminated in the test of a salvo of Nodong ballistic missiles, demonstrating the accuracy of North Korean missilery, and the detonation of a North Korean atomic device. In terms of the U.S.-Japanese alliance, these developments have broken down the conceptual distinction between Japanese commitments under a situation in areas surrounding Japan and U.S. commitments to the defense of Japan. These distinctions, useful as a means of coaxing greater Japanese security cooperation in the 1990s, no longer help the alliance to prepare for its most dangerous threat.

Given North Korea's new military capabilities, U.S. and Japanese policymakers are now forced to reevaluate what it means even to discuss a renewed Korean War. It is possible that the next conflict on the peninsula will occur as another iteration of North-South hostilities, an internal North Korean civil war following the death of Kim Jong Il, or even a unilateral North Korean attack against Japan. The latter option may allow the regime in Pyongyang to escalate hostilities against the United States and its allies without risking immediate retaliation—any U.S.-Japanese response would only come after a pause for deliberation. Such a move could also drive a wedge between American, South Korean, and Japanese interests. No definite outcome is obvious on the Korean Peninsula, but the one point that is clear is that the United States and Japan now face a far greater number of possible scenarios than they have before,

and many of these may not fit neatly into their pre-conceived categories for security cooperation.

In the event of a North Korean attack on Japan, for example, Washington and Tokyo would be forced to figure out from scratch what the two sides may expect of one another with very little time in which to undertake a credible response. Because the alliance does not currently possess a sophisticated contingency-planning mechanism, it would waste precious time attempting to gain its bearings. Under current agreements, the two sides can organize a combined command center in the event of an attack against Japan, but building such an institution from scratch would prevent a timely response.⁶

The most effective step to address this dilemma would be the permanent establishment of an integrated planning mechanism within the alliance, which could include a formal coordination mechanism, regular “scenario dialogues” between U.S. and Japanese officials, joint tactical planning capabilities, and increased Japanese rear area support for U.S. operations in the event of a regional crisis. The bilateral joint operations coordination center (BJOCC), which allowed the United States and Japan to share data and coordinate operations during the North Korean missile test of July 2006, is a useful model for such cooperation. Such a body should have the flexibility to discuss a variety of scenarios as circumstances in the region shift, and it should have the full combined staff sections of any military headquarters, capable of addressing such issues as operations, logistics, and policy planning.

Such an institution could organize bilateral scenario dialogues, joint military exercises, and contingency planning, shedding light on exactly how the alliance could respond to a variety of concerns in the region. Moreover, if such an institution were integrated into the respective U.S. and Japanese military command structures, it could make a vital contribution to the current effort to better define roles and missions within the alliance. In addition, it could organize command post exercises and other readiness training to ensure the standardization and interoperability of U.S. and Japanese systems and forces.

A final, essential component of an integrated planning capability would be a sophisticated intelligence coordination system. The lack of intelligence continues to constrain both the United States and Japan, with Japan especially reliant upon U.S. satellites for much of its intelligence gathering on the Korean peninsula. Enhanced, automated intelligence sharing could save crucial time during a crisis and allow Washington and Tokyo to make key political decisions with a maximum degree of awareness.

If the United States and Japan move to address these capability gaps within the alliance, they will find that the weaknesses in planning are reflected in an inability to execute. Most of these capability gaps are due to the historical decision to differentiate between U.S. and Japanese roles in the alliance, a bifurcation that has been reinforced by domestic legal restrictions on Japanese security operations.

Hedging against Threats: The Role of Combined Operations

The United States and Japan have long prepared for what may be best described as bilateral operations, in which the two sides agree to undertake distinct roles and responsibilities to be executed independently in service of a common objective. The notion of the “spear and the shield,” a metaphor that is frequently used to describe the alliance, captures this notion perfectly. The Japan Self-Defense Forces (JSDF) have long been assigned the responsibility for protecting the Japanese home islands, while the United States is expected to undertake the expeditionary operations required to retaliate against any aggressive nation in Asia or secure common U.S.-Japanese interests that extend beyond the archipelago. The shield and the spear may support one another, but they are separated by their roles and their control.

Even when the United States and Japan have identified areas in which the two countries and their militaries would collaborate more closely, the focus has long been on the importance of distinguishing geographical and functional spheres of activity. This emphasis on separation between U.S. and Japanese

forces is rapidly approaching the end of its useful life, as the two sides must focus on maximizing the combined capabilities of Japanese and American forces rather than constraining Japan’s role within the alliance.

As the threats to U.S.-Japanese interests multiply, the most effective means of response are provided by combined operations, through which the United States and Japan may pool their military capabilities and other national strengths. There has already been historical progress in this regard—during the Cold War, for example, the Maritime Self-Defense Force (JMSDF) closely monitored Russian naval activities and shared intelligence thus obtained with the United States. More recently, the development of such fields as missile defense have created new opportunities for combined operations, as U.S. and Japanese forces must share a tremendous amount of data in order to identify incoming missiles and cue sea- or land-based shooters to intercept them.

There are four areas in which there is a growing or nascent requirement for combined operations between the United States and Japan: missile defense, the maintenance of air superiority, maritime security, and strike operations. These are the most sophisticated fields of contemporary military operations, and as the United States and Japan work to deepen cooperation in them, their relationship will force them to address fundamental questions in the relationship, such as the Japanese ban on collective self-defense.

Missile Defense. The most overt threat to U.S. and Japanese interests today is the proliferation of ballistic and cruise missiles, which can strike American and allied interests throughout the region with weapons of mass destruction. The North Korean contribution to this threat is well-known, but China’s ballistic missile arsenal has also been growing rapidly in recent years. As a consequence of this proliferation, U.S. bases and territories in the Asia Pacific are now threatened by a broad spectrum of short-, medium-, and long-range ballistic missiles, as well as cruise missiles. Not surprisingly, missile defense has been an alliance priority for over a decade.

The results of this effort thus far are impressive and indicate what the United States and Japan can achieve when they work together efficiently. The U.S. Navy's Seventh Fleet currently has five Aegis ballistic missile defense ships that carry the Standard Missile 3 (SM-3) antiballistic missile, and Japan possesses four Aegis-equipped *Kongo*-class destroyers that will eventually be equipped with this system. These sea-based missile defenses are reinforced by land-based capabilities, including Patriot Advanced Capability 3 (PAC-3) interceptor missiles, which are operated by both Japan and the United States and are tied to joint X-band radar sites in northern Japan. In the face of ever-growing threats, however, even these capabilities are not enough.

Japanese defense officials may brag that their SM-3 and PAC-3 capabilities are the best of America's allies, but they acknowledge that they are already stretched thin and are seeking to increase their missile defense footprint to cover additional territory.⁷ Doing so will require Japan to procure both additional missile defense destroyers and PAC-3 batteries. Likewise, the United States is feeling greater pressure from regional adversaries' growing missile capabilities, especially as the Chinese government is reported to have developed a maneuverable antiship ballistic missile.⁸ The U.S. Navy has already called for Congress to cancel its planned *Zumwalt* class of destroyers in favor of as many as ninety ships that can instead be outfitted with the SM-3 launch system.⁹

Even as the United States and Japan scramble to respond to the proliferation of ballistic missiles in Asia, the two allies also face a growing threat from cruise missiles. In late 2007, for example, the Japanese government reported that Chinese Air Force fighters were repeatedly approaching Japanese territory on high-speed runs, only to turn around at the last minute, leading Japanese defense officials to conclude that these were drills to prepare for a possible cruise missile attack on Japan. The cruise missile threat requires a different suite of defensive capabilities, including a degree of air superiority that permits anticruise missile operations, as well as aircraft such as the F-22A Raptor that can intercept these fast-moving, low-flying threats.

This threat places a combination of demands upon the U.S.-Japanese alliance. Both countries require additional capabilities, such as antimissile destroyers, aerial surveillance and warning aircraft, and fighter interceptors to defeat incoming missiles. To coordinate these weapons systems, the allies must look to transform the BJOCC into a permanent, fully operational headquarters, which can develop a combined joint command and control system in order to minimize wasted time and missed targets in missile interceptions. Needless to say, this entire system must be supported by accurate intelligence on the location and status of ballistic missile threats in the region, provided by real-time surveillance and communications systems highly networked between the United States and Japan. Even if the United States and Japan collaborate to develop these capabilities, however, they will still face artificial obstacles to using them.

The immediate obstacle to an efficient missile defense system in Japan is the convoluted system that has been designed with the nominal objective of guaranteeing civilian control but with the unintended consequence of restricting an efficient command and control of Japanese forces. For example, Japanese law requires that the prime minister and defense minister declare whether or not Japanese missile defenses face an active threat or not, a statement that impacts Japan's readiness at any given time.¹⁰ This requirement means that Japan's missile defense forces are maintained at a relatively low level of readiness that does not correspond with more active American capabilities.

In addition to this practical challenge, Tokyo also faces the question of collective self-defense—whether or not Japanese forces may act beyond the narrow confines of the defense of Japan. U.S.-Japanese experience and expectations in the realm of missile defense have raised two broad and complementary questions: whether Japan may support U.S. missile defense operations conducted for its own benefit and whether Japan may conduct missile defense operations on behalf of the United States. This pair of questions is of such importance that their successful resolution may mean the difference

between the success and failure of the alliance in the face of a missile threat. They were addressed by the Advisory Panel on Reconstruction of the Legal Basis for Security, better known as the Yanai Commission, in its June 2008 report.

The first question raised by Japan's prohibition on collective self-defense is whether or not Japanese forces may defend American ships that are conducting missile defense operations on Tokyo's behalf. The relevance of this question was demonstrated during the July 2006 North Korean missile tests, when the U.S. ballistic missile defense ship had to focus its radar in the direction of any incoming missiles, limiting its ability to identify seaborne threats. Japanese officials were unable to state clearly whether or not JMSDF vessels could defend American ships under such circumstances.¹¹

Japanese politicians immediately discussed the possibility that Japan could act in such circumstances without having to resolve the legal dilemma posed by restrictions on collective self-defense. For example, then-defense minister Fumio Kyuma suggested in a Diet debate that the right of individual self-defense could be extended to U.S. vessels provided that they were operating "alongside" their Japanese counterparts, providing an extended analogy as to how one might reflexively act in self-defense if a mugger attacked a friend one was walking alongside.¹² Kyuma's argument perhaps presented a useful legal sophism, but it did not address the fundamental requirement that Japan provide an explicit commitment to defending U.S. vessels, a step that cannot be taken without revising the constitutional ban on collective self-defense.

The second question addresses an even more basic point upon which the alliance's survival may hinge—whether or not Japan may intercept a missile headed toward the United States. This point gained new relevance following the successful Japanese interception of a ballistic missile in December 2007, when the JDS *Kongo* destroyed a targeted missile using its Aegis ballistic missile defense system and an SM-3 interceptor.¹³ The Yanai Commission addressed this question in the starkest terms: "It is not an option for Japan not to shoot

down ballistic missiles that might be flying toward the United States when Japan has the ability to do so."¹⁴ But the commission also acknowledged that Japanese law has no provision allowing Japan to execute this requirement, a disaster waiting to happen.

To resolve these dilemmas, the Yanai Commission proposed that Japan undertake a single, elegant stroke—that missile defense requires such a high state of U.S.-Japanese cooperation it would be "impossible to carve out the part that relates only to the defense of Japan."¹⁵ Japan must therefore exercise the right of collective self-defense in these cases, permitting the realization of an effective missile defense system that satisfies both American and Japanese security requirements.

Air Superiority. In addition to the growing missile menace, the United States and Japan also face an unprecedented threat to their traditional dominance of Asia-Pacific airspace. In recent years, China has fielded large numbers of Su-30MKK attack aircraft and begun serial production of the indigenous J-10 fighter, announcing Beijing's emergence as an aerospace power in its own right.¹⁶ Simultaneously, the Russian Air Force has reasserted its role as a major air power in the western Pacific, relaunching the "Tokyo run" of long-range bomber patrols around the Japanese home islands. Cumulatively, these developments have increased the threat to U.S. and Japanese interests in the region, and they justify a robust effort to reassert allied airpower.

As China develops its air forces, Tokyo increasingly faces the risk that Taiwan's past is Japan's future. Just as Taipei has spent the last three decades watching its quantitative and qualitative air superiority over the People's Liberation Army Air Force disappear, so, too, do the United States and Japan face the risk that they will be swamped by an adversarial air force that is well on the way to outnumbering allied airpower in Asia and that may soon outclass U.S. allies as well. Observing growing Chinese power, the then-commander of U.S. Forces Japan, Lt. Gen. Bruce Wright, said in September 2007 that "[o]ur planes are much older than the planes they would be matched against. . . . For the first time in history, we

are seeing another nation, in this case China, with newer fighters than we have.”¹⁷

As if to add an exclamation point to the deterioration of allied air superiority in Asia, infringements of Japanese airspace have become increasingly common in recent years as Chinese and Russian aircraft have tested the limits of Japanese sovereignty. The Air Self-Defense Force (JASDF) “hot scrambled” in response to potentially hostile aircraft 307 times in 2007, capping off a rapid increase in recent years after holding steady at an average of 160 times per year in 2001–2004.¹⁸

Much like the proliferation of missile threats, the growth of adversarial air forces in the Asia Pacific requires that the United States and Japan look to each other for greater collaboration in the face of an emerging threat. As Washington and Tokyo soon find themselves numerically outgunned, it will be necessary for the two militaries to develop common operational planning that can leverage their technological prowess against any future threat.

The most important driver of U.S.-Japanese technological superiority today is Japan’s ongoing effort to procure a new fighter aircraft to replace its three squadrons of F-4 Phantom fighter interceptors, relics of the Vietnam War era that are desperately outclassed by regional competitors. The Japanese government has considered an array of aircraft to fill the F-4’s role, including the F-15 Eagle, F/A-18 Super Hornet, F-35 Joint Strike Fighter, Eurofighter Typhoon, and Dassault Rafale, but Tokyo has made no secret of its preference for acquiring the F-22A Raptor, the only “fifth generation” fighter that is currently in operation, meaning that it combines a powerful combination of stealthiness, speed, and communications technology.¹⁹

Japanese procurement of the F-22A, however, is prohibited by the Obey Amendment to the 1998 defense appropriations bill, which prohibits the sale of the F-22A to even the closest U.S. allies for fear that sensitive technologies will be leaked to adversaries. The Obey Amendment has long presented a dilemma for Japan, as the only alternative fifth generation aircraft is the F-35 Joint Strike Fighter, which faces a long lag time before it will go into

large-scale production in the middle of next decade. The Japanese government has requested the United States to lift its ban on F-22A sales, but Washington has thus far resisted, viewing the procurement effort as a question of Japanese vanity as much as operational requirements.

The growing air power of potential adversaries in Asia has turned this calculation on its head. As the United States and Japan lose their qualitative superiority and watch their quantitative superiority erode, the question of F-22A sales to Japan is no longer a matter of prestige but necessity. The Raptor has dramatically outperformed all potential competitors in air exercises to date, regularly racking up kill rates greater than one hundred to one and serving as a forward command and control platform due to its ability to transmit its airspace awareness to friendly aircraft without being detected by hostiles.²⁰ A Japanese purchase of F-22A aircraft would contribute to U.S.-Japanese air superiority, contribute substantially to joint operations, and provide crucial support to the U.S. defense-industrial base.

In addition, the F-22A can make a tremendous contribution to defending U.S.-Japanese interests against the growing cruise missile threat in Asia. The Raptor is the only fighter aircraft that is optimized to engage cruise missiles, due to its highly accurate active electronically scanned array radar and capacity for “supercruising,” which allows the aircraft to cover vast distances in relatively little time.²¹ There are many requirements for enhancing U.S.-Japanese control of the Asian skies, but the F-22A would be a vital step toward this goal.

Maritime Security. In the sphere of maritime security, the United States and Japan face a pair of threats—adversaries that may seek to exploit the sea lanes for the purpose of transporting illicit materials like weapons of mass destruction, and others who would seek to close them altogether in the case of a conflict. The North Korean regime clearly falls into the former category, and the People’s Republic of China into the latter.

The North Korean government has a long history of using the open seas as its preferred avenue for

smuggling a large number of illicit international goods, including the ballistic missiles that were discovered aboard a North Korean freighter in a December 2002 boarding, and whatever material support North Korea may have provided to the Syrian nuclear program before the September 2007 Israeli air raid against a covert reactor in western Syria. Since 1997, Japan has worked to strengthen its capacity to work with the United States to identify and, where possible, interdict such goods, as characterized by the country's adoption of its Ship Inspection Operations Law in 2000 and participation in the Proliferation Security Initiative (PSI) since 2003.

Japan's maritime security activities still face several key constraints. For example, despite Japanese efforts to make itself a key member of global counterproliferation efforts, the legal arrangements for conducting maritime inspections hobble the country from using its own laws. For example, the Ship Inspections Operation Law can only be activated in instances where the Japanese government has declared a "situation in areas surrounding Japan," again setting a very high political bar for a range of activities that may be necessary in a time of crisis.²² Japan's participation in the PSI thus lacks credibility because of the country's self-imposed constraints.

While some states would use the sea lanes to further international proliferation, others are positioning themselves to threaten the open seas altogether. Perhaps no other traditional security threat other than ballistic missiles is as potent today as the rapid expansion of China's submarine force. The Chinese government has spooked both the United States and Japanese governments in recent years with its effective demonstrations of submarine capabilities, most recently when a Chinese *Song*-class submarine surfaced within very close range of the USS *Kitty Hawk* in October 2006.²³ U.S. analysts believe that China has developed its submarine forces for the purpose of preventing U.S. and allied access to the western Pacific and possibly threatening vital sea lanes such as the Strait of Malacca.²⁴

China's ongoing efforts to develop its underwater warfare capabilities indicate the degree to which Beijing is willing to challenge the U.S.-dominated

seaways if a conflict erupts between the two countries. With some fifty-seven submarines deployed already, China is producing four separate types of nuclear and advanced diesel submarines at a rate of 2.8 vessels per year.²⁵ In addition, a new, protected sub base on Hainan has improved Beijing's access to Southeast Asia, as well as its vital trading routes and multiple straits.²⁶ China's growing submarine presence puts pressure on maritime trading nations to avoid offending Beijing and increasingly places at risk the resources and trade flows upon which Japan and other American allies depend.

The United States and Japan have so far failed to respond to these emerging threats in any significant manner. Japan has been shrinking its air patrol squadrons and submarine units, two of the core competencies that it contributed to the alliance throughout the Cold War standoff with the Soviet Union. Meanwhile, the United States has been slow to upgrade its own antisubmarine warfare capabilities. Responding to this threat requires that the United States and Japan each invest in their navies and cooperate more fully to track submarine movements in the Asia Pacific.

Strike Capability. One of the most controversial questions facing the U.S.-Japanese alliance is how the two countries will manage strike operations. In principle, this is a rather simple question—the United States is committed under the bilateral defense cooperation guidelines to retaliation for any attack against Japan, while Tokyo's "exclusively defense-oriented posture" precludes Japan from launching offensive operations against any of its neighbors.²⁷ In practice, this bifurcation of roles has been complicated by the proliferation of ballistic missiles in Asia and the possibility that an adversary like North Korea may seek to exploit a wedge between Washington and Tokyo by conducting a minimal strike on Japanese soil.

Participants in a March 2008 American Enterprise Institute seminar discussed such a scenario, in which a North Korean attack provoked Japan to seek retaliation but the United States demurred when faced with the risk of an escalating conflict.²⁸

Because Japan does not have its own capacity to preempt or retaliate for such an attack, Tokyo is relatively vulnerable and highly dependent upon the United States. To make matters worse, it is not clear that Japan would be able to provide any significant support to the United States if it were to conduct attack operations on Japan's behalf, according to the prohibition on providing integral support to any other country's use of force.²⁹

The U.S.-Japanese alliance must thus deter any attack that would exploit this potential wedge between Washington and Tokyo's interests. A robust, independent Japanese strike capability would appear to solve this dilemma by providing Japan with a credible deterrent of its own, but the consequences for regional stability may well overwhelm any advantages.³⁰ The most appealing alternative appears to be for Japan and the United States to develop a combined strike capability, one in which Japan can directly support and supplement American air strikes against enemy missile launchers or other relevant targets.

To execute such an arrangement, Japan would be required to invest in electronic suppression of air defenses, midair refueling for American aircraft, surveillance and reconnaissance, and rear area support. These capabilities would require Japan to reconsider its historic restrictions on supporting its allies' use of force, but would go a long way to lending new credibility to the alliance.

Both a Regional Alliance . . .

As the United States and Japan develop their bilateral military capabilities, Washington should also take the lead in breaking through the limitations imposed by its longstanding hub-and-spoke system of bilateral alliances. Japan, South Korea, and Australia have long been as historically distant from one another as they have been vital allies of the United States, and India risks joining this category as Washington and Delhi move closer together. America's Asian alliances have never delivered greater strength than the sum of their parts, and, too often, they have delivered less.

The liabilities inherent in this system of uncoordinated bilateral alliances are most evident in the case of the United States, Japan, and South Korea. In recent years, Washington's alliances with Seoul and Tokyo have each undergone significant change as the United States has restructured its military posture throughout Asia, executed through simultaneous, but largely uncoordinated, force posture reviews.

These simultaneous reviews have served common, reciprocal goals: the United States aims to enhance burden-sharing within each alliance, while both South Korea and Japan seek to reduce the impacts of American garrisons on their respective populations. For example, the United States agreed in a set of bilateral deals with Seoul and Tokyo in late 2005 to remove some twelve thousand soldiers from Korea and some eight thousand Marines from Japan over the next decade.³¹ Throughout this process, however, the absence of sustained, senior-level trilateral dialogue among Washington, Tokyo, and Seoul has prevented effective coordination.

This lack of coordination creates significant uncertainty for both South Korea and Japan about Asia's future strategic landscape. As Washington calls upon each of its allies to assume a greater security role as it redeploys its forces, each country is developing new military capabilities. Seoul is undertaking a fundamental modernization of its military by 2020, while Tokyo has undertaken the ambitious bid for greater military power described in the previous section.³² Although American policymakers welcome these growing capabilities, Seoul and Tokyo watch each other's growing military development warily.³³

The net result is that while the United States is achieving its immediate goals, ongoing antagonism between Seoul and Tokyo threatens the long-term health of both alliances. A specter of this danger was seen after North Korea's July 2006 missile test, when President Roh Moo-hyun's government focused its criticism not on Pyongyang but on Tokyo's "making a fuss" over the launches, and senior South Korean officials under Roh even identified Japan as their principal security concern.³⁴ Over time, this kind of hostility could render both alliances ineffective.

Three sets of operational capabilities in particular merit prioritization: cooperation for humanitarian disasters, cooperative maritime security, and missile defense. Both South Korea and Japan participated in the U.S.-led humanitarian coalition following the 2004 Indian Ocean tsunami and activated alliance logistical hubs.³⁵

Trilateral collaboration between the United States, Japan, and South Korea may be the most obvious and pressing example of opportunities for “minilateral” security cooperation in Asia, but is only one of many. Australia is already the third link in an additional trilateral security dialogue with the United States and Japan, and although it was short-lived, the Shinzo Abe government’s quadrilateral dialogue with the United States, Australia, and India provides yet another example of the need for greater discussion among the Asian powers that share both strategic interests and liberal values.

Many of the future challenges that the United States faces in Asia will likely require the creation of ad hoc coalitions, rather than traditional alliances. This trend is, for the part, a welcome one. For example, China has not yet reached the level of an imminent threat similar in nature to that posed by the former Soviet Union, and an explicit anti-China alliance may do as much to destabilize Asia as anything. Nonetheless, linking together the capabilities of the United States and its long-standing allies provides many benefits to Asia, as already seen in the response to the 2004 tsunami, and it is a trend to be embraced and promoted.

Building liberal linkages in Asia may also defray tensions and promote other liberalizing trends throughout Asia. The Association of Southeast Asian Nations (ASEAN) currently faces an existential conundrum, as its members work out whether or not the imperative of integration—adopting the common economic, governance, and human rights practices that mark a truly effective regional organization—should surmount the organization’s founding principle of noninterference. As this question is put to the test in such cases as ASEAN’s response to the ongoing humanitarian crisis in Burma, it would be useful for the association’s more liberal members—such as

Indonesia, the Philippines, and Thailand—to be able to rely upon the unanimously stated support of the great liberal powers of the Asia Pacific. This task may prove in the long run to be as important as meeting the foreseeable, direct security challenges that the United States and Japan face.

. . . and a Global Alliance

The final area of operations in which the United States and Japan stand to benefit from deepening their capacity for cooperation is in international security activities. Although Japanese troops have participated in United Nations peacekeeping operations since 1992, Japan’s role in the war on terrorism has been a major step forward in Tokyo’s adoption of a greater global security role. Since December 2001, Japan has regularly maintained a flotilla of logistical support ships and Aegis-equipped destroyers of the JMSDF to refuel and supply the U.S. and coalition ships operating in the Indian Ocean as a part of Operation Enduring Freedom. Between 2003 and 2006, Japan also dispatched troops of the Ground Self-Defense Forces (JGSDF) to the southern Iraqi city of Samawah to provide humanitarian and reconstruction assistance.

The significance of these operations should not be underestimated. This logistical support has increased the operational capabilities of coalition forces. In Iraq, Japan has also long sustained a JASDF airlift, likely to end during 2008, that has provided additional support for coalition operations and humanitarian assistance in support of the fledgling Iraqi government.

Japan’s participation in these missions has also heightened political tensions in Tokyo, where the Democratic Party of Japan (DPJ) argues that they are illegal and has waged a bruising fight to bring them to an end since claiming control of the Diet’s upper house.³⁶ Although the DPJ and the Liberal Democratic Party disagree over the circumstances under which Japan should be able to participate in international security activities, both sides agree in principle that a generic peace operations deployment

law should be adopted to replace the ad hoc legal framework that has grown up around Japan's overseas deployments, providing a uniform set of rules of engagement and a less contentious deployment mechanism. Unless Japan addresses the fundamental contradictions between its official pacifism and the requirements of international security cooperation, such a generic deployment law is likely to be a failure.

The JGSDF deployment to Iraq, in particular, laid bare the contradictions between Japan's minimalist security policy and its desire to play a more positive role in the world. Although the Japanese troops in Iraq were provided with some small arms, their strict rules of engagement and strong pressure to avoid casualties rendered them unable to defend themselves.³⁷ Japanese forces consequently relied upon Dutch, British, and Australian troops to defend them against insurgent attacks, although they were unable to reciprocate in the event that their coalition partners were attacked themselves. As British and Australian troops pulled out of al Muthanna province in mid-2006, the JGSDF troops synchronized their own withdrawal, ending their operation not on the basis of delivering sufficient humanitarian assistance to depart Iraq but in response to their inability to defend themselves against possible insurgent attacks without foreign assistance.

Japan's Indian Ocean operations created their own dilemmas in late 2007, when the DPJ seized upon reports that the JMSDF had misreported statistics on its transfer of fuel to U.S. vessels that were engaged in operations in Iraq to launch an offensive against what it viewed as the illegal support of American war operations. DPJ leader Ichiro Ozawa used the issue to demonstrate that the Japanese government had violated the prohibition on acts of collective self-defense by providing logistical support to the American use of force:

Logistic[al] support, or the supply line, is the most important factor in determining the outcome of war. In this sense, it would be correct to argue that logistic[al] support is an integral part of the exercise of force. But today, we find that Japan is involved in refueling (that is,

providing logistic[al] support) U.S. and other forces in an operation that is not part of United Nations activities. . . . The Liberal Democratic government says that these actions pose no problem because providing logistic[al] support is not equivalent to the exercise of force, and there does not constitute participation in war. Even a child can see through this sophistry that is being used to justify the dispatch of our forces overseas. Surely it would be difficult to find a country anywhere in the world that is as irresponsible as our own.³⁸

Ozawa raises a valid point—it is difficult to understand the position of a country that is as powerful as Japan but that shrinks from supporting international peace and security to a degree commensurate with its resources. Indeed, it is not obviously worth the effort of mounting such high-visibility dispatches as the Indian Ocean and Iraq operations if the JSDF are unable to function as a real military without being undercut by politicians in Tokyo. In private conversations, senior Ministry of Defense officials admit as much.³⁹

Fortunately, the Yanai Commission has also addressed these issues, and it provides straightforward recommendations on how Japan may escape from this policy conundrum. It first addressed the restrictions on the use of force imposed upon JSDF personnel, under which they are prohibited from using force either in response to enemy attempts to obstruct their mission or in defense of coalition partners. The consequence is that when Japan participates in a peacekeeping-type operation, the JSDF “act in accordance with standards that are different from those applied to the units of other countries, though they are engaged in joint operations.”⁴⁰ The commission called upon the government of Japan to remove these barriers, which would permit Japanese troops to operate under rules of engagement in more equitable and effective security partnerships, avoiding the type of one-sided dependence seen in the Samawah dispatch.

The panel also addressed the question of the provision of Japanese logistical support to its partners in

international operations and the prohibition on providing logistical support that may be perceived as integral with the use of force by a coalition partner.⁴¹ The panel again found that such restrictions prevent Japan from functioning as a useful partner in international security operations, in which “the actual situations on the field can be ever-changing as it is not clear under what circumstances logistics support is deemed as an integrated use of force by other countries and what the criteria are for ‘combat areas’ and ‘non-combat areas.’”⁴² The commission recommended that Japan abolish this prohibition and carry a more equitable burden in its international partnerships.

This pair of modest recommendations would make a tremendous contribution to Japan’s security cooperation both with the United States and other security partners.

Japan as a Normal Ally

These paths for reforming the U.S.-Japanese alliance will allow it to address the critical requirements that it now faces: planning for crises, conducting combined operations to meet common threats, and contributing to international security operations. It is a testament to the strength of U.S.-Japanese ties that the alliance has survived for so long despite its shortfalls in these areas, but the relationship nonetheless faces growing threats that cannot long be ignored.

If the United States and Japan meet these challenges, the relationship will have made a fundamental shift toward functioning as a “normal alliance,” one in which the two partners are able to identify common objectives and organize their collaborative efforts to realize them.

Bringing the Alliance into a New Era: Recommendations and Conclusions

For nearly half a century, the U.S.-Japanese alliance has been integral to maintaining stability in the Asia-Pacific region. The alliance remains central to America's strategy in the region, and it continues to be the ultimate guarantor of Japan's security. Yet changes both in the Asia-Pacific strategic environment and in Japan's security posture provide new challenges and opportunities for the U.S.-Japanese partnership. In order for the alliance to respond to these new challenges and take advantage of its opportunities, the United States and Japan must reassert the primacy of the alliance.

The alliance is an outgrowth of the larger foreign policy and security goals of Japan and the United States, and it can only be upgraded or newly articulated if both Washington and Tokyo have clear foreign policy strategies. Unfortunately, Japan's international role in the twenty-first century remains undefined. Decades of a largely defensive approach to security and a focus on economic development, combined with a close adherence to U.S. policy, have left Japan punching far below its weight on Asian regional issues. Only with the end of the Cold War and the emergence of a new set of security challenges did Tokyo begin to make serious attempts to reorient its strategic policies and security posture, but that process, as discussed throughout this report, is far from over.

Since 1997, Japan has made significant reforms to its national security establishment and military. Compared to the failed response to the 1990–91 Gulf War, Japan's policymakers, especially under Junichiro Koizumi and Shinzo Abe, have moved with alacrity to contribute to international crisis response and to position Japan to play a larger role in maintaining regional security. Yet this is an ongoing process, one that is highly dependent both on

political leadership as well as on completing a successful reform of Tokyo's national security policy and strategy. Some of these reforms, as noted in chapters 2 and 3 of this report, are well underway, while others have been put on hold or narrowed in scope. It is undeniable, however, that a broad public debate about the nature of Japan's international interests, responsibilities, and capabilities is occurring there. Given this debate and what has been achieved so far, it will be difficult—indeed, unlikely—that Japan's leaders will be able to halt or reverse all the progress made in the past decade.

The reforms already underway and the prospect of further policy and institutional changes raise the question of how the U.S.-Japanese alliance will change in response. Should a comprehensive national security state emerge in Japan, would that make the country a “normal” ally of the United States? If so, what would that mean for alliance objectives? On the other hand, if Japan were to halt its reforms at the current stage, could the alliance still contemplate new approaches to regional security?

In order to remain relevant and to provide the best opportunity to ensure a peaceful and prosperous Asia-Pacific region, the alliance must embrace a new goal: active support for continued liberal development in Asia and the creation of an environment in which no Asian nation will seek to gain preponderant power vis-à-vis its neighbors. This will require a shift in alliance orientation and a willingness to use its combined resources to help shape a free future for Asia. Accordingly, Tokyo and Washington should plan for the gradual continuation of reform in Japan and discuss how to expand the scope of bilateral cooperation to achieve this goal. Embracing these goals will not be a simple task, but doing so is the most realistic response to the question

of why the alliance should continue to exist. Embarking on such an approach will require a comprehensive political and security dialogue, preferably one that also addresses nontraditional security concerns, such as economic, environmental, and development issues.

Next Steps for the Alliance

Even if alliance managers follow this path, they may continue to struggle to implement agreements dating back to the 1997 revised guidelines. As those reforms are carried out, however, it will be easier for Japan and the United States to contemplate the deeper changes suggested here. The requirements for the alliance—both to fulfill commitments already made and to upgrade its activities and capabilities—are not trivial. They will be fulfilled only with serious political discussion, ongoing consultation, and the commitment of significant human and financial resources. Japan's political culture must be changed from within, while America's long-term Asian goals must be clarified and geared toward an unapologetic support for liberal development.

Above all, both Washington and Tokyo must reaffirm that the alliance is the basis of East Asian security—indeed, the leading institution that supports the spread of liberty in Asia. A clear, forceful joint statement that describes the alliance's goals and how to achieve them will push the alliance toward a new era. Such a declaration may provide the broad roadmap for the alliance's next decades. This political agreement must be articulated by the highest levels of leadership and draw upon the support of the diplomatic and military establishments of both countries.

Once this political agreement is secured, the alliance must meet a number of crucial objectives in both the security and political spheres. This will take years to work out but should be the principal focus of the next U.S. administration's Japan policy. The following list is not exhaustive, but it includes some of the key issues to be addressed by Tokyo and Washington.

Shaping the Regional Security Environment

The security goals of the alliance must include Japanese and U.S. commitments to maintaining military superiority in the Asia-Pacific theater, a goal recently expressed by Admiral Timothy Keating, commander of Pacific Command.¹ Holding a clear strategic edge over any potential Asian competitor requires long-range planning, adequate budgeting for procurement, and ongoing research and development crucial to building technological supremacy. Both Japan and the United States must forthrightly acknowledge the growing strengths of China and North Korea, among other actors, and resolutely develop and deploy systems that deny them an edge in any conflict.

The underlying premise of this effort would be for the United States to reaffirm its commitment to provide forward deterrence for the defense of Japan. This is necessary to address the uncertainty created by North Korea's October 2006 nuclear test, and one that the government of Japan rightly seeks. Of course, for such a reaffirmation to be effective, it must be accompanied by an array of measures to enhance the credibility of the alliance.

Japanese Institutional Reform. Further centralization of national-level policy formation would be of inestimable value for Japanese policymakers. It would allow for more detailed, directed studies on various issues and policy proposals, regularize national security decision-making, and give greater force to the cabinet's security deliberations. A Japanese National Security Council would fill these requirements, particularly in having a permanent national security adviser, a dedicated secretariat, authority to request information from governmental ministries, and regular meetings. It would also continue developing the responsibilities of the Kantei, a process that began under Koizumi.

Following former defense minister Shigeru Ishiba's effort to consolidate the administrative structure of the Ministry of Defense (MOD), the ministry must continue to integrate civilian officials and uniformed officers throughout its staff. This step would include both the Internal Bureau and the Joint

Staff Office, thus breaking down the barriers among the vertically organized personnel systems of the three services and the civilian side of the ministry.

Missile Defense. The Japanese home islands, American bases and territory, and other allies are today vulnerable to a wide variety of missiles, both land and sea launched. As such, missile defense has been an alliance priority since the late 1990s, an effort validated by recent successes in U.S. and Japanese missile interceptions. Carrying forward this effort will involve even greater commitment.

The alliance goal should be a comprehensive sea- and land-based missile defense system, comprised of U.S. Navy, Maritime Self-Defense Force (JMSDF), U.S. Army, and Ground Self-Defense Force (JGSDF) operating systems. This will require significant investments, particularly on the part of the Japanese, in order to have adequate coverage of major population centers, industrial sites, and military bases.

Implementing these missile defense requirements require that Japan and the United States continue to build their antimissile capabilities. The U.S. Navy may require as many as ninety Aegis-equipped cruisers and destroyers globally, far above the projected eighteen.² Japan must likewise increase the number of Aegis-equipped *Kongo*-class destroyers it currently deploys. The two allies must also deploy additional PAC-3 missile batteries to provide point defense at crucial cities and military bases.

A central part of successful missile defense is the realization of a combined command and control system. This system can be achieved by building upon the bilateral joint operations coordination center that is already in place at Yokota Air Base but would be upgraded with target acquisition and fire control against targeted missiles. This organization is within the realm of technical feasibility, but it would require Japan to overcome its constitutional restrictions on collective self-defense.

In keeping with the recommendations of the Yanai Commission, Japan must lift the collective self-defense prohibitions against defending American naval and air forces with which it is exercising

antimissile operations and against intercepting missiles that are headed toward the United States. The alliance would not survive a failure in this area, which is becoming ever more important now that Japan has stood up its initial sea-based missile defense capabilities.

Air Defenses. The United States and Japan must build upon the steps they have already taken to develop their capacity for cooperation against maritime threats, including the advanced fighter aircraft that are being purchased by potential regional adversaries and the region's growing range of cruise missiles.

Alliance forces must upgrade and maintain the most advanced fifth-generation fighters in the region in order to offset threats from China. Japan should be allowed to purchase F-22A Raptors from the United States, along with the F-35 Joint Strike Fighter, in order to develop a high-low air capability mix. Joint training for long-range missions, including refueling, should also continue, as should general air combat training. The alliance must also develop the capacity to cooperate on defensive strike missions that will defeat such deadly offensive capabilities as adversary ballistic missile systems and other threats to the U.S. and Japanese homelands.

The ongoing effort to reform MOD procurement is a vital step in permitting Japan to purchase the F-22A and similar advanced aircraft, as it will lower the historic costs imposed by inefficient middlemen and efforts to build in unnecessary domestic content requirements. Such efforts must be complemented by lifting the ban on Japanese defense exports, which will permit Japan to build upon its strong defense-industrial capabilities without relying upon unnecessarily earmarked content in imported items.

Maritime Security. The ultimate goal for alliance planners should be total maritime domain awareness and the maintenance of clear maritime superiority for protecting the Japanese home islands, as well as for ensuring access at any regional point, securing vital trade routes, and providing needed help to other allies and partners in the region.

The United States and Japan must commit to strengthening their antisubmarine warfare capabilities, with complete knowledge of adversarial submarine fleets at any given moment, similar to the level enjoyed against the Soviet Union during the Cold War. To achieve this, Tokyo and Washington must modernize and expand their fleets of antisubmarine warfare aircraft, modernizing their outdated P-3Cs and procuring P-8 Poseidons as they come on line. In addition, jointly managed underwater listening nets along the East China Sea and, to the extent possible, the South China Sea should be expanded and upgraded.

The alliance should hone and deploy antipiracy and counterterrorism detachments and work with partners throughout the Asia-Pacific region and as distant as the east coast of Africa to deny rogue elements the ability to board and control merchant vessels. The Japanese and American coast guards can work with the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia, to which Japan is already a party, and provide crucial intelligence as well as training and resources.

Given the scope of alliance interest in maritime security, the JMSDF and U.S. Navy should consider joint patrols from Japanese territorial waters as far as the Indian Ocean, working with regional navies to promote information sharing, humanitarian operations training, and best practices on an ongoing basis.

Intelligence, Surveillance, and Reconnaissance (ISR). Regional domain awareness is essential to a common situational and operational picture. The United States and Japan need to increase satellite coverage of key areas in the Asia Pacific, including Chinese naval and rocket bases, North Korean military sites, contested islands, and crucial waterways. Electronic surveillance should also be increased, especially along mainland coastal areas. Sharing of information, including analytical output, should be increased commensurate with improving Japan's information security procedures. Joint professional education of intelligence analysts should also be considered.

In addition, attempts by the Kantei to integrate more fully the intragovernmental sharing of intelligence, rationalization of tasks and dissemination, development of budget processes, and enhancement of both analytical and operational capabilities of Japan's intelligence services would result in a strengthened Japanese ISR capability. This is crucial to furthering the development of common situational awareness and operational pictures between U.S. and Japanese forces, the elimination of redundant programs and activities, and the promotion of common intelligence objectives that can be jointly pursued.

The United States has long made greater intelligence sharing a goal in alliance transformation. Yet Washington has been frustrated by the looseness of Japan's secrecy laws and lack of a uniform classification of secrets and security clearances. A comprehensive overhaul of Japanese secrecy laws would engender confidence in Washington that Japan could be brought further into the pipeline of information sharing, on a par with allies such as Great Britain and Australia. It would also serve as an important part of Japan's national security policy processes.

A Normal Alliance

The United States and Japan must consolidate their experience in global security cooperation to be able to conduct an array of missions to respond to United Nations requirements, international terrorism, and humanitarian needs. Japan must adopt a general law for international security cooperation deployments, which would allow for the dispatch of the Japan Self-Defense Forces (JSDF) troops without ad hoc special measures laws. Reliance on special measures laws is a cumbersome approach that does not allow for the flexibility required to respond to various regional or global contingencies.

The adoption of a general deployment law would be bolstered by the strengthening of standing Diet committees charged with national security issues, and it could further support policy formation, expedite approval of JSDF missions, promote common political views on important issues with the United

States and other countries friendly to Japan, and bring about greater public awareness of Japan's regional and global policies and goals. Measures such as providing defense committee staff with security clearances and additional resources would streamline and better inform defense debates in Tokyo.

In keeping with the recommendations of the Yanai Commission, Japan must also lift its collective self-defense restrictions in the context of international security operations, permitting the JSDF to use force to protect coalition partners and against enemies who seek to disrupt their legally mandated mission, as well as to provide logistical support to coalition partners without restrictions.

Engaging Partners and Promoting Asian Liberalism

The ultimate goal of deploying a jointly capable military force is political: nurturing a stable and productive Asia-Pacific environment. The United States and Japan alone can neither guarantee regional stability nor have complete confidence in their ability to respond to aggressive behavior. The alliance's combined military capabilities are impressive, but it must work to augment them by steadily increasing the web of military relationships in the region. Due to China's diplomatic pressure and historical tensions between Japan and its neighbors, this will be one of the more difficult tasks of the alliance, but one that is crucial for its ultimate success.

One way to achieve that goal is by adjusting the hub-and-spoke alliance system toward a more multilateral arrangement among U.S. allies. Sustained efforts should be made to push trilateral discussions, coordination, and even planning among South Korea, Japan, and the United States. As these three countries face similar threats from North Korea and common challenges from China, and as they also share similar social, political, and economic features, a closer relationship among the three is natural, if not inevitable.

Of particular focus should be the enhancement of information sharing, ballistic missile defense

planning, and littoral maritime security around the Korean Peninsula. Confidence-building measures between Japan and South Korea should include the United States and can range from political dialogues to joint search-and-rescue exercises employing forces from all three countries.

Similarly, Japan and Australia already are part of the Trilateral Security Dialogue with the United States, and the potential for greater coordination of information sharing, maritime security issues (especially protecting sea lanes), counterterrorism, and humanitarian relief policies should be combined with discussion of future force posture and procurement to encourage the development of compatible systems among the allies.

Washington and Tokyo should work to strengthen links among all the democracies in the region, convening high-level and working-level meetings, grassroots gatherings, and intellectual exchanges all aimed at discussing common issues related to governance, economic reform, civil society promotion in the region, and greater cooperation among liberal states. Representatives of liberalizing states should be invited to such meetings so that they can benefit from U.S. and Japanese expertise on these issues. Particular attention should be paid to India, in a way designed not to raise expectations too high but that still aims consciously at bringing together the region's largest democracy with its oldest. In addition, the alliance should also push for greater participation in the Proliferation Security Initiative by allies and partners, stressing the common security imperative of preventing the spread of weapons of mass destruction.

Overcoming Political Obstacles

The recommendations enumerated above derive from our analysis of the likely regional situation in the coming years and the type of alliance necessary to maintain stability, ensure development, and protect U.S. and Japanese joint interests. Yet political conditions in both countries are in a period of flux, if not disarray. It is likely that political relations

between Japan and the United States will witness greater tension in the short term due to the withdrawal of Japanese forces from Iraq and possibly the Indian Ocean, as well as due to continuing difficulties in implementing all the agreements related to alliance transformation. Other regional tensions, primarily over differing approaches to the North Korea nuclear crisis, have hurt relations and increased mistrust between American and Japanese officials. The abrupt U.S. delisting of North Korea as a state sponsor of terrorism was particularly hard for Japanese officials to accept. Overall, weak leadership in Japan and distracted leadership in America can lead to miscommunication, lack of familiarity, and divergent political goals.

For these very reasons, both partners must redouble their commitment to the alliance. Small scale improvements should not come at the expense of large goals. Rhetorical support for the alliance is

important, but specific policy objectives that relate to shaping a positive East Asian future will give new meaning to the five-decade-old alliance. Resources will also be hard to come by, but the costs of not investing in the alliance's core capabilities will be far higher if America and Japan are unable to respond effectively to future challenges in Asia.

The U.S.-Japan alliance is unique in its longevity and as a symbol of the practical application of shared national values. Its objectives, however, must change as Asia changes, and it has the rare opportunity not only to transform itself for a new generation but also to contribute to the positive transformation of its environment. American and Japanese policymakers should think carefully about whether they are willing to bear the certain high costs of a failed or irrelevant alliance. Having done so, they should grasp the nettle and work together toward their shared vision of a free and dynamic Asia.

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About This Report

Research for this report was conducted in Washington, D.C., and Tokyo. We interviewed members of the National Diet and numerous current and former officials from Japan's Ministries of Defense and Foreign Affairs, as well as the Cabinet Office, think tanks, and universities. American scholars and officials from the Departments of State and Defense, the National Security Council, and the U.S. intelligence community also provided their insights. In addition, a distinguished group of outside reviewers gave us comments on a draft of this report. Jennifer Gregg and Catherine Hamilton provided crucial research assistance. We are grateful to everyone who helped us, and we accept full responsibility for any errors of fact or interpretation.